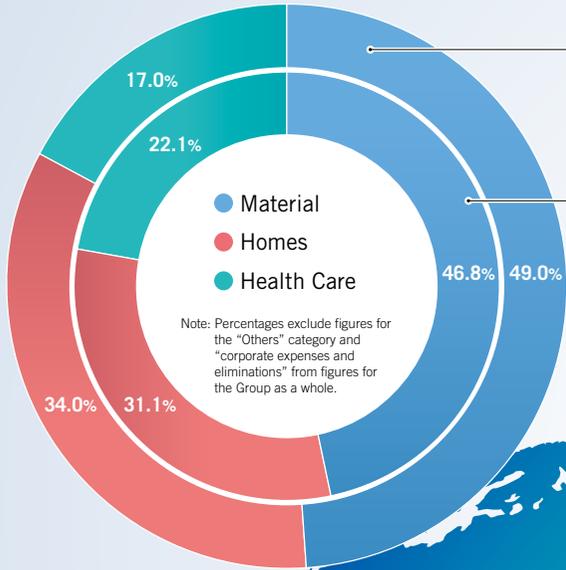


At a Glance



Fiscal 2021 Net Sales
¥2,461.3 billion

Fiscal 2021 Operating Income
¥202.6 billion

Notable Facts (as of March 31, 2022)

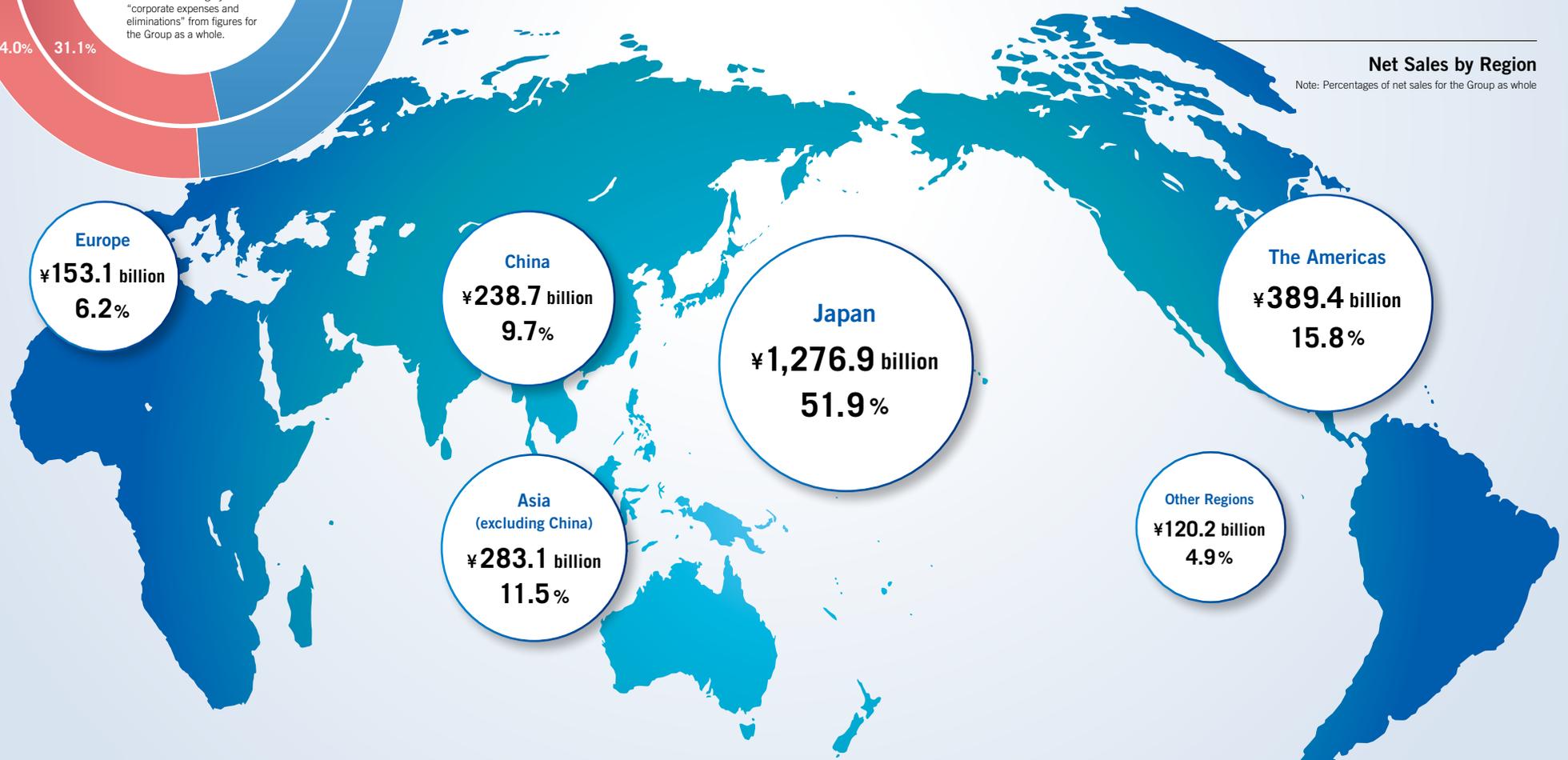
Employees
46,751 Of which, overseas employees account for nearly 40%

