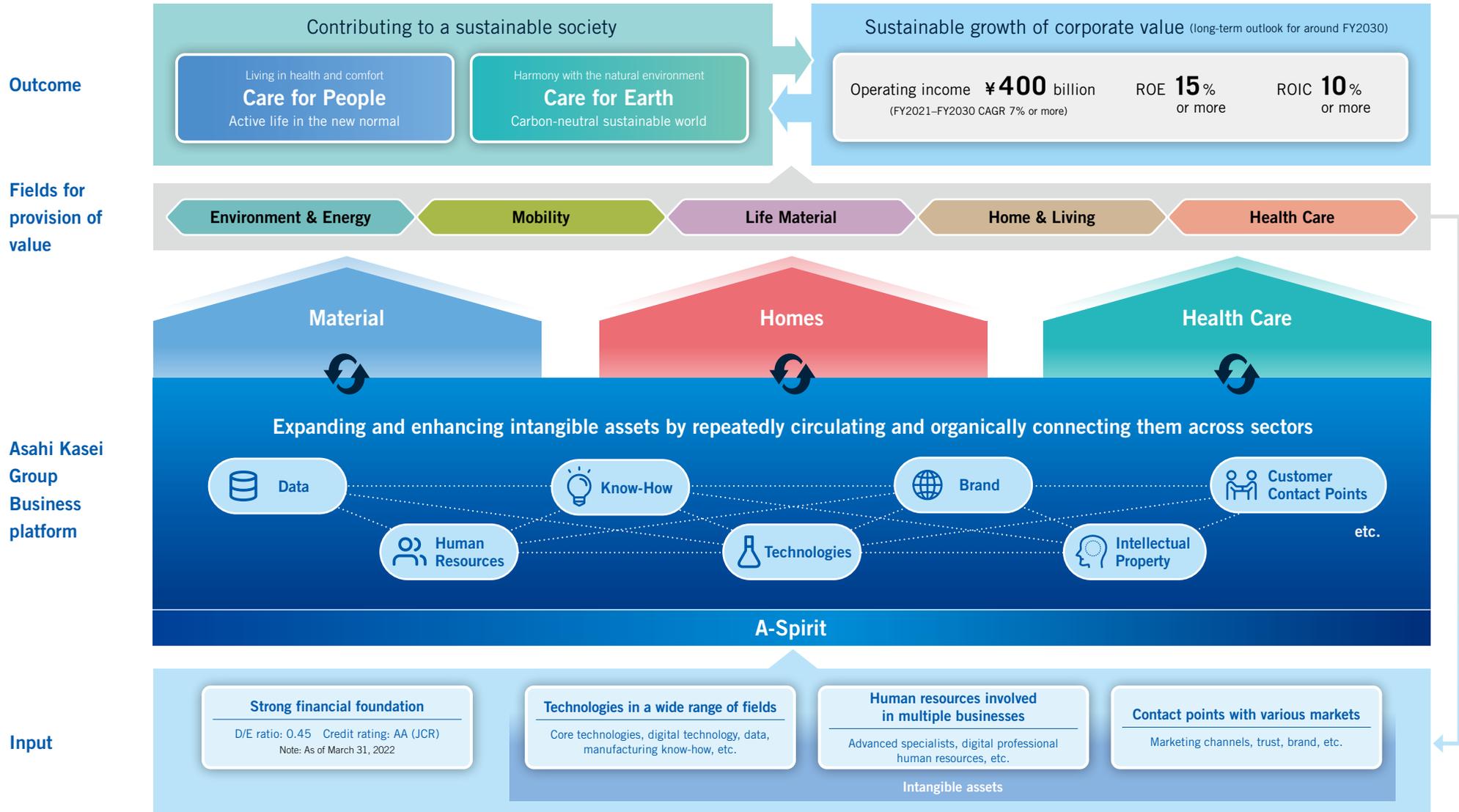


# Value Creation Model

## Two Mutually Reinforcing Aspects of Sustainability for the Asahi Kasei Group



## How Asahi Kasei Works to Achieve Its Vision

The Asahi Kasei Group seeks to achieve the two mutually reinforcing aspects of sustainability of “contributing to sustainable society” and “the sustainable growth of corporate value.” Here we describe Asahi Kasei’s value creation process, which is based on realizing the Asahi Kasei Group Vision.

