

# Q4 What social impact will your GX-centered sustainability efforts have?

## Answer

Through GX initiatives centered on the Material sector, we will continue to reduce our own GHG emissions and help reduce those in society. Our diverse business portfolio allows unique societal impact, such as realizing the long-life concept advocated for many years in the Homes sector and addressing unmet medical needs in the Healthcare sector.



New "earth-tech" product to enable net zero CO<sub>2</sub> throughout the lifecycle of the home (Homes sector)

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Sustainability



Message from the Head of Sustainability Strategy Planning

Asahi Kasei's approach to sustainability is directly facing issues in society while raising corporate value by creating value for society

**Tatsuhiko Tokunaga**  
Executive Officer, Senior General Manager,  
Sustainability Strategy Planning Department

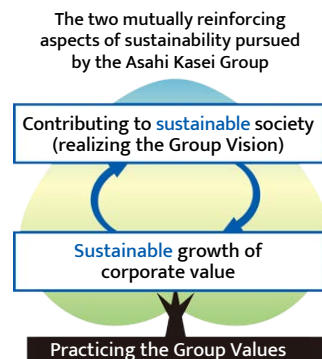
With experience in corporate planning and finance, and having worked in Core Operating Companies and on secondment outside the company, Tokunaga pursues Asahi Kasei's sustainability with a broad and objective perspective.

Mutual reinforcement of contributing to a sustainable society and sustainable growth of corporate value

Rising geopolitical risks, global inflation, and social divisions are intensifying instability and uncertainty worldwide. Amid these conditions, some trends run counter to sustainability and ESG, or show signs of backtracking. This does not mean that the pursuit of sustainability is any less necessary. We do not believe that at all. With the global average temperature in 2024 reaching a record high and only 17% of SDG targets currently assessed as on track, efforts toward a sustainable society remain a major global challenge. Against this backdrop, reflecting on what it means to be Asahi Kasei naturally clarifies our approach to sustainability.

Guided by the Group Mission of contributing to life and living for people around the world, the Group Vision for Asahi Kasei is to provide new value for society by enabling "living in health and comfort" and "harmony with the natural environment." Since our founding a century ago, we have faced many challenges in society and turned them into business

opportunities that enhance corporate value. Contributing to a sustainable society is not something swayed by superficial trends; it is at the very core of Asahi Kasei's reason for being. In the new MTP, we continue to pursue the Asahi Kasei ideal by promoting two mutually reinforcing aspects of sustainability: "contributing to a sustainable society" and "sustainable growth of corporate value." In particular, regarding greenhouse gas (GHG)



Continually creating innovative products, services, and business models directly facing the world's challenges in various fields

emissions, we have strengthened our environmental goals, setting a target to reduce Scope 1 and 2 emissions by at least 40% by 2035 compared with fiscal 2013, and a target to increase our contribution to reducing the world's GHG emissions to at least 2.5 times the fiscal 2020 level by 2035.

Of course, the Asahi Kasei Group's efforts are not limited to harmony with the natural environment, exemplified by actions addressing climate change. In the new MTP, we are actively addressing challenges related to another facet of the Group Vision, "living in health and comfort," including more comfortable, safe and secure lives, homes/communities enriching people's lives, and a society of active longevity, while also pursuing the creation of new value through digital innovation as a key driver of these initiatives. The foundation for this is Asahi Kasei Group's three business sectors: Healthcare, Homes, and Material. Leveraging our unparalleled technologies and businesses, along with accumulated knowledge and human resources as intangible assets, we make a positive impact on the world through sustainable innovation. This impact, in turn, enhances corporate value and leads to further value creation.

We will continue to earnestly face issues in society and implement Asahi Kasei's characteristic approach to sustainability as we accelerate the mutual reinforcement between creating value for society and enhancing corporate value.

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## Asahi Kasei's Sustainability

# A mutually reinforcing cycle of economic and social value (environmental and social impact) unique to Asahi Kasei and its diverse range of businesses

Since its founding, Asahi Kasei has provided products and services that address issues in society and environmental challenges, aiming for a mutually reinforcing cycle of contributing to sustainable society and sustainable growth of corporate value. As stated in our Group Slogan, "Creating for Tomorrow," Asahi Kasei is committed to creating value that enriches people's lives. Because of our diverse and distinctive businesses, we have been able to provide unique solutions to issues in society that are different from those offered by more specialized companies. As a result, we have created unique competitive advantages and built a strong financial foundation through stable earnings.

We currently operate in three business sectors of Healthcare, Homes, and Material. We are committed to creating value for society and raising economic value by enabling people around the world to enjoy fulfilling lives and healthy living in any era.







For example, in the Healthcare sector, our Pharmaceuticals business is working to address unmet medical needs, such as for osteoporosis treatment which is increasingly needed as the population ages, and in recent years, kidney disease. In the Critical Care business, we supply defibrillators to treat patients with ischemic heart disease, notably the LifeVest™ wearable defibrillator which constantly monitors cardiac status and automatically administers

electric shock therapy when a life-threatening arrhythmia occurs, thereby saving lives. Additionally, during the COVID-19 pandemic, we quickly manufactured ventilators that were supplied to many medical institutions, helping to sustain the lives of seriously ill patients.