Global bases
More than 20 countries and regions

Consolidated subsidiaries
273

Overseas sales ratio
48.1%

Credit rating
AA Japan Credit Rating Agency (JCR)



Net Sales by Region

Note: Percentages of net sales for the Group as whole

Priority Fields for Provision of Value and Related Products

 **Material**

Environment & Energy



Hipore™ and Celgard™ separators for lithium-ion batteries

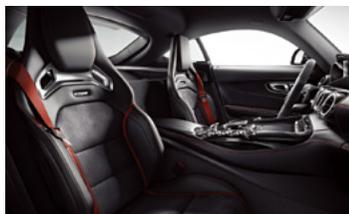


Ion-exchange membrane chlor-alkali electrolysis process

Mobility



Engineering plastics



Dinamica™ artificial suede

Life Material



Pimel™ photosensitive polyimide



Household products

 **Homes**

Home & Living



Hebel Haus™ unit homes
Hebel Maison™ apartment buildings



Atlas™ condominiums



North American and Australian homes

 **Health Care**

Health Care



Pharmaceutical products



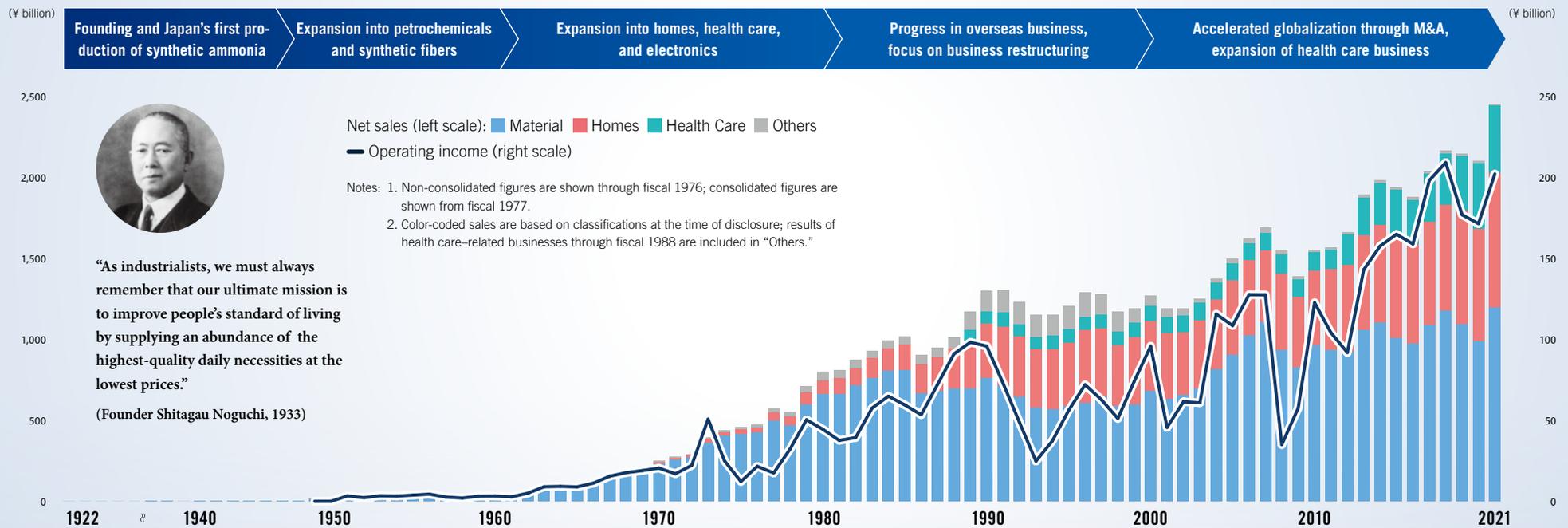
Planova™ virus removal filters



ZOLL AED 3™ automated external defibrillator

Addressing Social Issues and Advancing Business Portfolio Strategies

In every era, the Asahi Kasei Group has addressed social issues by dynamically transforming its business portfolio and supplying products and services that meet the changing needs of the times. We will continue to contribute to life and living for people around the world by Creating for Tomorrow.



