Fiscal 2022 3rd Quarter Financial Results

– supplementary financial summary –

February 8, 2023

Asahi Kasei Corporation

Disclaimer
The forecasts and estimates shown in this document are dependent on a variety of assumptions and economic conditions. Plans and figures depicting the future do not imply a guarantee of actual outcomes.

Focus of Q3 2022 results and FY 2022 forecast

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Q3 2022 results

- Sales increased due to weaker yen, increased market prices of petrochemicals, etc., reaching a record high for Q1–Q3.
- Operating income decreased due to economic slowdown in addition to lingering semiconductor shortages and lockdowns in China, resulting in sluggish demand, higher feedstock prices, etc., as well as temporary positive factors occurring in the previous year and impact of acquisitions in Health Care

FY 2022 forecast

- Forecast revised downward with operating climate more severe than anticipated; Homes performing well, but operating income forecasted to decrease year-on-year with Material expecting lower profit, mainly in Basic Materials and separators, and Health Care expecting lower profit due to delay in recovery of Critical Care.
- Efforts to suppress the negative impact by passing on the cost increase from higher feedstock prices, cost reductions, optimal inventory management, etc., while accelerating business portfolio transformation under the medium-term management plan

Shareholder returns

- Full-year dividend forecast of ¥36 per share (no change from the previous forecast)

Progress of medium-term management plan

- Decision to expand manufacturing capacity of Bionova Scientific, U.S. biologics

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With regard to Q3 2022 results, net sales reached a record high for the cumulative period of Q1–Q3, but operating income decreased from the same period of the previous year. The reasons for the decline include a greater-than-expected deterioration in demand in Material and temporary positive factors occurring in the previous year in Health Care.

The full-year forecast for FY 2022 is also for a year-on-year decline in operating income. While Homes is expected to remain firm, decreased operating income is expected in Material due to lower demand, and in Health Care due to slight delay in the recovery in Critical Care. We will strive to suppress the negative impact by passing on increased feedstock costs, cost reductions, and appropriate cash flow management.

Regarding shareholder returns, the annual dividend forecast remains unchanged at 36 yen per share, in line with our policy of steadily increasing the level of dividends based on the medium-term outlook. Regarding progress of initiatives related to the medium-term management plan, we decided to increase the capacity of Bionova, a U.S. biologics CDMO.

Current situation and outlook for business environment

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- Efforts to suppress the impact of a severe operating climate by passing on the cost increase from higher feedstock prices, cost reductions, optimal inventory management, greater control of procurement of components and parts, etc.

Segment		Consolidated results for Q3 2022 (vs Q2 2022)	Outlook for Q4
Material		• Reduced demand centered on Basic Materials, and declining market prices of petrochemical including AN, due to global economic stagnation • Generally high energy cost continuing, but certain feedstock prices recently trending downward	• Low level of demand continuing and market prices for petrochemical on a downward trend • High energy costs continuing, but certain feedstock prices trending downward
Material	Automotive related market	• Trend of lessening impact of semiconductor shortage on vehicle production for separators and car interior material, but weak demand recovery in engineering plastics	• Gradual improvement for most of businesses
Material	Electronic equipment and semiconductor related market	• Reduced demand for electronic materials and devices due to lower consumption caused by global economic stagnation and lockdowns in China	• Low level of demand continuing for most of businesses
Homes		• Impact of continuously high steel price, etc., centered on domestic order-built homes and Construction Materials • Decreased home construction starts with cancellations due to rising mortgage interest rates resulting in temporary fewer works in progress for North American business	• Material costs remaining high • Continuing decline in construction starts in North American business
Health Care (Critical Care)		• Continuing improvement of impact from difficulty in procurement of defibrillator parts in Critical Care • Decrease in orders for defibrillators for professional use centered on North America in Critical Care	• Continuing improvement of impact from difficulty in parts procurement • Improvement in orders for defibrillators for professional use

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I would like to explain the current business environment and future outlook.

In Material, petrochemical-related businesses in general were significantly affected by declining market prices and demand in the wake of the economic slowdown in Q3, and we expect this situation to continue in Q4. While the impact of automobile production cutbacks due to semiconductor shortages is gradually improving in the automotive-related businesses, demand in the electronic equipment and semiconductor-related businesses is generally declining due to the global economic downturn. These conditions are also expected to continue into Q4.

In Homes, we expect orders in domestic order-built homes to remain slightly sluggish and material prices to remain high. In North American business, the number of construction starts is also slowing slightly.

In Health Care, the impact of difficulties in defibrillator parts procurement in Critical Care is improving, albeit at a slower pace than expected. On the other hand, orders for defibrillators for professional use, especially in North America, decreased due to the economic slowdown. We expect orders for defibrillators for professional use to improve through Q4, in addition to continued improvement in parts procurement difficulties.

In this difficult business environment, we will strive to improve profitability through appropriate business operations, including cost reductions.

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1. Consolidated results for Q3 2022

Financial results for Q3 (consolidated)

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- Sales increased in all segments due to weaker yen, increased market prices of petrochemicals, etc.
- Operating income decreased due to economic slowdown in addition to lingering semiconductor shortages and lockdowns in China, resulting in sluggish demand, higher feedstock prices, etc., as well as temporary positive factors occurring in the previous year and impact of acquisitions in Health Care
- Net income decreased due to partial income tax reduction in H1 2021 from reconfiguration of Veloxis organizations, lower gain on sales of strategic shareholdings, etc., in addition to lower operating income

		FY 2021 Apr.–Dec.	FY 2022 Apr.–Dec.	Increase (decrease)	% change
Net sales	(¥ billion)	1,824.8	2,040.4	215.7	+11.8%
Operating income	(¥ billion)	174.1	116.3	-57.7	-33.2%
Operating margin		9.5%	5.7%		
EBITDA	(¥ billion)	283.7	246.9	-36.7	-12.9%
EBITDA margin		15.5%	12.1%		
Net income attributable to owners of the parent	(¥ billion)	140.7	66.0	-74.6	-53.0%

	FY 2021	FY 2022
¥/US$ exchange rate (market average)	111	137
¥/€ exchange rate (market average)	131	141
Naphtha price (¥/kL, domestic)	54,000	80,000
Dividends per share (¥)	17	18

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I will explain the cumulative results for Q1–Q3 2022. Net sales were 2,040.4 billion yen, an increase of 11.8% year-on-year. In contrast, operating income was 116.3 billion yen, down 33%, and net income attributable to owners of the parent was 66.0 billion yen, down 53%.

Results by segment (year-on-year)

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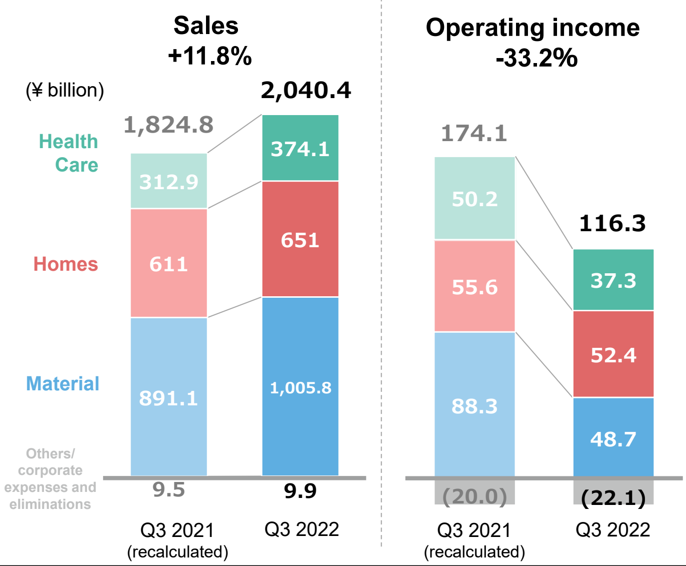
➢ Operating income decreased centered on Material and Health Care due to deteriorating operating climate and temporary factors of the previous year in the Health Care



Health Care: Sales increase, but operating income decrease

Flat operating income in the Health Care business category with firm performance of mainstay products, despite increased SG&A and impact of consolidation of Bionova in Medical Devices; decreased operating income in Critical Care with normalization of effect from surge in demand for ventilators, temporary impact of acquisitions, etc., and impact of difficulty in parts procurement

Homes: Sales increase, but operating income decrease

Higher average unit prices due to larger and higher value-added units in order-built homes, but fewer deliveries of condominium units in real estate

Material: Sales increase, but operating income decrease

Increased selling prices due to weaker yen and progress in passing on the cost increase from higher market prices of petrochemicals, firm performance in Digital Solutions; decreased shipments and lower operation rate of separators and engineering plastics, deterioration in terms of trade and impact of inventory valuation, etc., for Basic Materials

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Here is an explanation of year-on-year trends by segment. Health Care saw a decrease in operating income mainly due to the temporary positive factors occurring in the previous year. Homes remained largely unchanged from the same period of the previous year. Material posted lower operating income due to the overall impact of the economic slowdown.

