



Group Mission

We, the Asahi Kasei Group,
contribute to life and living
for people around the world.

Group Vision

Providing new value to society
by enabling “living in health and comfort”
and “harmony with the natural environment.”

Group Values

Sincerity
—Being sincere with everyone.

Challenge
—Boldly taking challenges, continuously seeking change.

Creativity
—Creating new value through unity and synergy.

Group Slogan

Creating for Tomorrow

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Editorial policy

For greater ease of understanding among our stakeholders regarding the Asahi Kasei Group's operating climate and overall business activities, the *Asahi Kasei Report* focuses on areas of particular interest such as our management strategy, financial and non-financial highlights, business conditions, and management configuration, as well as our efforts toward sustainability in society. Details of our financial performance and CSR activities are disclosed on our website.

Period under review

The period under review is fiscal 2019 (April 2019 to March 2020). Some qualitative information pertaining to April to September 2020 has also been included.

Organizational scope

The scope of the report is Asahi Kasei Corp. and its consolidated subsidiaries (in other cases, noted in the text). Asahi Kasei's three operating segments are Material, Homes, and Health Care. The titles and positions of corporate officers and other personnel as shown in this report are current as of October 2020.

Guidelines consulted

The GRI Standards, the standards of the Sustainability Accounting Standards Board, ISO 26000, and other guidelines were consulted during the preparation of this report.

Disclaimer

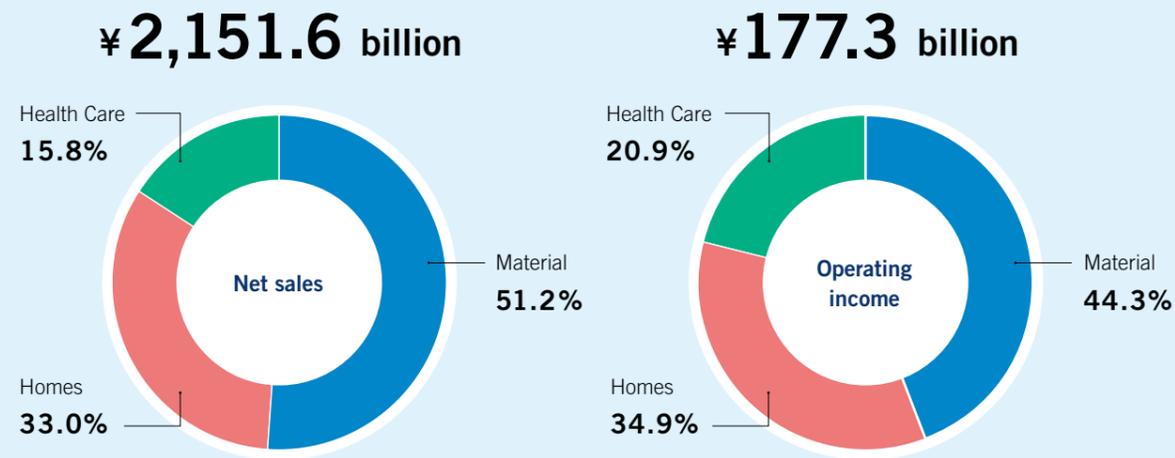
The forecasts and estimates shown in this report are dependent on a variety of assumptions and economic conditions. Plans and figures depicting the future do not imply a guarantee of actual outcome.

At a Glance

The Asahi Kasei Group operates in three business sectors: Material, Homes, and Health Care. April 2019 marked the start of a new three-year medium-term management initiative, “Cs+ for Tomorrow 2021,” which aims for sustainable growth of corporate value.

Fiscal 2019 Net Sales and Operating Income

Sales in fiscal 2019 were on a par with the previous year, the second highest ever, while operating income declined 15.4% from the previous year.



Note: Percentages shown exclude the “Others” category and “corporate expenses and eliminations”

Notable Facts (as of March 31, 2020)

Employees

40,689

Of which, overseas employees account for nearly 40%

Consolidated subsidiaries

211

Global bases

More than 20
countries and regions

Overseas sales ratio

40%

Credit rating*

AA

Japan Credit Rating Agency (JCR)

* As of June 12, 2020

Priority Fields for Provision of Value and Related Products



Material

Environment & Energy



Hipore™ and Celgard™ separators for lithium-ion batteries



Ion-exchange membrane chlor-alkali electrolysis process

Mobility



Engineering resin



Lamou™ artificial suede
Dinamica™ automotive interior material

Life Material



UVC LEDs



Household products



Homes

Home & Living



Hebel Haus™ unit homes
Hebel Maison™ apartment buildings



Hebel Village™ apartments for seniors



Health Care

Health Care



Pharmaceutical products



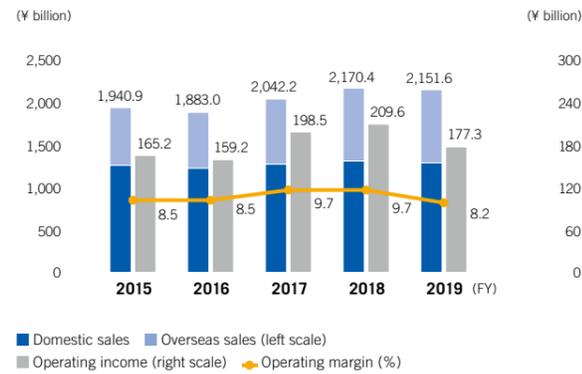
Planova™ virus removal filters



ZOLL AED Plus™ automated external defibrillator

Financial and Non-Financial Highlights

Net sales (domestic & overseas), operating income, operating margin



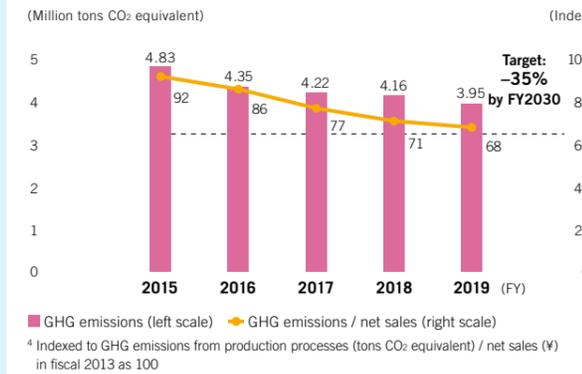
In fiscal 2019, sales were flat year-on-year while operating income declined. The positive impact of new consolidations due to M&A was offset by the impact of the global economic downturn in the Material sector. Overseas sales reached approximately 40% of total net sales in fiscal 2019 with expansion of overseas business, including through M&A.

EBITDA¹, depreciation and amortization, EBITDA margin



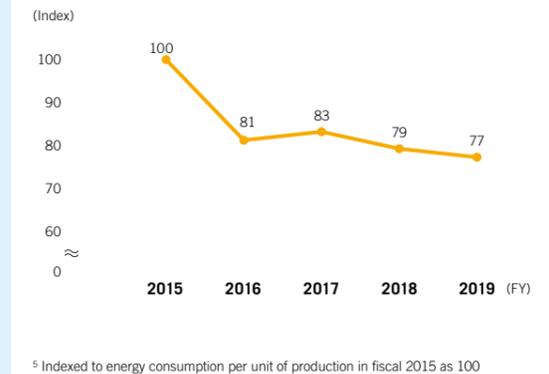
The amount of depreciation and amortization is increasing with proactive capital expenditures and M&A activity. EBITDA is regarded as a key performance indicator (KPI) signifying the generation of cash flow. The decrease in depreciation and amortization in fiscal 2018 resulted from a change in the method of depreciation of property, plant and equipment from the declining-balance method to the straight-line method.

Greenhouse gas (GHG) emissions / net sales⁴



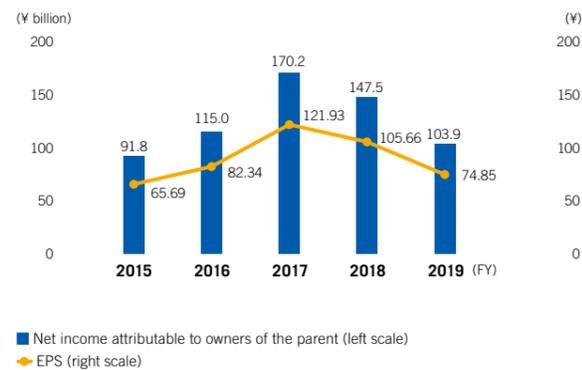
In the medium-term management initiative, we are targeting a 35% decrease in the index of GHG emissions to net sales from the fiscal 2013 level by fiscal 2030. Various efforts to further reduce emissions are being applied to achieve this target.

Energy intensity⁵



We promote energy conservation at every stage of our business activities to prevent global warming and conserve limited resources. Over the past five years, we have made steady improvements, lowering our energy consumption per unit of production by 1% annually on average.

Net income attributable to owners of the parent, EPS



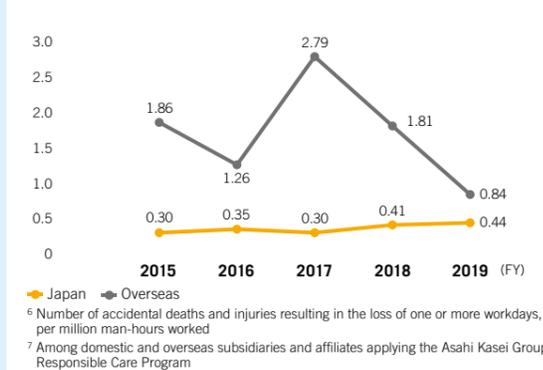
Net income in fiscal 2019 declined due to a decrease in operating income, impairment losses on noncurrent assets, and business structure improvement expenses. As a result, EPS also decreased.

ROE², ROIC³



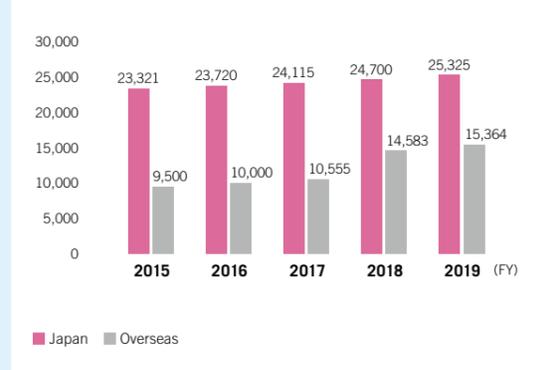
In fiscal 2019, ROE declined due to the decrease in net income. ROIC also declined due to an increase in invested capital associated with an increase in interest-bearing debt accompanying the acquisition of Veloxis Pharmaceuticals Inc. (hereinafter Veloxis) and the decrease in operating income.

Workplace injury frequency rate^{6,7}



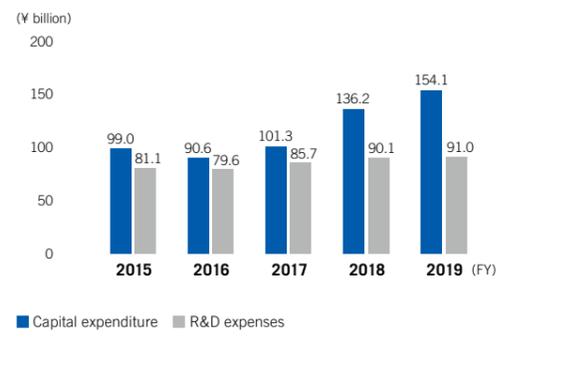
While the frequency rate of lost-workday injuries among overseas employees has improved significantly, this rate has deteriorated among employees in Japan. We are making improvements by applying measures to avoid recurrence based on analysis of the causes of injuries that have occurred, while implementing preventive measures based on risk assessments.

Number of employees



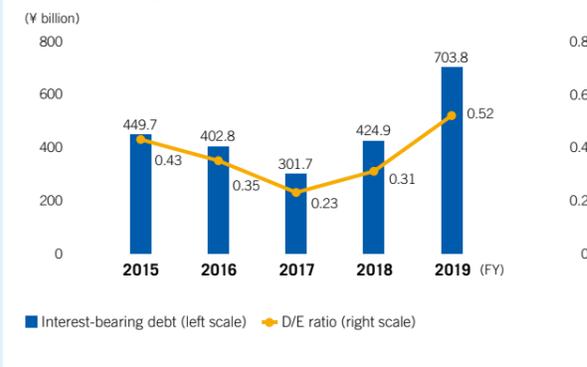
As the result of proactive business expansion including M&A, we now have over 40,000 employees, with overseas employees accounting for nearly 40% of the total. We have manufacturing, research, and sales sites in more than 20 countries and regions around the world.

Capital expenditure, R&D expenses



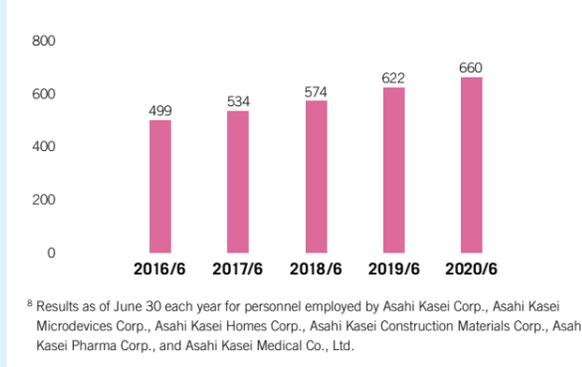
Proactive investments are focused on growth fields in each segment, such as capital expenditure to expand production capacity in Material, and R&D in Health Care.

Interest-bearing debt, D/E ratio



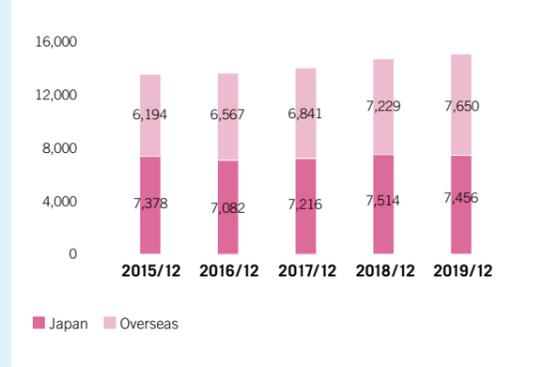
Although interest-bearing debt increased in fiscal 2019 to fund the acquisition of Veloxis, the D/E ratio at the end of the fiscal year remained around 0.5, in line with our target.

Number of women working as managers and supervisors⁸



Considering it essential for employees to play active roles regardless of gender, we foster an environment to support the advancement of women to positions in organizational management.

Number of patents



We are focused on building and maintaining an intellectual property network to secure competitive advantage. We evaluate whether to maintain or abandon our intellectual property every year, aiming to form an optimal intellectual property portfolio. As we expand our business globally, it is becoming increasingly important to obtain patents overseas.

Message from the President

Leveraging our “diversity” and “capability to change” in the new normal, we contribute to the sustainability of society and the sustainable growth of corporate value

Hideki Kobori
President

Contributing to sustainability with “Cs+ for Tomorrow 2021” medium-term management initiative

In fiscal 2019, we launched a new three-year medium-term management initiative, “Cs+ for Tomorrow 2021,” declaring the pursuit of sustainability as a management policy. The previous medium-term management initiative, “Cs for Tomorrow 2018,” focused on the “Cs” of “Connection,” “Communication,” “Challenge,” and “Compliance.” The new “Cs+ for Tomorrow 2021” adds the “Cs” of “Care for People” and “Care for Earth” to clarify our stance of contributing to “life and living for people around the world” and “the sustainable development of the earth.” We identified five priority fields for provision of value as Environment & Energy, Mobility, Life Material, Home & Living, and Health Care.

We believe that our strengths in providing value are “diversity” and “capability to change.” Since our founding, we have flexibly transformed our business portfolio by addressing changing social needs and providing solutions to society’s problems. The “diversity” and “capability to change” of our human resources, technologies, and business areas cultivated as a result are our defining characteristics, and our strengths. In an era of ever-more rapid change, we will continue to leverage our “diversity” and “capability to change” to provide value satisfying the needs of society. In addition, while building relationships of deep mutual trust with all of our stakeholders, we aim to realize “contribution to a sustainable society” and “sustainable growth of corporate value” through fair and transparent business undertakings.

Fiscal 2019: A year of actively promoting business while monitoring changes in the environment

In fiscal 2019, the first year of the medium-term management initiative, we made proactive efforts in all five of our priority fields for provision of value.

In the Environment & Energy, we emphasized expanding our capacity to supply lithium-ion battery separators to meet growing demand for a clean-energy society. We also promoted technological development in such areas as CO₂ chemistry technology for manufacturing chemical products from CO₂ amid increasing demand relating to the circular economy as well as plastic recycling. In the field of Mobility, steps to expand business included an agreement by our subsidiary Sage Automotive Interiors, Inc. to acquire the automotive fabrics business of Adient plc, a major automobile seat supplier, based on prospects that the interior spaces of vehicles will become increasingly important with the emergence of new trends such as CASE.* In Life Material, we reinforced our electronic materials and electronic devices businesses for information and communication equipment for 5G, where demand is rapidly increasing. In the Home & Living field, we worked to expand new businesses, including the overseas business, the medium-rise buildings business, and the homes for seniors business where

* Connected, Autonomous, Shared & Service, Electric

Message from the President

we aim to provide safe and secure living environments in an era when lifespans of 100 years are becoming common. In these areas, we are leveraging the strengths and know-how of the order-built homes business that we have cultivated in urban areas of Japan. In Health Care, we acquired new growth drivers to accelerate our transformation into “a global health care enterprise” able to contribute to life and living for people around the world. These include the acquisition of U.S. pharmaceutical company Veloxis Pharmaceuticals Inc. and the acquisition by our subsidiary ZOLL Medical Corporation of U.S. medical device manufacturer Cardiac Science Corporation.

To further leverage our key strengths of “diversity” and “capability to change,” we established Marketing & Innovation as a company-wide marketing organization to advance the creation of new businesses. In addition, we established the Sustainability Strategy Planning Department as an organization focused on promoting sustainability throughout the Group.

Turning to financial results, sales and income declined year on year, marking a tough first year of our three-year plan “Cs+ for Tomorrow 2021.” Until fiscal 2018, we benefited from a favorable business environment amid global economic expansion supported by simultaneous monetary easing around the world. From fiscal 2019, however, business conditions greatly changed against the backdrop of the trade dispute between the United States and China, as well as slowing growth in the automobile market. The Material segment, in particular, faced headwinds in the slowing Chinese and automobile markets, as well as falling prices of petrochemicals. That was compounded from the fourth quarter by deterioration in the global economy due to the spread of COVID-19. As a result, operating income in the segment declined year on year. In contrast, operating income in both the Homes and Health Care segments rose year on year. The Homes segment benefited from firm performance in real estate operations, while the Health Care segment was supported by expansion in the Critical Care business category.

Response to changes in the world due to the spread of COVID-19

The global upheaval caused by the spread of COVID-19 is bringing about dramatic and unprecedented change. As it is difficult to predict when the pandemic may subside and the outlook remains uncertain, the economic downturn may continue for some time as consumers hold down spending and companies curb investment. Unlike the global financial crisis of 2007–08, we are also starting to see not only economic recessions but also major change in the shape of disruptive and irreversible shifts in a wide range of areas ranging from people's values and ways of life, to politics and industrial structures.

In response we are placing the highest priority on the safety of customers, suppliers, and employees; working to minimize the impact on operations of customers and business partners; and doing our utmost to reduce the risk of infection. While carefully monitoring the infection situation in Japan and other countries, we are implementing preventive measures, including reducing the workplace attendance rates of employees through the use of telecommuting, thorough wearing of masks at workplaces,

and holding meetings with customers and business partners online instead of in person.

In addition, we are making every effort to maintain the uninterrupted provision of products and services that most directly relate to our Group Mission of contributing to life and living for people around the world. In particular, for products closely related to life such as ventilators, and other products that contribute to alleviating the impact of COVID-19 infections, we are focused on maintaining the supply chain and fulfilling our supply responsibilities.

We are also striving to maintain a sound financial base that can withstand an uncertain business environment in order to fortify foundations for business continuity. Specifically, we are maintaining sufficient cash on hand by optimizing inventory management, curbing cash outflows by keeping tight control over expenses and curtailing capital expenditure, and leveraging dynamic means of fund-raising.

Focused on contributing to people's lives and living, and solutions for social issues in the “new normal”

Though the business environment has changed dramatically with the spread of COVID-19, the importance of our longer-term aim to “contribute to the sustainability of society” and the “sustainable growth of corporate value” remains unchanged. We maintain the basic thinking of the medium-term management initiative “Cs+ for Tomorrow 2021,” and will continue to contribute to “life” and “living” of all people, including generations to come. We will tackle social challenges such as global environmental issues, population growth, the aging of society, and medical care in our five priority fields for the provision of value.

Throughout our endeavors, we will practice the three fundamental “actuals” of the actual place, actual thing, and actual fact, and thoroughly maintain “Compliance” as one of the key “Cs” through the global application of the Asahi Kasei Group Code of Conduct.