Social needs and times

Asahi Kasei's evolution

Business portfolio transformation

➔ New business entry, M&A ⬅️ Withdrawal, downsizing, divestment

1922-

Establishing the basis for modern life

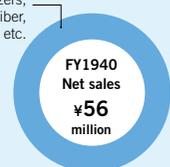
- Development of chemical industry and modern agriculture
- The Great Depression and World War II

Founding and Japan's first production of synthetic ammonia

Asahi Kasei contributed to establishment of the basis for modern life through its businesses such as the production of Bemberg™ cupro, a regenerated fiber.

- ➔ Ammonia
- Regenerated fiber (cupro, viscose rayon)
- Chemical fertilizer
- Foods (monosodium glutamate)

Chemical fertilizers, regenerated fiber, explosives, etc.



Social needs and times

Asahi Kasei's evolution

Business portfolio transformation

→ New business entry, M&A ← Withdrawal, downsizing, divestment

1940s-

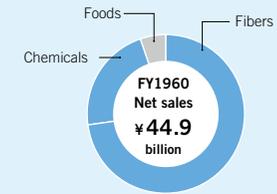
Sufficiency of daily necessities

- Post-war recovery and modernization of industry
- Start of period of high economic growth

Expansion into petrochemicals and synthetic fibers

After World War II, the modernization of industry advanced in Japan, driving the independence and growth of the Japanese economy. Asahi Kasei embarked on various new businesses that helped improve the quality of people's lives.

- Polystyrene
- Synthetic fiber (acrylic fiber)



1960s-

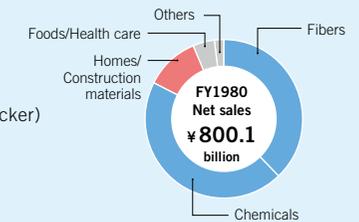
Improvement in quality of homes, development of public infrastructure

- Period of high economic growth
- Transition to stable economic growth

Expansion into homes, health care, and electronics

As the Japanese economy transitioned from a period of high economic growth to a period of more stable growth, Asahi Kasei entered new fields to address diversifying social needs.

- Saran Wrap™
- Acrylonitrile
- Synthetic rubber
- Ethylene (construction of naphtha cracker)
- Autoclaved aerated concrete
- Hebel Haus™ unit homes
- Artificial kidneys
- Pharmaceuticals



1980s-

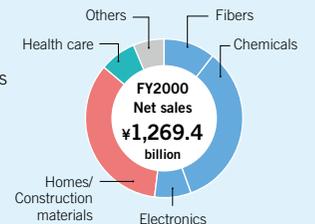
Increased comfort and convenience

- Emergence and collapse of economic bubble
- Two decades of meager economic growth

Progress in overseas business, focus on business restructuring

After the collapse of Japan's economic bubble, Asahi Kasei divested, withdrew, and downsized businesses to achieve a selectively diversified portfolio. It was also during this time that we built our platforms for global management.

- Hall elements
- LSIs
- Lithium-ion battery separators
- Hebel Maison™ apartment buildings
- Insulation panels
- Acquisition of Toyo Jozo Co., Ltd. (pharmaceuticals and liquors)
- Virus removal filters
- ← Foods



2000s-

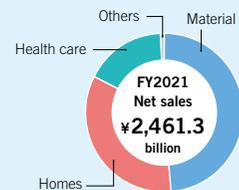
Increasing awareness of the environment and quality of life

- Regional diversification
- Effect of global economic crisis
- Advancement of digital technologies
- Aging populations and pursuit of health and prosperity
- COVID-19 pandemic
- Rising interest in carbon neutrality and the circular economy

Accelerated globalization through M&A, expansion of health care business

Asahi Kasei accelerated the globalization of its operations and expanded its health care business through mergers and acquisitions. We reorganized our operations in the three business sectors of Material, Homes, and Health Care for thorough portfolio management with optimal allocation of management resources and greater generation of synergies between business domains.

