

Human Resource Strategies

The Asahi Kasei Group seeks to create new value by leveraging the “diversity” and “capability to change” of our human resources, technologies, and businesses. To support this effort, we are developing platforms that support the autonomous growth of our human resources and are conducive to contributions from diverse individuals in accordance with our basic principles that “people are our core assets” and that “everything starts with people.”

The Asahi Kasei Group’s Human Resource Strategies

Response to Changes Brought About by COVID-19

The COVID-19 pandemic caused sweeping changes to the environment in which people work such as restrictions on commuting to workplaces and taking business trips. The resulting changes to behavioral patterns have also stimulated the diversification of the values of individuals. The Asahi Kasei Group is committed to developing comfortable workplace environments, from the perspectives of both human resource

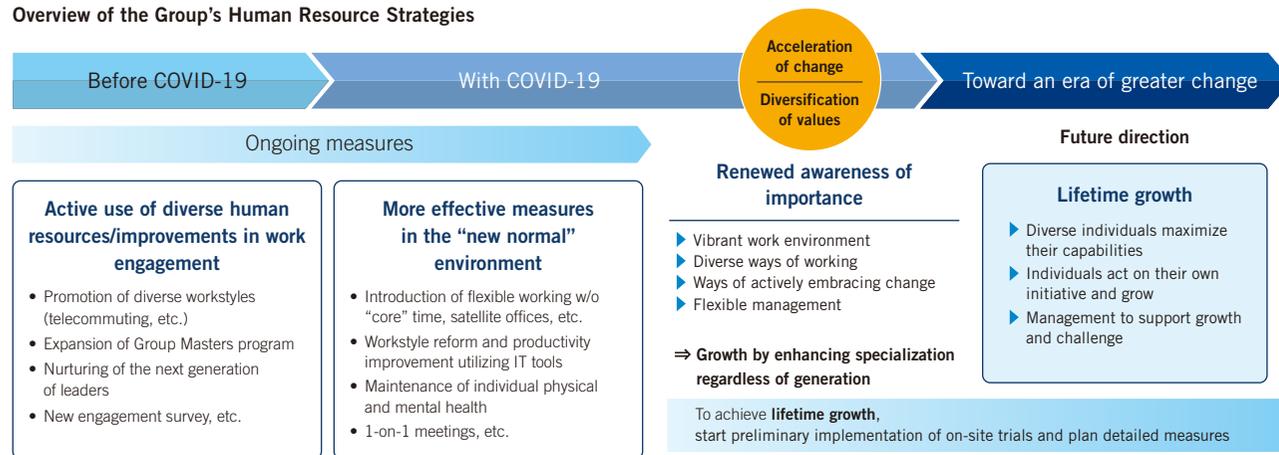
systems and infrastructure, for the new normal that is poised to emerge after the COVID-19 pandemic has subsided. At the same time, we have been endeavoring to improve productivity through revisions to workstyles and the use of digital technologies. All employees are responding to the sweeping changes by exercising ingenuity in their work and in connecting with others both inside and outside. Going forward, we will continue to improve employee engagement and desire to be part of an

organization in order to foster workplace environments in which everyone is passionate about working together.

Continuous Growth of Business Driven by Lifetime Growth of Employees

The Asahi Kasei Group’s diverse human resources have continued to grow while creating diverse technologies and businesses by embracing our Group Values of sincerity, challenge, and creativity. We emphasize an egalitarian corporate culture and teamwork founded on an open exchange of ideas regardless of rank and position, as symbolized by our custom of referring to others by name as opposed to by title. With this corporate culture, we have continued to achieve ongoing growth driven by the core strengths of our human resources: an unwavering dedication to pursuing goals, the team spirit that inspires individuals to unite toward a common goal, and a sincere commitment to customers and to one’s work. We expect the operating environment to remain volatile and unpredictable going forward. Faced with such challenging circumstances, we will continue to build upon these core strengths while encouraging our diverse, individual employees to take the initiative, regardless of age, in order to heighten their specialties through lifetime growth. As our diverse, individual employees grow in this manner, we will tie their growth to ongoing business growth through effective management. That is the core of the human resource strategies of the Asahi Kasei Group.