Material Sales and operating income increase/decrease

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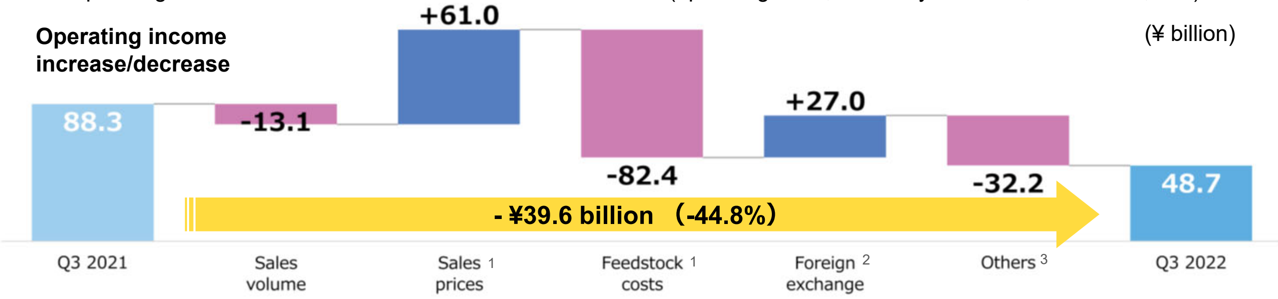
- Impact of higher feedstock costs was offset by weaker yen and sales price increases to pass on the increased costs; operating income decrease due to sales volume and others (operating rates, inventory valuation, fixed costs, etc.)



		FY 2021 Apr.–Dec. (recalculated)	FY 2022 Apr.–Dec.	Increase (decrease)	% change	Increase (decrease) due to: Sales volume	Sales prices[1]	Feedstock costs[1]	Foreign exchange[2]	Others[3]
Material segment	Sales	891.1	1,005.8	114.7	+12.9%	(56.3)	61.0	–	55.7	54.3
	Operating income	88.3	48.7	(39.6)	-44.8%	(13.1)		(82.4)	27.0	(32.2)
Environmental Solutions	Sales	385.5	428.0	42.6	+11.0%	(30.5)	40.9	–	17.9	14.3
	Operating income	42.6	10.0	(32.7)	-76.6%	(10.9)		(83.4)	12.9	7.8[4]
Mobility & Industrial	Sales	232.5	286.1	53.7	+23.1%	(18.4)	16.4	–	23.6	32.1
	Operating income	18.7	9.6	(9.1)	-48.7%	1.5		(18.8)	5.4	(13.7)
Life Innovation	Sales	272.7	291.2	18.5	+6.8%	(7.4)	3.7	–	14.2	8.0
	Operating income	29.9	27.3	(2.6)	-8.8%	(3.7)		(3.2)	8.7	(8.1)
Others in Material	Sales	0.5	0.5	(0.0)	-5.5%	–	–	–	–	–
	Operating income	(2.9)	1.9	4.8	–	–		23.0[4]	–	(18.2)

[1] Excluding effect of foreign exchange. [2] Effect of foreign exchange associated with sales prices and feedstock costs. [3] Foreign currency translation adjustment, fixed costs, inventory valuation, etc.
[4] Difference of internal sales price in "Other of operating income of Environmental Solutions is replaced by Feedstock costs in Others in Material

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The following is the analysis on year-on-year increase/decrease in operating income for each segment.

In Material, the sales volume factor is a negative 13.1 billion. The sum of the sales price factor, the feedstock costs factor, and the foreign exchange factor gives a positive 5.6 billion yen, which is the result of our efforts to pass on the increased feedstock costs. The "others" factor is a negative 32.2 billion yen due to the inventory valuation loss in addition to the lower operating rates, resulting from the decline in sales volume. In FY 2022, high raw material prices at the beginning of the period led to a negative inventory valuation, and this has been prolonged due to sluggish sales volumes and higher-than-normal inventory levels.

Homes Sales and operating income increase/decrease

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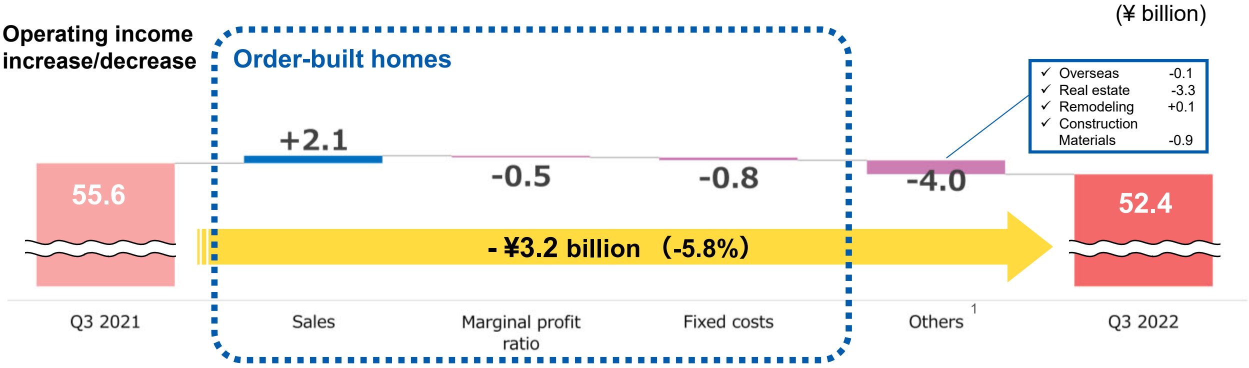
- Operating income decrease with fewer deliveries of condominium units in real estate despite of sales factor from larger and higher value-added units in domestic order-built homes offset by impact of higher material costs and negative factors under others

(¥ billion)



Sales and operating income increase/decrease

		FY 2021 Apr.–Dec. (recalculated)	FY 2022 Apr.–Dec.	Increase (decrease)	% change	Increase (decrease) due to: Order-built homes: Sales	Order-built homes: Marginal Profit	Order-built homes: Fixed cost	Others[1]
Homes segment	Sales	611.2	650.6	39.3	+6.4%	6.8	–	–	32.5
	Operating income	55.6	52.4	(3.2)	-5.8%	2.1	(0.5)	(0.8)	(4.0)

[1] Real estate, Remodeling, Overseas, Construction Materials, etc.

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In Homes, although construction volume declined in domestic order-built homes, the average unit price rose due to larger and higher value-added units, resulting in a positive sales factor. The "others" factor was a negative 4.0 billion yen, of which 3.3 billion yen came from real estate. However, this was due to the timing of condominium sales, not a decline in demand. The segment as a whole is performing solidly.

Health Care Sales and operating income increase/decrease

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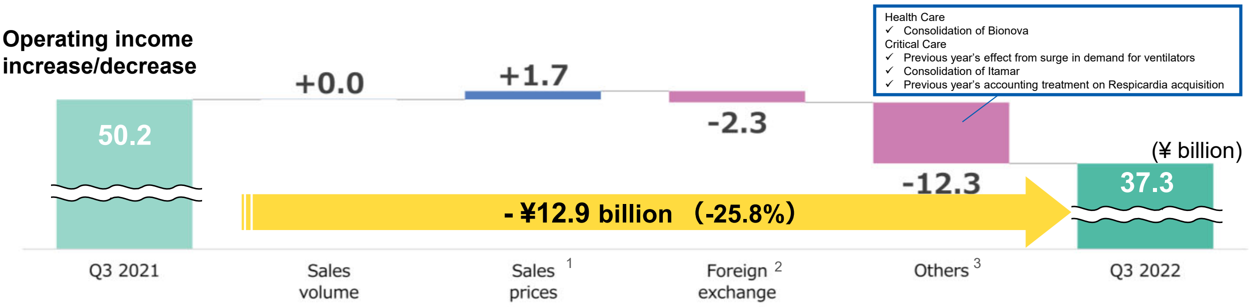
- In the Health Care business category, positive effect from sales volume due to increased shipments of mainstay products, but impact of consolidation of Bionova; in Critical Care, normalization of effect from surge in demand for ventilators, impact from consolidation of Itamar, nonrecurrence of previous year's accounting treatment on Respicardia acquisition, as well as negative effect from sales volume factor

Operating income increase/decrease



Sales and operating income increase/decrease

		FY 2021 Apr.–Dec.	FY 2022 Apr.–Dec.	Increase (decrease)	% change	Increase (decrease) due to: Sales volume	Sales prices[1]	Foreign exchange[2]	Others[3]
Health Care segment	Sales	312.9	374.1	61.2	+19.6%	1.2	1.7	(2.3)	60.6
	Operating income	50.2	37.3	(12.9)	-25.8%	0.0			(12.3)
Health Care	Sales	132.1	153.4	21.3	+16.1%	10.5	(1.3)	0.2	11.9
	Operating income	22.5	22.4	(0.1)	-0.4%	6.8			(5.7)
Critical Care	Sales	180.8	220.7	39.9	+22.1%	(9.3)	3.0	(2.5)	48.7
	Operating income	27.7	14.8	(12.8)	-46.4%	(6.7)			(6.6)

[1] Excluding effect of foreign exchange. [2] Effect of foreign exchange associated with sales prices and feedstock costs.
[3] Including foreign currency translation adjustment, fixed cost variance, and nonrecurring income/expense related to licensing, new consolidations, etc.

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In Health Care, the negative 12.3 billion yen in the "others" factor was significant, the major items of which are described on the chart. In the medical devices business, there was the impact of consolidation of Bionova. In Critical Care, there was the impact of temporary positive factors occurring in the previous year such as the effect from the surge in demand for ventilators and the accounting treatment on the acquisition of Respicardia, as well as the impact of the consolidation of Itamar this fiscal year.