In the Homes sector, in addition to providing safe and comfortable robust homes that protect people's lives from natural disasters, our construction expertise cultivated in Japan is now being applied to overseas businesses.

In the Material sector, we provide value to everyday life in a variety of ways through distinctive products such as Saran Wrap™ cling film, Bemberg™ cupro fiber, high-performance materials used in car parts, and car interior materials. Our electronic components and materials support convenience as essential parts of smartphones and other electronic devices, and are expected to meet emerging needs in AI server applications.

The Asahi Kasei Group has always created innovations that address the world's issues in every era, and we will continue to do so moving forward. Although each step may seem small, we believe that the sum of our business activities has a positive impact on society which generates economic value that leads to improvement of our corporate value.

Sector	Business output (examples)	Outcome (environmental and social impacts)	Financial effects
<b>Healthcare</b> Contributing to the lives of people through the provision of innovative pharmaceuticals and medical devices that meet unmet needs under the mission "Improve and save patients' lives"	<b>The LifeVest™ wearable defibrillator has been worn by over a million patients worldwide for over 20 years</b> 	<ul style="list-style-type: none"> <li>• Saved the lives of thousands of heart disease patients at risk of sudden cardiac arrest, significantly improved patients' QOL, expertise for emerging at-home medical care</li> </ul>  <p>Enjoying life while wearing a LifeVest™</p>	<b>High sales growth</b> (ZOLL's dollar-based revenue quadrupled between FY2012 and FY2024)
<b>Homes</b> Enabling secure and enriched living through the provision of high-quality, highly durable homes and construction materials, and various related services	<b>Over 300,000 earthquake-resistant, durable, and disaster-resistant Hebel Haus™ unit homes have been supplied</b> 	<ul style="list-style-type: none"> <li>• Established housing technology for durability of over 60 years while current average lifespan of homes in Japan is short, protected the lives of many residents from earthquakes and increasingly severe disasters such as wind and flood damage</li> </ul>  <p>A Hebel Haus™ that served as a fire wall when a disaster occurred</p>	<b>High ROIC</b> (≈50% for Domestic Homes in FY2024)
<b>Material</b> Providing sustainable solutions that contribute to a better life for people and the Earth by utilizing the technology and knowledge of materials and chemistry	Electronic components business leveraging proprietary technology (over 40 billion Hall elements and Hall ICs, compound semiconductor magnetic sensors, have been supplied) 	<ul style="list-style-type: none"> <li>• Enabled higher efficiency and smaller size of electric motors with compound semiconductor Hall elements and Hall ICs for over 40 years, contributed to energy-saving air conditioners and servers</li> </ul>  <p>Contributing to the spread of AI servers</p>	<b>High operating margin</b> (15% for Electronics [after reclassification] in FY2024)

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Green Transformation (GX)

Providing value for sustainability in various ways with accumulated technologies and businesses

Advancing hydrogen-related business for carbon neutrality

We used hydrogen produced with hydroelectric power as a raw material for ammonia at the time of our founding. We are now developing a process for the stable production of hydrogen from renewable energy, leveraging our knowledge of electrolysis gained through half a century of experience in the chlor-alkali electrolysis business. Developments and demonstrations, including projects supported by the NEDO Green Innovation Fund,\* have progressed smoothly. In fiscal 2024, we received governmental support under the GX Supply Chain Construction Support Project of the Ministry of Economy, Trade and Industry to invest some ¥35 billion in new manufacturing facilities for electrolysis cell frames and membranes (each with a capacity of over 2 GW). These facilities are scheduled to begin operation in fiscal 2028. In order to meet the needs for small-scale hydrogen production equipment, we signed a memorandum of understanding with Industrie De Nora S.p.A. of Italy regarding the development and sale of a containerized alkaline water electrolysis systems. With both large-and small-scale equipment, and solutions for the supply of green hydrogen to meet a wide range of needs, we will meet demand in the hydrogen market, which is expected to expand rapidly in the future, and contribute to reducing global GHG emissions.

\*“Green Innovation Fund /Hydrogen Production by Water Electrolysis Using Renewable Energy” by Japan’s New Energy and Industrial Technology Development Organization (NEDO)