Overview of the Group’s Human Resource Strategies



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

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

Enhancement of Human Resource Management Capacities

Workplace environments have been transformed as a result of the COVID-19 pandemic, making online communication the norm and creating a greater deal of acceptance toward diverse lifestyles and workstyles. As such, the empowerment and motivation of employees requires management to implement appropriate measures based on an accurate understanding of the circumstances surrounding employees and organizations. Based on this recognition, the Asahi Kasei Group launched its KSA engagement surveys, which look to gauge metrics pertaining to employee empowerment and growth. Work engagement is born out of synergies between the capacities of individual employees, exemplified in their feelings of self-efficacy and confidence and positivity toward work, and the capacities of organizations, demonstrated through support from supervisors and coworkers, workplace discretion, and evaluations and feedback. To measure work engagement, we track conditions pertaining to the empowerment of individual employees, relationships between supervisors and subordinates, and workplace environments. This information is shared within the organizations to facilitate

discussion among employees and therefore spur the autonomous growth of both employees and organizations.

The KSA engagement surveys are based on the empowerment and growth cycle model proposed by Professor Hiroya Hirakimoto of Osaka University and use three indicators related to individual employees and organizations: (1) Relationships between supervisors and subordinates,

workplace environments; (2) Employee empowerment; and (3) Action driving growth.

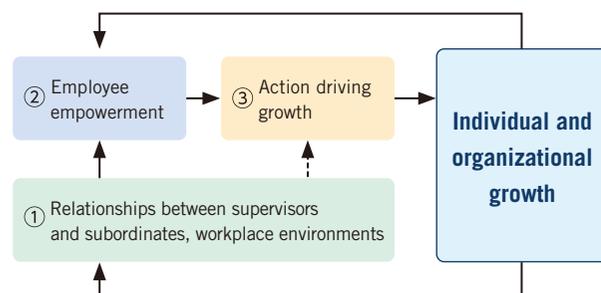
The gauging of these three indicators and their degree of impact provides the following benefits:

- Ability to visualize the success or failure of past measures
- Accurate information on the current status of the organization that can be used to guide future action

Items Gauged through KSA Engagement Surveys

<p>① Relationships between supervisors and subordinates, workplace environments</p> <ul style="list-style-type: none"> • Support from supervisors • Interpersonal relationships supporting work • Encouragement of ingenuity • Respect for diversity • Workplace openness 	<p>② Employee empowerment</p> <ul style="list-style-type: none"> • Ability to maintain positive stance (individual capabilities) <ul style="list-style-type: none"> - Confidence, feeling of self-efficacy - Strength to overcome adversity - Capacity for plotting course toward achieving goals - Optimism • Motivation toward work (work engagement) 	<p>③ Action driving growth</p> <ul style="list-style-type: none"> • Experience-based learning • Contributions to organization • Problem-solving/improvement efforts • Job crafting
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Framework of KSA Engagement Surveys



Comments from Managers Following the Implementation of KSA Engagement Surveys

(questionnaire responses of managers directly overseeing subordinates)

- “It was very beneficial to use the results of the KSA survey in discussions with division members to involve everyone in thinking about ways to drive employee empowerment and growth in the workplace.”
- “The KSA survey results helped me share the strengths and weaknesses of our organization with everyone.”
- “The results of the KSA survey cast light on aspects of organizations that I was unaware of as a department head. The weaknesses indicated by the survey report gave me a newfound understanding of our organization.”
- “We gained a deeper understanding of our organization through the KSA survey, fostering a greater sense of solidarity in our efforts to maintain our strong corporate culture.”

