

Be a Trailblazer

**Medium-term
Management Plan 2024**

Asahi Kasei Corporation

April 11, 2022



Asahi Kasei celebrates its **100th anniversary** in May 2022

Over the past 100 years, we have successively pioneered new fields through the passion of each employee to take on challenges, and the support of various stakeholders, and continually achieved sustainable growth

Be a Trailblazer

We will continue taking on new challenges for the next 100 years



Engineers who achieved Japan's first ammonia synthesis soon after the founding of Asahi Kasei

Aiming to **be a trailblazer** and lead followers into uncharted territory

Growing corporate value continuously with
profit increase, ROE, ROIC as key indicators

Both **challenging investment for growth** and **cash generation from structural transformation and strengthening existing businesses**

Three key factors to implement strategy:
Speed / Asset light / High value-added

Constantly strengthening **sustainable management foundations**
to continue providing value over **the next 100 years**

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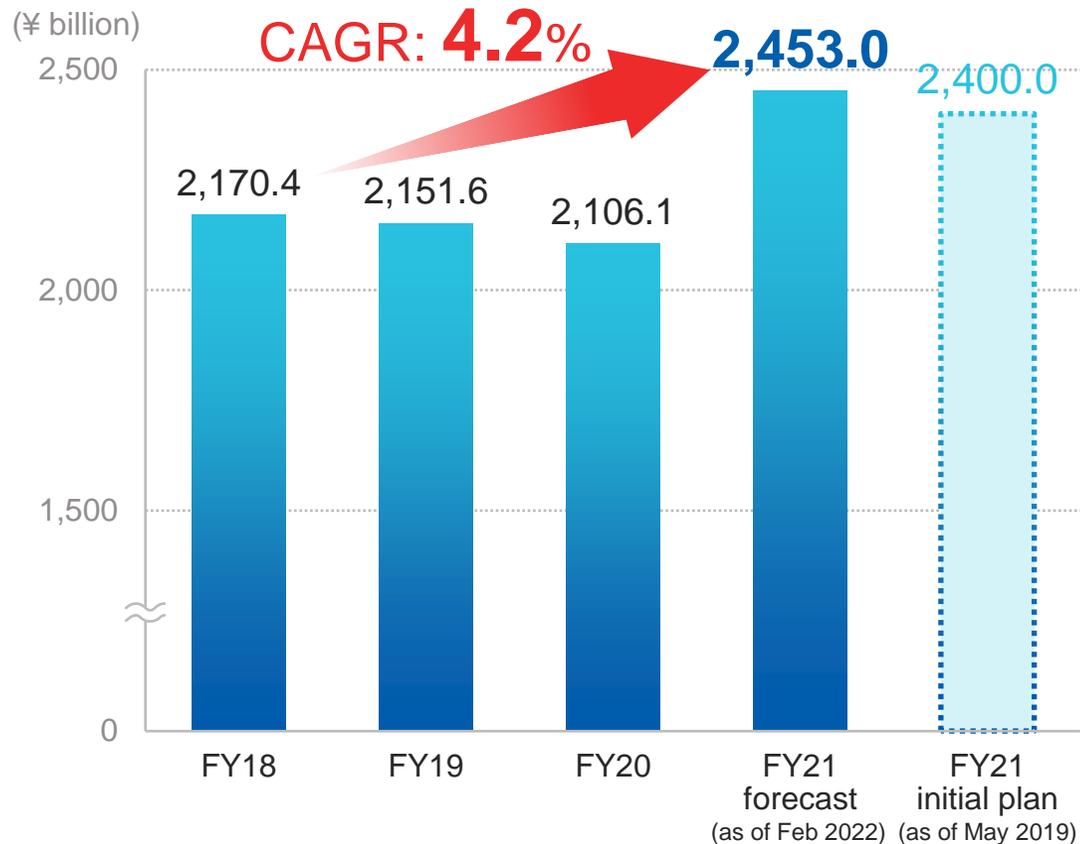
3-3 Strengthening
business platform