Operating income trends in Q3 (year-on-year)

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		Trends	Major factors of operating income increase/decrease
Material	Environmental Solutions	↘	**Separators:** Operating income decrease with sluggish demand in both consumer electronics and automotive applications due to Chinese economic downturn and reduced vehicle production **Basic Materials:** Operating income decrease with terms of trade deteriorating due to increased feedstock costs and impact of inventory valuation (degree of decrease reduced through formula-based pricing for acrylonitrile)
Material	Mobility & Industrial	↘	**Car interior material:** Operating income increase with demand growth as reduced vehicle production recovers, despite deteriorating terms of trade due to increased feedstock costs **Engineering plastics & others:** Operating income decrease with lingering impact of reduced vehicle production and sluggish demand for consumer electronics and office equipment
Material	Life Innovation	→	**Digital Solutions:** Operating income flat with decreased shipments due to sluggish demand in Q3, although H1 was bolstered by brisk semiconductor markets and weaker yen exchange value
Homes	Homes	↘	**Order-built homes:** Higher material costs, but operating income increase with higher average unit prices resulting from larger and higher value-added units **Overseas:** Operating income flat with positive impact of new consolidation in North America (Brewer Companies, Focus Companies) but negative impact of increase of material cost and labor cost in Australia **Real estate:** Operating income decrease with fewer deliveries of condominium units
Health Care	Health Care	→	**Pharmaceuticals:** Increased operating income with shipment growth for mainstay products such as Envarsus XR and Teribone, as well as license income, although SG&A rose due to increased activity and license cost **Medical Devices:** Benefit of foreign currency translation adjustment due to weaker yen, but decreased operating income with impact of consolidation of Bionova and increased feedstock costs
Health Care	Critical Care	↘	**Defibrillators:** Operating income decrease with normalization of effect from surge in demand for ventilators, decreased shipments due to difficulty in parts procurement, and increased procurement costs **LifeVest:** Operating income increase with improved reimbursement status, benefit of foreign currency translation adjustment due to weaker yen, etc. **Others:** Nonrecurrence of previous year's accounting treatment on Respicardia acquisition, impact from consolidation of Itamar

Overseas sales

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(¥ billion)

	FY 2021 Apr.–Dec. (recalculated) Overseas sales	FY 2021 Apr.–Dec. (recalculated) % of total	FY 2022 Apr.–Dec. Overseas sales	FY 2022 Apr.–Dec. % of total	Increase (decrease)	% change
Material segment	533.8	59.9%	595.1	59.2%	61.3	+11.5%
Environmental Solutions	234.3	60.8%	236.8	55.3%	2.5	+1.1%
Mobility & Industrial	177.8	76.5%	228.7	79.9%	50.8	+28.6%
Life Innovation	121.2	44.4%	129.1	44.3%	7.9	+6.5%
Others in Material	0.5	100.0%	0.5	100.0%	(0.0)	-5.5%
Homes segment	110.3	18.0%	149.5	23.0%	39.2	+35.5%
Homes	110.3	18.9%	149.5	24.1%	39.2	+35.5%
Construction Materials	-	-	-	-	-	-
Health Care segment	235.2	75.2%	291.3	77.9%	56.1	+23.9%
Health Care	56.2	42.6%	73.9	48.2%	17.7	+31.5%
Critical Care	179.0	99.0%	217.4	98.5%	38.4	+21.5%
Others	0.7	7.0%	0.7	7.4%	0.1	+10.5%
Consolidated	880.0	48.2%	1,036.6	50.8%	156.6	+17.8%
Overseas sales by region						
Asia	391.2	21.4%	415.7	20.4%	24.5	+6.3%
of which, sales to China	182.1	10.0%	194.6	9.5%	12.5	+6.9%
The Americas	287.0	15.7%	379.8	18.6%	92.8	+32.3%
Europe	111.1	6.1%	125.9	6.2%	14.8	+13.3%
Other countries	90.7	5.0%	115.3	5.6%	24.5	+27.1%

Statements of income

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Variations from year-ago period

- SG&A: Increased value of overseas expenses due to weaker yen, impact of new consolidations, etc.
- Non-operating income/expense: Decreased equity in earnings of affiliates due to decreased earnings at PTT Asahi Chemical, etc.
- Extraordinary income/loss: Decreased gain on sales of strategic shareholdings, recording of loss on fire at plant facilities, nonrecurrence of gain on step acquisitions.

(¥ billion)

	FY 2021 Apr.–Dec.	% of sales	FY 2022 Apr.–Dec.	% of sales	Increase (decrease)	% change
Net sales	1,824.8	100.0%	2,040.4	100.0%	215.7	+11.8%
Cost of sales	1,235.7	67.7%	1,442.7	70.7%	207.0	+16.7%
Gross profit	589.0	32.3%	597.7	29.3%	8.7	+1.5%
Selling, general and administrative expenses	414.9	22.7%	481.4	23.6%	66.4	+16.0%
Operating income	174.1	9.5%	116.3	5.7%	(57.7)	-33.2%
Net non-operating income (expenses) of which,	10.2		(4.4)		(14.6)	
(net equity in earnings (losses) of affiliates)	7.7		1.5		(6.2)	
Ordinary income	184.2	10.1%	111.9	5.5%	(72.3)	-39.2%
Net extraordinary income (loss)	1.6		(8.9)		(10.5)	
Income before income taxes	185.8	10.2%	103.0	5.0%	(82.8)	-44.5%
Income taxes	(43.4)		(36.0)		7.4	
Net income attributable to non-controlling interests	(1.7)		(1.0)		0.8	
Net income attributable to owners of the parent	140.7	7.7%	66.0	3.2%	(74.6)	-53.0%

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In the statements of income, we posted net non-operating expenses of 4.4 billion yen for the cumulative period of Q1–Q3 2022, a deterioration of 14.6 billion yen from income of 10.2 billion yen in the same period of the previous year. This was largely due to a 6.2 billion yen decline in net equity in earnings of affiliates, mainly due to deteriorated earnings of PTT Asahi Chemical. Other non-operating income/expenses also deteriorated due to foreign exchange losses and other factors.

Extraordinary income and loss

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(¥ billion)

	FY 2021 Apr.–Dec.	FY 2022 Apr.–Dec.	Increase (decrease)
Gain on sales of investment securities	14.3	7.1	(7.1)
Gain on sales of noncurrent assets	0.9	0.7	(0.2)
Insurance income	–	1.8	1.8
Gain on step acquisitions	1.7	–	(1.7)
Total extraordinary income	16.8	9.6	(7.2)
Loss on valuation of investment securities	0.2	1.7	1.5
Loss on disposal of noncurrent assets	5.3	5.2	(0.1)
Impairment loss	0.4	1.3	0.9
Loss on fire at plant facilities	–	5.6	5.6
Business structure improvement expenses	9.3	4.7	(4.6)
Total extraordinary loss	15.2	18.5	3.3
Net extraordinary income (loss)	1.6	(8.9)	(10.5)

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Net extraordinary loss of 8.9 billion yen was recorded for the cumulative period of Q1–Q3 2022, which was a deterioration of 10.5 billion yen from income of 1.6 billion yen in the same period of the previous year. The main reasons were decreased gain on sales of investment securities, posted at 7.1 billion yen this fiscal year, and loss on fire at plant facilities related to the Bemberg plant fire.

Balance sheets

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- Total assets: Increased value of overseas assets due to weaker yen, increased inventories due to higher feedstock prices
- Liabilities: Increased interest-bearing debt, increased value of overseas liabilities due to weaker yen
- Net assets: Accumulated other comprehensive income increased with greater foreign currency translation adjustment due to weaker yen in addition to recording of net income

	At end of Mar. 2022	At end of Dec. 2022	Increase (decrease)
Current assets	1,334.2	1,555.1	220.9
Cash and deposits	244.6	289.3	44.7
Notes, accounts receivable–trade, and contract assets	434.6	460.9	26.3
Inventories	540.2	653.3	113.1
Other current assets	114.7	151.5	36.8
Noncurrent assets	2,014.9	2,142.9	128.1
Property, plant and equipment	805.2	845.8	40.6
Intangible assets	836.8	922.5	85.7
Investments and other assets	372.8	374.6	1.8
Total assets	3,349.1	3,698.0	348.9
Goodwill	431.3	505.1	73.8
Interest-bearing debt[1]	766.3	1,058.6	292.3
D/E ratio	0.45	0.59	0.14

	At end of Mar. 2022	At end of Dec. 2022
Liabilities	1,630.3	1,880.2
Current liabilities	923.9	1,051.8
Notes and accounts payable–trade	178.1	203.6
Other current liabilities	745.8	848.2
Noncurrent liabilities	706.4	828.3
Net assets	1,718.8	1,817.8
Shareholders' equity	1,459.4	1,475.5
Capital stock	103.4	103.4
Capital surplus	79.9	79.8
Retained earnings	1,282.3	1,299.7
Treasury stock	(6.2)	(7.4)
Accumulated other comprehensive income	228.0	308.9
Non-controlling interests	31.4	33.5
Total liabilities and net assets	3,349.1	3,698.0

[1] Excluding lease obligations

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Let me explain the balance sheets. Comparing the end of December 2022 with the end of March 2022, total assets increased by approximately 350 billion yen. Current assets increased by approximately 220 billion yen, with inventories, in particular, increasing by 113.1 billion yen. We have been trying to reduce inventories, but there is an impact of soaring feedstock prices. Liabilities increased by approximately 250 billion yen. Interest-bearing debt increased to 1,058.6 billion yen, and the debt-to-equity ratio rose 0.14 to 0.59.