Our thinking on shareholder returns remains unchanged. The basic policy is to aim for stable dividends and dividend increases through the sustained generation of cash flow by providing value to the world, while maintaining a balance between investments for growth and the financial position.

We have also come to appreciate more than before how the physical and mental well-being of our employees is the ultimate source of our ability to contribute to society and create corporate value. More than anything else, we need our employees to stay healthy and actively engaged in their work.

While we have long recognized employee health as one of the key pillars of Responsible Care, and implemented various health promotion measures, beginning in fiscal 2020 we are giving this a higher degree of management attention and established a Corporate Health Care Promotion Center to position health-related initiatives as an important focus throughout the company. We believe that further promoting management for health will lead to greater engagement and growth of each employee, as well as higher productivity.

Taking the initiative with the “Cs” in a fast-changing environment

We are proactively embracing internal changes in response to the changing business environment. First, regarding business itself. New needs are emerging in quick succession in the “new normal,” and we must reshape our business models to provide products and services that meet those needs. Though we are primarily a manufacturer, we expect the barriers between manufacturing and services to come down to a great extent in the future. We aim to provide value in new ways with solutions that draw together various products and services from inside and outside the company.

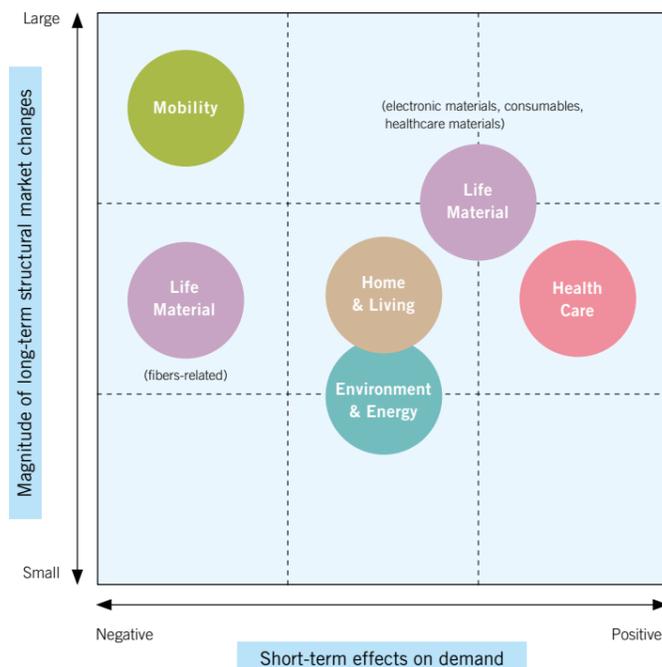
This fast-changing world presents opportunities for us to make the most of the “diversity” and “capability to change” that we have cultivated. We must create new value faster, more efficiently, and more effectively, by “connecting” our diverse human resources, technologies, and marketing channels to stimulate the lively exchange of ideas and expertise. To that end, we are carefully assessing the business environment in the “new normal” and working to transform our business portfolio from a medium- to long-term perspective. As one measure, twice a year we evaluate each business based on criteria such as profitability, growth potential, value provided to society and customers, and contribution to sustainability. Optimization of the business portfolio is advanced based on the results of those evaluations.

Another way we are embracing change is in how we approach the key “Cs” of Communication and Challenge. While we are not changing our “Cs” of focus, Communication and Challenge are given higher priority in the “new normal.”

With “Communication,” we are pursuing measures to foster an environment encouraging mutual understanding among employees, and also between employees and the company, even without the presumption of face-to-face interaction. At the same time, we are working on measures to improve employee work engagement. For example, while continuing to offer a variety of career paths such as through the Group Masters program, we are providing support to employees so that they can consider and achieve their own career plans in the “new normal.” In terms of management, we remind managers of their own responsibilities to see that human resource “assets” entrusted to them by society are being used appropriately—that is, in a way in which the employees are able to play active roles. We are also considering management styles premised on working environments being different than before, such as working from home. In order to improve motivation, we are also working to create a supportive working environment and promoting initiatives that raise awareness among employees themselves of just how each business contributes to “life” and “living” for people around the world.

With “Challenge,” we are actively moving forward with digital transformation (DX) that enables business transformation under the “new normal,” and are strengthening the business platform by

View of COVID-19 impacts



Short-term effects on demand

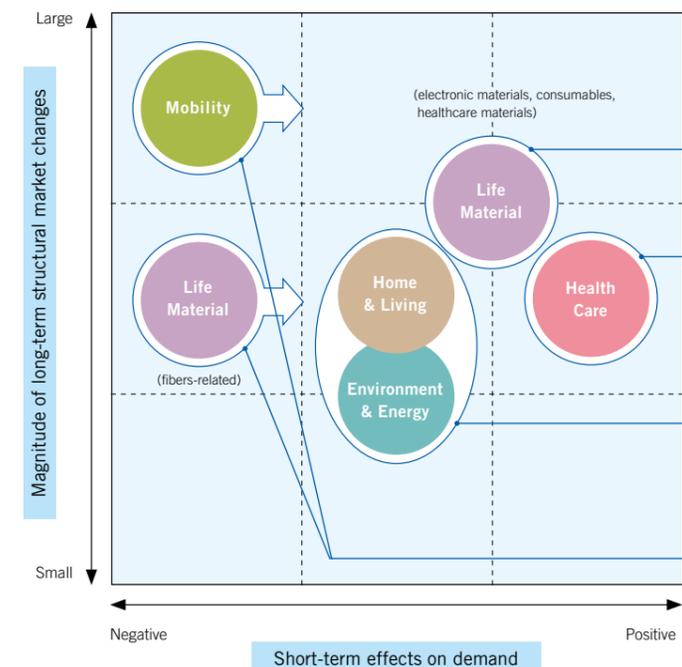
- Stability or growth: Health Care, Life Material (electronic materials, consumables, healthcare materials)
- Careful observation: Home & Living, Environment & Energy
- Decline or obscurity: Mobility, Life Material (apparel fibers)

Long-term structural market changes

- Product/service needs arising from new lifestyles (accelerated progress of CASE, 5G, smart houses, etc.; spread of new styles of living and working)
- Rising or changing needs related to life (critical care, hygiene materials, etc.)



Response to COVID-19 impacts



Response measures

- While carefully observing short-term effects, providing innovative materials and solutions for new needs arising from advance of 5G, awareness for hygiene, and changing lifestyles
- Management resources further concentrated on Health Care, growing as 3rd major pillar through advancement in North America and further cultivation of critical care
- Maintaining and advancing medium-term growth strategy while reducing the impact through productivity improvements
 - Home & Living: Leveraging know-how gained in urban markets to contribute to quality social infrastructure and living fulfillment
 - Environment & Energy: Contributing to harmony with the environment through diverse technologies
- Structural changes such as acceleration of CASE and heightened needs for hygiene materials taken as opportunities to seek medium-term profit growth
 - Accelerating transformation of portfolio to high value-added products
 - Reinforcing marketing to key customers

Message from the President

leveraging “diversity.” We can utilize DX in a wide range of activities including R&D, production, quality control, plant maintenance, marketing, business strategy, and new business creation. We will accelerate DX by fostering people with digital skills and providing places and spaces to promote relevant measures, while gaining fresh perspectives.

Corporate governance to leverage “diversity” and “capability to change”

With our corporate governance structure, we have put in place a system to provide appropriate oversight and advice, paying careful attention to the proportion of Independent Outside Directors and Corporate Auditors as we make the most of our “diversity” and “capability to change.” In a fast-evolving business environment, we will continue to review corporate governance as a mechanism for making optimal decisions transparently, fairly, promptly, and boldly.

At Board of Directors meetings in fiscal 2019, we discussed the improvement of corporate value while incorporating the perspectives of a wide range of stakeholders in a timely manner. This included the sharing of a broad range of information on the substance of communications with investors and shareholders, and on the promotion of sustainability. After the Japanese government declared a state of emergency due to the spread of COVID-19, the Board of Directors operated remotely to ensure ample communication among Directors. Unlike previously, it has become more difficult for Outside Directors and Corporate Auditors to deepen their understanding of our businesses through in-person visits to our various sites. We are looking to devise ways around this by such means as providing online presentations and information from the sites.

In closing—our commitment to transformation

The business environment will be challenging in fiscal 2020 due to the spread of COVID-19, but this can also be seen as an opportunity for innovation throughout society as a whole. We are determined to leverage our “diversity” and “capability to change” in order to evolve our business portfolio and business models, ensuring that we continue to provide value to society. We are discerning between what we should maintain steadfastly and what we need to transform boldly in response to changes in the environment. The Asahi Kasei Group is pressing ahead as a unified team to contribute to the sustainability of society and the sustainable growth of our corporate value.



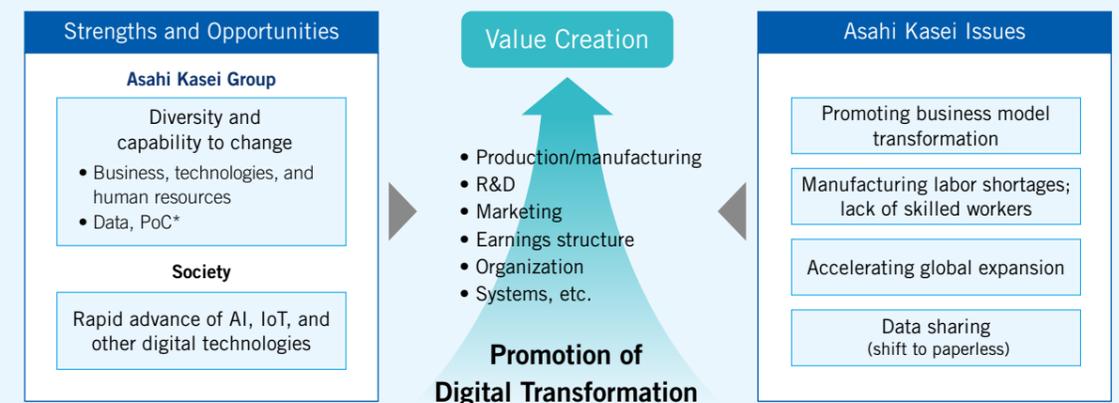
Hideki Kobori
President



In Focus

Asahi Kasei's Digital Transformation (DX) Initiatives

The Asahi Kasei Group is promoting DX that advances efforts to contribute to the sustainability of society and the sustainable growth of corporate value. As the business environment continues to change rapidly, we must take measures that go beyond what we have done before, including for transferring technology at manufacturing sites, accelerating global expansion, and promoting business model transformation. Applying data generated from our diverse businesses, technologies, and human resources—the Asahi Kasei Group's key strengths—we are employing digitalization at various stages in the value chain, such as R&D and business strategy, as we endeavor to accelerate our business model transformation.



* PoC: Proof of Concept

MI* to innovate means
of development



AI for automatic
image inspection



Enhancing plant
diagnostic technology



Formulating business
strategy with IP information



* MI: Materials Informatics

Example of using IP information for formulation of business strategy

- Together with Sage, acquired in 2018, high-level analysis of industry and competitors' IP
- Results being used in search for new fields to develop by combining technologies of Sage and Asahi Kasei
- ▶ Launched joint development project for new business

Strengthening capabilities for digital transformation

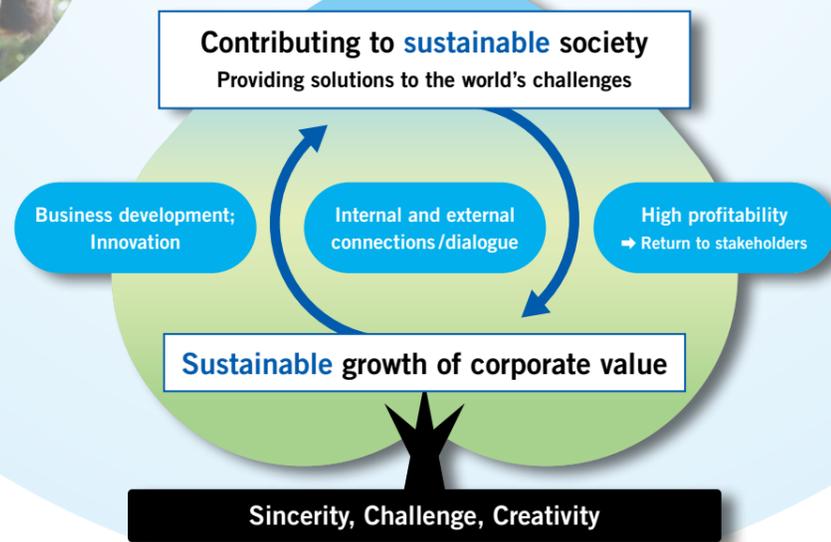
- Increasing digital professional personnel to 150 by end of fiscal 2021
- Establishing open innovation site for digital engineers (scheduled for end of fiscal 2020)



Sustainability

Care for People, Care for Earth

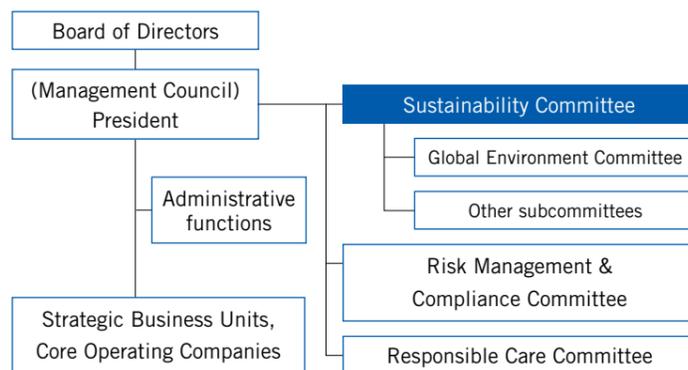
Viewing opportunities and risks from an ESG standpoint, we strive to provide solutions for issues such as the SDGs, and contribute to life and living for people around the world.



By making valuable contributions to a sustainable society, we enhance the corporate value of the Asahi Kasei Group, which drives our ability to make further contributions. We will continue to focus on the sustainability of society and the sustainable growth of corporate value as two mutually reinforcing aspects of sustainability.

The Asahi Kasei commitment to contribute to sustainable development for people and for the earth is expressed as “Care for People, Care for Earth.”

Framework for Promoting Sustainability

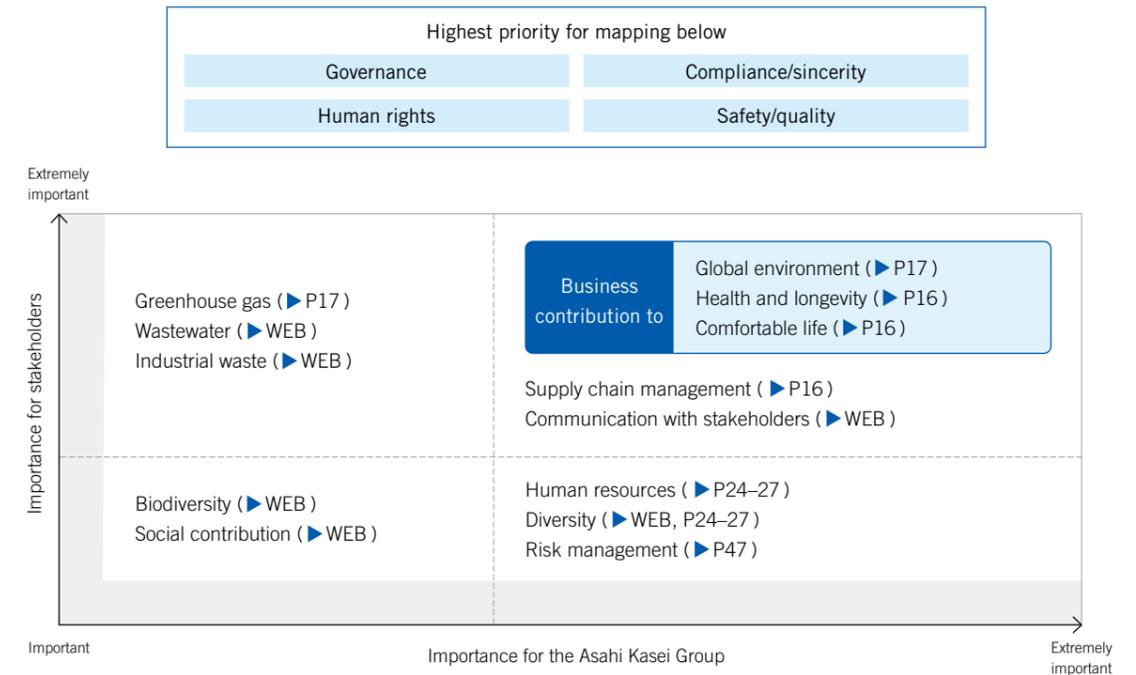


The Sustainability Committee, chaired by the Asahi Kasei President, deliberates on ESG issues as a focus of management. It coordinates with the Risk Management & Compliance Committee and the Responsible Care Committee to discuss policy and to share information related to sustainability.

Materiality of the Asahi Kasei Group

Based on analysis of ISO 26000, GRI standards, the SDGs, and ESG issues, we identify areas that are most material both for the Asahi Kasei Group and for our stakeholders.

The main areas of activity related to materiality are shown below.



Governance	Asahi Kasei is constantly pursuing an optimal state of corporate governance. (▶ P40–41)
Compliance/sincerity	While strictly following laws, regulations, and internal rules, Asahi Kasei strives to practice a high level of corporate ethics while engaging in various business activities in good faith. All executives and employees of the Asahi Kasei Group adhere to the Asahi Kasei Group Code of Conduct and undergo thorough training in their departments, including case study sessions in fiscal 2019.
Human rights	Asahi Kasei has endorsed and signed the United Nations Global Compact. We take appropriate measures to monitor and protect human rights in our operations, based on the basic principles of human rights defined in the United Nations Global Compact.
Safety/quality	<p>Operational Safety; Workplace Safety and Hygiene</p> <p>Through our Responsible Care program, we aim to achieve zero severe industrial accidents and zero occupational injuries. We provide employees with education and training, perform risk assessments during construction in order to ensure safe and stable plant operation, and repeatedly review existing processes.</p> <p>Quality Assurance</p> <p>Asahi Kasei focuses on activities to improve quality in order to continue providing reliable quality to our customers. In fiscal 2019, we strengthened the quality assurance system, augmented employee training to develop human resources for managing and ensuring quality, performed on-site quality audits, and conducted verification and inspection activities.</p>



Care for People

Since our founding with a vision of improving people's standard of living, Asahi Kasei has consistently contributed to life and living for people around the world. Our Group Vision includes providing new value to society by enabling "living in health and comfort." In addition to contributing to society through our products, we consider all stakeholders, including those throughout our supply chains.

Contribution to Health and Longevity

Contribution to Secure and Comfortable Life

We contribute to people's health through our businesses in the Health Care sector, including pharmaceuticals and medical devices. Centered on Hebel Haus™ unit homes, we contribute to people's living through our businesses in the Homes sector. In the Material sector, we contribute to people's life and living through our businesses related to health, comfort, safety, and convenience.

We advance "Care for People" in our businesses by leveraging our diverse technologies and management resources.



Ventilator



Hebel Haus™



Hygiene material

Ensuring a Sound Supply Chain

To improve the sustainability of our supply chain, we engage in CSR procurement with suppliers. As a part of these efforts, we ask our main suppliers to answer the CSR Procurement Survey every year in order to get a better understanding of their CSR initiatives. In turn, this information helps us avoid environmental and social risks in the supply chain, while improving the level of CSR.

Management for Health

Considering the health of our employees and their families to be an important priority, we engage in management for health to underpin the vitality and growth of our human resources, enhance motivation for work, and foster a strong organizational culture of ambition.

- Issuance of Statement on Management for Health
- Assignment of Executive Officer with responsibility regarding Management for Health
- Establishment of Corporate Health Care Promotion Center

(April 2020)



Care for Earth

A sound global environment is the basis for people's life and living. Issues such as global warming, environmental pollution, and other environmental burdens must be proactively addressed. Through our products and services, we aim to contribute to the global environment, and endeavor to reduce the environmental footprint of our business activities by preventing pollution and protecting biodiversity.

Business Contribution to the Global Environment

Asahi Kasei designates Environmental Contribution Products that contribute greatly to the environment over the entire life cycle, such as by reducing greenhouse gas (GHG) emissions. The degree of their contribution is objectively verified by a third party. We contribute to the reduction of GHG emissions in society as a whole by developing Environmental Contribution Products.

Products certified in fiscal 2019



• Hipore™ and Celgard™ separators for lithium-ion batteries

These separators are used in the batteries of electric and hybrid vehicles, which emit less CO₂ than gasoline engine vehicles.



• Xyron™ lightweighting resin

Xyron™ contributes to weight reduction and reduced fuel consumption of automobiles by replacing metal in electric vehicle battery packs and modules, as well as structural components.