- Electronic compasses
- UVC LEDs
- Hydrogen production system (process verification)
- New businesses for homes (seniors, medium-rise, overseas)
- Critical care
- ← Viscose rayon, acrylic fiber, polyester
- ← Restructuring of petrochemical business
- ← Liquors



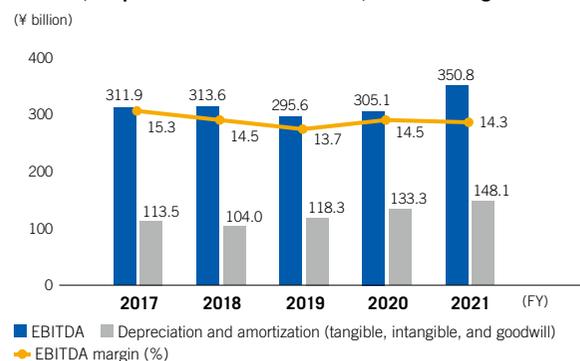
Financial Highlights

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



Both net sales and operating income increased significantly in fiscal 2021, partly due to growth of overseas business and efforts to improve profitability in the Homes sector, in addition to an upswing in demand in the Material sector compared with the previous fiscal year when demand was impacted by the COVID-19 pandemic. Overseas sales accounted for nearly 50% of total net sales in fiscal 2021 reflecting overseas business expansion, including through M&A.

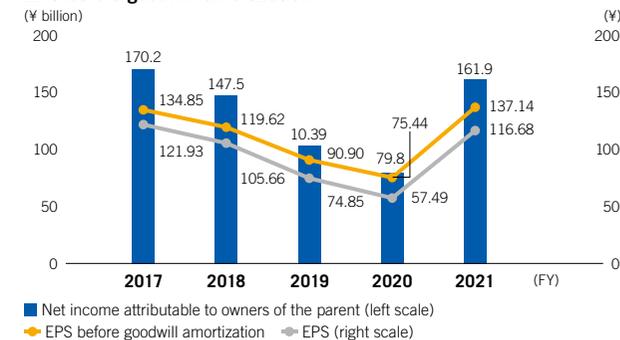
EBITDA,¹ depreciation and amortization, EBITDA margin



¹ Operating income, depreciation, and amortization

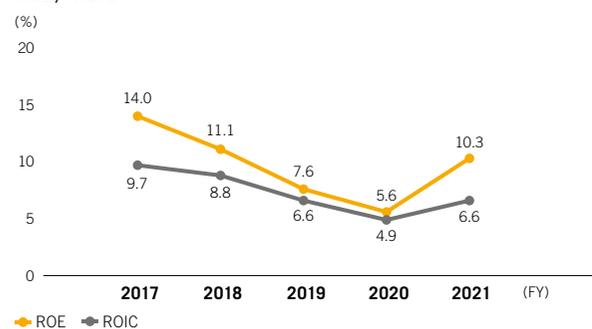
Given the upward trend in depreciation and amortization due to proactive capital expenditures and M&A activities, the Asahi Kasei Group has positioned EBITDA as a major KPI signifying its ability to generate cash. The decrease in depreciation and amortization in fiscal 2018 resulted from a change in the method of depreciation of property, plant and equipment from the declining balance method to the straight-line method.

Net income attributable to owners of the parent, EPS, EPS before goodwill amortization



Net income attributable to owners of the parent increased significantly in fiscal 2021, reflecting an improvement in extraordinary income and loss and a decrease in tax expenses compared with the previous fiscal year in conjunction with the reconfiguration of Veloxis Pharmaceuticals, Inc. Consequently, EPS also increased. As Asahi Kasei amortizes goodwill in accordance with Japanese accounting standards, EPS before amortization of goodwill is shown for reference.