Group Masters Program

In implementing human resource strategies, the heightening of the specialized skills of individual employees is as important as the enhancement of human resource management capacities. For this purpose, the Asahi Kasei Group has established the Group Masters program to appoint, nurture, and reward individuals who are contributing or are expected to contribute to the creation of new businesses or the reinforcement of established businesses as Group Masters. This program thus helps develop a robust pool of human resources with high-level specialist expertise and skills who are competitive inside and outside the organization. The program defines five ranks of Group Masters. The roles of each rank are clearly defined, and compensation

increases in line with rank, to promote the growth of human resources while enabling us to recruit external talent. Moreover, succession plans are put in place for Group Masters to link the development of human resources with the cultivation of businesses in order to raise competitiveness.

Group Masters Human Resource Portfolio

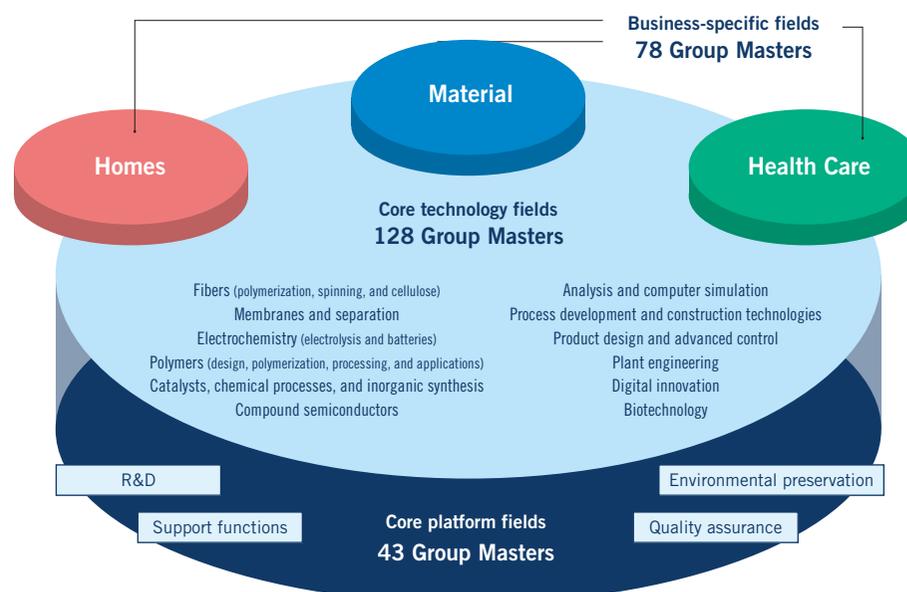
Under the Group Masters program, technology fields to be strengthened from a cross-business perspective are defined as core technology fields, and engineers that drive the enhancement of technologies in these fields are appointed as Group Masters. For the pursuit of ongoing business growth and new

business creation over the next five to ten years, we examined the core technologies, production technologies, expertise, business platforms, and diverse market channels and business models that have been developed as the source of our competitiveness thus far. This examination led to the identification of the 12 core technology fields shown below including biotechnology which was added in fiscal 2021. In addition, we have defined the jobs and occupational fields in which specialists should be cultivated for both specific business fields and core company-wide functions as core platforms fields, and we are assigning the title of Group Master to individuals capable of driving efforts in these areas.

Group Master Ranks and Roles

Ranks		Roles
<p>Executive Fellow (status equivalent to Executive Officer) Person who newly developed or considerably expanded a field of technology</p>	<p>Senior Fellow (status equivalent to Managing Executive, Senior Managing Executive, or Executive Officer) Person whose term as Executive Fellow or Principal Expert expires after retirement age but who is expected to continue the roles shown at right</p>	<p>1. Actively participating in and contributing to new business creation and strengthening operations by cultivating and enhancing their skills and abilities as a leading specialist</p>
<p>Principal Expert (status equivalent to Managing Executive or Senior Managing Executive) Person who takes the lead in a field of technology</p>		
<p>Lead Expert Person ranked below Principal Expert (candidate to be Principal Expert)</p>		<p>2. Fostering younger personnel in the relevant areas</p>
<p>Expert Person ranked below Lead Expert (candidate to be Lead Expert)</p>		
		<p>Actively participating in and contributing to new business creation and strengthening operations by cultivating and enhancing their skills and abilities</p>

Group Masters Fields



Health and Productivity Management

Health and Productivity Management System

In April 2020, we appointed a Chief Health Officer (CHO) and established the Corporate Health Care Promotion Center as an organization tasked with promoting health and productivity management on a group-wide basis under the direct authority of the CHO.