• Membrane process chlor-alkali electrolysis

This environment-friendly production method for caustic soda does not use hazardous substances, such as mercury or asbestos, and consumes less electricity.

• S-SBR for fuel-efficient tires

S-SBR is a kind of synthetic rubber used for tire tread. Our S-SBR contributes to increased fuel efficiency of automobiles by enhancing the rolling performance of tires, while maintaining high braking performance.

• Hebel Haus™ unit homes and Hebel Maison™ apartment buildings

These contracted homes realize environment-friendly lives utilizing long-term durability, renewable energy, high-performance insulation, and energy conservation.

• Acrylonitrile production process

In this environment-friendly production process for acrylonitrile, CO₂ emissions and raw material requirements are reduced.

Reducing GHG Emissions

In addition to developing the aforementioned Environmental Contribution Products, we are developing technologies with an eye on the future of a carbon-neutral society. For example, we have developed electrolysis technology for producing hydrogen from renewable energy, and are developing new technology for producing chemicals with CO₂ as a raw material.

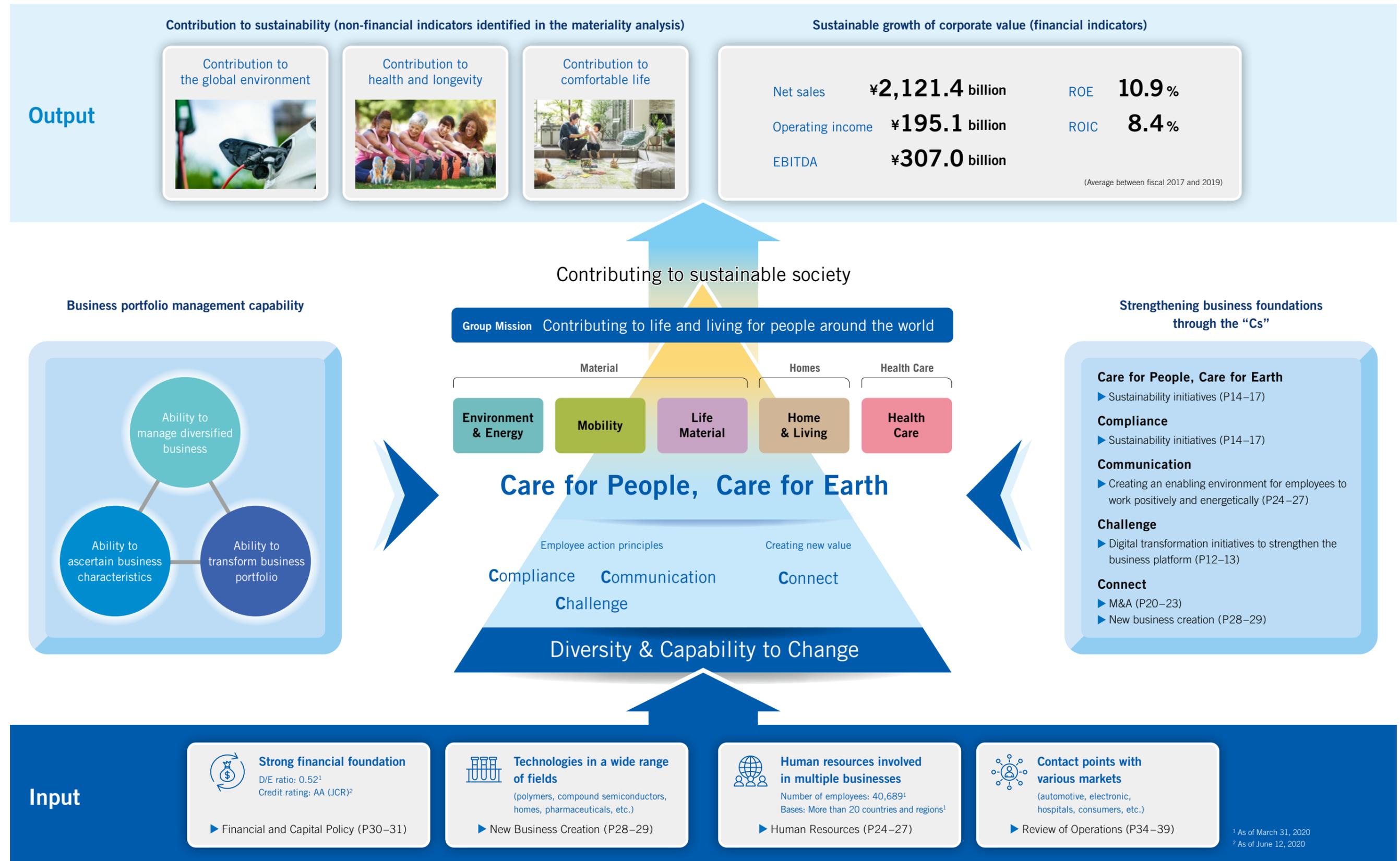
To reduce GHG emissions from business activities, we have started to modify power plants to enable conversion of fuel from coal to LNG and are renewing our hydroelectric power plants.

(Reduction targets: Non-financial highlights ▶ P5, TCFD ▶ P48-49)

Circular Economy

At the G20 Meeting in 2019, the Osaka Blue Ocean Vision was unveiled to bring the world together and tackle the problem of plastic waste in the ocean. Asahi Kasei is working with Kyushu University to clarify how microplastics are formed in the ocean, and we participate in industrial group activities to educate on the correct use and disposal of plastics. We advocate the 3Rs (reduce, reuse, recycle) as an important way of effectively utilizing used plastic as a resource.

Value Creation Model



Value Creation at Work

Becoming a Global Health Care Enterprise

We ask the co-leaders of the Health Care business sector about growth strategies utilizing M&A.



Richard A. Packer

Executive Officer for Health Care business sector (joint)
Primary Executive Officer, Asahi Kasei Corp.
Chairman & Board Director, ZOLL Medical Corporation

Shuichi Sakamoto

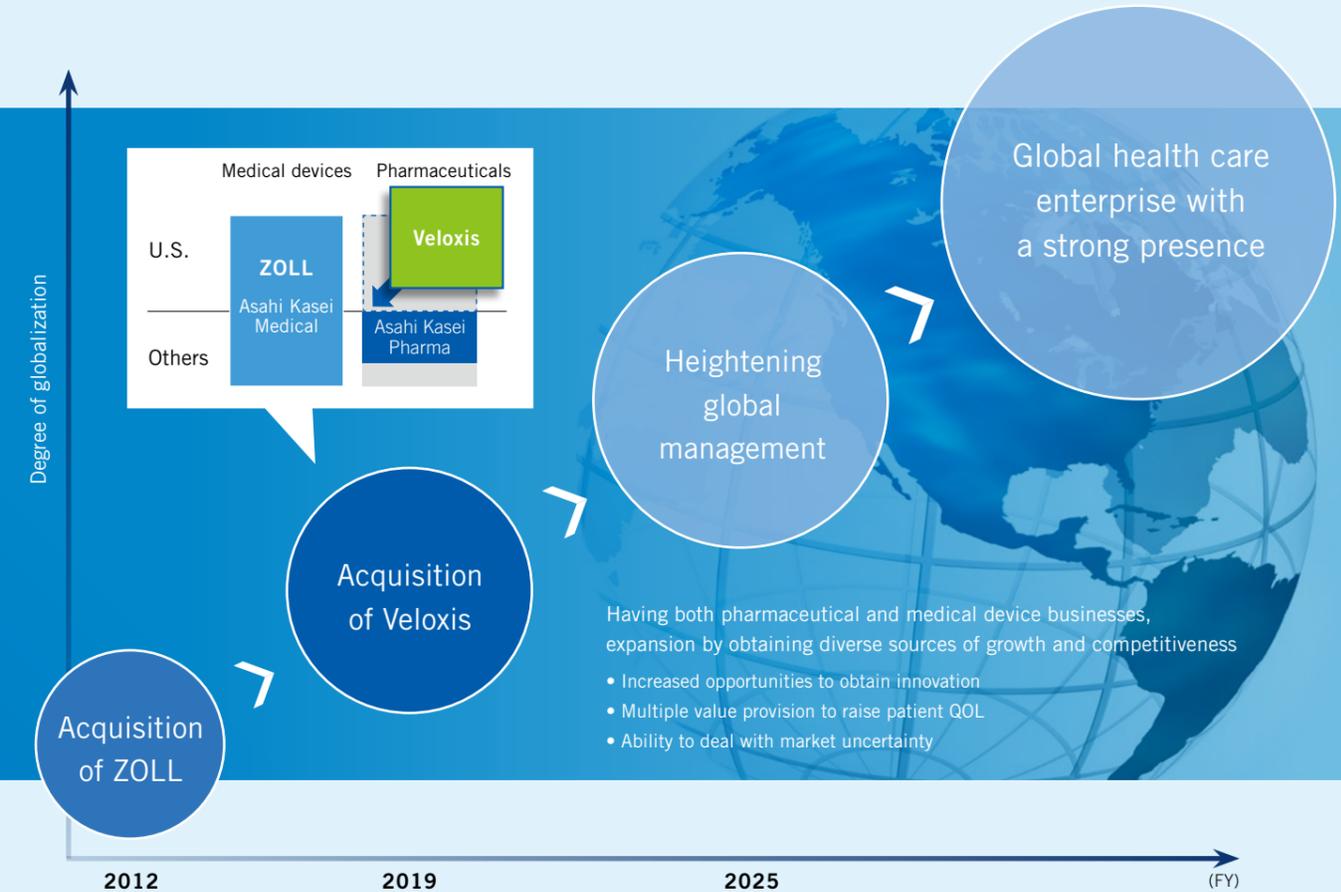
Executive Officer for Health Care business sector (joint)
Director, Primary Executive Officer, Asahi Kasei Corp.
Chairman & Director, Asahi Kasei Pharma Corp.
Chairman & Director, Asahi Kasei Medical Co., Ltd.
Board Director, ZOLL Medical Corporation

Q: ZOLL Medical Corporation became part of the Asahi Kasei Group in fiscal 2012, and has since achieved remarkable growth. What has been the driver?

Packer: Let me explain as the former CEO of ZOLL. ZOLL's products are typically unique, but the biggest driving force has been that the corporate visions and core values of Asahi Kasei and ZOLL are very much the same. After becoming a member of the Asahi Kasei Group, ZOLL was able to develop the business with the same management team as previously while utilizing the large resources of Asahi Kasei and the support from its management team. I believe this is because the two companies share the fundamental belief in providing value to society and customers through innovation and innovative products. The same is true of human resources. The people

of both companies are passionate about their mission, and both companies value such people very highly. While we understand that we need to grow, be profitable, and generate returns for our shareholders, we also understand that we need to care for our employees as key stakeholders. We focus on offering our people good opportunities.

Sakamoto: In addition, I think that the leadership of Mr. Packer at the time of the acquisition, and later of current CEO Jon Rennert, has been a major driving force for ZOLL's growth. Moreover, senior management at Asahi Kasei set ZOLL very challenging targets for growth. That those expectations were shared by ZOLL itself is what underpinned strong motivation to achieve the exacting goals for growth at ZOLL. Since 2018, Mr. Packer and I have been co-leaders in managing the



Health Care business sector, including ZOLL. In management and leadership, we always aim for best practices in this co-leadership system. We are both responsible for the whole global business rather than dividing responsibilities by region between us, and we always try to think, speak, and act from the perspective of responsibility for the entire Health Care business sector.

Q: In fiscal 2019, Asahi Kasei acquired Veloxis, a U.S. pharmaceutical company. What was the significance of the acquisition for both the Asahi Kasei Group and Veloxis?

Sakamoto: First, from the perspective of the Asahi Kasei Group as a whole, the acquisition allowed us to reach more people with our Group Mission of contributing to life and living for people around the world. Currently, the Asahi Kasei Group's pharmaceutical business has annual sales of ¥60–70 billion. With the acquisition of Veloxis, we can now draw up a business plan aiming for ¥150 billion in 2025 and ¥200 billion

in 2030. This scale enables the pharmaceutical business to earn its own resources to pursue further growth.

From an operational perspective, having a pharmaceutical business platform in the U.S. brings us large opportunities in three ways. First, it allows us to strengthen the new drug pipeline by bringing in drugs developed by other companies. We have been working on in-licensing products, but the addition of Veloxis opens the door to accelerating the in-licensing of products from all over the world. Second, it strengthens our development capabilities with our own pharmaceuticals. Until now, the clinical development of pharmaceuticals by Asahi Kasei had to be centered on Japan. With the acquisition of Veloxis, however, we can broaden our scope to the U.S. Third, we have gained opportunities for business development in the U.S. organ transplant-related market, which is expected to grow. We can now leverage the knowledge and networks Veloxis has in the area of organ transplantation.

Packer: Veloxis has a very strong management team, and that team has now moved to Asahi Kasei looking for further growth

Being part of the Asahi Kasei Group enables both ZOLL and Veloxis to take challenges for growth opportunities more proactively than before.

opportunities in the organ transplant field in addition to its flagship product, Envarsus XR™ immunosuppressive drug for kidney transplant patients. Becoming a member of the Asahi Kasei Group opens up possibilities to actively seize growth opportunities with the backing of Asahi Kasei's management team and resources.

Sakamoto: In the process of acquiring Veloxis, we repeatedly emphasized that Asahi Kasei would support the growth that Veloxis was aiming for. As a result, Veloxis came to understand that Asahi Kasei intended to help Veloxis and Asahi Kasei Pharma grow together as an aligned organization. At that point, I think the example of ZOLL won over Veloxis' management team. Mr. Packer himself shared his goals after becoming a member of the Asahi Kasei Group, and explained how the business had grown. This gave Veloxis a firm sense of security and conviction, which underpinned their decision to go ahead.

Q: What did you see as most important with Veloxis as an acquisition target? What is your thinking on the Asahi Kasei Group's M&A?

Packer: We placed the highest priority on the people, centering on the management team. Of course, in order to have an acquisition that provides a return, it has to have a good business and good products. However, it takes more than having good products and technologies for a company to be attractive. In pharma M&A activity, we generated a priority



list about four years ago. We looked at dozens of pharmaceutical companies, many of which had great products and great business prospects. But it was hard to find a company with a management team, corporate culture, and the people that really made us want to add that company to the Asahi Kasei Group. It was only through extensive searching that we found Veloxis, which had all the things we were looking for.

Sakamoto: It was important for us to recognize our own assets and strengths. Over the four years, we made many studies and took on various M&A challenges. In the process, we repeatedly discussed what our assets and strengths were, and where the opportunities for growth lay. We came to the conclusion that we were strong in the immunology area. We had the technological know-how and a business track record. And we have good human resources in this area. Identifying the field of immunology as our target, we set about searching for M&A opportunities. After learning about Veloxis, we came to a decision on the acquisition in a relatively short period of time.

Packer: I am often faced with the question from within Asahi Kasei about why we do M&A at all. Asahi Kasei has a 100-year history of growing primarily through internal innovation and building new businesses from scratch by outstanding and hardworking people. However, this growth process takes a long time. Today's global markets move faster than ever before. You need to be really fast to market, which is very difficult by internal innovation alone. Of course it's important for existing businesses to grow through organic and internal innovation. But if you want to extend into unfamiliar territory, when you try to do that from scratch, through internal innovation, in the pharmaceutical business, it will be very risky and a very long-term process. It's much better to go and find experts who have already spent years on it, and get them to join together with us. So I think M&A is a very important way for the Asahi Kasei Group as a whole to grow.

Sakamoto: It is important for us to put ourselves close to innovations. In the past, most innovation emerged from

large organizations. But these days, innovation tends to occur in startups and small companies. We need to connect ourselves to where innovation is taking place, through M&A or small investments.

Q: In the acquisition of Veloxis, how do you think Asahi Kasei's strength in connecting diverse human resources proved its worth?

Sakamoto: In the process of the acquisition, connections were built among diverse people, and the whole team worked well together. To search for targets, we established a joint Japan-U.S. Asahi Kasei Healthcare Business Development team. There was a physical distance, but, for several years, we were always in close and frequent communication, and there was no psychological distance. The team managed to find its way to Veloxis by leveraging various networks in Japan and the U.S.

After we set our sights on Veloxis, the American members of Asahi Kasei's health care team and the ZOLL team members, who were familiar with the U.S. system, connected very effectively with our legal and financial experts in Japan. Everyone exchanged opinions based on their expertise and knowledge, working together as one team, which is what brought the acquisition to a successful conclusion.

Packer: Moving forward, I believe Asahi Kasei Pharma and Veloxis will gain a great deal from one another by connecting diverse human resources. For example, Asahi Kasei Pharma has a very good drug in-licensing team, and is working with Veloxis members to consider bringing in drugs in the Veloxis business domain. Meanwhile, the Veloxis team is providing leadership to help execute clinical trials in the U.S. in Asahi Kasei Pharma's growth fields. Even though we've been

hampered by COVID-19, it's clear to me that Veloxis is settling in as a member of the Asahi Kasei Group very quickly.

Q: Finally, what is your outlook for the Health Care business sector?

Packer: We are accelerating our transformation into a global health care enterprise having both a strong pharmaceutical business and a strong medical technology business. The acquisition of Veloxis is the latest of several key moves toward achieving this vision. We are proactively seeking further growth opportunities in both the pharmaceutical and medical device businesses.

Sakamoto: The spread of COVID-19 has made us realize once again just how important health care is for the people of the world. It has also highlighted the significance of the health care business in the Asahi Kasei Group. Mr. Packer and I are determined in our leadership roles to realize our Group Mission of contributing to life and living for people around the world.



It's important to be close to where innovation is happening. That means staying connected with innovation through M&A and small investments in startups.

Human Resources

People Are Our Core Asset; Everything Starts with People

Creating an environment in which diverse human resources can play active roles in the “new normal,” while working to strengthen management’s ability to reinforce work engagement



Soichiro Hashizume

Senior Executive Officer
Executive Officer for HR

The Asahi Kasei Group’s medium-term management initiative “Cs+ for Tomorrow 2021” aims to contribute both to “a sustainable society” and to “sustainable growth of corporate value.” The impetus behind this effort is twofold: “diversity” and “capability to change.” It is only through the growth and active engagement of our diverse human resources around the world that we truly demonstrate our capability to change. Based on the principles that “people are our core assets” and that “everything starts with people,” the essential idea is to link employee work satisfaction and growth with the vitality and growth of the Asahi Kasei Group. That is the core of our human resources strategy.

The environment surrounding human resources is changing day by day. In particular, the spread of COVID-19 has greatly changed the way of working and lifestyles in such areas as teleworking and meetings held remotely. In this “new normal,” we need to create an environment in which diverse human resources can play active roles. We also need to establish management styles suitable for the “new normal.” We are already working to develop an IT environment that facilitates working remotely, and we are drawing up work rules to enable more flexible work styles. We are also working on new management styles to better visualize the work engagement of employees under remote working environments through periodic evaluation, while reviewing various personnel management systems.

For the Asahi Kasei Group to continue to create value in the midst of global competition, we must nurture both human resources with high-level specialist expertise and the managers who can make the most of their abilities. To this end, we are strengthening management training and offering a varied array of career paths such as through our Group Masters program.

Recognizing that our global business expansion requires managers who are familiar with both the global business environment and with local business conditions, we will continue to promote the hiring, training, and promotion of local personnel, and to strengthen local management at each location around the world.

We are also fostering the development of next-generation senior executives while building the human resource foundations to support the Asahi Kasei Group’s commitment to “contributing to a sustainable society” and “sustainable growth of corporate value.” In this endeavor, we are encouraging the next generation of management leaders to pursue their own initiatives to grow through education and training while providing programs to strengthen their leadership and teamwork effectiveness.



Voices of Our Employees



Elke Kederer

Senior Product Manager
Cologne Technical Center
Asahi Kasei Bioprocess Europe

Striving to expand our global business, driven by our desire to contribute to people’s lives

For some 30 years, Elke Kederer has been providing technical support to customers and promoting business development related to Planova™ virus removal filters, which are used during the manufacturing process of biotherapeutics such as plasma derivatives and biopharmaceuticals. Ms. Kederer’s extraordinary contribution to the launch of products in Europe and other markets and to building the foundations of the current bioprocess business was recognized in 2013 with an Asahi Kasei Medical President’s Award. Amid the spread of COVID-19, she feels proud to support the development of therapeutic products through the supply of Planova™ filters.

Ms. Kederer identifies the strengths of the Asahi Kasei Group as “taking good care of people” in addition to “a focus on quality,” “a long-term perspective,” and “the spirit to take on challenges.” Believing that close communication is vital for global business expansion, she actively provides opportunities for the team in Europe to exchange views with colleagues in the United States and Asia.

Her strong desire to help improve people’s lives is Ms. Kederer’s driving force. Looking ahead, she intends to actively work on introducing new products while sharing her accumulated know-how, knowledge, and experience with other colleagues.

