

Interview with an Outside Director

Innovation Fully Leveraging the Strength of Diverse Businesses

Q Based on your experience in industry-academia-government collaboration, how do you view Asahi Kasei's businesses and technologies?

I studied polymer chemistry, so I naturally feel some affinity with Asahi Kasei. The company has numerous products such as Saran Wrap™ which are closely associated with people's lives. I also became interested in Asahi Kasei years ago as a rechargeable lithium battery researcher. I was really thrilled when Akira Yoshino was named for the Nobel Prize in Chemistry. It shows just how much Asahi Kasei values its researchers.

I believe the Asahi Kasei Group is well positioned to generate innovation as its portfolio of diverse businesses in three sectors gives it an overarching view of different industries. This may seem ordinary to people inside the company, but as an outsider I see it as a remarkable advantage. As an engineer as well, I envy the environment that Asahi Kasei researchers enjoy. There's a favorable environment for employees to innovate and take challenges.

Q What is your opinion of Asahi Kasei's corporate governance structure? How do you view your role as an Outside Director?

I believe the governance structure is appropriate as a company with an Audit & Supervisory Board. The Board of Directors is well balanced, with Directors overseeing each of the three business sectors. Discussions at Board of Directors meetings are lively, with Outside Directors assessing management from an external perspective while raising questions and offering advice as necessary, leveraging their respective areas of expertise.

The most important thing an Outside Director has to offer is objectivity. Asahi Kasei operates a diverse range of businesses, with management leaders who are well versed in each respective area. I can provide objective assessments and advice based on my expertise in technology, industry-academia-government collaboration, and intellectual property strategy. Having also been involved in regenerative medicine, I feel that quality assurance and control can no longer be seen as some thankless task in the background; these days it's truly the lifeline of a company. No company can survive for long without reliable quality. By leveraging my experience, I hope to be able to help enhance Asahi Kasei's reputation not only among shareholders and investors but also among customers and consumers.

Yuko Maeda

Ms. Yuko Maeda joined Bridgestone Corporation in 1984, where she was appointed to a position developing rechargeable lithium batteries. She was later placed in a principal position for promoting industry-academia-government collaboration in the fields of intellectual property and technology transfer before becoming an Executive Officer of Bridgestone charged with overseeing environmental activities, innovation, and intellectual property in 2013. Ms. Maeda then became a Director at regenerative medicine company CellBank Corp. in 2017 before coming to serve concurrently as an Outside Audit & Supervisory Board Member of Chugai Pharmaceutical Co., Ltd., and an Outside Director of Kosé Corporation. She was installed as an Outside Director of Asahi Kasei in June 2021.

Exerting Combined Strengths for Sustainability

Q What do you think Asahi Kasei needs in order to keep growing and raising corporate value as a global company?

I have held various positions in private-sector, academic, and public institutions. This experience has led me to believe that diversity is the key to new business creation and innovation. A while back, a university arranged a discussion between an art professor and a corporate executive on the general subject of new businesses. It made me realize that innovation is sparked at the intersection of completely different fields. Private-sector companies need to earn profits, so they hesitate to do anything that might seem reckless. But there is value to be gained by collaborating with the academia, where research is conducted more freely. Such collaboration can provide different perspectives and flexible ideas. Innovation is unlikely to arise from collaboration between two leading experts in the same field. It's important to actively look to different fields and consider different concepts. I feel that this is just what Asahi Kasei is seeking through its initiative to build connections.

Looking ahead, it will be crucial for Asahi Kasei to develop its health care business, which is currently in the stage of global growth. At the same time, the company should look to increase the diversity of its management team over the medium to long term, such as by increasing the number of non-Japanese and

female Directors and Executive Officers. This will be vital to generating the types of diverse and innovative ideas needed for globalizing operations.

Q The COVID-19 pandemic has greatly altered the social climate and the operating environment. What will be required of management going forward?

The pandemic has dramatically changed the operating environment for companies as the advance of digitalization has entrenched remote work and given rise to new workstyles and values. Such changes, however, make us realize that sometimes face-to-face communication is still necessary. This new era will test management's ability to navigate companies through various risks. Companies need to be able to communicate effectively both internally and with customers, and develop a framework for resilience in the post-pandemic world. Only then can a company truly be a provider of solutions that meet the changing needs of society.

Q How do you evaluate Asahi Kasei's sustainability initiatives, and what are your thoughts regarding the governance structure to underpin future sustainability?

Even before sustainability became vogue, Asahi Kasei had defined its Group Mission as "contributing to life and living for people around the world." This mission has been embraced by all employees, and is embodied in a wide variety of businesses.

As indicated in Asahi Kasei's medium-term management initiative, it's essential to have a virtuous cycle of contributing to a sustainable society, exemplified by the United Nations Sustainable Development Goals, and sustainable growth of corporate value. This is no easy matter, requiring the whole company to exert its combined strengths, but society expects no less. Asahi Kasei is advancing the development of business contributing to the advent of a hydrogen society, and has long utilized renewable energy such as hydroelectric power. And yet, these efforts are not widely recognized. The company should do more to explain these efforts and make them easily understood. I look forward to offering advice in this regard.