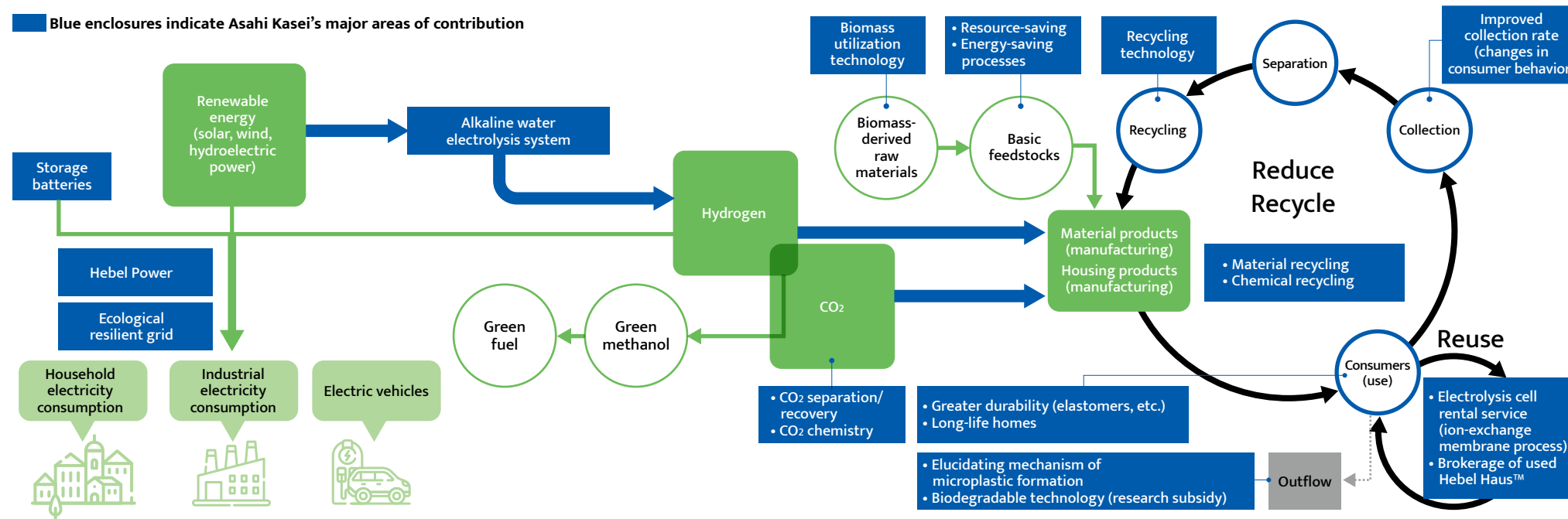
Advancing initiatives for a circular economy

As carbon neutrality and the circular economy need to be achieved by society as a whole, various efforts are required. We have many opportunities to provide value with our diverse intangible assets, such as technology, businesses, and market contacts.

In Homes, we provide products and services for residences with long durability that contribute to a circular economy. With an overall system considering the life cycle of a home and enabling the use of homes across generations, we achieve “long life homes.” In ion-exchange membrane process chlor-alkali electrolysis, we introduced an electrolysis cell rental service that improves electrolysis efficiency (reducing power consumption by customers), and eliminates the need for customers to hold spare cells, improving resource utilization efficiency and the effective use of precious metals. We are promoting monitoring the operational status of electrolysis processes at customers’ plants and shifting from product sales to a solution-oriented business.

In January 2025, we established a laboratory for joint research with the National Institute of Advanced Industrial Science and Technology and AIST Solutions Co., for technologies and systems enabling practical application of a polymer recycling system and designs that enable easy recycling.

Blue enclosures indicate Asahi Kasei’s major areas of contribution



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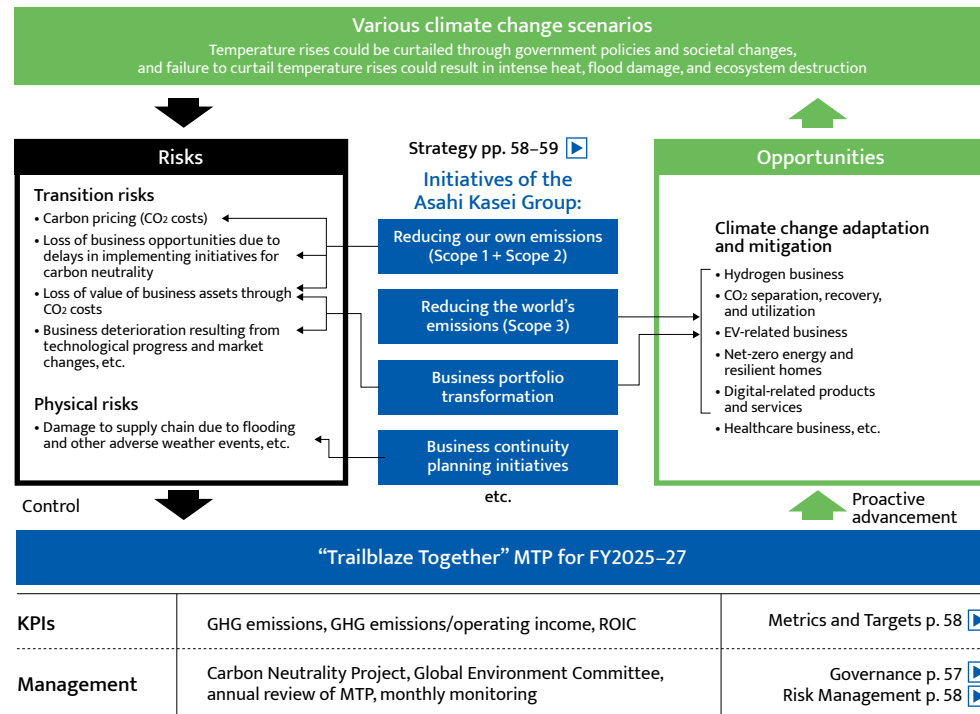
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## Initiatives for achieving carbon neutrality

Climate change is a critical issue that will have a major impact on society, ecosystems, and businesses. Actions and regulations to prevent climate change have the potential to impact the structure of society and corporate strategies. Asahi Kasei is working to transform its business portfolio and improve productivity while taking on the challenge of achieving carbon neutrality and the sustainable growth of corporate value.