ROE,² ROIC³

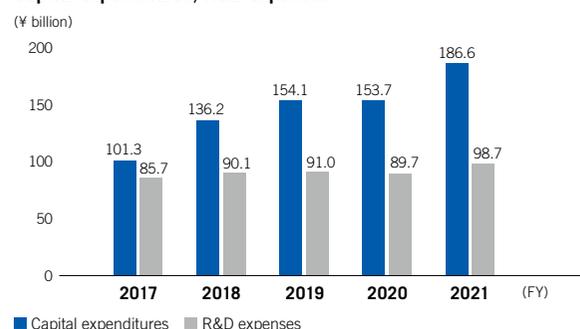


² Net income per shareholders' equity

³ (Operating income – income taxes) / average annual invested capital

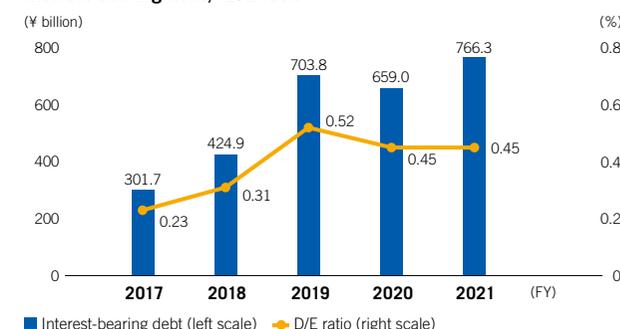
Asahi Kasei positions ROE and ROIC as major KPIs to indicate its efficiency in generating profits. Until fiscal 2020, profits declined due to various changes in the operating environment while fund procurement needs increased in conjunction with growth investments, including M&A, while shareholders' equity and invested capital rose in conjunction with profit growth. Although ROE and ROIC had trended downward as a result of these factors, both increased in fiscal 2021 due to an improvement in profits.

Capital expenditures, R&D expenses



Asahi Kasei proactively carries out capital expenditures geared toward achieving growth over the medium to long term—including outlays in relation to decarbonization, digital transformation, and other areas to fortify its foundation—and R&D with a focus on the Health Care sector. While capital expenditures and R&D expenses in fiscal 2020 remained on a par with their fiscal 2019 levels due in part to strict selection of investments in light of the impact of the COVID-19 pandemic, both increased in fiscal 2021 on the back of the recovery in performance.

Interest-bearing debt,⁴ D/E ratio



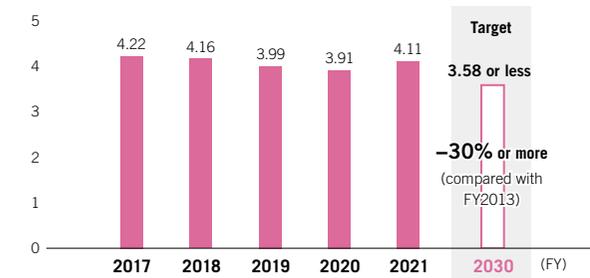
⁴ Amounts stated from fiscal 2019 exclude lease obligations.

Interest-bearing debt was up in fiscal 2021 owing to a rise in working capital, such as notes and accounts receivable–trade and inventories, due in part to increased market prices, and higher demand for funds in conjunction with M&A centered on the Health Care sector. However, Asahi Kasei continues to maintain a sound financial standing, with its D/E ratio at the end of fiscal 2021 unchanged from the level of the previous fiscal year as shareholders' equity increased along with profit growth.

Non-Financial Highlights

Greenhouse gas (GHG) emissions (Scopes 1 and 2)

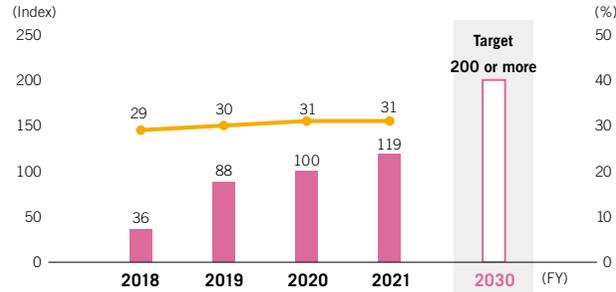
(Million tons CO₂ equivalent)



Applicable range: Production sites of consolidated companies
 Note: Fiscal 2021 figures are preliminary and may change after undergoing third-party verification.

The Asahi Kasei Group has adopted a target to reduce the volume of its GHG emissions by 30% or more from the 2013 base-year level of 5.11 million t-CO₂e by 2030 with a view to better clarifying its road map for achieving carbon neutrality. Ongoing endeavors to reduce emissions are advancing in order to achieve this target.