Cash flows

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- Operating: Flow decreased with decreased income before income taxes, increased inventories, and increased income tax payments related to reconfiguration of Veloxis organizations
- Investing: Greater cash used with increased outlays for capex centered in Material
- Financing: Cash provided even after dividends payment due to debt financing

(¥ billion)

	FY2021 Apr.–Dec.	FY2022 Apr.–Dec.	Increase (decrease)
a. Net cash provided by (used in) operating activities	112.7	1.2	(111.5)
b. Net cash provided by (used in) investing activities	(175.3)	(203.4)	(28.1)
Outlays for capital expenditure	(110.9)	(126.4)	(15.5)
Outlays for M&A	(78.9)	(78.1)	0.8
Others	14.5	1.1	(13.4)
c. Free cash flows [a+b]	(62.6)	(202.2)	(139.6)
d. Net cash provided by (used in) financing activities	82.1	232.9	150.8
e. Effect of exchange rate change on cash and cash equivalents	7.5	13.1	5.6
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	27.0	43.7	16.8

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Let me explain the cash flows. Net cash provided by operating activities was 1.2 billion yen, a year-on-year decrease of more than 110 billion yen, due to an increase in working capital caused by an increase in inventories and other factors. Net cash used in investing activities amounted to 203.4 billion yen, a year-on-year increase of 28.1 billion yen. As a result, free cash flow was a net cash outflow of 202.2 billion yen, a year-on-year increase of approximately 140 billion yen in cash outflow. Including cash flows from financing activities, etc., cash and cash equivalents increased by 43.7 billion yen.

These are the results for Q3 2022.

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2. Forecast for FY 2022

FY 2022 operating performance forecast (consolidated)

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- Severe operating climate expected to continue, year-on-year operating income decrease forecasted, downward revision from previous forecast; larger downward revision for net income due to delay in tax effect from reconfiguration of Veloxis organizations
- Closely watching operating climate changes such as lingering semiconductor shortages, continuously high feedstock prices, economic slowdown, etc.
- FY 2022 full-year dividends forecasted at ¥36 per share, unchanged from May announcement

		FY 2021	H1	Q3	H2 forecast	FY 2022 forecast	% change	FY 2022 forecast in Nov.	% change
Net sales	(¥ billion)	2,461.3	1,351.2	689.2	1,385.8	2,737.0	+11.2%	2,851.0	-4.0%
Operating income	(¥ billion)	202.6	85.8	30.5	39.2	125.0	-38.3%	177.0	-29.4%
Operating margin		0.8%	0.6%	0.4%	0.3%	4.6%		6.2%	
Net income attributable to owners of the parent	(¥ billion)	161.9	51.7	14.3	18.3	70.0	-56.8%	129.0	-45.7%
EPS	(¥)	116.68	37.28	10.33	13.18	50.46	-56.7%	92.98	-45.7%
¥/US$ exchange rate (market average)		112	134	142	136	135		137	
¥/€ exchange rate (market average)		131	139	144	140	139		139	
Naphtha price (¥/kL, domestic)		56,700	83,800	72,500	66,900	75,400		76,800	
Dividends per share (¥)		34	18		18	36		36	

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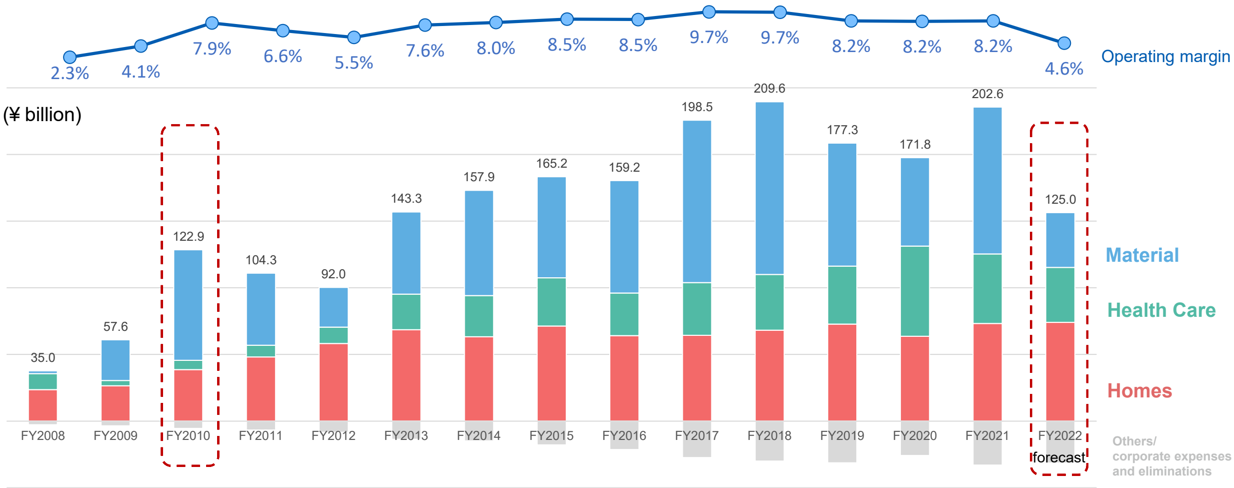
Now I would like to explain our full-year forecast for FY 2022. Operating income is expected to be 125 billion yen, down 38% from the previous year, a downward revision of 29% from the previous forecast announced in November 2022. Net income is expected to be 70 billion yen, down 57% from the previous year, a downward revision of 45% from the previous forecast. One of the reasons for the downward revision is that the previous forecast included a 15.8 billion yen gain from the reversal of tax expenses related to the reconfiguration of Veloxis organizations, but this was not factored in this time because the timing is expected to be pushed back.

Operating performance forecast (operating income trend[1])

AsahiKASEI

➢ With steady income growth in Homes and income expanding in Health Care, overall income structure is more resilient than in FY2010 when a similar level of total operating income was recorded; profitability in Material is the issue for income growth moving forward



[1] Results prior to FY 2019 are reclassified to the current disclosure segments with simplified calculation for reference

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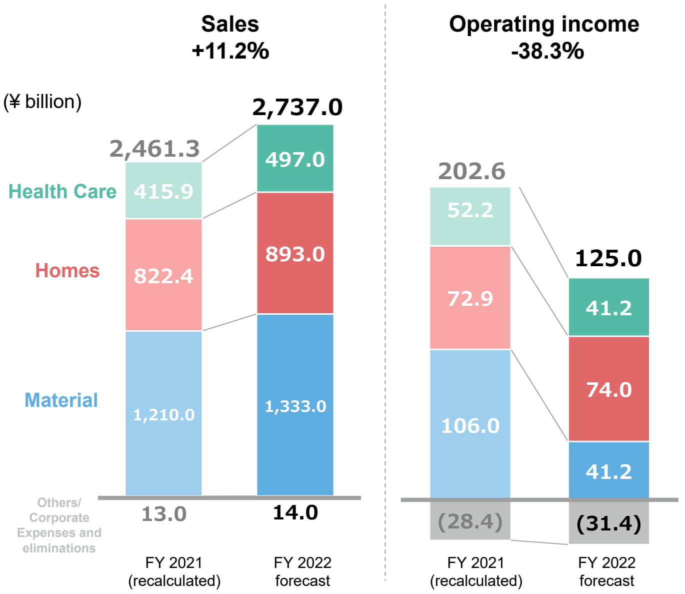
This chart shows the operating income trend from the past. The operating margin has been improving over the long term, but is expected to decline in FY 2022. We recognize that improving the profitability of Material is an urgent issue and that acceleration of fundamental business structure transformation is needed.

Operating performance forecast (year-on-year)

AsahiKASEI

- Homes performing well, but decreased income in Material and Health Care due to deteriorating operating climate



Health Care: Sales increase, but operating income decrease

Negative impact of consolidation of Bionova, but operating income increase in the Health Care business category with firm shipments of mainstay products; operating income decrease in Critical Care with normalization of effect from surge in demand for ventilators, temporary impact of acquisitions, etc., and difficulty in parts procurement

Homes: Sales and operating income increase

In order-built homes, increased material costs, but operating income maintained with higher average unit prices due to larger and higher value-added units; operating income increase forecasted in overseas business and real estate

Material: Sales increase, but operating income decrease

Increased prices due to weaker yen and passing on the cost of higher market prices for petrochemicals, but operating income decrease due to decreased shipments and reduced operating rates of separators and engineering plastics, and deterioration of terms of trade and impact of inventory valuation in Basic Materials

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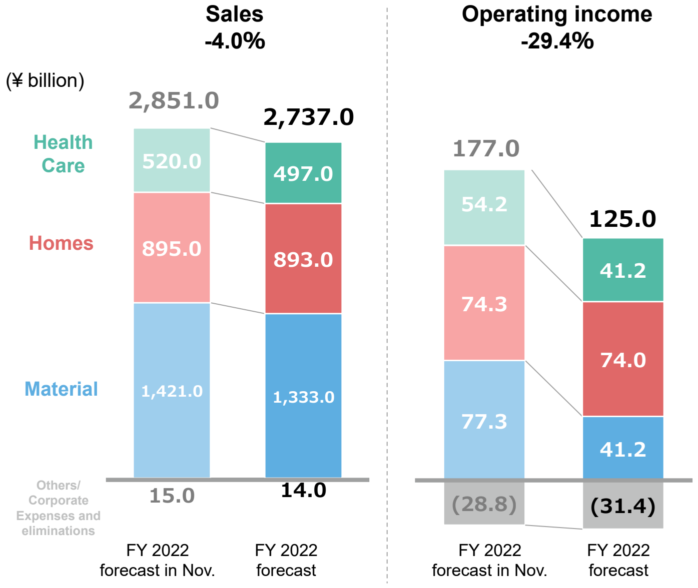
Here is the full-year forecast for FY 2022 by segment. Health Care is expected to see a decrease in operating income year-on-year due to the many temporary positive factors occurring in the previous year. In Homes, operating income is expected to increase. Operating income in Material is expected to decrease, mainly as a result of a decline in sales volume due to lower-than-expected demand in each business.