### Overview of the Asahi Kasei Group's response to climate change



### Climate change-related information disclosure (disclosure based on the TCFD\* framework)

In the following sections, we describe Asahi Kasei's climate change initiatives in accordance with the TCFD disclosure framework, covering governance, strategy, risk management, and metrics and targets.

#### Governance

Asahi Kasei considers GX (green transformation), which focuses on climate change initiatives, to be an important management issue and is working to address GX as a core element of management strategy.

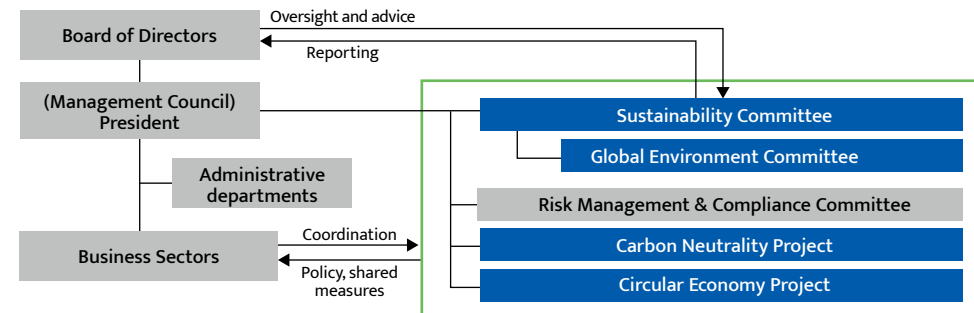
Our climate change policy and priority concerns are deliberated and determined by the Board of Directors, with specific related matters discussed and decided by the Management Council. These deliberations include MTPs, GHG emission reduction targets, capital investment plans, etc., and confirmation of progress on actual results, etc. In formulating the new MTP, we discussed and arranged the orientation and revised targets related to GX, and then proposed them to the Management Council and the Board of Directors for discussion and approval. Each Director, including the President, who chairs the Sustainability Committee, has the skill and competency to appropriately deliberate and decide on climate change strategy.

To promote the implementation of these decisions of the Board of Directors and the Management Council at the business level, we have a Sustainability Committee, where persons responsible for the execution of each business share and discuss sustainability-related issues, including climate change. The committee's findings are reported to the Board of Directors, which discusses how to address these issues company-wide. The Global Environment Committee, a sub-organization of the Sustainability Committee, is chaired by the Executive Officer for GX and includes the heads of business units and manufacturing, production technology, and R&D functions, who share and discuss general environmental issues. Under the Executive Officer for GX, the Carbon Neutrality Project examines scenarios to achieve GHG emission reduction targets and implements specific measures. The review involves regular confirmation by the President, the Executive Officer for Corporate Strategy, and others, while the content is constantly refined. The Circular Economy Project, under the Executive Officer for GX, considers the company's policies and direction regarding the circular economy while managing and promoting the progress of each initiative.

In the Material sector, which accounts for over 90% of our own GHG emissions, we established carbon neutral and carbon footprint departments in April 2025. We will further promote our carbon neutral initiatives through collaboration between business units and the corporate level.

Regarding skills of Directors, please refer to the [Skills Matrix of Directors and Audit & Supervisory Board Members](#)

\* Task Force on Climate-related Financial Disclosures. The TCFD was established and its recommendations were officially announced by the Financial Services Board in 2017. It was dissolved in October 2023 and succeeded by the IFRS Sustainability Disclosure Standards.



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## Green Transformation (GX)

## Strategy

Based on awareness and analysis of the major opportunities and risks associated with various climate change scenarios, we work to actively seize opportunities while controlling risks.

## ■ Assumptions of analysis

The transition risk scenario for limiting temperature rises to 1.5°C above pre-industrial levels is based on the WEO: Net Zero Emissions by 2050 Scenario (NZE)<sup>1</sup>, while the physical risk scenario for temperature rises of 4.0°C if no progress is made in countermeasures is based on the IPCC SSP3-7.0<sup>2</sup>.

For each, we considered the opportunities and risks in the Healthcare, Homes, and Material sectors.

Note: Our analysis is based on a variety of assumptions. Changes to these assumptions could result in actual risks and opportunities differing significantly from the analysis.

<sup>1</sup> One of the scenarios in World Energy Outlook (WEO) 2024, prepared by the International Energy Agency (IEA). NZE is a scenario for achieving global net-zero emissions by 2050 in order to limit temperature rises to 1.5°C by 2100.