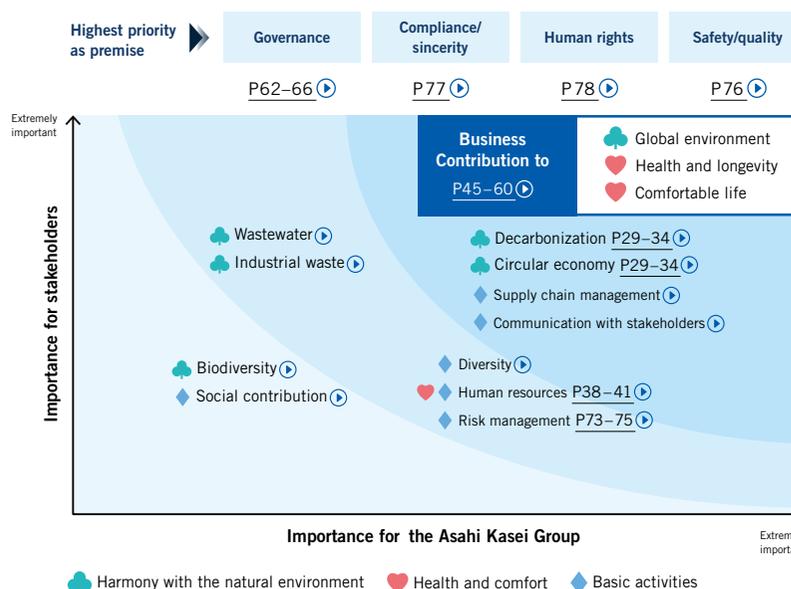
### Sustainability for Asahi Kasei

The Asahi Kasei Group carries out business activities to provide new value to society by enabling “living in health and comfort” and “harmony with the natural environment,” as set forth in its Group Vision. We aim to achieve two mutually reinforcing aspects of sustainability whereby it contributes to the creation of a sustainable society while such efforts lead to improved corporate value. We believe that providing value that contributes to ensuring the sustainability of society will bring about sustainable improvements in our corporate value along with a high level of profitability, which will in turn enable us to take on further challenges. Guided by this belief, we established our Sustainability Policy in November 2021, under which we are accelerating actions for a sustainable society.

**Key Points**  
of the Asahi Kasei Group Sustainability Policy ▶

- Realize the two mutually reinforcing aspects of sustainability of “contributing to sustainable society” and “the sustainable growth of corporate value”
- Pursue optimal corporate governance for realizing this goal
- Create value by contributing to sustainable society
- Carry out responsible business activities
- Facilitate the empowerment of personnel

### Process for Identifying Materiality



**Identification of Issues**

We identified issues in light of requirements of society and our Group Mission, Group Vision, and Group Values while making reference to international guidelines such as ISO 26000 and the Global Reporting Initiative (GRI) Standards, as well as the evaluation criteria of major ESG rating institutions.

**Determination of Degree of Importance**

We evaluated the degree of importance both to society and to the Asahi Kasei Group and mapped it on two axes.

**Evaluation of Appropriateness**

We verified the appropriateness of the material issues by examining them from a diverse range of perspectives, such as through deliberations involving the leaders of various divisions, discussions with outside companies, and consultations with Outside Directors.

**Examination and Approval**

The Board of Directors approved the material issues after examination at the Management Council.

In fiscal 2017, the Asahi Kasei Group identified the important issues and subjects that it should prioritize as its materiality through the process outlined above in order to achieve its vision. Having since reviewed these issues and subjects in accordance with changes in the operating environment, we have defined them as shown in the above diagram. For detailed information on key performance indicators (KPIs) and initiatives for each material issue, please view more information under each category. Material issues are meaningful only when they

are integrated into management strategies. Accordingly, in light of these material issues, the new medium-term management plan identifies issues to be addressed in five fields for provision of value that will contribute to Asahi Kasei’s creation of value over the long term. The next page clarifies the process leading up to identifying opportunities and creating value in each of the fields for provision of value in order to ensure that our efforts to resolve issues lead to the creation of highly profitable opportunities.