Operating performance forecast (vs. forecast in Nov)

AsahiKASEI

➤ Operating income forecast revised downward with deteriorating operating climate centered on Material and Health Care



Health Care: Sales and operating income revised downward
Decreased orders for defibrillators for professional use centered on North America in Critical Care, shipments of mainstay products in the Health Care business category lower than expected, and performance of Bionova lower than anticipated

Homes: Sales and operating income largely unchanged
Lower than anticipated performance of North American business offset by order-built domestic homes business, etc.

Material: Sales and operating income revised downward
Impact of inventory valuation and low operating rates in Basic Materials, shipments lower than expected in Digital Solutions and separators

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I will explain the full-year forecast for FY 2022 in comparison with the previous forecast. For Health Care, the previous forecast had projected operating income growth, but was downward revised due to slower-than-expected improvement in parts procurement difficulties, in addition to a decline in demand for defibrillators for professional use against the backdrop of the economic slowdown, in Critical Care. Homes is progressing largely as expected. The forecast for Material was revised downward due to lower sales volume and inventory valuation loss, etc., amid a significant decline in demand.

Sales forecast by business category

AsahiKASEI

(¥ billion)

	FY 2021 (recalculated)			FY 2022 forecast				% change	FY2022 H2 forecast -H1	FY 2022 forecast in Nov.	% change
	H1	H2		H1	H2 forecast						
					Q3						
Material segment	575.9	634.1	1,210.0	678.8	327.0	654.2	1,333.0	+10.2%	-24.7	1,421.0	-6.2%
Environmental Solutions	248.2	274.5	522.6	291.3	136.8	275.7	567.0	+8.5%	-15.5	609.0	-6.9%
Mobility & Industrial	151.8	170.3	322.1	192.1	94.0	190.9	383.0	+18.9%	-1.2	404.0	-5.2%
Life Innovation	175.6	189.0	364.6	195.2	96.0	186.8	382.0	+4.8%	-8.3	407.0	-6.1%
Others in Material	0.3	0.4	0.7	0.3	0.2	0.7	1.0	+42.1%	0.4	1.0	+0.0%
Homes segment	393.0	429.5	822.4	420.4	230.1	472.6	893.0	+8.6%	52.1	895.0	-0.2%
Homes	375.8	410.7	786.5	401.0	219.5	452.0	853.0	+8.4%	51.0	855.0	-0.2%
Construction Materials	17.1	18.8	35.9	19.4	10.7	20.6	40.0	+11.4%	1.2	40.0	+0.0%
Health Care segment	205.9	210.0	415.9	245.5	128.6	251.5	497.0	+19.5%	6.0	520.0	-4.4%
Health Care	85.3	88.8	174.2	98.9	54.5	101.1	200.0	+14.8%	2.2	206.0	-2.9%
Critical Care	120.5	121.2	241.7	146.6	74.1	150.4	297.0	+22.9%	3.8	314.0	-5.4%
Others	6.3	6.7	13.0	6.5	3.4	7.5	14.0	+7.9%	1.1	15.0	-6.7%
Consolidated	1,181.0	1,280.3	2,461.3	1,351.2	689.2	1,385.8	2,737.0	+11.2%	34.5	2,851.0	-4.0%

Operating income forecast by business category

AsahiKASEI

(¥ billion)

	H1	H2	FY2021 (recalculated)	H1	H2 forecast		FY2022 forecast	% change	FY2022 H2 forecast -H1	FY2022 forecast in Nov.	% change
					Q3	H2 forecast					
Material segment	58.5	47.4	106.0	40.6	8.1	0.6	41.2	-61.1%	(40.0)	77.3	-46.7%
Environmental Solutions	28.9	20.0	48.9	12.5	(2.6)	(12.7)	(0.2)	–	(25.2)	21.3	–
Mobility & Industrial	13.2	12.5	25.8	9.1	0.5	2.4	11.5	-55.4%	(6.6)	16.4	-29.9%
Life Innovation	19.1	15.7	34.8	19.6	7.7	9.0	28.6	-17.9%	(10.6)	38.6	-25.9%
Others in Material	(2.7)	(0.8)	(3.5)	(0.6)	2.5	1.9	1.3	–	2.4	1.0	+30.0%
Homes segment	33.3	39.6	72.9	33.6	18.8	40.4	74.0	+1.5%	6.8	74.3	-0.4%
Homes	32.0	38.6	70.6	32.9	18.1	39.6	72.5	+2.7%	6.7	72.5	+0.0%
Construction Materials	1.2	1.1	2.3	0.7	0.6	0.8	1.5	-34.8%	0.1	1.8	-16.7%
Health Care segment	34.3	17.9	52.2	25.8	11.4	15.4	41.2	-21.0%	(10.5)	54.2	-24.0%
Health Care	13.6	8.3	21.8	14.6	7.9	7.7	22.3	+2.2%	(6.8)	25.6	-12.9%
Critical Care	20.7	9.6	30.3	11.3	3.5	7.6	18.9	-37.7%	(3.7)	28.6	-33.9%
Others	1.7	2.4	4.1	1.7	0.8	1.6	3.3	-19.8%	(0.1)	3.1	+6.5%
Corporate expenses and eliminations	(14.6)	(17.9)	(32.5)	(16.0)	(8.6)	(18.7)	(34.7)	–	(2.7)	(31.9)	–
Consolidated	113.1	89.5	202.6	85.8	30.5	39.2	125.0	-38.3%	(46.6)	177.0	-29.4%

Factors of revised operating income forecast (compared to previous forecast)

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		Trends	Major factors of operating income increase/decrease
Material	Environmental Solutions	↘	**Separators:** Downward revision due to delay in recovery of consumer electronics demand and low operating rates **Basic Materials:** Downward revision due to impact of inventory valuation and low operating rates
Material	Mobility & Industrial	↘	**Car interior material:** In line with previous forecast **Engineering plastics & others:** Downward revision due to lingering impact of reduced vehicle production, lower demand for consumer electronics and office equipment with economic downturn, and lower operating rates
Material	Life Innovation	↘	**Digital Solutions:** Downward revision due to lower shipments of electronic materials with sluggish semiconductor markets, and lower shipments of electronic devices in a broad range of applications **Comfort Life:** Downward revision due to lower demand for certain products such as fibers
Homes	Homes	→	**Order-built homes**: Upward revision due to improved margins and reduction of fixed cost, despite lower-than-expected sales **Overseas:** Downward revision in North American business due to temporary decrease in construction starts with cancellations **Real estate:** Slight upward revision due to product mix of condominium units scheduled for delivery
Health Care	Health Care	↘	**Pharmaceuticals:** Downward revision due to delay in scheduled license income and Teribone shipments lower than expected **Medical Devices:** Downward revision due to inventory adjustment by Planova customers and delay in Bionova sales
Health Care	Critical Care	↘	**Defibrillators:** Downward revision due to decreased orders for defibrillators for professional use mainly in North America due to economic slowdown **LifeVest:** In line with previous forecast

Reference: Trend in shipments of lithium-ion battery separators

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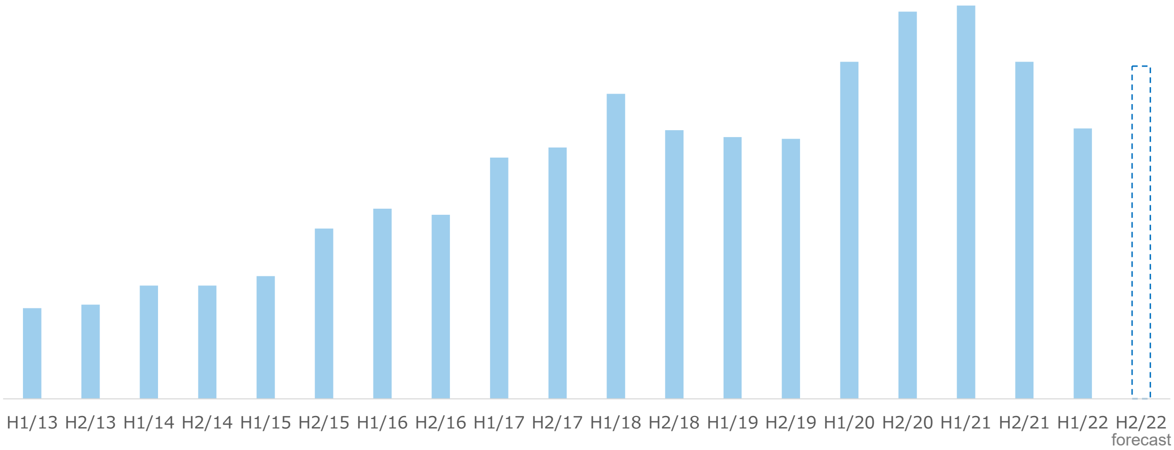
- Although medium to longer-term business expansion has advanced in line with market expansion, shipments declined with automotive applications impacted by reduced vehicle production due to semiconductor shortages from H2 FY 2021, and demand slowdown in consumer electronics applications due to Chinese economic downturn
- Although demand recovery in consumer electronics is delayed, increased shipments are forecasted in H2 FY 2022

Trend in shipments of lithium-ion battery separators
(indexed on H1 FY2013 shipment volume)



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This shows the trend in shipments of lithium-ion battery separators. In H1 2022, shipments declined due to lower demand for consumer electronics applications such as PCs, smartphones, and tablets, mainly in China, as well as for automotive applications, from the impact of automobile production cutbacks caused by semiconductor shortages, etc. Demand for automotive applications is, however, expected to improve toward H2.