<sup>2</sup> A scenario outlined in the IPCC Sixth Assessment Report. The Shared Socio-economic Pathways (SSP) 3-7.0 assumes a scenario whereby measures to address climate change are not adopted and temperatures rise 4°C in 2100 under development marked by regional rivalries.

## Opportunities

We promote business portfolio transformation in line with the shift toward carbon neutrality and other megatrends. Under the new MTP, we plan to adopt decisions on expansion-related investments of some ¥670 billion over the three-year period in First Priority businesses such as Critical Care, Overseas Homes, and Electronics, and in Growth Potential businesses such as Energy & Infrastructure. We expect that some ¥100 billion will be for investments related to GHG emissions reductions. We have also set aside US\$100 million for investment over the five-year period from fiscal 2023 to fiscal 2027 for startups in the field of the environment, including those working to address climate change.

We believe that through business development we can find opportunities for various products and services that address the challenge of mitigating and adapting to climate change. In the 1.5°C scenario, we see prospects for alkaline water electrolysis systems anticipating a hydrogen society, and for LIB separators and other products in light of the future expansion of EVs. In the 4.0°C scenario, we see increased demand for Hebel Haus™ resilient, highly insulated homes and for Neoma Foam™ high performance insulation amid increasingly severe weather disasters and rising temperatures.

## Risks

The risks anticipated in the 1.5°C scenario primarily include stronger regulations through policies such as carbon pricing for carbon neutrality, and changes in material needs in anticipation of carbon neutrality. We also anticipate risks such as changes in market structures due to transition to a circular economy and the emergence of innovative technologies for carbon neutrality. The 4.0°C scenario primarily anticipates physical risks such as extreme heat, heavy rain, and flooding. We are aware of the risk of damage to our major manufacturing sites both in Japan and overseas

due to intensifying wind and flood damage, and the associated damage costs.

Although these risks vary in severity, we believe that all of them could materialize as a result of future climate change. We will continue to take steps to reduce these risks. In the 1.5°C scenario, we will improve energy efficiency, expand of renewable energy use, and develop and apply recycling technologies. In the 4.0°C scenario, we will continually review business continuity plans (BCPs), strengthening proactive responses (reviewing inventories, considering multiple suppliers, etc.), and heatstroke prevention at home construction sites.

Please see the [Sustainability section of our website](#) for more details. ▶

## Risk management

We focus on managing the risks and opportunities associated with climate change. We annually monitor emissions for Scope 1, Scope 2, and Scope 3 (major categories) of GHG emissions, with third-party assurance. We share these figures along with progress toward our targets with the Carbon Neutrality Project, which discusses and confirms future initiatives. During formulation or review of the MTP, we check GHG emission reduction efforts and link them to business strategies and measures.

When making capital investments, we apply internal carbon pricing (ICP) to evaluate investment returns and make the final decision. ICP is set considering carbon price forecasts of the International Energy Agency (IEA), market prices, and our own cost forecasts.

## Metrics and targets

We position the following metrics as being relevant to climate change risks and opportunities.

Indicator	Targets and results	Significance of metric
GHG emissions*	Targets FY2030: Reduce by 30% or more (Japan: reduce by 46%) FY2035: Reduce by 40% or more (Japan: reduce by 60%) Note: Each compared to FY2013 FY2050: Achieve carbon neutrality Results FY2024: 3.19 million t-CO <sub>2e</sub> (38% reduction) [preliminary figure]	Indicates reduction status of Scope 1 and Scope 2
GHG emissions*/operating income	Results FY2024: 15,000 t-CO <sub>2e</sub> /¥1 billion	Decline signifies reduction of carbon tax risk
ROIC (return on invested capital)	Targets FY2027: 6.0% FY2030: 8.0% or more Results FY2024: 5.5%	Increase indicates progress toward becoming high earnings enterprise capable of adapting to change

Internal carbon pricing (ICP)	Make investment decisions based on ¥15,000/t-CO <sub>2e</sub> and utilize in awards program
Reflection of climate change issues in executive remuneration	Monetary performance-linked remuneration, which accounts for 30% of Directors' compensation, is comprised of a combination of the degree of achievement of financial targets and the degree of achievement of non-financial targets, including the promotion of sustainability (reduction of GHG emissions, etc.).

\* GHG emissions are Scope 1 and Scope 2 emissions. Seven types of gases are included in the calculation: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

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Green Transformation (GX)

**1. Contributing to reductions in society’s GHG emissions**

Our diverse technologies and businesses have wide-ranging potential for contributing to the reduction of society’s GHG emissions. We are committed to creating technologies and developing products that contribute to GHG emission reduction throughout the entire value chain, thereby providing new value to society.