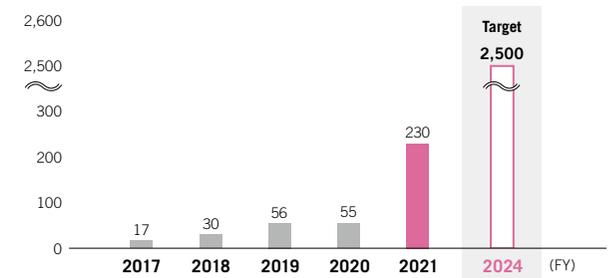
GHG emission reduction contributions through environmental contribution products



■ Volume of GHG emission reduction contributions of environmental contribution products¹ (left scale)
 ◆ Portion of sales of environmental contribution products² (right scale)
 Note: Internal calculation of the volume of GHG emission contributions from a life cycle assessment perspective based on the views of outside experts.
¹ Using fiscal 2020 as the baseline year (100)
² Portion of total net sales excluding the Health Care sector

Products and services of the Asahi Kasei Group that contribute to improving the environment across their entire life cycle are designated as environmental contribution products. We will work to develop environmental contribution products with the goal of reducing society's overall GHG emissions.

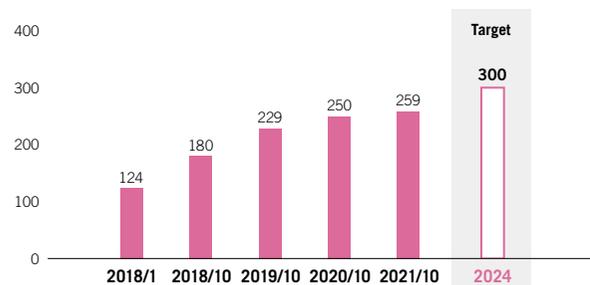
Number of digital professional human resources



Note: Total figures up to fiscal 2020 include only human resources specializing in data analysis.
 Applicable range: Total employees worldwide

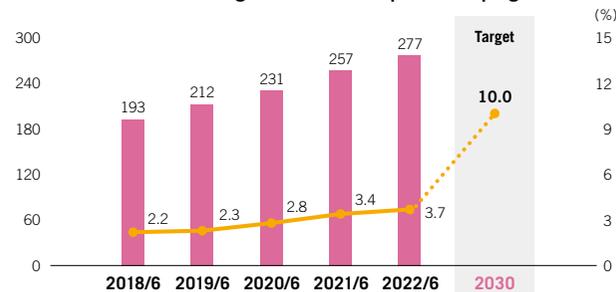
The Asahi Kasei Group will promote bottom-up human resource development to enable all employees globally to engage in their work duties with a mindset conducive to utilizing digital technology. In particular, we have defined human resources who resolve business issues and create new value and business models through advanced digital technology and data utilization as digital professional human resources. By proactively promoting the development and acquisition of such human resources, we aim to increase their number to 2,500 by fiscal 2024.

Number of Group Masters



The Asahi Kasei Group appoints, nurtures, and rewards as Group Masters human resources with the potential to proactively engage in and contribute to the creation of new businesses and the enhancement of established businesses. In addition to increasing corporate value, the Group Masters program contributes to the growth of our human resources and helps us to recruit outstanding external human resources. In accordance with business strategies and other matters, we also annually revise the technology and specialized fields for human resources to be appointed as Group Masters to enable us to better utilize the program.

Number of women working as managers and percentage of women in the total number of managers and the Group Masters program



■ Number of women working as managers (left scale)
 ◆ Percentage of women in the total number of managers and the Group Masters program (right scale)
 Applicable range: Results for personnel employed by Asahi Kasei Corporation, Asahi Kasei Microdevices Corporation, Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Pharma Corporation, and Asahi Kasei Medical Co., Ltd.

Amid rapid change in the operating environment, the Asahi Kasei Group must utilize the capabilities of its diverse human resources to boost co-creativity if it is to create value continuously. With the promotion of women as a KPI, we will realize conditions that enable diverse human resources, including women, to thrive in a variety of settings within the organization through the creation of an environment and requirements for achieving the KPI.

Number of valid patents and percentage of which accounted for by GG10-related patents



■ Total number of valid patents (of which, ■ are GG10-related patents) (left scale)
 ◆ Percentage of valid patents accounted for by GG10-related patents (right scale)
 Note: Valid patents are those for which the patent right or patent application has not expired. The number of patents in the graph represents the number of patent families (number of inventions).

The Asahi Kasei Group focuses efforts on maximizing intellectual property value in order to establish a patent portfolio that contributes to its businesses. We will aim to further enhance our competitiveness by increasing the percentage of valid patents accounted for by 10 of our businesses (GG10) that will drive our growth going forward.