**Process Leading Up to Value Creation in Each Field for Provision of Value**



## Strengths That Deliver Sustainable Growth

At the root of the Asahi Kasei Group's success throughout its history in adapting flexibly to changes in society to grow continuously are unique strengths that create value from its abundant intangible assets.

### ■ Turning a Diverse Array of Intangible Assets into the Group's Shared Assets

We have transformed our business portfolio flexibly and proactively in accordance with changes in the times. This transformation is supported by a business platform that underpins the Asahi Kasei Group as a whole. In a highly volatile and unpredictable operating environment, it becomes increasingly important to reinforce the foundation and platform supporting such transformation.

We have a diverse range of businesses. Rather than confining the diverse human resources, data, technologies, know-how, and other intangible assets created through these businesses to any single field, we accumulate them as shared assets for the Asahi Kasei Group as a whole. We have expanded and enhanced our diverse and extensive intangible assets by leveraging them across our business sectors to repeatedly circulate and organically connect them. Efforts that contribute to the circulation of such intangible assets include the transfer of human resources across business sectors, the deliberate provision of opportunities for human resources within the Asahi Kasei Group to connect, and the cultivation of an open and dynamic corporate culture receptive to diverse ideas that encourages employees to take on new challenges.

### ■ Maximizing the Value of Intangible Assets through the Promotion of DX and Intellectual Property Strategies

The Asahi Kasei Group focuses in particular on the promotion of DX and intellectual property strategies with the goal of appropriately combining its shared assets to maximize their value. As barriers between industries become lower and activities transcending industry frameworks accelerate, new value can be created by taking data, intellectual property, and other intangible assets accumulated in one field and utilizing them in another, or by combining such intangible assets in different fields. Amid an unpredictable operating environment, it is also vital to enhance the precision of strategy planning and decision-making by utilizing data and intellectual property in an integrated manner.

To this end, we established Digital Value Co-Creation to spread DX throughout the Asahi Kasei Group as a whole, and the Intellectual Property Intelligence Department to utilize intellectual property in our management. In addition, to deliberately track, manage, and analyze our accumulated intangible assets, we have accelerated the development of mechanisms such as DEEP, a data management infrastructure for the Asahi Kasei Group as a whole, and SPACE, a personnel recommendation system.

### ■ Examples of Utilizing Intangible Assets Across Business Sectors

#### Utilizing M&A know-how and human resources from the Health Care sector for overseas expansion in the Homes sector

In the Health Care sector, business development leveraging M&A and corporate venture capital (CVC) activities is driving growth. Utilizing the know-how and human resources accumulated through such efforts, the Homes business expanded into Australia in 2017 and North America in 2018. Overseas net sales in the Homes business were ¥146.3 billion in fiscal 2021, and the fiscal 2025 target is ¥200 billion.

#### Utilizing a variety of expertise gained through the operation of diverse businesses in enhancing the management of the Asahi Kasei Group as a whole

As our three business sectors differ in the value they provide and the industries that they serve, each has its own industry-specific management methods, perspectives, risk management know-how, and other unique expertise. Senior executives share the diverse perspectives and information gained from such expertise to quickly understand market trends and enhance management.

#### Utilizing human resource rotations across business sectors to cultivate the next generation of leaders

We cultivate human resources with broad viewpoints and elevated perspectives by implementing planned transfers across business sectors to give people experience of a diverse range of businesses. The systems we have developed to deliberately circulate our intangible assets are centered on people. For example, after growing as digital human resources, personnel from business units transferred to Digital Value Co-Creation return to their business units as DX promotion leaders.

### Systems for Accumulating, Expanding, and Enhancing Intangible Assets in Asahi Kasei's Business Platform