**Targets**

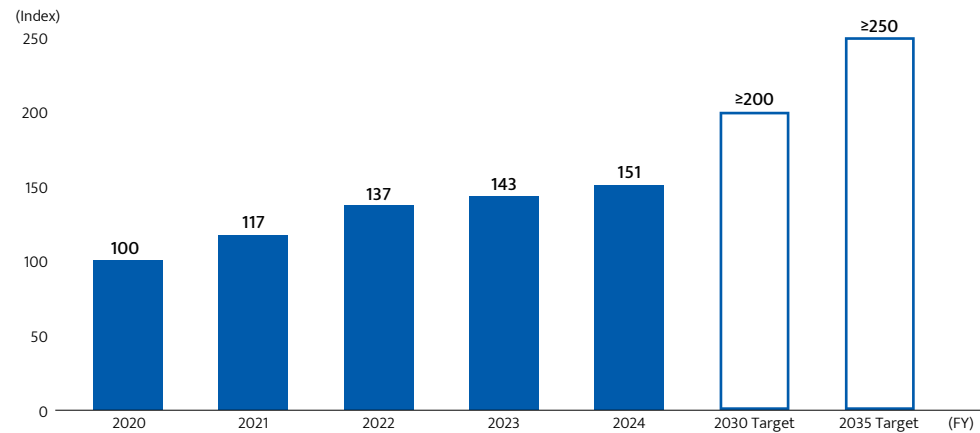
We aim to contribute to reducing GHG emissions in society by increasing the amount of GHG reduction that can be achieved through our Environmental Contribution Products. Specifically, we have set a goal of increasing our contribution to reducing GHG emissions by 2 times or more by fiscal 2030 and by 2.5 times or more by fiscal 2035 compared to fiscal 2020.

**Results and initiatives**

To date, a total of 26 products and technologies have been certified as Environmental Contribution Products. The amount of GHG reduction contribution in fiscal 2024 was 1.51 times greater than in fiscal 2020. We will continue to further expand environmental contributions through our business, including by placing even greater emphasis on environmental contribution in our research and development.

**Targets and results**

**GHG emission reduction contributions through Environmental Contribution Products\***



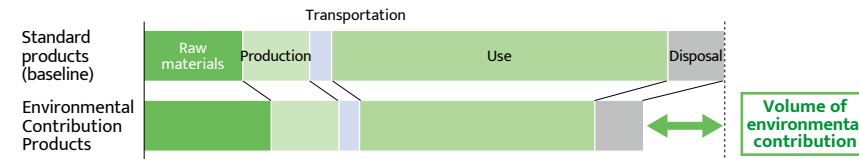
\* Using fiscal 2020 as the baseline year (100)

Note: GHG emission reduction contribution in fiscal 2024 was approximately 19.5 million t-CO<sub>2</sub>e. Baseline setting and methodology for contribution rates included in calculations for individual products, while also looking at our management approach, are established for each individual product. Therefore, please note that the above figures, which are the simple totals of the contributions of each product, are reasonable under certain conditions (and are not suitable for comparison with other companies).

**About Environmental Contribution Products**

Environmental Contribution Products are products and technologies that have been internally certified as contributing to environmental improvement and reducing environmental impact throughout their entire life cycle. When conducting the certification process, we receive advice from external experts on the validity of our calculation methods for, and definitions of, environmental contributions and confirm their rationality.

**Conceptual diagram of Environmental Contribution Products and the volume of their environmental contribution**



**Volume of environmental contribution**

Our calculation and certification of the volume of environmental contribution from our Environmental Contribution Products is based on our own original guidelines which take into consideration guidelines such as those published by the Institute of Life Cycle Assessment, the Japan Chemical Industry Association, the Ministry of Economy, Trade and Industry, and the World Business Council for Sustainable Development (WBCSD). We ensure the rationality of our definitions of the environmental contribution of individual products by having them reviewed by external experts. Further, reviews from academic perspectives have led to improvements in employee knowledge regarding environmental contributions and employee understanding of the promotion of environmental contribution businesses.

**Comment from external expert**



**Hiroyuki Uchida** Principal, Mizuho Research & Technologies, Ltd.

The importance of reducing emissions and Environmental Contribution Products is increasing more than ever as an initiative that aligns corporate growth with GHG emission reductions. On the other hand, if the calculation method is incorrect, there is a risk of causing misunderstandings in society and not producing accurate GHG emission reductions. I commend Asahi Kasei’s sincere efforts to reduce GHG emissions, including calculations based on major guiding documents, reviews by external experts, and disclosure of the process. I look forward to the company’s continued efforts to achieve its targets for 2030 and 2035 under appropriate management.

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## Major Environmental Contribution Products

### Lithium-ion battery (LIB) separators

Reducing GHG emissions from driving as EVs using LIBs become widespread

Separators are one of the main components of LIBs (along with the cathode, anode, and electrolyte) that are used in EVs.

The spread of EVs is contributing to a reduction in GHG emissions during driving compared to gasoline-powered vehicles. Improving battery performance (ensuring driving range and safety) is essential for electric vehicles. We are playing a part in this through the development of separator technology.