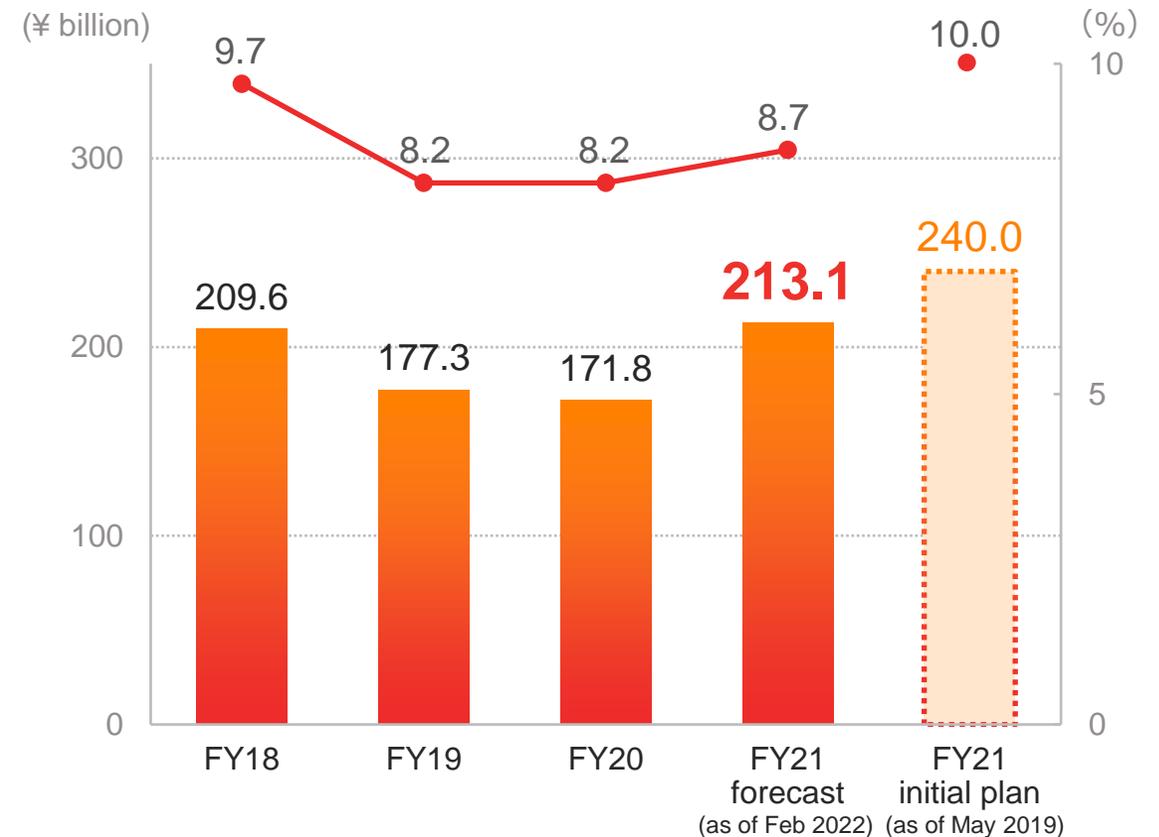
Net sales/Operating income

Growth temporarily stagnated due to changes in the business environment, but recovered significantly in FY21

Net sales



Operating income / operating margin



Management KPI

Net income and ROE recovered significantly in FY2021, partly due to the impact of temporary tax reduction

		FY2018	FY2019	FY2020	FY2021 forecast (as of Feb 2022)	'18→'21 CAGR	FY2021 initial plan (as of May 2019)
		(¥ billion)					
Profitability	Net sales	2,170.4	2,151.6	2,106.1	2,453.0	4.2%	2,400.0
	Operating income	209.6	177.3	171.8	213.1	0.6%	240.0
	Operating margin	9.7%	8.2%	8.2%	8.7%		10.0%
	EBITDA ¹	313.6	295.6	305.1	364.3	5.1%	370.0
	EBITDA margin	14.5%	13.7%	14.5%	14.9%		15.4%
	Net income	147.5	103.9	79.8	185.5		180.0
	EPS (¥)	106	75	57	134	8.2%	130
Capital Efficiency	ROIC ²	8.8%	6.6%	4.9%	7.8%		9.0%
	ROE	11.1%	7.6%	5.6%	12.1%		11.1%
Financial Health	D/E ratio	0.31	0.52	0.45	0.47		≈0.5
	Net D/E ratio	0.17	0.36	0.30	0.32		
	Capital ratio	53.6%	48.2%	50.3%	51.4%		
Exchange rate (¥/\$)		111	109	106	110		110