Reference: Trend in net sales and operating income in Critical Care

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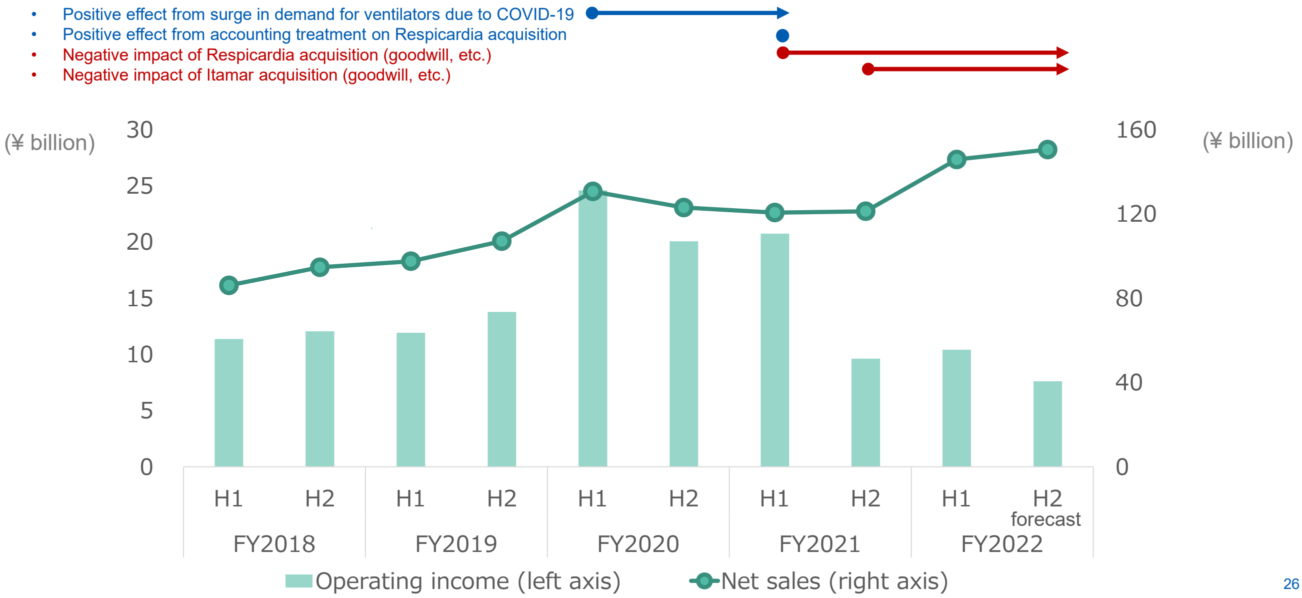
- Operating income declined with decreased shipments of defibrillators due to difficulty in parts procurement, increased procurement costs, etc., since H2 FY 2021, and decreased orders for defibrillators for professional use mainly in North America due to economic slowdown in Q3 FY 2022; improvement forecasted from Q3 to Q4 FY2022.



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This chart shows the trend in sales and operating income of Critical Care. In H2 2022, operating income declined in Q3 due to decreased orders for defibrillators for professional use, but we anticipate a gradual improvement through Q4.

Shareholder returns

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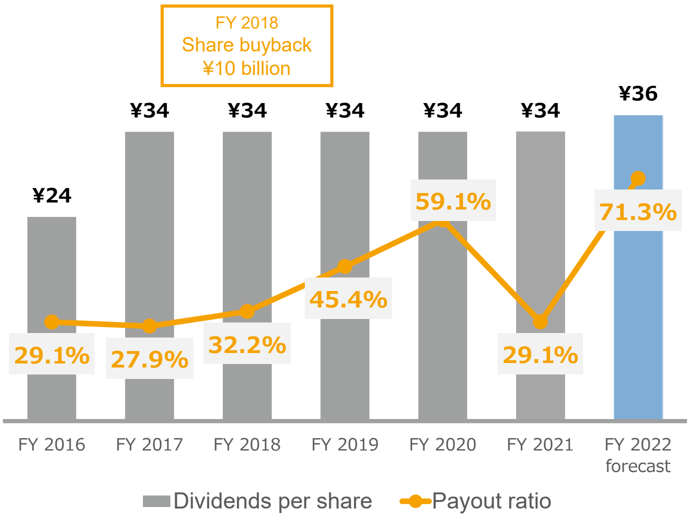
➢ FY2022 annual dividend forecast of ¥36 per share unchanged



Shareholder returns policy

1. Determining level of shareholder returns based on medium-term FCF outlook
2. Shareholder returns basically by dividends, aiming to maintain or increase dividends per share
3. With payout ratio of around 30–40% (3-year total), aiming to steadily increase level of shareholder returns
4. Share buybacks as appropriate based on comprehensive consideration of suitable level of equity, investment items, and share price

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Now I will explain shareholder returns. We maintain our forecast of the annual dividend at 36 yen per share for FY 2022. Under the shareholder return policy described here, we intend to maintain a certain level of dividends, regardless of short-term earnings trends. We will continue to consider share buybacks, but for FY 2022, we intend to return profits through steady dividend payments.

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3. Appendix

Revision of business categories (since April 2022)

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Segments	Business categories	Businesses	
Material	Environmental Solutions	Separators	
		Membrane Solutions	
		Synthetic Rubber & Elastomers	
		Basic Materials[1]	
	Mobility & Industrial	Fibers (automotive)	
		Engineering Plastics	
		Performance Coating Materials	
	Life Innovation	Digital Solutions	Electronic Materials
			Electronic Devices
			UVC Project
		Comfort Life	Functional Additives
			Explosives
			Photoproducts
			Fibers (apparel, industrial, etc.)
			Consumables
			Asahi Kasei Advance[2]
Homes	Homes		
	Construction Materials		
Health Care	Health Care		
	Critical Care		
Others			
Corporate expenses and eliminations			

- Formerly Basic Materials
- Formerly Performance Products
- Formerly Specialty Solutions
- Formerly Corporate expenses and eliminations

1 Certain products are transferred to Mobility & Industrial

2 Asahi Kasei Advance results, previously separated among Performance Products, Others in Material, and Construction Materials, are now included in Life Innovation

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Material segment

(¥ billion)

Sales	H1	H2	FY 2021 (recalculated)	H1	3Q	H2 forecast	FY 2022 forecast	% change	FY 2022 forecast in Nov.	% change
Material segment	**575.9**	**634.1**	**1,210.0**	**678.8**	**327.0**	**654.2**	**1,333.0**	**+10.2%**	**1,421.0**	**-6.2%**
Environmental Solutions	248.2	274.5	522.6	291.3	136.8	275.7	567.0	+8.5%	609.0	-6.9%
of which, basic materials	154.7	180.1	334.8	187.4	88.7	179.6	367.0	+9.6%	387.0	-5.2%
Mobility & Industrial	151.8	170.3	322.1	192.1	94.0	190.9	383.0	+18.9%	404.0	-5.2%
Life Innovation	175.6	189.0	364.6	195.2	96.0	186.8	382.0	+4.8%	407.0	-6.1%
of which, digital solutions	59.3	62.2	121.4	66.5	29.9	57.5	124.0	+2.1%	142.0	-12.7%
Others in Material	0.3	0.4	0.7	0.3	0.2	0.7	1.0	+42.1%	1.0	+0.0%

Operating income	H1	H2	FY 2021 (recalculated)	H1	3Q	H2 forecast	FY 2022 forecast	% change	FY 2022 forecast in Nov.	% change
Material segment	**58.5**	**47.4**	**106.0**	**40.6**	**8.1**	**0.6**	**41.2**	**-61.1%**	**77.3**	**-46.7%**
Environmental Solutions	28.9	20.0	48.9	12.5	(2.6)	(12.7)	(0.2)	–	21.3	–
of which, basic materials	19.0	16.4	35.4	9.5	(4.2)	(11.1)	(1.6)	–	13.3	–
Mobility & Industrial	13.2	12.5	25.8	9.1	0.5	2.4	11.5	-55.4%	16.4	-29.9%
Life Innovation	19.1	15.7	34.8	19.6	7.7	9.0	28.6	-17.9%	38.6	-25.9%
of which, digital solutions	8.9	8.0	16.9	10.5	3.2	4.6	15.1	-10.9%	22.0	-31.4%
Others in Material	(2.7)	(0.8)	(3.5)	(0.6)	2.5	1.9	1.3	–	1.0	+29.9%

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Homes segment (i)

(¥ billion)