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

Reducing GHG emissions at the components manufacturing and usage stages through long service life and ZEH standards

By providing long-life homes with a basic structure that lasts for over 60 years, we are reducing the frequency of rebuilding homes and contributing to a reduction in GHG emissions generated during the manufacturing of components and the construction process compared to ordinary homes. In addition, we are promoting the construction of homes that meet the net zero energy house (ZEH) standards, which aim to achieve a home's net energy balance below zero through power generation, improved insulation, and energy conservation, thereby reducing energy consumption and GHG emissions during use.



### Ion-exchange membrane process for chlor-alkali electrolysis

GHG reduction in the electrolysis process for producing caustic soda and chlorine

Caustic soda and chlorine are produced by electrolysis of brine. Of the various electrolysis methods, we offer the ion-exchange membrane process, which has a low environmental impact. Because electrolysis requires a large amount of electricity, we are developing technology for a more power-efficient process. Our latest grade of ion-exchange membrane has achieved a reduction in power consumption of approximately 2% compared to previously. This contributes to reducing energy consumption and GHG emissions during the production of caustic soda and chlorine. Furthermore, we manufacture and sell all of the main components of the electrolysis process (ion-exchange membranes, electrolyzers, electrodes, and electrolysis cells), and are committed to providing optimal solutions.



Please refer to the [List of Our Environmental Contribution Products](#) ▶

### Asahi Kasei's new challenge:

#### establish the next generation of Environmental Contribution Products

In fiscal 2024, we have established a new framework for the next generation of Environmental Contribution Products. This is an initiative to evaluate and visualize the environmental contribution (such as the amount of GHG reduction contribution) at an early stage for technologies and product ideas in the R&D stage that have the potential to become Environmental Contribution Products in the future.

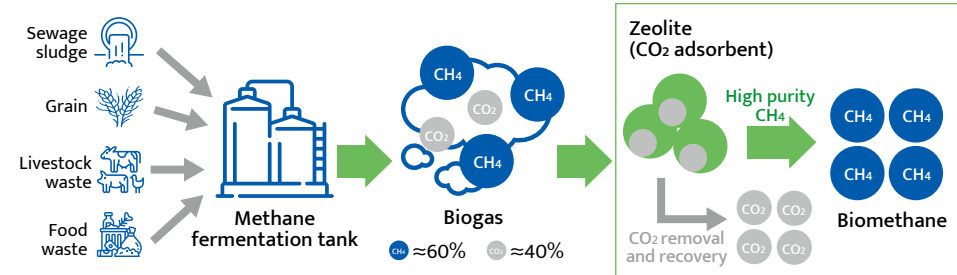
By incorporating a life cycle assessment (LCA) perspective from the stage of R&D, we aim to quantitatively evaluate the environmental impact at each stage of design, material selection, and process construction, leading to smooth certification and environmental value creation after products are released to the market.

#### Example of next-generation of Environmental Contribution Products

#### CO<sub>2</sub> separation and recovery (biogas purification system)

#### Our CO<sub>2</sub> separation and recovery technology

Our proprietary biogas purification system targets biogas generated from biomass resources such as sewage sludge, and efficiently removes CO<sub>2</sub> from the biogas by combining zeolite technology with a gas separation process. As a result, high-purity biomethane gas can be produced with a high recovery rate.



#### Reduction scenario

Demand for biomethane is expanding in Europe and the Americas as an alternative fuel to natural gas. Because it is a carbon-neutral fuel derived from biomass, its use as an alternative to natural gas is expected to significantly reduce GHG emissions.

#### Status of development

In February 2025, we began demonstration trials of a biogas purification system using our zeolite-based CO<sub>2</sub> separation and recovery technology in Kurashiki City, Okayama Prefecture. The project is making steady progress toward commercialization.



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26	Q2	What actions are you taking to achieve capital efficiency that exceeds the cost of capital?	+
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36	Q3	What growth do you expect from the investments you've made?	+
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53	Q4	What social impact will your GX-centered sustainability efforts have?	-
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#### ■ 56 Green Transformation (GX)

62	Q5	How will you transform your business models by leveraging abundant intangible assets?	+
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78	Q6	How is your governance evolving along with business portfolio transformation?	+
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Closing: Comments from Employees

Green Transformation (GX)

2. Reducing our own GHG emissions

In order to achieve carbon neutrality, we have set a new target for fiscal 2035. We will continue to work on reducing GHG emissions in our business activities by taking concrete actions from various perspectives.

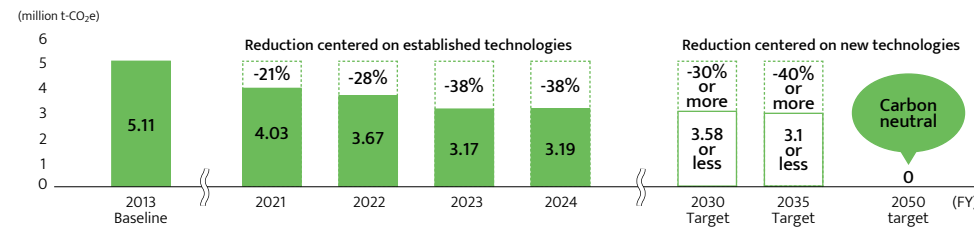
Targets

Targeting Scope 1 (direct GHG emissions by the company) and Scope 2 (indirect GHG emissions associated with the use of electricity, heat, and steam supplied by other companies), we have adopted the goals of reducing emissions by 30% or more compared with fiscal 2013 by fiscal 2030, reducing them by 40% or more by fiscal 2035, and achieving carbon neutrality (net zero emissions) by fiscal 2050.