Practicing work-style reforms and creating new value while flexibly responding to social trends

Ayano Yoshida is the manager of a model home in western Tokyo. While supporting a team of four members, she also attends to customers as a salesperson herself. In her private life, her days are filled as a mother of two children.

Ms. Yoshida believes the key to balancing work and private life is the combination of the supportive working environment promoted by the company and her own work-style reforms. To make work easier and more flexible, Asahi Kasei Homes issued “thin client” computers to employees and advanced paperless procedures. In addition, applying her past experience of working shortened hours, Ms. Yoshida divides each task into 15-minute units. She also takes care to gain her family’s understanding of the work situation.

The spread of COVID-19 has restricted face-to-face interaction with customers at the model home. However, after the restrictions are lifted, Ms. Yoshida and her colleagues are working to increase the number of visitors to the model home by renewing the website while also actively embracing new ways of working, including sharing of information on job progress through online communication between team members.

“In the new normal,” Ms. Yoshida says, “it’s important to respond flexibly to changes around us, since what we took for granted before may no longer apply.” She is determined to continue to perform high-quality work that enhances customer value, while continuing on the path of self-improvement and further advancing her career.



Ayano Yoshida

Manager
West Tokyo Sales Dept.
Asahi Kasei Homes



Interview

“Connect” for One-in-a-Million Creative Ideas

In fiscal 2017 Asahi Kasei revised its “Group Masters” program, positioning it as a function to drive the creation of new businesses and the enhancement of established businesses.

By appointing, nurturing, and rewarding people as Group Masters, we have expanded our pool of human resources with high-level specialist expertise and skills.

We spoke with Honorary Fellow Akira Yoshino, Laureate of the 2019 Nobel Prize in Chemistry, regarding the significance of advanced expertise and the way of further enhancing it, as well as his perspectives on applying that expertise to create new value.

Q: How did you yourself go about enhancing expertise?

As a company employee, I think there are two ways to enhance expertise: One is to hone the expertise gained as a student, while the other is to gain new expertise through your job at the company. I fell somewhere in between. When I was a student, my field of study was the physical properties of materials. After joining Asahi Kasei, I began researching the electroconductive material polyacetylene—completely unconcerned with batteries. Looking back, I think what I learned as a student about examining materials helped me through the processes of identifying the physical properties of this material, thinking about its applications, and finally using it in lithium-ion batteries.

Q: What is important as a researcher to overcome obstacles? What kind of support should companies provide?

The world is changing day by day. What was essential until yesterday may no longer be needed today. Researchers must continuously improve technologies and somehow connect them with the needs of society. Everyone hits a wall sometimes. But in order to overcome challenges, you have to keep the final goal in mind, and have faith. From companies, I think what is needed is broad-mindedness and tolerance. It's often hard to see in advance the practical use of a technology that may give rise to innovation in the future. That makes it difficult to obtain the understanding of others. Companies need a culture that appropriately accepts the ideas of such

researchers. This is especially true of future-oriented basic research that doesn't have a deadline.

Q: You have said that being outside the battery industry was key to successfully developing lithium-ion batteries.

The trigger for the development of the lithium-ion battery was new materials. Asahi Kasei has lots of them and there were many possibilities. If I had been working for a battery manufacturer, I suspect I may have been blinded by conventional battery development thinking. I would not have thought about development from the knowledge I had gained through research into materials. I believe my lack of expertise in battery technology and the collective know-how of Asahi Kasei as a material company are what enabled me to make my research breakthroughs.

Q: What kind of organization can enable human resources with a high level of expertise to demonstrate their strength?

It's essential to have a system for fostering human resources with high-level specialized skills, such as Asahi Kasei's “Group Masters” program. Even with high-level specialists, success does not necessarily come overnight. So I believe we need to have a system that evaluates not just tangible results, but also levels of expertise and the potential for research to yield new technologies and products in the future. At the same time, companies need to stimulate researchers to deepen their expertise. Sometimes a company or a customer may make



Akira Yoshino

Dr. Eng.
Honorary Fellow
Asahi Kasei Corp.

Born in 1948, Dr. Akira Yoshino earned an M.S. in engineering from Kyoto University's Graduate School of Engineering and a doctorate in engineering from Osaka University's Graduate School of Engineering. After joining Asahi Kasei in 1972, he was engaged in R&D relating to lithium-ion batteries. He served as Manager of Asahi Kasei's Battery Materials Business Development Department and in other roles, and assumed his current position as Honorary Fellow in 2017. He holds several posts at external research institutes and universities. In 2019, he was awarded the Nobel Prize in Chemistry from the Royal Swedish Academy of Sciences for his contributions to the development of lithium-ion batteries.

seemingly impossible demands. Such trying times can ultimately lead to a breakthrough. This kind of experience is an important part of the process of honing one's expertise.

Q: What is the relationship between “connect” in the medium-term management initiative and high levels of expertise and skills?

Say someone within the company, supported by its emphasis on high-level expertise, alights on an original idea. In today's information society, it's highly likely that another person out of 1,000 experts in the same field may come up with the same idea. In that case, the idea cannot really be said to be original from a global perspective. However, if you meld that idea with another one-in-a-thousand idea of an expert in another field, then you get a one-in-a-million idea. That is something that can truly be regarded as original. This is what “connect” in the context of specialist expertise and skills is all about. Ideally, it would be great if individuals could come up with one-in-a-million ideas on their own. But in reality this is quite difficult. So we must look for combinations of our ideas with the ideas of various experts both inside and outside the company. One example is the need for statistics in addition to virology to find a way to control COVID-19 infections. Considering the restructuring of social systems necessary to solve environmental problems, it may be that the person at the other end of the connection is not necessarily from the natural sciences, but perhaps from a field like sociology.

Q: How should Asahi Kasei achieve sustainable growth in the future?

Considering COVID-19 and environmental problems, I think it will be essential for future business activities to contribute to the Sustainable Development Goals (SDGs) set by the United Nations. That suggests we should nurture high-level specialist experts under each of the 17 SDGs. Under the medium-term management initiative “Cs+ for Tomorrow 2021,” Asahi Kasei expresses its commitment to sustainability as “Care for People, Care for Earth.” This implies a proactive approach tackling the SDGs. Instead of taking a defensive stance with environmental problems to avoid public criticism, we are finding excellent business opportunities by proactively working on solutions. That is the essence of “Care for People, Care for Earth.”

As a material manufacturer, Asahi Kasei has accumulated a huge amount of data through trial and error. Data from past failures can be utilized in different fields. For example, technology that could not be used in the Material sector might be useful in the Health Care sector. The potential of Asahi Kasei lies in having in place a structure to utilize such past data within different parts of the company. I believe it is vital that people with high-level specialist experience and skills are actively involved in this kind of work.

New Business Creation

Providing Value that Addresses Changes in Society

Accelerating the creation of businesses that contribute to “life and living” by connecting diverse core technologies and systems across the Asahi Kasei Group



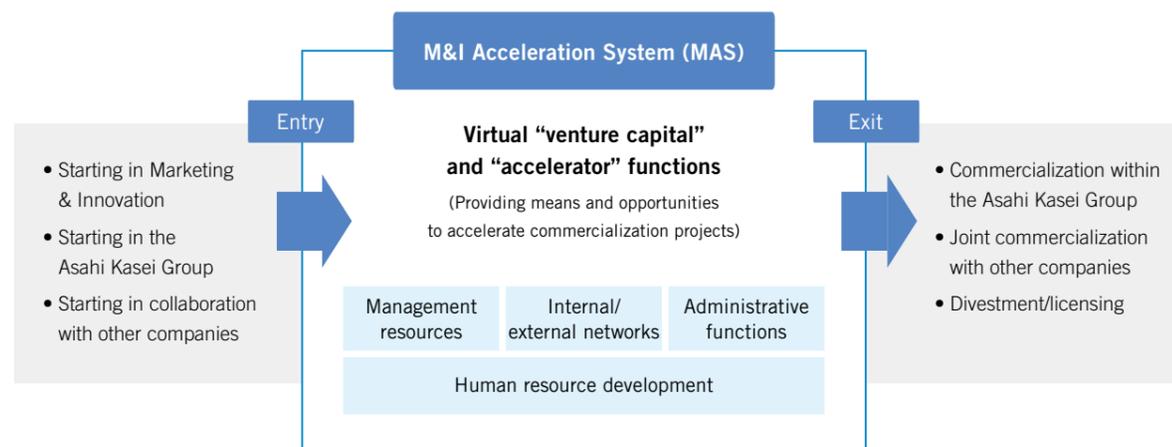
Shigeki Takayama
Representative Director
Vice-Presidential Executive Officer
Executive Officer for Technology Functions

The Asahi Kasei Group is working to create new businesses, targeting fields that can provide high value to society, under the Group Slogan “Creating for Tomorrow.” In order to effectively create new businesses and provide value, we must reach beyond existing core technologies we have cultivated, strengthen marketing functions, and “connect” technologies and knowledge both within and beyond the Asahi Kasei Group. Launched in fiscal 2019, the Marketing & Innovation unit has been building a marketing and innovation platform and establishing systems to promote effective marketing activities across the Asahi Kasei Group while pursuing initiatives to create new businesses.

We are also building a system called the M&I Acceleration System (MAS) to speed up commercialization of market-creating businesses and enhance business value. MAS makes it possible to effectively connect and utilize necessary management resources, spanning networks inside and outside the Asahi Kasei Group, including administrative functions, opening the way to creating new businesses beyond the reach of our established organization.

In addition to these efforts, Corporate Research & Development operates a “stage-gate” system to optimally allocate management resources to each research project from the discovery stage through commercialization. With this stage-gate system, which applies to technology projects originating both inside and outside the Asahi Kasei Group, related departments responsible for quality assurance, intellectual property, production technology, and digital transformation are involved in the development process from an early stage and collectively promote commercialization.

M&I Acceleration System (MAS)



New Business Creation Example



Klaran-WR UVC LED module for water disinfection

UVC LEDs with World-Leading Light Emission Output

UVC LEDs are electronic devices the Asahi Kasei Group developed through “connecting” the compound semiconductor manufacturing technology cultivated in the electronics business and the aluminum nitride single-crystal growth technology pioneered by Crystal IS of the United States, which Asahi Kasei acquired in December 2011.

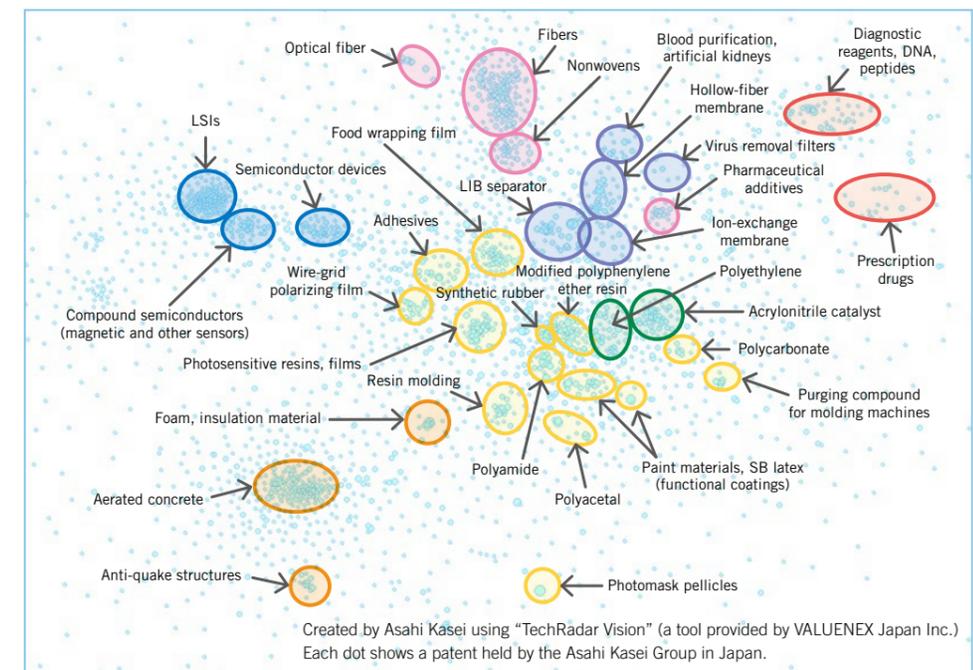
These UVC LEDs have peak emission at 265 nm—the wavelength most effective for disinfection. Applications are expected to expand to a wide range of fields in healthcare products, home electronics, and other fields where UVC disinfection of water, air, and surfaces had previously been impractical. The Asahi Kasei Group has developed a water sterilization module that uses the UVC LEDs to provide safe and clean water, contributing to life and living for people around the world.

Development of new businesses using UVC LEDs is ongoing. As the need for surface sterilization (virus inactivation) has dramatically increased along with the spread of COVID-19, we are conducting demonstration experiments using surface sterilization modules equipped with UVC LEDs. In addition, U.S.-based Asahi Kasei Corporate Venture Capital and Crystal IS have announced an acceleration program called “UV Accelerator.” Through this program, we aim to broaden the reach of “connect” by investing up to US\$250,000 per company to support and accelerate product development of new disinfection products using UVC LEDs.

Asahi Kasei’s Core Technologies

A key strength of the Asahi Kasei Group is having numerous core technologies to leverage for expansion of business in various fields. In our history of diversification, we have established new core technologies through synergies of a wide

range of technologies centered on chemicals. Examples include creating membrane and separation technologies from fibers, polymers, and processing technologies.



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

Financial and Capital Policy



We will maintain a sound financial base, despite the outlook clouded by COVID-19, by tightening financial discipline and reinforcing the business structure while striving to increase corporate value by leveraging our strengths of “diversity” and “capability to change.”

Yutaka Shibata

Director, Vice-Presidential Executive Officer

Financial and Capital Policy

Source of Funds

We are working to enhance profitability by minimizing the negative impact on business from the spread of COVID-19, while satisfying related demand. We aim to increase net cash provided by operating activities by holding down expenditures through careful and appropriate inventory and cost management. We will continue to steadily manage the Health Care and Homes segments, which we expect to generate stable cash flow. In the Material segment, meanwhile, we will reinforce the earnings structure by narrowing the focus of our resource allocation to priority areas in order to seize opportunities when the economic environment recovers.

Basic Policy on Raising Funds

The Asahi Kasei Group maintains a sound financial position, aiming for a D/E ratio of around 0.5, while securing sufficient cash on hand to enable flexible business operations. On that basis, we undertake stable financing. Given the current uncertain outlook, we are securing sufficient liquidity by holding more cash on hand than usual while carefully monitoring our financial position and the financial market environment. In readiness for the risk of a prolonged and increasingly serious impact from COVID-19, we are focusing on maintaining financial soundness through leveraging dynamic means of fund-raising.

Capital Expenditure and M&A

We will review the investment plans drawn up when we formulated our medium-term management initiative “Cs+ for Tomorrow 2021” in response to changes in the market environment. While we will continue to invest for reliable growth, we will carefully select projects to maintain financial discipline. In fiscal 2019, we made decisions on investments including

capital expenditure and M&A worth more than ¥400 billion centering on our priority fields for the provision of value. However, we will be cautious until visibility on the market environment improves. We will evaluate projects from the perspective of strengthening the management foundations of the Asahi Kasei Group and contributing to longer-term growth.

Cost of Capital

The Asahi Kasei Group pays close attention to the cost of shareholders' equity and continuously strives for returns that exceed that cost. To improve profitability, we will optimize our business portfolio and operations, carefully scrutinize investment projects, and pursue returns on our investments.

Shareholder Returns Policy

Regarding shareholder returns, our basic means is through dividends. We aim for stable and increased dividends through sustained expansion of earnings.

Although the outlook is uncertain due to the impact of COVID-19, we will continue to secure appropriate shareholder returns based on the state of our financial performance and cash flow, regardless of temporary fluctuations in profit levels. Specifically, we aim steadily to raise dividends while maintaining a payout ratio of 30–40% and considering the ratio of dividends to shareholders' equity.

Regarding dividends for fiscal 2019, we paid total annual dividends of ¥34 per share, the same as in the previous fiscal year. Net income attributable to owners of the parent decreased, but this takes into consideration our policy to aim for stable and continuously increasing dividends and is premised on the impact of COVID-19 being minimized by the policies of national governments. This represents a payout ratio of 45.4%.

Management Challenges in the Face of COVID-19

Amid the rapid spread of COVID-19, the global economy and society as well as our daily lives continue to change significantly. In order to realize a business portfolio that can achieve sustainable growth amid changes in market needs and in the competitive environment, it is important to undertake

management in a way that balances investments for growth including M&A, shareholder returns, and financial soundness.

Until the visibility of the market environment improves, we will adopt a cautious approach to capital expenditure and M&A, and focus on appropriate cash management by securing cash on hand and flexible financing. We are striving to further generate cash by tightening financial discipline and strengthening the earnings structure.

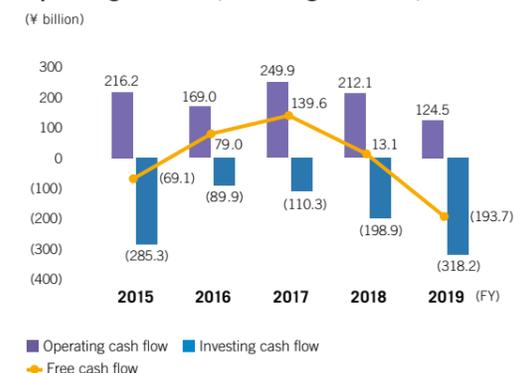
Primary Financial Metrics

	FY2015	FY2016	FY2017	FY2018	FY2019
EBITDA ¹ (¥ billion)	274.8	268.4	311.9	313.6	295.6
Net income per share (EPS)	¥65.69	¥82.34	¥121.93	¥105.66	¥74.85
Net income per total assets (ROA)	4.3%	5.1%	7.4%	6.0%	3.9%
Net income per shareholders' equity (ROE)	8.6%	10.5%	14.0%	11.1%	7.6%
Net income per net sales (ROS)	4.7%	6.1%	8.3%	6.8%	4.8%
Total asset turnover ratio	0.92	0.84	0.89	0.89	0.80
Financial leverage	2.0	2.0	1.9	1.8	2.0
Net income per shareholders' equity and interest-bearing debt (ROIC) ²	7.9%	7.8%	9.7%	8.8%	6.6%
D/E ratio	0.43	0.35	0.23	0.31	0.52

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

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

Operating cash flow, investing cash flow, free cash flow



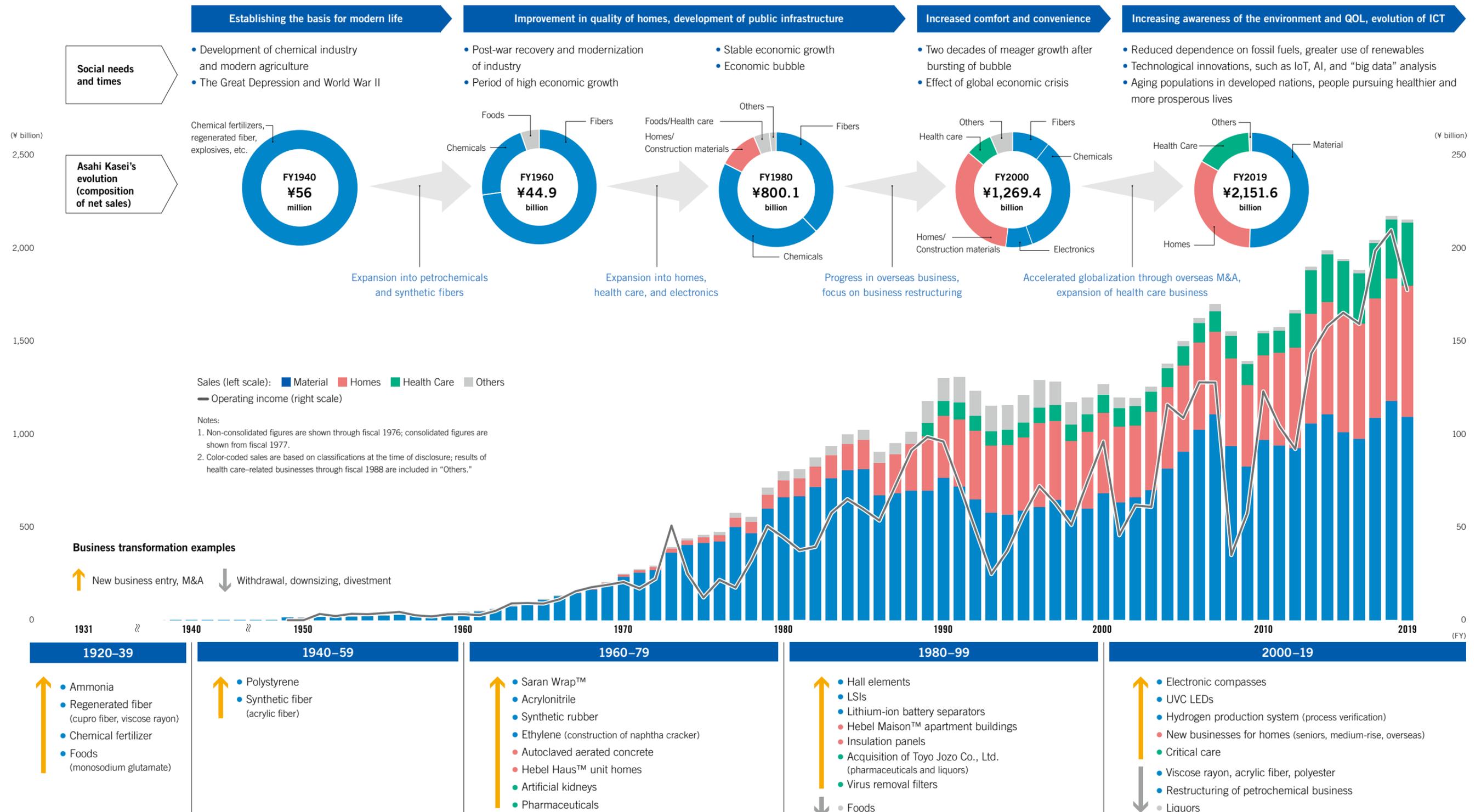
Dividends per share and payout ratio



Addressing Social Issues and Transforming Our Business Portfolio

—Our Path to Three Sectors—

The Asahi Kasei Group has consistently grown through proactive transformation of its business portfolio to meet the evolving needs of every age. We have constantly provided products and services that form solutions to various environmental and social challenges. As society undergoes further changes, we will continue to contribute to life and living for people around the world by Creating for Tomorrow.