Sales	FY 2021 H1	FY 2021 H2	FY 2021 (recalculated)	FY 2022 H1	FY 2022 3Q	FY 2022 H2 forecast	FY 2022 forecast	% change	FY 2022 forecast in Nov.	% change
Homes segment	**393.0**	**429.5**	**822.4**	**420.4**	**230.1**	**472.6**	**893.0**	**+8.6%**	**895.0**	**-0.2%**
Homes	**375.8**	**410.7**	**786.5**	**401.0**	**219.5**	**452.0**	**853.0**	**+8.4%**	**855.0**	**-0.2%**
Order-built homes, etc.	189.0	214.5	403.5	196.6	108.2	214.4	411.0	+1.9%	413.5	-0.6%
Real estate	86.0	96.5	182.5	81.1	44.4	107.4	188.5	+3.3%	188.5	+0.0%
Remodeling	26.7	25.7	52.5	26.1	14.0	27.9	54.0	+2.9%	55.0	-1.8%
Overseas business	73.1	73.1	146.3	96.8	52.7	102.2	199.0	+36.1%	196.5	+1.3%
Others	0.9	0.9	1.8	0.4	0.2	0.1	0.5	-72.3%	1.5	-66.7%
Construction Materials	**17.1**	**18.8**	**35.9**	**19.4**	**10.7**	**20.6**	**40.0**	**+11.4%**	**40.0**	**+0.0%**

Operating income	FY 2021 H1	FY 2021 H2	FY 2021 (recalculated)	FY 2022 H1	FY 2022 3Q	FY 2022 H2 forecast	FY 2022 forecast	% change	FY 2022 forecast in Nov.	% change
Homes segment	**33.3**	**39.6**	**72.9**	**33.6**	**18.8**	**40.4**	**74.0**	**+1.5%**	**74.3**	**-0.4%**
Homes	**32.0**	**38.6**	**70.6**	**32.9**	**18.1**	**39.6**	**72.5**	**+2.7%**	**72.5**	**+0.0%**
Order-built homes, etc.	14.1	22.3	36.4	16.2	10.2	20.0	36.2	-0.7%	35.3	+2.5%
Real estate	9.6	10.1	19.7	7.5	5.0	13.5	21.0	+6.4%	20.3	+3.3%
Remodeling	2.6	2.7	5.2	2.5	1.4	3.0	5.5	+5.3%	5.8	-5.5%
Overseas business	5.4	2.2	7.5	6.4	1.1	2.6	9.0	+19.7%	10.0	-9.9%
Others	0.4	1.3	1.7	0.3	0.4	0.5	0.8	-52.8%	1.0	-22.9%
Construction Materials	**1.2**	**1.1**	**2.3**	**0.7**	**0.6**	**0.8**	**1.5**	**-34.8%**	**1.8**	**-16.7%**

Homes segment (ii)

- Value of orders relatively firm for multi-dwelling homes, but decreasing substantially for unit homes
- Real estate forecasting annual sales growth with condominium deliveries concentrated in Q4

(¥ billion, % indicates year-on-year comparison)

		Order-built homes, etc.								Real estate			
		Orders			Sales					Sales			
		Value of new orders during the term		Order backlog	Unit homes	Multi-dwelling homes	Other	Total		Pre-built homes	Rental housing	Other	Total
FY 2020	H1	145.3	(-28.1%)	543.8	132.8	46.9	8.1	187.8		30.9	58.1	2.1	91.0
	H2	181.3	(-8.6%)	527.5	136.6	61.1	9.2	206.9		11.1	60.8	7.1	79.0
	annual	326.6	(-18.4%)		269.3	108.0	17.4	394.7		42.0	118.9	9.1	170.1
FY 2021[1]	H1	206.3	(+42.0%)		127.4	51.0	10.6	189.0		20.5	62.5	3.1	86.0
	H2	178.0	(-1.8%)	533.3	142.3	60.6	11.6	214.5		24.7	64.6	7.2	96.5
	annual	384.3	(+17.7%)		269.7	111.6	22.2	403.5		45.2	127.1	10.2	182.5
FY 2022[1]	H1	191.2	(-7.3%)	548.1	130.9	55.5	10.2	196.6		10.1	66.5	4.5	81.1
	Q3	72.3	(-10.8%)	525.6	70.6	30.8	6.8	108.2		8.0	33.9	2.5	4.4
	H2 forecast	171.2	(-3.8%)	508.9				214.4		27.9	68.5	11.0	107.4
	annual forecast	362.4	(-5.7%)					411.0		38.0	135.0	15.5	188.5

[1] The Accounting Standard for Revenue Recognition is applied beginning with FY 2021. Order backlog shown above remains based on the previous method.

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Health Care segment (i)

(¥ billion)

Sales	H1	H2	FY 2021	H1	Q3	H2 forecast	FY 2022 forecast	% change	FY 2022 forecast in Nov.	% change
Health Care segment	**205.9**	**210.0**	**415.9**	**245.5**	**128.6**	**251.5**	**497.0**	**+19.5%**	**520.0**	**-4.4%**
Health Care	85.3	88.8	174.2	98.9	54.5	101.1	200.0	+14.8%	206.0	-2.9%
Pharmaceuticals	44.8	48.6	93.3	53.6	31.7	56.4	110.0	+17.8%	111.0	-0.9%
Medical devices	40.6	40.3	80.8	45.3	22.7	44.7	90.0	+11.3%	95.0	-5.3%
Critical Care	120.5	121.2	241.7	146.6	74.1	150.4	297.0	+22.9%	314.0	-5.4%

Operating income	H1	H2	FY 2021	H1	Q3	H2 forecast	FY 2022 forecast	% change	FY 2022 forecast in Nov.	% change
Health Care segment	**34.3**	**17.9**	**52.2**	**25.8**	**11.4**	**15.4**	**41.2**	**-21.0%**	**54.2**	**-24.0%**
Health Care	13.6	8.3	21.8	14.6	7.9	7.7	22.3	+2.2%	25.6	-12.9%
Critical Care	20.7	9.6	30.3	11.3	3.5	7.6	18.9	-37.7%	28.6	-33.9%

EBITDA	H1	H2	FY 2021	H1	Q3	H2 forecast	FY 2022 forecast	% change	FY 2022 forecast in Nov.	% change
Health Care segment	**57.7**	**44.1**	**101.7**	**57.2**	**28.4**					
Health Care	23.6	19.0	42.6	27.2	14.9					
Critical Care	34.1	25.1	59.2	30.0	13.5					

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Health Care segment (ii)

(Sales region, monetary unit)		FY 2021 Oct.–Dec.	FY 2021 Apr.–Dec.	FY 2021 Total	FY 2022 Oct.–Dec.	FY 2022 Apr.–Dec.	Apr.–Dec. Increase (decrease)	Apr.–Dec. % change
Asahi Kasei Pharma								
Teribone	(Japan, ¥ billion)	10.4	29.0	38.2	10.2	30.8	1.8	6.4%
Recomodulin	(Japan, ¥ billion)	2.5	7.0	8.7	2.5	6.7	-0.3	-4.9%
Kevzara	(Japan, ¥ billion)	2.1	5.5	7.3	2.6	7.1	1.5	27.9%
Reclast	(Japan, ¥ billion)	0.4	1.0	1.3	0.4	1.1	0.1	7.4%
Plaquenil	(Japan, ¥ billion)	1.6	1.6	2.7	1.4	4.1	2.5	154.5%
Veloxis Pharmaceuticals								
Envarsus XR	(US, $ million)	39	107	142	53	141	34	32.1%

	Generic name	Classification	Indication	Formulation
Teribone	Teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis with high risk of fracture	Injection
Reclast	Zoledronic acid	Osteoporosis drug	Osteoporosis	Injection
Recomodulin	Recombinant thrombomodulin alfa	Anticoagulant	Disseminated intravascular coagulation	Injection
Kevzara	Sarilumab (rDNA origin)	Interleukin-6 inhibitor	Rheumatoid arthritis not responding well to conventional treatments	Injection
Plaquenil	Hydroxychloroquine sulfate	Immunomodulator	Cutaneous lupus erythematosus, systemic lupus erythematosus	Tablet
Envarsus XR	Tacrolimus extended-release tablets	Immunosuppressant drug	Kidney transplantation	Tablet

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Health Care segment (iii)

Pharmaceuticals pipeline

Development stage	Code name, form, generic name	Classification	Indication	Region	Origin	Remarks
Approved	AK1820, injection/capsule, isavuconazonium sulfate	Antifungal agent	Invasive fungal infections	Japan	Licensed	
Phase II	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Chemotherapy-induced peripheral neuropathy (CIPN)	Japan	In-house	Additional indication Joint U.S.-Japan Phase I study in progress
Phase II	AK1830, oral	Analgesic	Pain associated with osteoarthritis	Japan	Licensed	
Phase II			Chronic low back pain			
Pending approval (overseas)	HE-69, tablet, mizoribine	Immunosuppressant	Lupus nephritis, nephrotic syndrome	China	In-house	Additional indication
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Severe sepsis with coagulopathy	United States, Europe, etc.	In-house	

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Major M&A (since April 2021)