Results and initiatives

Our GHG emissions for fiscal 2024 totaled 3.19 million t-CO<sub>2</sub>e (preliminary figure), a 38% reduction compared to fiscal 2013. Increased production volume resulted in higher GHG emissions, but thanks to ongoing energy-saving efforts and other initiatives, GHG emissions remain roughly at the same level as in fiscal 2023. To achieve carbon neutrality by fiscal 2050, we intend to steadily reduce emissions by focusing on low-carbon and decarbonized energy sources and transforming our business portfolio.

GHG emissions (Scope 1 and Scope 2)



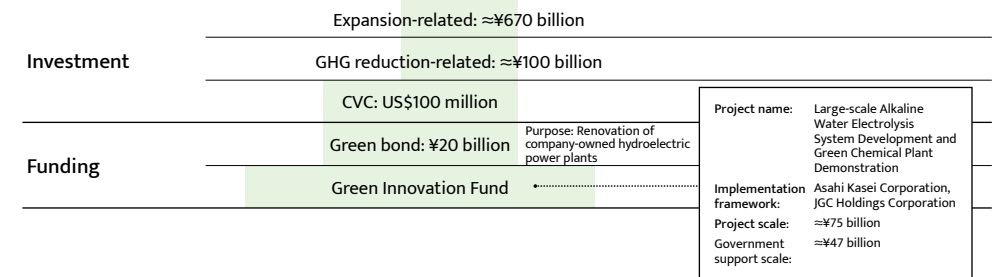
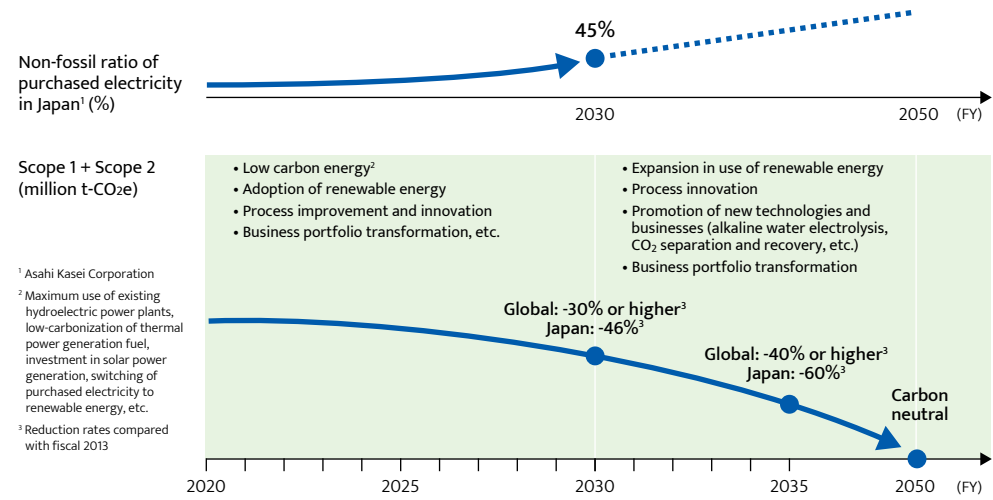
Note: Fiscal 2024 figures are preliminary and may change after undergoing third-party verification.

Activities for achieving carbon neutrality

The achievement of carbon neutrality by fiscal 2050 is a major challenge. In this endeavor, we recognize the essential need not only for steady energy conservation activities and ongoing efforts to reduce GHG emissions but also for fundamental technological innovation and changes in business models.

In fiscal 2025, we will continue to look into every possible GHG emission reduction measure and study specific measures and reduction scenarios from various perspectives, including developing an optimal energy supply system at each site. In the Chemical business, we will also work with other companies to consider feedstock conversion and other measures aimed at decarbonization.

Roadmap to achieving carbon neutrality



HIGHLIGHT

Ecological resilient grid: Enhancing environmental contribution and disaster resistance with rental housing management system utilizing urban rooftops

Asahi Kasei Homes leases the roofs of newly built Hebel Maison™ apartment buildings from the owner for 30 years to operate a solar power generation system and sell the electricity. Asahi Kasei Homes covers the installation and maintenance costs of the solar power equipment, storage batteries, etc., allowing owners to manage rental housing that contributes to the environment and strengthens disaster resistance while keeping investment costs down. Residents are able to continue using electricity and Wi-Fi even during power outages caused by disasters. Asahi Kasei also utilizes any surplus clean electricity within the Asahi Kasei Group. This initiative benefits all parties and has been highly praised externally, receiving various awards.



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