Review of Operations

Material



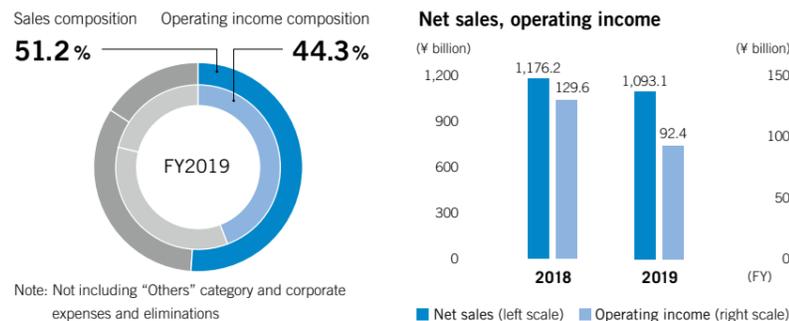
Hiroshi Yoshida

Executive Officer
for Material business sector
Director, Vice-Presidential Executive
Officer, Asahi Kasei Corp.

Message from the Executive Officer for the Material Business Sector

In fiscal 2019, we made a fresh start under a new organization consisting of three SBUs and one core operating company, supplanting the previous six SBUs and one core operating company. We are building a foundation for growth by accelerating the shift of people and other resources to priority fields for provision of value, while improving productivity with a focus on digital transformation. During the year, we actively expanded in growing fields such as materials for 5G equipment and eco-friendly vehicles.

Unfortunately, our earnings suffered due to slower growth in the Chinese market, a slowdown in the automotive market, a downturn in the petrochemicals market, and the impact of the COVID-19 pandemic. Going forward, we will strengthen our cash-conscious management structure by carefully selecting capital investments and rigorously managing inventories and expenses. At the same time, we will advance connections both internally and externally so that we can create value by seizing business opportunities for addressing new social needs such as living with the pandemic and rising expectations for sustainability.



Business Strengths

Diverse core technologies

With diverse core technologies that include catalysts, polymers, fibers, membranes, and compound semiconductors, we are creating new value by developing applications that anticipate the changing needs of society. We are also applying these technologies to products that benefit the global environment, such as lithium-ion battery (LIB) separators and acrylonitrile, which we produce using technology that reduces CO₂ emissions.

Wide-ranging marketing channels

By operating in a variety of businesses, we have built relationships with a wide range of customers in industries such as automobiles, electronics, telecommunications, clothing, food packaging, and health care, and we leverage these relationships to further develop businesses. In the automotive market, we are effectively expanding sales activities with our AKXY concept electric vehicle, which is equipped with a broad range of Asahi Kasei materials and products.

Stable supply of high-quality products

With a diverse range of production technologies and know-how honed over nearly a century, as well as an industry-leading commitment to Responsible Care, we are able to provide a stable supply of high-quality products, which earns the trust of customers.

Priority Fields for Provision of Value: Fiscal 2019 Actions

Environment & Energy

Increasing production capacity for LIB separators

In fiscal 2019, we increased our production capacity of LIB separators to meet growing demand, particularly for electric vehicles. We have both Hipore™ wet-process separators and Celgard™ dry-process separators, with different characteristics based on the different production processes, enabling us to satisfy wide-ranging market and customer needs. Leveraging this strength, we are expanding our production capacity in a timely manner and developing high-value-added products with competitive advantages.

Mobility

Expanding our business in Lamous™ artificial suede and other automotive interior materials

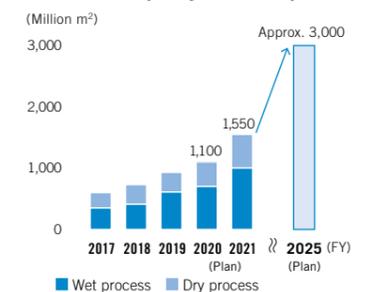
We increased our production capacity for Lamous™ artificial suede, which is used in automobile interiors and other applications. In addition, our subsidiary Sage Automotive Interiors, which produces Dinamica™ car interior material using Lamous™, decided to acquire the automobile interior fabric business of U.S. company Adient plc. Amid changes in the automotive industry typified by "CASE," we are responding to new needs, including demand for greater interior comfort.

Life Material

Expanding businesses related to 5G mobile communications systems

Demand for glass fabric and other electronic materials and electronic devices for new information and communications equipment and infrastructure applications is increasing as more and more 5G networks are launched in nations around the world. We expect new products and services to be created when various apparatus is connected to these networks. Accordingly, we will continue monitoring market trends and providing solutions to customers in a timely manner.

Production capacity for LIB separators



Main Products

Basic Materials

- Acrylonitrile
- Methyl methacrylate
- Polystyrene

Performance Products

- Bemberg™ cupro fiber
- Lamous™ artificial suede
- Dinamica™ automotive interior material
- Engineering plastics
- Synthetic rubber/elastomer
- Saran Wrap™ cling film

Specialty Solutions

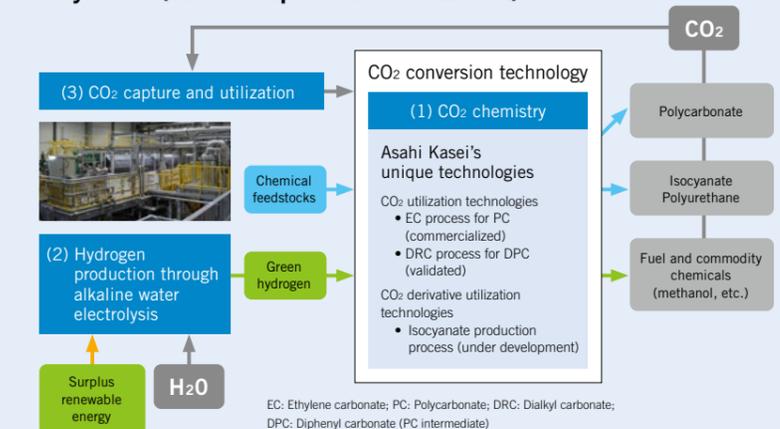
- Ion-exchange membranes
- Sunfort™ photosensitive dry film
- Battery separators (Li-ion and lead-acid)
- Mixed-signal LSIs
- Hall elements



Care for People, Care for Earth: Material

Development and application of unique "green chemistry" technologies to help realize a low-carbon society: CCU (carbon capture and utilization)

- (1) CO₂ chemistry: Since the 1980s, we have been developing technology to use CO₂ as a feedstock for chemical products, resulting in commercial processes.
- (2) Hydrogen production through alkaline water electrolysis: This system, which utilizes ion-exchange membrane technology, enables green hydrogen to be produced using solar, wind, and other renewable energy sources.
- (3) CCU: We are developing technology to capture and separate the CO₂ emitted from power plants and other sources.



Homes



Fumitoshi Kawabata

Executive Officer for Homes business sector
Director, Primary Executive Officer,
Asahi Kasei Corp.
President & Representative Director,
Asahi Kasei Homes Corp.
Director,
Asahi Kasei Construction Materials Corp.

Main Products

Homes

- Hebel Haus™ unit homes
- Hebel Maison™ apartment buildings
- Atlas™ condominiums
- Hebel Maison™ apartment rental network
- Remodeling

Construction Materials

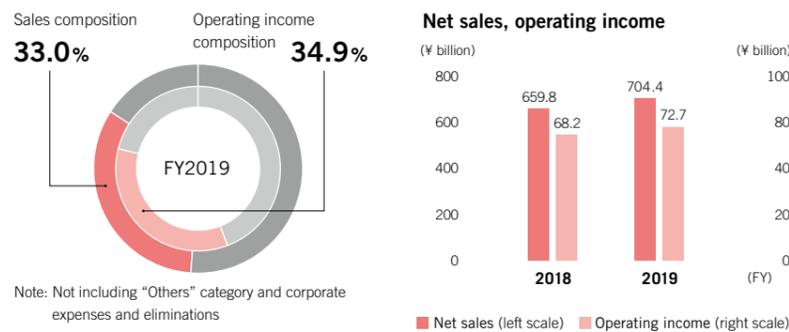
- Hebel™ AAC panels
- Neoma Foam™ and Neoma Zeus™ phenolic foam insulation panels

Message from the Executive Officer for the Homes Business Sector

We made significant changes in fiscal 2019. To enhance corporate value, Asahi Kasei Homes joined “RE100” for environmental harmony and acquired Resilience Certification*. Hebel Haus™ was relaunched as a “master brand” and the range of products and services was expanded to more broadly support the lives, living, and well-being of customers. Meanwhile, Asahi Kasei Construction Materials reorganized its operations, changing from a function-based structure to a business division system in order to consistently deliver product value to customers.

While the domestic Japanese housing market declines, changing social structures and values as an effect of the COVID-19 pandemic make it more important than ever for us to flexibly adapt to changes in our operating environment. In our core business of order-built homes, we will advance business model transformation by utilizing digital tools to evolve the home-building process. In addition, we will proactively develop new businesses with growth potential such as homes for seniors, medium-rise homes, and overseas business.

* Certification for “Organizations Contributing to National Resilience” offered by the National Resilience Promotion Office



Business Strengths

Technology for robust homes

Hebel Haus™ has earned a reputation for resilience against disasters, achieved through a combination of high-performance earthquake resistance technology, Hebel™ auto-claved aerated concrete, and Neoma Foam™ insulation with world-leading performance.

Comprehensive system to support people's lives

One of our strengths is having a comprehensive system based on our “Long Life Home” concept to address the era of 100-year lifespans. We value our relationships with customers and endeavor to stay close to them at various stages of their lives. We provide long-term warranties and inspection systems, and offer renovation and remodeling services according to changes in customers’ lifestyles.

Knowledge, expertise, and assets related to urban housing

By focusing on urban areas, we have gained the ability to propose sites and spaces based on “optimal urban living” and provide consulting services accordingly. We are also expanding rental management and other businesses related to previously built homes, and using our expertise to develop new businesses such as homes for seniors, medium-rise homes, and overseas business.

Priority Fields for Provision of Value: Fiscal 2019 Actions

Home & Living

Village Riche™ serviced homes for seniors

We launched the Village Riche™ series of serviced homes for seniors who require nursing care. This complements our existing Hebel Village™ series of apartments for seniors, from healthy to frail, and enables us to provide optimal housing and services according to the health stages of senior residents.

Joining RE100 initiative for a decarbonized society

Asahi Kasei Homes joined RE100, a global initiative committed to procuring 100% of electricity consumed in business activities from renewable energy sources. We will purchase surplus electricity from solar power systems installed in Hebel Haus™ unit homes and Hebel Maison™ apartment buildings after the end of their feed-in tariff period, and use it to provide customers with our own electricity supply service. We also plan to use this electricity for our offices, plants, and showrooms. Meanwhile, we actively promote the installation of solar power systems and storage batteries to enhance electricity resilience for customers in the event of a disaster. By 2038, we aim to procure 100% of the electricity used in our business activities from renewable energy sources.



Care for People, Care for Earth: Homes

Making homes more resilient

In recent years, earthquakes, typhoons, torrential rains, and other natural disasters have been causing more damage in Japan. In addition to providing highly disaster-resistant homes that protect life and living, housing manufacturers are expected to help people restore their living conditions after disasters occur.

In September and October 2019, typhoons and torrential rains caused damage to many buildings across Japan. In response, Asahi Kasei Homes worked relentlessly to restore the homes of customers as quickly as possible, and managed to complete the repair work of many homes in a timely manner.

The swift restoration response was possible because Hebel Haus™ unit homes are robust and easy to repair, and known for their durability. We also have systems in place to provide one-stop support to our customers, even during the turmoil of a disaster, by working closely with subsidiaries that handle construction and insurance procedures.

In fiscal 2019, Asahi Kasei Homes obtained Resilience Certification, which is awarded to companies that proactively prepare to ensure business continuity in the event of a disaster. We are working to contribute to disaster prevention, disaster mitigation, and rapid social recovery in coordination with local governments to build disaster-resilient urban environments, and supporting the formation of rental housing communities in preparation for emergencies.



Damage caused by Typhoon No. 15 in September 2019
(courtesy of The Mainichi Newspapers)



Health Care



Shuichi Sakamoto

Executive Officer
for Health Care business sector (joint)
Director, Primary Executive Officer,
Asahi Kasei Corp.
Chairman & Director,
Asahi Kasei Pharma Corp.
Chairman & Director,
Asahi Kasei Medical Co., Ltd.
Board Director, ZOLL Medical Corporation



Richard A. Packer

Executive Officer
for Health Care business sector (joint)
Primary Executive Officer,
Asahi Kasei Corp.
Chairman & Board Director,
ZOLL Medical Corporation

Main Products

Pharmaceuticals/Medical Care

- Teribone™ osteoporosis drug
- Recomodulin™ anticoagulant
- Kevzara™ rheumatoid arthritis drug
- APS™ polysulfone-membrane dialyzers
- Therapeutic apheresis devices
- Planova™ virus removal filters

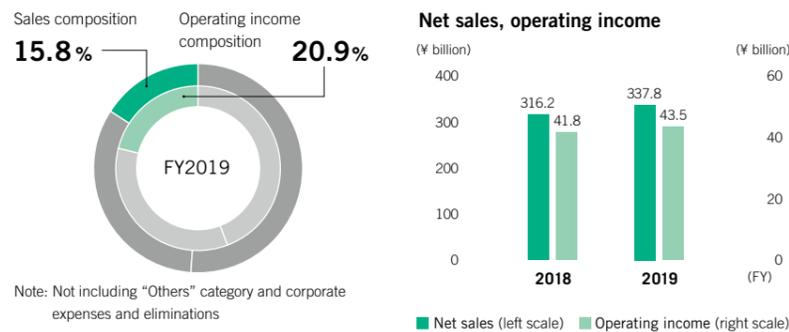
Acute Critical Care

- Defibrillators for professional use
- LifeVest™ wearable defibrillator
- Automated external defibrillators (AEDs)
- Thermogard System™ temperature management system

Message from the Executive Officers for the Health Care Business Sector

We accelerated our transformation into a global health care enterprise in fiscal 2019. With the acquisition of Veloxis Pharmaceuticals Inc., we obtained a pharmaceutical business in the immunology field, as well as a business platform and team of personnel that will be critical to our future expansion. Asahi Kasei Pharma advanced its business in the orthopedics field, including the launch of a new autoinjector formulation of Teribone™ for the treatment of osteoporosis. Asahi Kasei Medical increased production capacity for virus removal filters and completed construction of a new plant. ZOLL continued to grow its businesses for resuscitation products and the LifeVest™ wearable defibrillator.

The COVID-19 pandemic is a sharp reminder of our mission to deploy our unique technological innovations to deliver the best products, services, and solutions to health care professionals around the world, with the aim of saving patients' lives and improving their quality of life. We will accurately address the needs of the medical community in both the pharmaceutical and medical device businesses in order to make Health Care a growth-driving pillar of the Asahi Kasei Group.



Business Strengths

Providing optimal treatments with both pharmaceuticals and medical devices

Being engaged in both pharmaceutical and medical device businesses, we are able to provide a wide range of treatments for patients. By increasing opportunities for innovation in both businesses, especially in the U.S., we are able to provide even more value to support a society of healthy longevity.

Business platforms in orthopedics, immunology, acute critical and cardiac care

We have business platforms focused on three fields: orthopedics, where demand for osteoporosis treatments is increasing as the population ages; immunology, including immunosuppressive drugs; and acute critical and cardiac care, including our market-leading defibrillators. Accordingly, we are able to create unique products that contribute to a society of healthy longevity.

World-leading position in virus removal filters

Planova™ is the world's first virus removal filter to be developed for use during the manufacture of biotherapeutics such as biopharmaceuticals and plasma derivatives. The reliable high performance and consistent quality of these filters are trusted by pharmaceutical manufacturers around the world, earning us the top share of the global market.

Priority Fields for Provision of Value: Fiscal 2019 Actions

Health Care

Acquisition of U.S. AED manufacturer Cardiac Science

ZOLL Medical Corporation, our subsidiary in the acute critical care business, acquired Cardiac Science Corporation, a manufacturer and seller of automated external defibrillators (AEDs). By broadening ZOLL's product lineup and sales network in the growing market for AEDs, the acquisition is expected to drive new growth and accelerate the global expansion of ZOLL's AED business in accordance with its mission of helping to save more lives.



New spinning plant for Planova™ virus removal filters

Asahi Kasei Medical completed construction of a new spinning plant for Planova™ virus removal filters, used during the manufacture of biotherapeutics such as biopharmaceuticals and plasma derivatives. With heightened requirements for viral safety, demand for virus removal filters is increasing. We provide high-performance, high-quality products that meet needs around the world and contribute to the improved safety of biotherapeutics.



Acquisition of Veloxis

By acquiring Veloxis, a U.S. manufacturer of immunosuppressant for kidney transplant patients, we obtained a pharmaceutical business platform in the U.S., the world's foremost healthcare market. By growing both our pharmaceutical and medical device businesses, we will raise our presence in the health care field and accelerate our transformation into a global health care enterprise.

(Value Creation at Work ▶ P20-23)



Care for People, Care for Earth: Health Care

Supporting the world's response to COVID-19

In response to the spread of COVID-19, the entire Asahi Kasei Group is focusing on businesses that can contribute to the prevention and treatment of infections. Particularly in Health Care which directly relates to people's lives, we strive to help save as many lives as possible by raising production capacity of products with increased demand, while engaging in R&D collaborations to develop therapeutic drugs for COVID-19.

- Ventilators:** Decision to increase production capacity from 400 units per month to 10,000 units
- Therapeutic apheresis:** Contribution to the treatment of critically ill patients with acute renal failure and other serious conditions requiring emergency care
- Therapeutic drugs:** Examining the potential of COVID-19 indication for existing drugs
- Virus removal filters:** Used in the process of manufacturing biotherapeutics



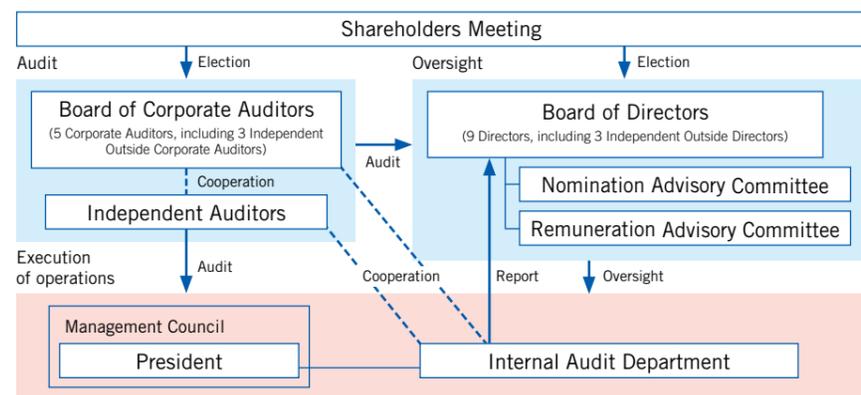
Corporate Governance

We have an optimal corporate governance structure in place to create corporate value leveraging our strengths of “diversity” and “capability to change.”