Segment	Business category	Company	Operations	Consolidation on statements of income	Cost	Goodwill
Homes	Homes	McDonald Jones Homes Pty Ltd	Construction of custom-built homes and sale of pre-built homes in Australia	Apr. 1, 2021	¥19.1 billion	¥5.5 billion
Homes	Homes	Focus Companies (Focus Plumbing LLC and 4 other companies)	Residential construction work in North America	Nov.1, 2022	¥35.8 billion (provisional calculation)	¥34.6 billion (provisional calculation)
Health Care	Health Care	Bionova Holdings, Inc.	Biopharmaceutical manufacturing process development, GMP-compliant manufacturing of current and next-generation antibody drugs	Jul. 1, 2022	¥42.6 billion (provisional calculation)	¥39.8 billion (provisional calculation)
Health Care	Critical Care	Respicardia, Inc.	Development, manufacture, and sale of an implantable neurostimulator device for the treatment of central sleep apnea (CSA)	Apr. 9, 2021	¥30.7 billion	¥14.4 billion
Health Care	Critical Care	Itamar Medical Ltd.	Development, manufacture, and sale of diagnostic devices for sleep apnea	Dec. 16, 2021	¥60.9 billion	¥38.0 billion

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Highlights (since April 2022)

Bold: newly added

- Material
- Homes
- Health Care
- Corporate

Investment for growth (GG10)

- April, agreement for acquisition by Asahi Kasei Medical of Bionova Scientific, LLC, a U.S.-based biopharmaceutical CDMO; acquisition completed in May
- May, AKM to launch low-latency solution with Active Road Noise Cancellation (ARNC) technology for automotive with Silentium
- June, Alchemedicine and Asahi Kasei Pharma enter into exclusive license agreement for selective endothelin A receptor antagonist
- September, Asahi Kasei Pharma and Swedish Orphan Biovitrum Japan conclude exclusive distribution agreement for pegcetacoplan, a complement C3 inhibitor for paroxysmal nocturnal hemoglobinuria, and avatrombopag, an agent for improving thrombocytopenia associated with chronic liver disease
- November, Asahi Kasei Homes acquires Focus Companies in the U.S.
- November, start of construction of alkaline water electrolysis pilot test plant for hydrogen production
- **February, decision by Asahi Kasei Medical to expand manufacturing capacity of Bionova Scientific, U.S. biologics CDMO**

Structural transformation and strengthening existing businesses

- May, Transfer of photomask pellicles business to Mitsui Chemicals, Inc., by corporate separation (simplified absorption-type separation)
- August, Celgard Enters into Strategic Alliance Agreement for High-Performance Lithium Iron Phosphate (LFP) Battery Separator Technology with American Battery Factory
- October, Capacity increase for resin compound manufacturing plant in China

Strengthening business platform

- May, Asahi Kasei establishes group-wide data management platform
- May–June, start of provision of carbon footprint data for engineering plastics, synthetic rubber, and elastomers
- June, selected as “DX (Digital Transformation) Stock” for second consecutive year
- August, received the highest rank from Development Bank of Japan, Inc. (DBJ) under its DBJ Environmentally Rated Loan Program
- August, selected as a constituent stock for ESG investment indexes of “FTSE4Good Index Series” and “FTSE Blossom Japan Index” for second consecutive year
- **November, Asahi Kasei acquires ISCC PLUS certification for several products**
- **January, launch of internal platform for employee reskilling**

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Quarterly sales (since FY 2019)

(¥ billion)

	FY 2019 (recalculated)				FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Material segment	274.6	292.2	279.5	260.4	208.0	236.8	271.0	289.0	279.6	296.3	315.2	318.9	339.4	339.4	327.0	327.2
Environmental Solutions	116.8	124.1	118.7	104.7	89.0	95.1	106.5	123.7	119.1	129.0	137.3	137.2	149.9	141.4	136.8	139.0
of which, Basic Materials	75.5	77.9	76.8	64.8	53.7	55.9	64.4	77.1	72.4	82.3	90.2	90.0	100.1	87.3	88.7	91.0
Mobility & Industrial	68.6	67.1	64.5	63.2	39.1	55.6	71.6	76.8	75.4	76.5	80.7	89.6	92.5	99.7	94.0	96.9
Life Innovation	89.3	101.1	96.3	92.5	79.9	85.9	92.7	88.3	85.0	90.5	97.1	91.9	96.9	98.3	96.0	90.8
of which, Digital Solutions	27.3	30.4	30.7	28.5	28.0	28.1	30.7	27.5	28.6	30.6	31.3	30.9	34.2	32.3	29.9	27.6
Others in Material	0.0	0.0	(0.0)	0.0	(0.0)	0.3	0.2	0.2	0.0	0.3	0.2	0.2	0.2	0.2	0.2	0.5
Homes segment	141.4	185.5	152.5	211.5	147.8	184.8	170.2	177.1	195.1	197.9	218.3	211.2	206.6	213.8	230.1	242.4
Homes	130.6	174.3	141.9	202.5	139.1	175.3	161.0	169.4	187.2	188.6	208.5	202.2	197.5	203.5	219.5	232.5
Construction Materials	10.8	11.2	10.7	9.0	8.8	9.5	9.2	7.6	7.9	9.3	9.8	9.0	9.2	10.3	10.7	9.9
Health Care segment	82.7	84.9	83.5	86.7	95.7	109.2	103.0	100.0	105.8	100.1	107.0	103.0	121.4	124.1	128.6	122.9
Health Care	34.3	35.8	32.3	30.9	36.5	37.8	40.7	39.4	42.8	42.6	46.8	42.1	50.5	48.5	54.5	46.6
Critical Care	48.4	49.1	51.2	55.8	59.2	71.4	62.3	60.6	63.0	57.5	60.3	60.9	71.0	75.6	74.1	76.3
Others	3.4	3.9	4.3	4.5	3.6	3.5	3.0	3.3	3.0	3.3	3.2	3.5	3.0	3.5	3.4	4.1
Consolidated	502.1	566.6	519.9	563.1	455.2	534.2	547.3	569.4	583.4	597.6	643.7	636.6	670.4	680.8	689.2	696.6

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Quarterly operating income (since FY 2019)

(¥ billion)

	FY 2019 (recalculated)				FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q2	Q4 forecast
Material segment	24.5	29.9	21.1	12.0	8.0	11.0	20.9	23.0	31.1	27.5	29.8	17.6	26.8	13.9	8.1	(7.5)
Environmental Solutions	9.5	13.9	8.9	1.4	1.9	4.4	8.2	13.0	14.3	14.5	13.8	6.2	10.2	2.4	(2.6)	(10.2)
of which, Basic Materials	8.4	10.2	5.8	(0.3)	(1.0)	2.0	4.2	8.9	8.2	10.8	10.0	6.4	8.3	1.2	(4.2)	(6.8)
Mobility & Industrial	6.3	6.4	4.0	3.5	(3.3)	0.8	3.9	6.3	8.2	5.0	5.4	7.1	5.2	3.9	0.5	1.9
Life Innovation	7.6	9.9	8.3	6.7	8.2	6.6	9.0	5.5	10.2	8.9	10.8	4.9	12.1	7.5	7.7	1.3
of which, Digital Solutions	1.8	3.4	3.2	3.5	3.1	2.8	3.8	3.6	4.3	4.6	4.6	3.4	6.7	3.8	3.2	1.4
Others in Material	1.1	(0.3)	(0.1)	0.4	1.2	(0.8)	(0.3)	(1.8)	(1.6)	(1.1)	(0.2)	(0.6)	(0.6)	0.1	2.5	(0.6)
Homes segment	9.9	22.8	13.3	26.5	10.6	20.9	16.4	15.2	15.1	18.1	22.3	17.3	15.3	18.3	18.8	21.6
Homes	8.8	21.3	12.1	25.2	9.8	19.6	15.5	14.8	14.7	17.3	21.3	17.3	15.0	17.9	18.1	21.5
Construction Materials	1.2	1.4	1.7	1.0	1.0	1.3	1.1	0.0	0.4	0.8	1.0	0.0	0.3	0.4	0.6	0.2
Health Care segment	12.6	13.3	9.9	7.7	15.5	19.9	20.4	11.8	20.5	13.8	15.9	2.0	14.8	11.0	11.4	3.9
Health Care	6.8	7.2	3.8	0.1	5.7	5.1	8.8	3.4	7.6	5.9	9.0	(0.7)	10.0	4.5	7.9	(0.1)
Critical Care	5.9	6.1	6.1	7.7	9.8	14.8	11.7	8.4	12.9	7.8	6.9	2.7	4.8	6.5	3.5	4.1
Others	0.5	0.9	1.0	1.2	0.8	1.0	0.9	1.5	0.5	1.2	0.9	1.5	0.6	1.2	0.8	0.7
Corporate expenses and eliminations	(6.3)	(6.4)	(6.7)	(10.4)	(4.8)	(6.1)	(5.8)	(9.2)	(6.7)	(7.9)	(8.0)	(9.8)	(8.1)	(7.9)	(8.6)	(10.1)
Consolidated	41.3	60.4	38.5	37.0	30.1	46.7	52.7	42.3	60.5	52.6	60.9	28.6	49.4	36.4	30.5	8.7

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Notes

- EBITDA = operating income, depreciation, and amortization (tangible, intangible, and goodwill)
- The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.
- Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.
- For comparison purposes, results of past fiscal years are recalculated in accordance with the new classifications from FY 2022

IR Calendar

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Schedule for announcement of financial results for fiscal 2022

May 10, 2023 (JST)

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Creating for Tomorrow

THE COMMITMENT OF THE ASAHI KASEI GROUP:

To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.
Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.
This is what we mean by “Creating for Tomorrow.”