Furthermore, the Statement on Management for Health was issued in October 2020 to add a new dimension to prior health promotion initiatives. To continue raising corporate value, it is imperative to establish workplace environments in which employees can succeed while maintaining good physical and mental health. Accordingly, we are actively promoting health and productivity management based on the Group Health and Productivity Management Vision described in the Statement on Management for Health.

Frameworks for advancing health and productivity management initiatives on an integrated, group-wide basis were installed in April 2021, when the health and productivity management functions of major domestic sites were placed under the direct supervision of the Corporate Health Care Promotion Center.

Overview of Health and Productivity Management Initiatives

Efforts to maintain and promote the physical and mental health of

our employees and their families are at the heart of the Asahi Kasei Group's health and productivity management activities.

In recent years, the total number of leave days taken by employees has been increasing, causing losses in terms of both labor and healthcare costs. Factors behind the increase in leave days include mental health issues, metabolic syndrome, cancer, and smoking. For this reason, steps to address these factors and help employees achieve better physical and mental health are absolutely essential to achieving sustainable increases to corporate value.

At the same time, we are advancing initiatives focused on supporting the success and growth of each individual, encouraging greater working satisfaction and fulfillment, and creating a vibrant and strong organizational climate with the aim of improving productivity. We thereby hope to achieve the virtuous cycle of contributing to sustainable society and sustainable growth of corporate value described in our medium-term management initiative "Cs+ for Tomorrow 2021."

Medium- to Long-Term Stance toward Health and Productivity Management

The Asahi Kasei Group is moving forward with measures for

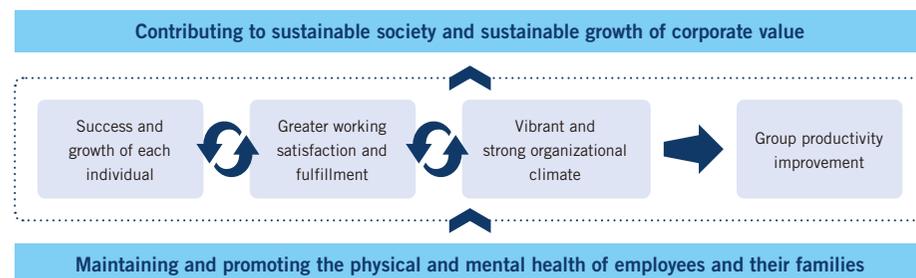
raising health and productivity awareness among employees. At the same time, we are developing health and productivity management frameworks. We hope to complete these awareness-raising and framework development measures by March 31, 2022, and to begin full-fledged health and productivity management activities thereafter.

Our focus over the period spanning from fiscal 2022 to fiscal 2024 will be to work to generate concrete benefits through the efforts of major domestic sites and to ensure that these benefits are tangible for as many employees as possible. Meanwhile, we will look to expand the efforts of major domestic sites to smaller independent plants in Japan as well as to overseas sites.

From fiscal 2025 forward, efforts will be directed toward enhancing initiatives by evaluating and inspecting prior activities. At the same time, we will tackle new challenges as we seek to disseminate and entrench health and productivity management practices on a group-wide and global basis and to evolve these practices to undertake well-being management.*

* A management approach that goes beyond promoting physical and mental health to emphasize the development of organizations in which employees are happy, able to feel tangible growth, and go about their work with a high degree of autonomy and motivation

Overview of Health and Productivity Management Initiatives



Medium- to Long-Term Stance toward Health and Productivity Management