In order to address social needs leveraging the combined strength of the Asahi Kasei Group having diverse businesses and technologies, our Board of Directors comprises 6 internal members—the President, leaders of the business sectors, and leaders of the technology and business management functions—and 3 Independent Outside Directors with diverse backgrounds, such as academia, industrial policy, and corporate management. Additionally, in order to increase the effectiveness of management oversight, we have established voluntary committees with Independent Outside Directors constituting a majority of members. Meanwhile, we have an audit system that utilizes 2 full-time Corporate Auditors who have thorough knowledge of our business and 3 Independent Outside Corporate Auditors with expertise in academia, law, and accounting to ensure that our audits are highly effective.

We are continually pursuing an optimal approach to corporate governance tailored to changes in the management climate, while carrying out evaluation of the effectiveness of our Board of Directors.

Corporate Governance Configuration



Key points

- 1/3 of Directors are independent
- 1 female Director
- Directors have diverse backgrounds
- 3/5 of Corporate Auditors are independent
- Corporate Auditors Office to support Corporate Auditors
- Internal Audit Department reports to both the President and the Board of Directors

Incentives for Directors (fiscal 2019)



Note: Percentages shown for Directors who have executive responsibilities, rounded to the nearest percent.

- Performance-linked remuneration → commitment to results
- Stock-based remuneration → perspective of shareholders

Note: Outside Directors receive fixed base remuneration only.

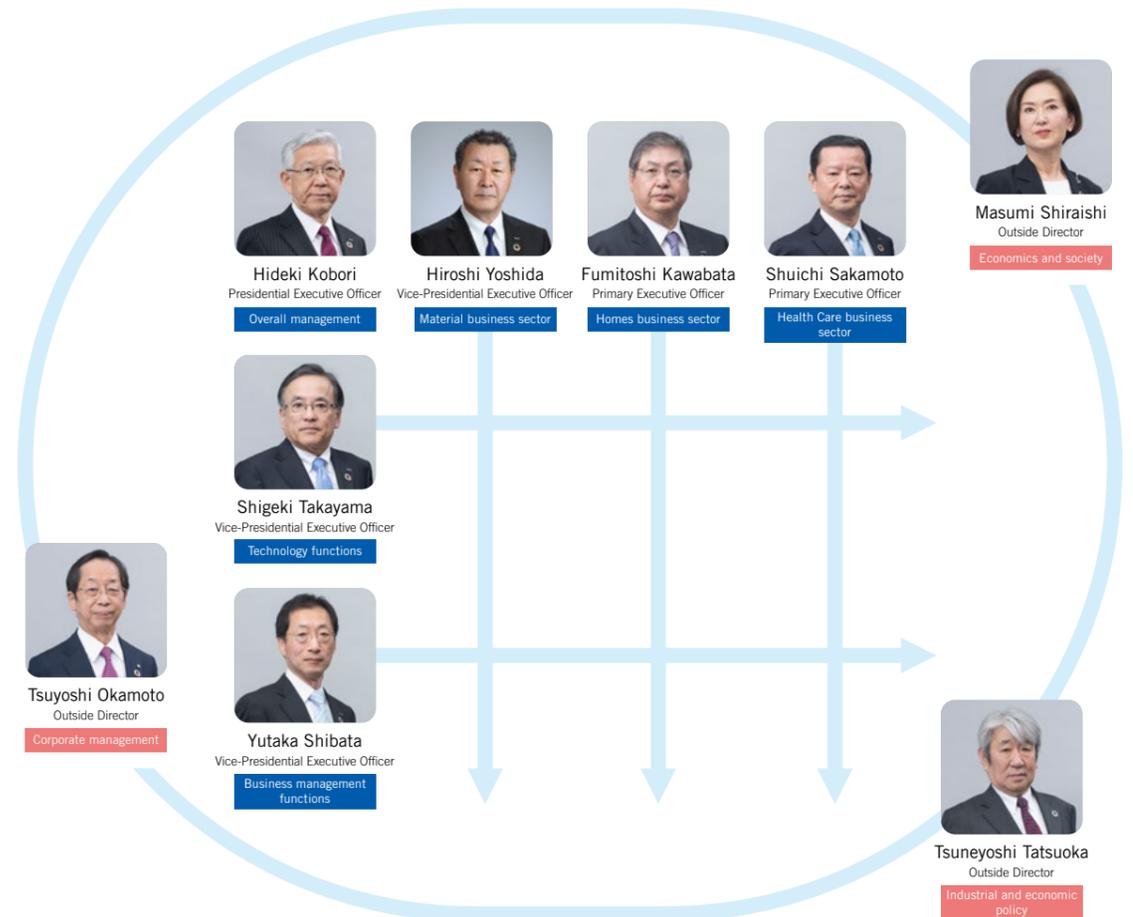
Meetings of Board of Directors, Advisory Committees, and Board of Corporate Auditors (fiscal 2019)

	No. of Meetings Held	Average Attendance	Main Subjects of Agenda
Board of Directors	16	98.2% (Directors and Corporate Auditors)	<ul style="list-style-type: none"> • Business investment • Medium-term management initiative • Risk management and compliance
Nomination Advisory Committee*	3	100% (All members)	<ul style="list-style-type: none"> • Optimum composition and size of Board of Directors • Policy for nomination of candidates to be Directors and Corporate Auditors • Standards for judging independence of Outside Directors and Corporate Auditors
Remuneration Advisory Committee*	4	100% (All members)	<ul style="list-style-type: none"> • Policy and system for remuneration of Directors • Studying remuneration of Directors based on individual performance evaluation
Board of Corporate Auditors	16	97.5% (Corporate Auditors)	<ul style="list-style-type: none"> • Auditing state of performance of Directors' duties • Auditing state of operations and financial affairs • Evaluation of Independent Auditors

* Beginning in June 2019, the Nomination Advisory Committee and Remuneration Advisory Committee are comprised of the 3 Outside Directors and Representative Directors Hideki Kobori and Shigeki Takayama as members, with the Nomination Advisory Committee chaired by Hideki Kobori and the Remuneration Advisory Committee chaired by Outside Director Tsuyoshi Okamoto.

Composition of the Board of Directors (beginning in June 2019)

The 6 Directors within the company respectively have responsibility for overall management, technology functions, business management functions, and the Material, Homes, and Health Care business sectors, while the 3 Outside Directors have a diverse range of backgrounds.



Evaluation of Effectiveness of the Board of Directors

The effectiveness of our Board of Directors is regularly evaluated after each fiscal year, and results of evaluation are disclosed.

Measures Implemented in Fiscal 2019	Moving Forward
<p>The Board of Directors implemented the following measures in fiscal 2019 based on evaluation of the previous fiscal year.</p> <ol style="list-style-type: none"> 1. Enhanced provision of information to Outside Directors and Outside Corporate Auditors 2. Provided information and held discussions related to focusing on perspective of investors and to promoting sustainability 	<p>Based on deliberations of the effectiveness of the Board of Directors during fiscal 2019, we will continue and expand the efforts listed on the left. Further, to improve deliberations by the Board of Directors, we will work to improve materials for Board meetings and review subjects for discussion. At the same time, we will continually examine our approach to deliberations at Board meetings, Board member diversity, and methods for evaluating the effectiveness of the Board of Directors as ongoing tasks.</p>

Directors

(as of June 24, 2020)

	Career Summary		Current Responsibilities
Hideki Kobori President & Representative Director Presidential Executive Officer 	April 1978	Joined Asahi Kasei	<ul style="list-style-type: none"> Shareholders Meeting, Board of Directors Meeting, and Management Council convener & chair Oversight of Sustainability Strategy Planning Nomination Advisory Committee member Remuneration Advisory Committee member
	April 2008	Asahi Kasei Microdevices Director, Senior Executive Officer	
	April 2009	Asahi Kasei Microdevices Director, Primary Executive Officer	
	April 2010	Asahi Kasei Microdevices President & Representative Director, Presidential Executive Officer	
	April 2012	Asahi Kasei Senior Executive Officer	
	June 2012	Asahi Kasei Director (position held at present)	
April 2014	Asahi Kasei Representative Director (position held at present), Primary Executive Officer		
April 2016	Asahi Kasei President and Director (position held at present), Presidential Executive Officer (position held at present)		
Shigeki Takayama Representative Director Vice-Presidential Executive Officer 	April 1980	Joined Asahi Kasei	<ul style="list-style-type: none"> Oversight of Technology Functions (ESH, QA, Regional Offices, Production Technology, Manufacturing, R&D, Energy Policy) Executive Officer for health and productivity management Nomination Advisory Committee member Remuneration Advisory Committee member
	April 2009	Asahi Kasei E-materials Executive Officer	
	April 2010	Asahi Kasei E-materials Director	
	April 2012	Asahi Kasei E-materials Director, Senior Executive Officer	
	April 2013	Asahi Kasei E-materials President & Representative Director, Presidential Executive Officer	
	August 2015	Polypore International, LP, President & CEO	
April 2016	Asahi Kasei Senior Executive Officer, President of Separators SBU		
April 2018	Asahi Kasei Primary Executive Officer		
April 2019	Asahi Kasei Vice-Presidential Executive Officer (position held at present)		
June 2019	Asahi Kasei Director (position held at present), Representative Director (position held at present)		
Yutaka Shibata Director Vice-Presidential Executive Officer 	April 1979	Joined Asahi Kasei	<ul style="list-style-type: none"> Oversight of Business Management Functions (Strategy, Accounting/ Finance, IT, General Affairs, Legal, HR, Risk Management & Compliance) Deputy Oversight of Asahi Kasei Europe GmbH Oversight of Asahi Kasei America, Inc. Oversight of Asahi Kasei (China) Co., Ltd.
	April 2008	Asahi Kasei Executive Officer	
	April 2009	Asahi Kasei Lead Executive Officer	
	April 2011	Asahi Kasei Kuraray Medical President & Representative Director, Presidential Executive Officer	
	April 2016	Asahi Kasei Medical President & Representative Director, Presidential Executive Officer	
	April 2017	Asahi Kasei Pharma Director	
April 2017	Asahi Kasei Primary Executive Officer		
April 2017	Asahi Kasei Pharma President & Representative Director, Presidential Executive Officer		
April 2017	Asahi Kasei Medical Director		
June 2018	Asahi Kasei Director (position held at present)		
April 2019	Asahi Kasei Vice-Presidential Executive Officer (position held at present)		
Hiroshi Yoshida Director Vice-Presidential Executive Officer 	April 1979	Joined Asahi Kasei	<ul style="list-style-type: none"> Executive Officer for Material business sector Oversight of Asahi Kasei Europe GmbH
	April 2012	Asahi Kasei Chemicals Executive Officer	
	April 2014	Asahi Kasei Chemicals Director, Senior Executive Officer	
	April 2016	Asahi Kasei Lead Executive Officer, President of Performance Polymers SBU	
	April 2017	Asahi Kasei Senior Executive Officer	
	April 2018	Asahi Kasei Primary Executive Officer	
April 2019	Asahi Kasei Vice-Presidential Executive Officer (position held at present)		
June 2019	Asahi Kasei Director (position held at present)		

	Career Summary		Current Responsibilities
Shuichi Sakamoto Director Primary Executive Officer 	April 1981	Joined Asahi Kasei	<ul style="list-style-type: none"> Executive Officer for Health Care business sector
	April 2011	Asahi Kasei Chemicals Executive Officer	
	April 2014	Asahi Kasei Chemicals Director, Senior Executive Officer	
	November 2014	Asahi Kasei Lead Executive Officer, Corporate Strategy General Manager	
	April 2016	Asahi Kasei Senior Executive Officer	
	June 2016	Asahi Kasei Director (position held at present)	
April 2018	Asahi Kasei Pharma Chairman & Director (position held at present)		
April 2018	Asahi Kasei Medical Chairman & Director (position held at present)		
April 2018	ZOLL Medical Corporation Board Director (position held at present)		
April 2019	Asahi Kasei Primary Executive Officer (position held at present)		
Fumitoshi Kawabata Director Primary Executive Officer 	April 1982	Joined Asahi Kasei	<ul style="list-style-type: none"> Executive Officer for Homes business sector
	April 2012	Asahi Kasei Homes Executive Officer	
	April 2013	Asahi Kasei Homes Director (position held at present), Senior Executive Officer	
	April 2014	Asahi Kasei Homes Marketing Division General Manager	
	February 2016	Asahi Kasei Homes Chubu Sales Division General Manager	
	April 2017	Asahi Kasei Senior Executive Officer	
April 2017	Asahi Kasei Homes President & Representative Director (position held at present), Presidential Executive Officer (position held at present)		
April 2017	Asahi Kasei Construction Materials Director (position held at present)		
April 2019	Asahi Kasei Primary Executive Officer (position held at present)		
June 2019	Asahi Kasei Director (position held at present)		
Masumi Shiraishi Outside Director 	May 1989	Joined NLI Research Institute	<ul style="list-style-type: none"> Nomination Advisory Committee member Remuneration Advisory Committee member
	April 2001	Head Researcher, NLI Research Institute	
	April 2002	Assistant Professor, Department of Economics, Toyo University	
	April 2006	Professor, Department of Economics, Toyo University	
	April 2007	Professor, Faculty of Policy Studies, Kansai University (position held at present)	
	June 2013	Asahi Kasei Director (position held at present)	
Tsuneyoshi Tatsuoka Outside Director 	April 1980	Joined Ministry of International Trade and Industry	<ul style="list-style-type: none"> Nomination Advisory Committee member Remuneration Advisory Committee member
	January 2010	Councilor, Cabinet Secretariat	
	August 2011	Deputy Vice-Minister of Economy, Trade and Industry	
	June 2013	Vice-Minister of Economy, Trade and Industry	
	July 2015	Retired from Ministry of Economy, Trade and Industry	
	June 2016	Asahi Kasei Director (position held at present)	
Tsuyoshi Okamoto Outside Director 	April 1970	Joined Tokyo Gas Co., Ltd.	<ul style="list-style-type: none"> Nomination Advisory Committee member Remuneration Advisory Committee member
	June 2002	Tokyo Gas Co., Ltd. Executive Officer	
	April 2004	Tokyo Gas Co., Ltd. Senior Executive Officer	
	June 2004	Tokyo Gas Co., Ltd. Director	
	April 2007	Tokyo Gas Co., Ltd. Representative Director, Executive Vice President	
	April 2010	Tokyo Gas Co., Ltd. Representative Director, President	
April 2014	Tokyo Gas Co., Ltd. Director, Chairman		
April 2018	Tokyo Gas Co., Ltd. Director, Senior Corporate Advisor		
June 2018	Asahi Kasei Director (position held at present)		
June 2018	Tokyo Gas Co., Ltd. Senior Corporate Advisor (position held at present)		

Interviews with Outside Directors

Promoting Diversity

Masumi Shiraishi Outside Director



Q: The spread of COVID-19 has transformed the social and business environment. What does this mean for Asahi Kasei?

The COVID-19 pandemic prompted Asahi Kasei to reevaluate its global strategy, the convenience of teleworking, and the locations of offices and plants. Now, while promoting work style reforms and increasing productivity for the with-corona era, we also need a high-level perspective in management to deal with unforeseen risks like this.

I find it noteworthy that the company quickly introduced widespread teleworking for employees other than at plants, decided to broadly increase production of ventilators in the U.S., and supplied medical devices to meet the needs of hospitals in China at the beginning of the crisis. Moving forward, I believe there will be less management emphasis on expansion of scale with sites all over the world, and greater focus on people—including higher priority on society, employees, shareholders, and the global environment. This is consistent with Asahi Kasei's corporate philosophy, and I expect there will be more business opportunities related to protecting people's life and living. The company can also develop products and services utilizing digital technology to reduce physical contact and maintain social distancing.

Q: What do you think Asahi Kasei should change and what it should not?

I think the company would benefit from change in two areas. One is to further advance work style reforms. The other is to pursue innovation by turning technological seeds into low-cost practical technologies for the world related to life and living in such areas as water, air, and medical care.

What Asahi Kasei should not change are its corporate philosophy, corporate culture, and spirit of taking challenges. It's necessary to accept some risk when expanding operations through new business creation, acquisitions, and so forth. For that, the company needs to nurture human resources who can make clear judgments and who have a sharp sense of business.

Q: How do you view Asahi Kasei's sustainability initiatives and its governance regarding sustainability?

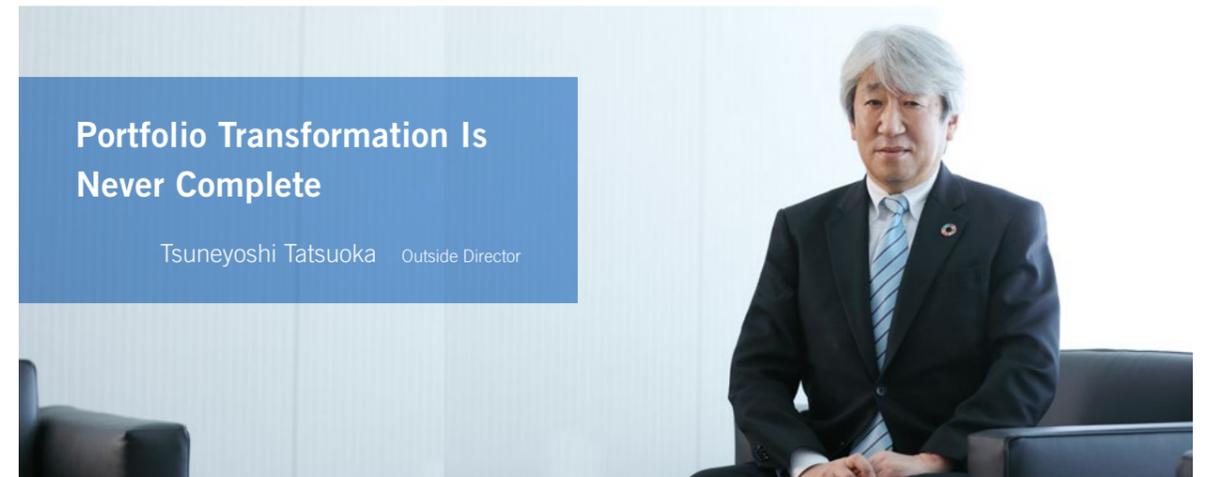
Asahi Kasei is proactively incorporating the SDGs into each operation, but could do more to publicize this aspect.

As for governance, Directors also need to learn more about the company's position regarding sustainability within the industry. There should also be sustainability specialists overseeing the entire Asahi Kasei Group rather than individual business units.

Promoting diversity is another important issue. It's necessary to welcome human resources with diverse values in order to respond to changes in the business environment and turn them into business opportunities. As the LGBT community, for example, is said to be some 8% of the population, there is a pressing need to improve the welfare support and work environment for them. I also hope there will be female and non-Japanese Directors from inside the company. Promoting diversity will create a better environment where employees feel more comfortable working.

Portfolio Transformation Is Never Complete

Tsuneyoshi Tatsuoka Outside Director



Q: The spread of COVID-19 has transformed the social and business environment. What does this mean for Asahi Kasei?

I keenly recognize how difficult it is to contain infections in a globalized world with ubiquitous flow of people and goods. Focusing on concepts such as "contactless," "unmanned," and "sparse gathering," society and individuals will need resilience to be able to smoothly shift between normal and emergency modes of behavior. Not only must companies be resilient as well, they should also provide solutions according to such changing social needs.

As for how Asahi Kasei should promote business in this environment, first of all would be by providing materials and devices for 5G systems, as digital transformation is poised to accelerate. A further area would be to reinforce development and manufacturing in the healthcare-related businesses. This includes both devices to treat patients at risk of critical conditions, and healthcare materials where the supply proved to be fragile. In addition, the company should review its supply chains emphasizing efficiency and resilience, and continue to address environmental issues such as climate change. Both the pandemic and environmental issues can be seen as indirectly exacerbated by population growth and more intense human activity. There is growing demand in society for reduced GHG emissions and transition to a circular economy. Asahi Kasei should be more proactive in communicating to society its activities in these regards.

Q: How should Asahi Kasei maximize corporate value with its configuration of three business sectors?

I sense that the company's Group Mission of "contributing to life and living for people around the world" and Group Slogan of "Creating for Tomorrow" are embedded across all three sectors, supported by a heritage of taking challenges in new fields with development of innovative materials. Asahi Kasei's current business structure is the product of continuous business portfolio transformation over many years. The portfolio is a combination of businesses that generate high profits when the economy is flourishing and stable businesses that are largely unaffected by economic fluctuations. I evaluate this positively in terms of corporate sustainability. But portfolio transformation is a process that's never complete; there is always a need for additional reform. The company should continue to alternate between phases of diversification and phases of selection and focus.

Further optimization is being advanced in the current medium-term management initiative to achieve a portfolio of high-profitability and high-value-added businesses. Such optimization should not be just within each sector; there has to be a balance among the three sectors. When it comes to downsizing or divesting a business, Asahi Kasei can leverage its experience gained through M&A and utilize its network of connections rather than acting alone. While some difficulty is bound to emerge when dealing with various stakeholders during the portfolio optimization process, I encourage the company to press ahead undaunted. I will continue to support this effort in my supervisory role.

Focusing on the Three Fundamental “Actuals”

Tsuyoshi Okamoto Outside Director



Q: What is your view on how work styles are changing due to COVID-19?

The traditional way of managing work by “time” and “place” has drastically changed with the widespread adoption of telecommuting. This saves commuting time and makes it easier for employees to balance work with care for children or elderly relatives. It also facilitates online meetings with colleagues or customers located remotely. People are still figuring out the best ways to take advantage of the new working styles prompted by the pandemic.

However, I do not think it should be expanded unconditionally. What standard of achievement can be attained without actual presence at a workplace? If the value of work achieved in the office is considered to be 10, can employees really score a 10 when working remotely? While this is a difficult thing to evaluate, I sense that maintaining 10 will be extremely challenging with remote working alone. Especially for a company like Asahi Kasei that has many manufacturing sites and a wide range of customers, it can't be easy to create high added value without people meeting face to face.

Ultimately, work is based on the three fundamental “actuals” of the actual place, the actual thing, and the actual fact. The company's manufacturing sites are the front line, and its operations are rooted in manufacturing activity. While remote working has many advantages, it also has limitations. This presents an opportunity to reconsider the optimum style of work from first principles.

Q: What are your thoughts on securing human resources and nurturing next-generation management from the perspective of sustainability?

Human resources are a company's most important asset. When actively expanding business through M&A, it's

important to have diverse human resources in order to carry out PMI (post-merger integration) as planned. The key is to be able to secure a pool of human resources that is diverse in terms of field of specialization, language, nationality, gender, etc. While Japanese companies have tended to adopt a so-called membership-type of employment (assuming long-term employment), this is inadequate when it comes to integrating a wide range of personnel from outside through M&A, etc. Asahi Kasei has already adopted a “job-focused” approach to bring in specialists through mid-career hiring, which is essential. Otherwise it would be almost impossible to obtain a diverse range of human resources with the required skills.

As a member of Asahi Kasei's Nomination Advisory Committee, I'm involved in discussions about nurturing next-generation management, including how to develop personnel who will play future leadership roles. Asahi Kasei needs to develop leaders who are able to take a high-level view of the three different business sectors. They will be required to make major management decisions even in areas where they have no direct experience, and to allocate resources among the three sectors from a long-term perspective. To that end, the company rotates promising personnel among different assignments that enable them to gain the required perspective and experience, while garnering the ability to discern the essence of a business and its challenges. Although this is not an easy task, the current Board of Directors fortunately has members with knowledge and experience in each area. I look forward to continuing to work on this difficult task together with the other Board Members.

Risk Management

The Asahi Kasei Group has established and is working to reinforce basic guidelines for risk management and emergency response in our business operations in accordance with the Asahi Kasei Group Basic Regulation for Risk Management & Compliance.

Managers responsible for Risk Management & Compliance are designated in each SBU, core operating company, and subsidiary. They work to identify, assess, and analyze the risks of each business, and to plan measures to mitigate serious risks. Through

the Risk Management & Compliance Committee, chaired by the Asahi Kasei President, we confirm and follow up on the state of risk management across the entire Group.

The principal business risks and other risks that could affect the Asahi Kasei Group's performance are as stated hereinafter. We will take countermeasures that reflect the attributes and degrees of respective risks.

Groupwide Risks

Performance-Related Risks	Principal Attributes	Primary Countermeasures
Risks Related to the COVID-19 Pandemic	The risk of disruption to the supply chains of the Asahi Kasei Group's products and services and the risk of volatility in demand for products or in the market prices of feedstocks amid uncertainty over the outlook with respect to the extent and duration of the COVID-19 pandemic's effect on economic activities	<ul style="list-style-type: none"> Strengthening measures for operational stability, including the diversification of channels to procure inputs for main products and businesses Underpinning performance by reducing expenses and enhancing productivity Curbing capital requirements by monitoring market demand and optimizing inventory levels
Risks Related to Market Conditions	Crude oil and naphtha prices: The risk of volatility in the raw material procurement prices paid by businesses or in the market prices of feedstocks that affect products' selling prices Exchange rate risk: The risk of volatility in exchange rates between the yen and foreign currencies accompanying the foreign currency denominated settlement of import and export trading transactions and trading transactions between third-party countries	<ul style="list-style-type: none"> Stabilizing revenues by revising the method of determining selling prices (acrylonitrile business) Stable and efficient utilization of capital with a cash management system and by hedging through forward exchange contracts
Risks Related to M&A	The risk of incurring goodwill impairment if initially expected investment benefits are not realized, if the performance of a joint venture deteriorates, or if business integration with an acquired company is delayed	Exercising due diligence with respect to companies being considered for acquisition and carefully verifying business integration plans after acquisitions
Risks Related to Business Competitiveness	The risk of respective businesses losing competitiveness as a result of other companies using similar products or technologies to eliminate differentiation, the risk of intensified competition due to the entry of new competitors, the risk of changes in the structures of industries due to rapid technological innovation, or the risk of sudden changes in demand structures or market structures	Examining the competitiveness of competing products and examining timely, accurate forecasts of changes in industrial structures, and then continually differentiating products and services, establishing business models that are difficult to imitate, and using intellectual property to build high barriers to entry
Risks Related to Trade and Economic Sanctions	The risk of being unable to collect bills or execute operations or experiencing delays in these regards due to the occurrence of unforeseeable situations that result from a country's geopolitical issues, taxation system, statutory regulations, labor environment, or trade practices and the risk of being subject to penalties if transactions are conducted that infringe upon various types of economic sanctions, such as the OFAC regulations (economic sanction measures implemented by the Office of Foreign Assets Control of the U.S. Department of the Treasury)	<ul style="list-style-type: none"> Monitoring industry-related trends in respective businesses and regions and implementing measures in response Conducting prior screening and periodic monitoring to ascertain whether or not there is a possibility of infringing upon economic sanctions, and implementing measures in response
Risk Related to Climate Change	The risk related to such climate change as worldwide rises in temperature of the types referred to by the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (Material and Homes)	Analyzing the overall situation and examining responses in light of annual considerations of the climate-related risks and opportunities of respective businesses (▶ P48-49)
Other Risks	In addition to the aforementioned risks, business risks stemming from large-scale natural disasters, industrial accidents, accidents caused by defective products, intellectual property rights, and new laws	<ul style="list-style-type: none"> Implementing measures in response through respective responsible divisions Implementing risk financing by acquiring property and casualty insurance with the aim of covering restoration costs if risks actualize Evaluating risks through periodic discussions at meetings of the Risk Management & Compliance Committee

Risks Related to Business Segments

Performance-Related Risks	Principal Attributes	Primary Countermeasures
Material	<ul style="list-style-type: none"> Environment & Energy: The risk of sales volumes or selling prices being lower than forecasted due to a decrease in worldwide demand for lithium-ion battery separators or due to the sales policies of competitors Mobility: The risk of volatility in demand due to trends in the global automotive industry as well as the risk of a decrease in demand due to the stopping of production lines or the adjustment of production by automotive component clients as an effect of the current COVID-19 pandemic 	<ul style="list-style-type: none"> Environment & Energy: Maintaining competitive superiority with products that combine high output, high capacity, and high reliability, and by increasing production capacity Mobility: Expanding and improving the lineup of materials to cater to changes in the industry, such as CASE (Connected, Autonomous, Shared & Service, Electric) technological innovation in relation to automobiles; extending the range of product applications; and building business models enabling sustainable growth
Homes	<ul style="list-style-type: none"> The risk of volatility in demand due to consumer spending trends in Japan; policies related to interest rates, land prices, and homes; or taxation system trends as well as the risk of changes in needs with respect to homes as the effect of the current COVID-19 pandemic leads to a slump in consumer spending, changes in methods of communication with customers, or an increase in working from home The risk of damage to trust due to the leakage of the personal information of a customer 	<ul style="list-style-type: none"> Mitigating these negative factors by focusing business development mainly on urban areas that have higher household income and stable market rates for land prices or house rents as well as pursuing new methods of communication with customers through the utilization of IT tools to attract customers and to advance efforts to obtain orders Ensuring rigorous compliance with statutory regulations and rules in the management and protection of personal information
Health Care	<ul style="list-style-type: none"> The risk of a decrease in the sales volumes or selling prices of drugs or medical devices due to periodic revision of National Health Insurance (NHI) reimbursement prices as well as the risk of new drugs under development not receiving approval and not becoming commercial products as planned The risk of sudden changes in demand for medical devices or drugs due to the effect of the current COVID-19 pandemic 	<ul style="list-style-type: none"> Realizing diverse growth potential and competitive strength by having both a pharmaceutical business and a medical device business, increasing opportunities to acquire innovation, and enhancing the ability to adapt given the uncertainty of future medical regulations Monitoring demand trends carefully and implementing flexible production measures in response to fluctuations in demand

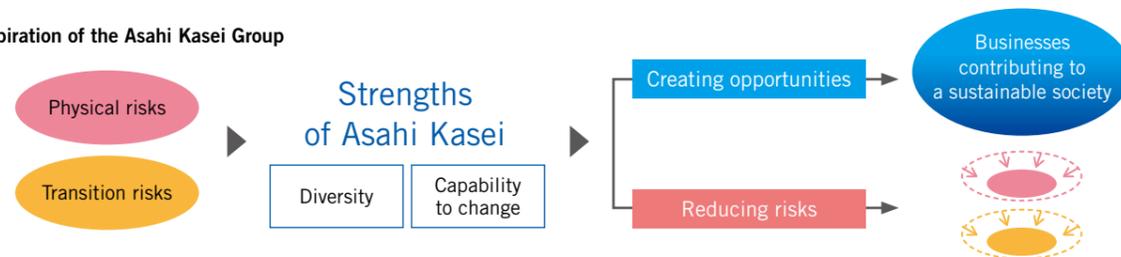
Initiatives Regarding Climate Change Disclosure Based on the TCFD* Recommendations

CO₂ emissions have been increasing continuously since the industrial revolution, and the substantial increase since the 20th century in particular is said to be causing climate change. Given that climate change has a significant impact on society, the world views it as an urgent issue that needs to be addressed through concrete measures under a unified approach.

During the century since Asahi Kasei's founding, we have focused on the needs of society and operated businesses to address such needs. Today, as climate change measures are expected by society, contributing to the environment is a pillar of the Asahi Kasei Group's management strategy, expressed as "Care for Earth."

Meanwhile, the impact of climate change on companies is a matter of great concern to investors and other stakeholders, and companies must clarify its impact and engage in continual dialogue with these parties. Therefore, in accordance with the recommendations of the TCFD, we undertook to analyze the impact of climate change and clarify our response to it.

Aspiration of the Asahi Kasei Group



* TCFD: Task Force on Climate-related Financial Disclosures. The TCFD was established and its recommendations were officially announced by the Financial Services Board in 2017.

Corporate Governance

Asahi Kasei regards climate change measures as important management issues, and discusses their implementation status at meetings of the Management Council and the Board of Directors.

In order to accurately understand the issue of climate change and discuss measures for addressing it, members of executive management discuss issues related to sustainability

In our analysis, we examined changes that are expected to occur due to climate change and their impact on our business from a variety of perspectives. Through this analysis, it became clear that, while climate change is expected to have a significant impact from a financial perspective over the medium term, the financial risk to the Asahi Kasei Group as a whole is limited, and our business portfolio comprising diverse businesses gives rise both to risk abatements and to opportunities. In addition, we confirmed that we have the potential to capture new opportunities related to climate change through our diverse businesses and technologies.

We will reduce the risks of climate change and continue to develop as a company that coexists with the environment while viewing adaptation and mitigation measures as business opportunities, thereby contributing to the achievement of a sustainable society.

including climate change at meetings of the Sustainability Committee, chaired by the Asahi Kasei President, with results reported to the Board of Directors. In addition, our Global Environment Committee, chaired by the Executive Officer for Technology Functions, discusses issues related to the environment, as a subcommittee of the Sustainability Committee. (Framework for Promoting Sustainability ▶ P14)

Strategy (Analysis of Risks and Opportunities)

■ Basis of analysis

- Scenarios assume temperature rises of 4°C and less than 2°C and a time frame of 2050
- Examination covers our Material and Homes sectors, which fall within the scope of the sectors recommended for disclosure in the TCFD recommendations
- Analysis of the impact on our existing business portfolio

Risks			
	Important Changes	Main Risks	Principal Countermeasures
Physical risks 4°C	Serious storm and flood damage	"Physical" production risks <ul style="list-style-type: none"> • Suspension of production due to plant damage • Disruption of raw material supply due to damage incurred by suppliers 	<ul style="list-style-type: none"> • Continuous revision of BCP and reinforcement of preemptive response
	Rise in temperature	"Human" production risks <ul style="list-style-type: none"> • Deterioration of working environment and productivity at construction sites 	<ul style="list-style-type: none"> • Promotion of industrialization and utilization of IT in housing construction
Transition risks Less than 2°C	Decarbonization	<ul style="list-style-type: none"> • Rise in costs due to stricter regulations* (manufacturing and raw material costs) • Changes in materials needs (decarbonization requirements, necessary specifications) 	<ul style="list-style-type: none"> • Expansion in utilization of renewable energy, etc. • More efficient energy use; development and commercialization of industrial processes for decarbonization • Decarbonization of raw materials

* Example: In the event of a carbon tax under a scenario put forward by the International Energy Agency (IEA), the maximum annual increase in manufacturing costs would be around ¥60 billion (fiscal 2019 GHG emissions of four million tons × US\$140/t carbon tax).

Opportunities			
	Important Changes	Main Opportunities	Principal Initiatives
Physical risks 4°C	Serious storm and flood damage	<ul style="list-style-type: none"> • Increasing need for disaster-resilient housing 	Greater emphasis on resilience in house building and urban development <ul style="list-style-type: none"> • Hardware/software • Individual/community
Transition risks Less than 2°C	Decarbonization	<ul style="list-style-type: none"> • Promotion of the spread of net Zero Energy Houses (ZEH)* through government policies 	<ul style="list-style-type: none"> • Decarbonization of homes and communities
	Spread of electric vehicles (EVs)	Increase in EV-related demand <ul style="list-style-type: none"> • Battery components • Materials for reducing vehicle weight 	<ul style="list-style-type: none"> • Provision of components and systems for next-generation mobility • Strengthening of collaboration with automobile and battery manufacturers
	Advent of a hydrogen society	<ul style="list-style-type: none"> • Increase in demand for water electrolysis using renewable energy 	<ul style="list-style-type: none"> • Utilization of alkaline water electrolysis system

* ZEH: Houses with a net energy consumption of zero or less as achieved through advanced insulation and energy saving combined with power generation such as solar

Risk Management

We examine risks and opportunities and formulate policies from the perspective of the "Care for Earth" concept in our medium-term management initiative.

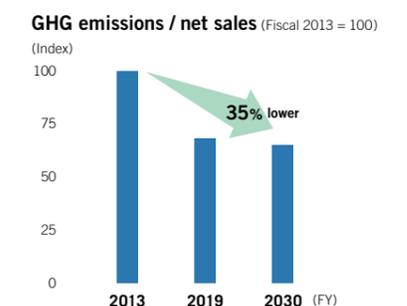
In addition, we incorporate the aspect of sustainability, including climate change, into our decision criteria for allocating management resources, and confirm the status of GHG

emissions when undertaking large-scale investments and other major expenditures.

We calculate total GHG emissions for the Asahi Kasei Group annually, and the Board of Directors and other bodies manage progress toward our targets.

Metrics and Targets

To reduce GHG emissions associated with our business activities, we have set GHG emissions ÷ net sales from Scope 1 & 2 (domestic and overseas) as a metric. Our target is for this index to be 35% lower in fiscal 2030 compared with fiscal 2013. We also seek to contribute to a reduction in society's GHG emissions by promoting the development of environmental contribution products (▶ P17) that help reduce GHG emissions in society.



SASB Disclosure Information Index

This is an index of disclosed information in accordance with the ESG information disclosure framework “SASB Standards” issued by the U.S. Sustainability Accounting Standards Board (SASB). The table below refers to the standards for the Chemicals industry in the Resource Transformation sector, and shows the source of the relevant information. We will continue working to add more reference standards.

Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Code	Information Disclosure Website URL
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	Climate Change > Policy > Scope 1 and 2 GHG emissions https://www.asahi-kasei.com/sustainability/environment/climate_change/ ESG Data (Environment) https://www.asahi-kasei.com/sustainability/esg_data/
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	Climate Change > Policy > Greenhouse Gas (GHG) Emission Reduction Targets in the Medium-Term Management Initiative https://www.asahi-kasei.com/sustainability/environment/climate_change/
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	(1), (2) Pollution and Natural Resources > Air pollution, Environmental Management, ESG Data (Environment) (3) Pollution and Natural Resources > Reducing emissions of chemical substances, Environmental Management, ESG Data (Environment) (1)–(3) https://www.asahi-kasei.com/sustainability/environment/resources/ https://www.asahi-kasei.com/sustainability/esg_data/ (4) —
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	(1) Environmental Management https://www.asahi-kasei.com/sustainability/environment/management/ (2) — (3) Climate Change > Efforts to Reduce CO ₂ Emissions in Japan > Renewable energy https://www.asahi-kasei.com/sustainability/environment/climate_change/ (4) —
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	(1) Water Resource Preservation > Reducing water use, ESG Data (Environment) https://www.asahi-kasei.com/sustainability/environment/water_use/ https://www.asahi-kasei.com/sustainability/esg_data/ (2) —
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	Water Resource Preservation > Prevention of water pollution https://www.asahi-kasei.com/sustainability/environment/water_use/
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	—
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Pollution and Natural Resources > Reducing industrial waste https://www.asahi-kasei.com/sustainability/environment/resources/
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	—

Topic	Accounting Metric	Code	Information Disclosure Website URL
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	Occupational Health and Safety https://www.asahi-kasei.com/sustainability/social/workplace/
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	Occupational Health and Safety > Health management, Health management for employees https://www.asahi-kasei.com/sustainability/social/workplace/
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	—
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	(1) Quality Assurance https://www.asahi-kasei.com/sustainability/social/quality/ (2) —
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	(1), (2) Quality Assurance > Product safety and product liability, Chemical substance management https://www.asahi-kasei.com/sustainability/social/quality/ Pollution and Natural Resources > Reducing emissions of chemical substances https://www.asahi-kasei.com/sustainability/environment/resources/
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	—
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	Environmental Management > Policy https://www.asahi-kasei.com/sustainability/environment/management/ Climate Change > Policy https://www.asahi-kasei.com/sustainability/environment/climate_change/
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	Process Safety > Process safety management https://www.asahi-kasei.com/sustainability/social/safety/
	Number of transport incidents	RT-CH-540a.2	Process Safety > Transportation and Distribution Safety https://www.asahi-kasei.com/sustainability/social/safety/

Activity Metrics

Activity Metric	Unit of Measure	Code	
Production by reportable segment	Cubic meters (m ³) and/or metric tons (t)	RT-CH-000.A	—



We disclose detailed information on Asahi Kasei's policies, systems, results, and data on ESG issues for promoting sustainability in our sustainability website (Sustainability Report).

<https://www.asahi-kasei.com/sustainability/>

In addition, the “Global Reporting Initiative (GRI) Standards Content Index” is posted on our website.

https://www.asahi-kasei.com/sustainability/basic_information/guidelines/

Consolidated Financial Statements

Consolidated Balance Sheets

Asahi Kasei Corporation and Consolidated Subsidiaries
March 31, 2020 and 2019

Detailed Consolidated Financial Statements are available at the following link:
https://www.asahi-kasei.com/ir/library/financial_briefing/pdf/2003statements.pdf

ASSETS	Millions of yen		Thousands of U.S. dollars*
	2020	2019	2020
Current assets:			
Cash and deposits	¥ 207,957	¥ 193,893	\$ 1,911,194
Notes and accounts receivable—trade	330,999	350,716	3,041,991
Merchandise and finished goods	216,463	201,699	1,989,367
Work in process	160,064	131,686	1,471,041
Raw materials and supplies	101,313	93,961	931,100
Other	92,153	82,900	846,917
Allowance for doubtful accounts	(1,519)	(3,461)	(13,960)
Total current assets	1,107,430	1,051,393	10,177,649
Noncurrent assets:			
Property, plant and equipment:			
Buildings and structures	563,110	547,422	5,175,168
Accumulated depreciation	(305,259)	(294,536)	(2,805,431)
Buildings and structures, net	257,851	252,886	2,369,736
Machinery, equipment and vehicles	1,466,958	1,439,166	13,481,831
Accumulated depreciation	(1,243,780)	(1,222,201)	(11,430,751)
Machinery, equipment and vehicles, net	223,179	216,966	2,051,089
Land	67,024	63,889	615,973
Lease assets	9,645	10,159	88,641
Accumulated depreciation	(8,964)	(9,423)	(82,382)
Lease assets, net	681	736	6,259
Construction in progress	75,487	64,188	693,751
Other	172,674	160,631	1,586,931
Accumulated depreciation	(143,210)	(137,930)	(1,316,147)
Other, net	29,464	22,701	270,784
Subtotal	653,686	621,366	6,007,591
Intangible assets:			
Goodwill	469,535	319,898	4,315,182
Other	215,947	210,080	1,984,625
Subtotal	685,482	529,978	6,299,807
Investments and other assets:			
Investment securities	244,581	296,330	2,247,781
Long-term loans receivable	7,951	19,993	73,072
Long-term advance payments—trade	20,467	—	188,099
Deferred tax assets	49,929	27,508	458,864
Other	28,883	29,052	265,444
Allowance for doubtful accounts	(435)	(418)	(3,998)
Subtotal	351,377	372,465	3,229,271
Total noncurrent assets	1,690,545	1,523,810	15,536,669
Total assets	¥ 2,797,975	¥ 2,575,203	\$ 25,714,319

* As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥108.81 = US\$1 prevailing on March 31, 2020, has been used.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars*
	2020	2019	2020
Liabilities:			
Current liabilities:			
Notes and accounts payable—trade	¥ 131,207	¥ 180,429	\$ 1,205,836
Short-term loans payable	275,671	97,579	2,533,508
Commercial paper	139,000	77,000	1,277,456
Current portion of bonds payable	—	20,000	—
Lease obligations	1,006	164	9,245
Accrued expenses	121,520	113,221	1,116,809
Income taxes payable	18,145	24,971	166,759
Advances received	73,623	75,836	676,620
Provision for grant of shares	78	82	717
Provision for periodic repairs	4,043	5,342	37,157
Provision for product warranties	3,738	3,102	34,353
Provision for removal cost of property, plant and equipment	2,640	2,251	24,262
Other	71,863	81,877	660,445
Total current liabilities	842,531	681,853	7,743,139
Noncurrent liabilities:			
Bonds payable	60,000	20,000	551,420
Long-term loans payable	229,172	209,878	2,106,167
Lease obligations	3,506	253	32,221
Deferred tax liabilities	46,298	48,299	425,494
Provision for grant of shares	412	289	3,786
Provision for periodic repairs	4,560	2,929	41,908
Provision for removal cost of property, plant and equipment	5,771	3,018	53,037
Net defined benefit liability	174,365	168,685	1,602,472
Long-term guarantee deposits	21,613	21,143	198,631
Other	26,287	16,145	241,586
Total noncurrent liabilities	571,985	490,639	5,256,732
Total liabilities	1,414,515	1,172,493	12,999,862
Net assets:			
Shareholders' equity:			
Capital stock			
Authorized— 4,000,000,000 shares			
Issued and outstanding— 1,393,932,032 shares	103,389	103,389	950,179
Capital surplus	79,641	79,708	731,927
Retained earnings	1,125,738	1,077,586	10,345,906
Treasury stock (2020—6,440,327 shares, 2019—6,491,383 shares)	(5,990)	(3,936)	(55,050)
Total shareholders' equity	1,302,777	1,256,747	11,972,953
Accumulated other comprehensive income:			
Net unrealized gain on other securities	67,027	101,971	616,000
Deferred gains or losses on hedges	(241)	(40)	(2,215)
Foreign currency translation adjustment	13,027	42,020	119,722
Remeasurements of defined benefit plans	(23,275)	(19,213)	(213,905)
Total accumulated other comprehensive income	56,538	124,738	519,603
Non-controlling interests	24,145	21,225	221,901
Total net assets	1,383,460	1,402,710	12,714,456
Total liabilities and net assets	¥2,797,975	¥2,575,203	\$25,714,319

* As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥108.81 = US\$1 prevailing on March 31, 2020, has been used.

Consolidated Statements of Income

Asahi Kasei Corporation and Consolidated Subsidiaries
Years Ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars*
	2020	2019	2020
Net sales	¥2,151,646	¥2,170,403	\$19,774,341
Cost of sales	1,476,606	1,481,855	13,570,499
Gross profit	675,040	688,548	6,203,842
Selling, general and administrative expenses	497,776	478,960	4,574,727
Operating income	177,264	209,587	1,629,115
Non-operating income:			
Interest income	2,769	3,094	25,448
Dividends income	5,251	6,060	48,258
Equity in earnings of affiliates	7,138	12,112	65,601
Other	5,320	4,238	48,893
Total non-operating income	20,479	25,504	188,209
Non-operating expenses:			
Interest expense	4,016	4,371	36,908
Foreign exchange loss	2,328	2,686	21,395
Costs associated with idle portion of facilities	1,642	989	15,091
Other	5,750	7,069	52,844
Total non-operating expenses	13,735	15,115	126,229
Ordinary income	184,008	219,976	1,691,095
Extraordinary income:			
Gain on sales of investment securities	13,679	11,580	125,715
Gain on sales of noncurrent assets	4,268	655	39,224
Total extraordinary income	17,948	12,235	164,948
Extraordinary loss:			
Loss on valuation of investment securities	1,953	173	17,949
Loss on disposal of noncurrent assets	9,668	6,630	88,852
Impairment loss	21,949	11,090	201,719
Loss on disaster	2,437	–	22,397
Loss on product compensation	5,173	–	47,542
Business structure improvement expenses	4,840	3,921	44,481
Total extraordinary loss	46,022	21,814	422,957
Income before income taxes	155,934	210,397	1,433,085
Income taxes — current	54,173	63,730	497,868
— deferred	(3,967)	(3,148)	(36,458)
Total income taxes	50,206	60,582	461,410
Net income	105,728	149,815	971,675
Net income attributable to non-controlling interests	1,797	2,303	16,515
Net income attributable to owners of the parent	¥ 103,931	¥ 147,512	\$ 955,160

* As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥108.81 = US\$1 prevailing on March 31, 2020, has been used.

Consolidated Statements of Comprehensive Income

Asahi Kasei Corporation and Consolidated Subsidiaries
Years Ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars*
	2020	2019	2020
Net income	¥105,728	¥149,815	\$ 971,675
Other comprehensive income:			
Net (decrease) increase in unrealized gain on other securities	(34,895)	(19,058)	(320,697)
Deferred gains or losses on hedges	(201)	(132)	(1,847)
Foreign currency translation adjustment	(26,115)	12,464	(240,006)
Remeasurements of defined benefit plans	(3,867)	4,311	(35,539)
Share of other comprehensive income of affiliates accounted for using equity method	(3,482)	1,297	(32,001)
Total other comprehensive income	(68,561)	(1,119)	(630,098)
Comprehensive income	¥ 37,167	¥148,696	\$ 341,577
Comprehensive income attributable to:			
Owners of the parent	¥ 35,730	¥146,339	\$ 328,370
Non-controlling interests	1,437	2,357	13,207

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Consolidated Statements of Changes in Net Assets

Asahi Kasei Corporation and Consolidated Subsidiaries
Years Ended March 31, 2020 and 2019

	Shareholders' equity				Accumulated other comprehensive income							Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at March 31, 2019	¥103,389	¥79,708	¥1,077,586	¥ (3,936)	¥1,256,747	¥101,971	¥ (40)	¥ 42,020	¥(19,213)	¥124,738	¥21,225	¥1,402,710
Changes during the fiscal year:												
Dividends from surplus			(48,723)		(48,723)							(48,723)
Net income attributable to owners of the parent			103,931		103,931							103,931
Purchase of treasury stock				(10,016)	(10,016)							(10,016)
Disposal of treasury stock		0		83	84							84
Cancellation of treasury stock		(7,878)		7,878	-							-
Transfer from retained earnings to capital surplus		7,856	(7,856)		-							-
Change of scope of consolidation			801		801							801
Capital increase of consolidated subsidiaries		(46)			(46)							(46)
Net changes of items other than shareholders' equity						(34,945)	(201)	(28,993)	(4,062)	(68,200)	2,920	(65,280)
Total changes of items during the period	-	(67)	48,152	(2,055)	46,030	(34,945)	(201)	(28,993)	(4,062)	(68,200)	2,920	(19,250)
Balance at March 31, 2020	¥103,389	¥79,641	¥1,125,738	¥ (5,990)	¥1,302,777	¥ 67,027	¥(241)	¥ 13,027	¥(23,275)	¥ 56,538	¥24,145	¥1,383,460

	Shareholders' equity				Accumulated other comprehensive income							Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at March 31, 2018	¥103,389	¥79,440	¥ 981,934	¥(3,930)	¥1,160,833	¥121,128	¥ 92	¥28,676	¥(23,343)	¥126,553	¥17,827	¥1,305,214
Changes during the fiscal year:												
Dividends from surplus			(51,674)		(51,674)							(51,674)
Net income attributable to owners of the parent			147,512		147,512							147,512
Purchase of treasury stock				(40)	(40)							(40)
Disposal of treasury stock		6		34	40							40
Cancellation of treasury stock					-							-
Transfer from retained earnings to capital surplus					-							-
Change of scope of consolidation			(187)		(187)							(187)
Capital increase of consolidated subsidiaries		262			262							262
Net changes of items other than shareholders' equity						(19,157)	(132)	13,344	4,130	(1,815)	3,398	1,582
Total changes of items during the period	-	268	95,652	(6)	95,914	(19,157)	(132)	13,344	4,130	(1,815)	3,398	97,496
Balance at March 31, 2019	¥103,389	¥79,708	¥1,077,586	¥(3,936)	¥1,256,747	¥101,971	¥ (40)	¥42,020	¥(19,213)	¥124,738	¥21,225	¥1,402,710

	Shareholders' equity				Accumulated other comprehensive income							Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at March 31, 2019	\$950,179	\$732,543	\$9,903,373	\$(36,173)	\$11,549,922	\$ 937,147	\$ (368)	\$ 386,178	\$(176,574)	\$1,146,384	\$195,065	\$12,891,370
Changes during the fiscal year:												
Dividends from surplus			(447,781)		(447,781)							(447,781)
Net income attributable to owners of the parent			955,160		955,160							955,160
Purchase of treasury stock				(92,050)	(92,050)							(92,050)
Disposal of treasury stock		0		763	772							772
Cancellation of treasury stock		(72,401)		72,401	-							-
Transfer from retained earnings to capital surplus		72,199	(72,199)		-							-
Change of scope of consolidation			7,361		7,361							7,361
Capital increase of consolidated subsidiaries		(423)			(423)							(423)
Net changes of items other than shareholders' equity						(321,156)	(1,847)	(266,455)	(37,331)	(626,781)	26,836	(599,945)
Total changes of items during the period	-	(616)	442,533	(18,886)	423,031	(321,156)	(1,847)	(266,455)	(37,331)	(626,781)	26,836	(176,914)
Balance at March 31, 2020	\$950,179	\$731,927	\$10,345,906	\$(55,050)	\$11,972,953	\$ 616,000	\$(2,215)	\$ 119,722	\$(213,905)	\$ 519,603	\$221,901	\$12,714,456

* As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥108.81 = US\$1 prevailing on March 31, 2020, has been used.

Consolidated Statements of Cash Flows

Asahi Kasei Corporation and Consolidated Subsidiaries
Years Ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars*
	2020	2019	
Cash flows from operating activities:			
Income before income taxes	¥155,934	¥210,397	\$1,433,085
Depreciation and amortization	96,016	84,556	882,419
Impairment loss	21,949	11,090	201,719
Amortization of goodwill	22,288	19,490	204,834
Amortization of negative goodwill	(79)	(159)	(726)
Increase in provision for grant of shares	119	170	1,094
Increase in provision for periodic repairs	332	1,823	3,051
Increase in provision for product warranties	640	364	5,882
Increase in provision for removal cost of property, plant and equipment	3,141	145	28,867
Decrease in net defined benefit liability	(4,069)	(4,287)	(37,395)
Interest and dividend income	(8,021)	(9,154)	(73,716)
Interest expense	4,016	4,371	36,908
Equity in earnings of affiliates	(7,138)	(12,112)	(65,601)
Gain on sales of investment securities	(13,679)	(11,580)	(125,715)
Loss on valuation of investment securities	1,953	173	17,949
Gain on sale of property, plant and equipment	(4,268)	(655)	(39,224)
Loss on disposal of noncurrent assets	9,668	6,630	88,852
Decrease in notes and accounts receivable-trade	16,919	3,942	155,491
Increase in inventories	(51,950)	(57,968)	(477,438)
Decrease in notes and accounts payable-trade	(45,562)	(776)	(418,730)
Increase in accrued expenses	2,624	5,859	24,115
(Decrease) Increase in advances received	(1,925)	5,266	(17,691)
Other, net	(20,688)	15,328	(190,130)
Subtotal	178,218	272,914	1,637,883
Interest and dividend income received	10,834	11,247	99,568
Interest expense paid	(4,203)	(4,412)	(38,627)
Income taxes paid	(60,388)	(67,687)	(554,986)
Net cash provided by operating activities	124,460	212,062	1,143,829
Cash flows from investing activities:			
Payments into time deposits	(4,195)	(13,812)	(38,553)
Proceeds from withdrawal of time deposits	13,343	7,880	122,627
Purchase of property, plant and equipment	(138,354)	(114,718)	(1,271,519)
Proceeds from sales of property, plant and equipment	5,693	652	52,321
Purchase of intangible assets	(16,096)	(10,136)	(147,928)
Purchase of investment securities	(10,820)	(2,624)	(99,439)
Proceeds from sales of investment securities	23,543	17,030	216,368
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(175,759)	(93,487)	(1,615,284)
Payments for transfer of business	(1,964)	(2,764)	(18,050)
Payments of loans receivable	(23,170)	(5,092)	(212,940)
Collection of loans receivable	9,253	18,813	85,038
Other, net	369	(659)	3,391
Net cash used in investing activities	(318,156)	(198,917)	(2,923,959)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans payable	172,022	(36,840)	1,580,939
Increase in commercial paper	62,000	57,000	569,801
Proceeds from long-term loans payable	45,816	85,492	421,064
Repayment of long-term loans payable	(17,586)	(53,833)	(161,621)
Proceeds from issuance of bonds payable	40,000	20,000	367,613
Redemption of bonds	(20,000)	-	(183,807)
Repayments of lease obligations	(1,276)	(237)	(11,727)
Purchase of treasury stock	(10,016)	(40)	(92,050)
Proceeds from disposal of treasury stock	84	40	772
Proceeds from share issuance to non-controlling interests	849	-	7,803
Cash dividends paid	(48,723)	(51,674)	(447,781)
Cash dividends paid to non-controlling interests	(1,052)	(1,155)	(9,668)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(1,148)	-
Other, net	(194)	(217)	(1,783)
Net cash provided by financing activities	221,923	17,388	2,039,546
Effect of exchange rate change on cash and cash equivalents	(4,060)	543	(37,313)
Net increase in cash and cash equivalents	24,167	31,077	222,103
Cash and cash equivalents at beginning of year	180,520	148,596	1,659,039
Increase in cash and cash equivalents resulting from changes in scope of consolidation	85	846	781
Cash and cash equivalents at end of year	¥204,771	¥180,520	\$1,881,913

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Company Information/Investors Information

(as of March 31, 2020)

Corporate Profile

Company Name	Asahi Kasei Corporation	Paid-in Capital	¥103,389 million
Date of Establishment	May 21, 1931	Employees	40,689 (consolidated) 8,253 (non-consolidated)

Asahi Kasei Group Offices

Asahi Kasei Corporation

Tokyo Head Office

Hibiya Mitsui Tower
1-1-2 Yurakucho, Chiyoda-ku, Tokyo 100-0006 Japan
Tel: +81-(0)3-6699-3000 Fax: +81-(0)3-6699-3161

Asahi Kasei (China) Co., Ltd.

8/F, One ICC Shanghai International Commerce Centre
No. 999 Huai Hai Zhong Road, Shanghai 200031 China
Tel: +86-21-6391-6111 Fax: +86-21-6391-6686

Beijing Office

Suite 2008, Germdale Plaza A, 91 Jianguo Road,
Chaoyang District, Beijing 100022 China
Tel: +86-10-6569-3939 Fax: +86-10-6569-3938

Asahi Kasei America, Inc.

800 Third Avenue, 30th Floor New York, NY 10022 U.S.A.
Tel: +1-212-371-9900 Fax: +1-212-371-9050

Asahi Kasei Europe GmbH

Am Seestern 4, 40547 Düsseldorf, Germany
Tel: +49-211-8822-030 Fax: +49-211-8822-0333
(New address after relocation scheduled for November 16, 2020)
Fringsstrasse 17, 40221 Düsseldorf, Germany
Tel: +49-211-3399-2201 Fax: +49-211-3399-2299

Asahi Kasei India Pvt. Ltd.

The Capital 1502B, Plot C-70, G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400051 India
Tel: +91-22-6710-3962 Fax: +91-22-6710-3979

Asahi Kasei Asia Pacific Co., Ltd.

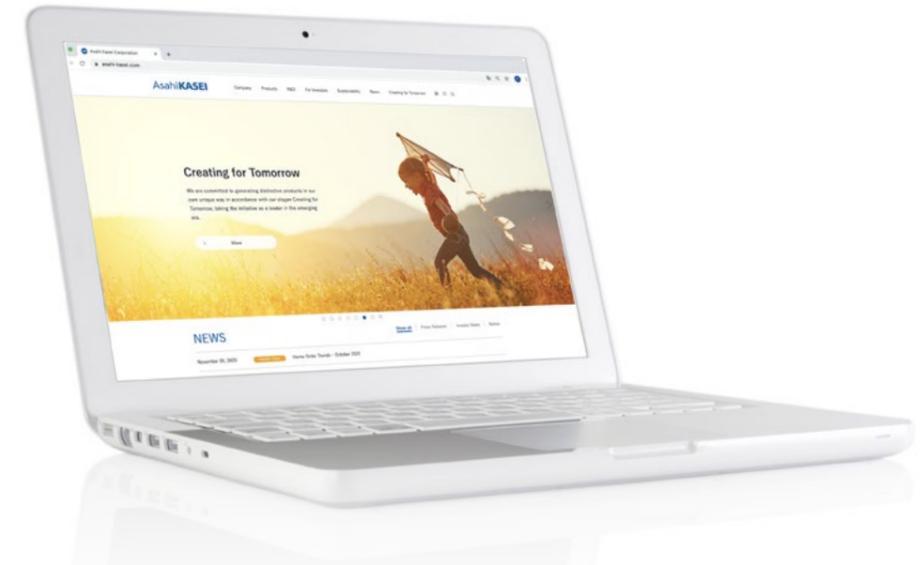
1705-1706, 17th Floor Singha Complex Building,
1788 New Petchaburi Road, Khwaeng Bang Kapi,
Khet Huai Khwang, Bangkok 10310 Thailand
Tel: +66-(0)-2-163-4944

Investors Information

Stock Listing	Tokyo	Largest Shareholders	% of equity
Stock Code	3407	JP Morgan Chase Bank 385632	7.91
Authorized Shares	4,000,000,000	The Master Trust Bank of Japan, Ltd. (trust account)	7.68
Outstanding Shares	1,393,932,032	Japan Trustee Services Bank, Ltd. (trust account)	4.67
Transfer Agent	Sumitomo Mitsui Trust Bank, Ltd.	Nippon Life Insurance Company	4.21
Independent Auditors	PricewaterhouseCoopers Aarata LLC	Japan Trustee Services Bank, Ltd. (trust account 7)	2.41
Number of Shareholders	125,793	Asahi Kasei Group Employee Stockholding Association	2.40
		SSBTC Client Omnibus Account	2.19
		Japan Trustee Services Bank, Ltd. (trust account 5)	1.91
		Sumitomo Mitsui Banking Corp.	1.83
		JP Morgan Chase Bank 385151	1.57

Note: Percentage of equity ownership after exclusion of treasury stock.

Information Disclosure



Investor Relations

On our IR website, in addition to posting materials on financial results, we present the Asahi Kasei Group's business performance and future policies.

<https://www.asahi-kasei.com/ir/>

Sustainability

We disclose detailed information on Asahi Kasei's sustainability policies, systems, results, and data on ESG issues in our sustainability website (Sustainability Report).

<https://www.asahi-kasei.com/sustainability/>

External Evaluation

Inclusion in Socially Responsible Investment Indexes (Fiscal 2020)

- FTSE4Good Index
- FTSE Blossom Japan Index
- MSCI Japan Empowering Women Index (WIN)
- MSCI Japan ESG Select Leaders Index
- S&P/JPX Carbon Efficient Index



CDP Climate Change and Water Security A- Evaluation

Asahi Kasei received an "A-" evaluation in the categories of Climate Change and Water Security in the 2019 survey conducted by CDP. We received an A- in the Climate Change category for five consecutive years from 2015 to 2019, while 2019 was our first year to receive an A- in the Water Security category.

5-Star Certification in 3rd Nikkei Smart Work Management Survey

Asahi Kasei received the Special Jury Prize in addition to 5-Star Certification, the highest ranking, in the 3rd Nikkei Smart Work Management Survey, which recognizes leading companies for their efforts to achieve a productivity revolution through workstyle reforms.