¹ Operating income, depreciation, and amortization (tangible, intangible, and goodwill)

² ROIC = (operating income – income taxes) / average annual invested capital

Financial performance by sector

Material initial target missed with a lower level than FY18. Homes recovered to a profit level higher than FY18 despite the impact of Covid-19. Health Care initial target achieved with strong growth

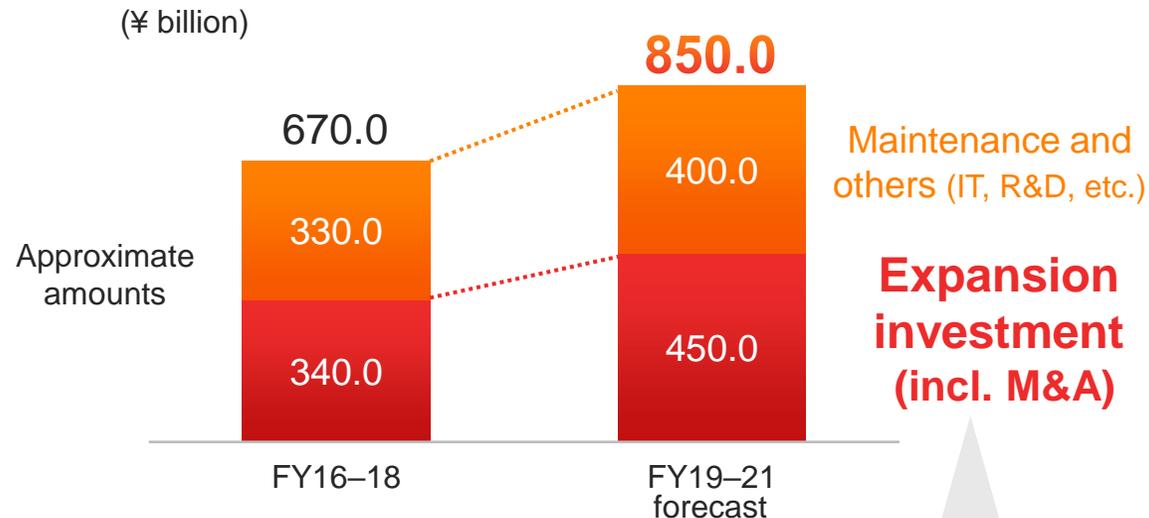
	(¥ billion)	FY2018	FY2019	FY2020	FY2021 forecast (as of Feb 2022)	FY2021 forecast basis CAGR '18→'21	FY2021 initial plan (as of May 2019)	FY2021 initial plan basis CAGR '18→'21
Material	Net sales	1,176.2	1,093.1	991.2	1,192.0	0.4%	1,350.0	4.7%
	Operating income	129.6	92.4	66.5	115.7	-3.7%	150.0	5.0%
	Operating margin	11.0%	8.4%	6.7%	9.7%		11.1%	
	EBITDA*	190.7	163.0	137.4	195.6	0.9%	240.0	8.0%
	EBITDA margin	16.2%	14.9%	13.9%	16.4%		17.8%	
Homes	Net sales	659.8	704.4	692.6	824.0	7.7%	750.0	4.4%
	Operating income	68.2	72.7	63.5	69.3	0.5%	75.0	3.2%
	Operating margin	10.3%	10.4%	9.2%	8.4%		10.0%	
	EBITDA*	77.2	83.3	74.8	84.4	3.0%	89.0	4.9%
	EBITDA margin	11.7%	11.9%	10.8%	10.3%		11.9%	
Health Care	Net sales	316.2	337.8	407.9	423.0	10.2%	370.0	5.4%
	Operating income	41.8	43.5	67.6	59.5	12.5%	56.0	10.2%
	Operating margin	13.2%	12.9%	16.6%	14.1%		15.1%	
	EBITDA*	68.6	72.9	111.6	108.2	16.4%	83.0	6.6%
	EBITDA margin	21.7%	21.6%	27.4%	25.6%		22.4%	

* Operating income, depreciation, and amortization (tangible, intangible, and goodwill)

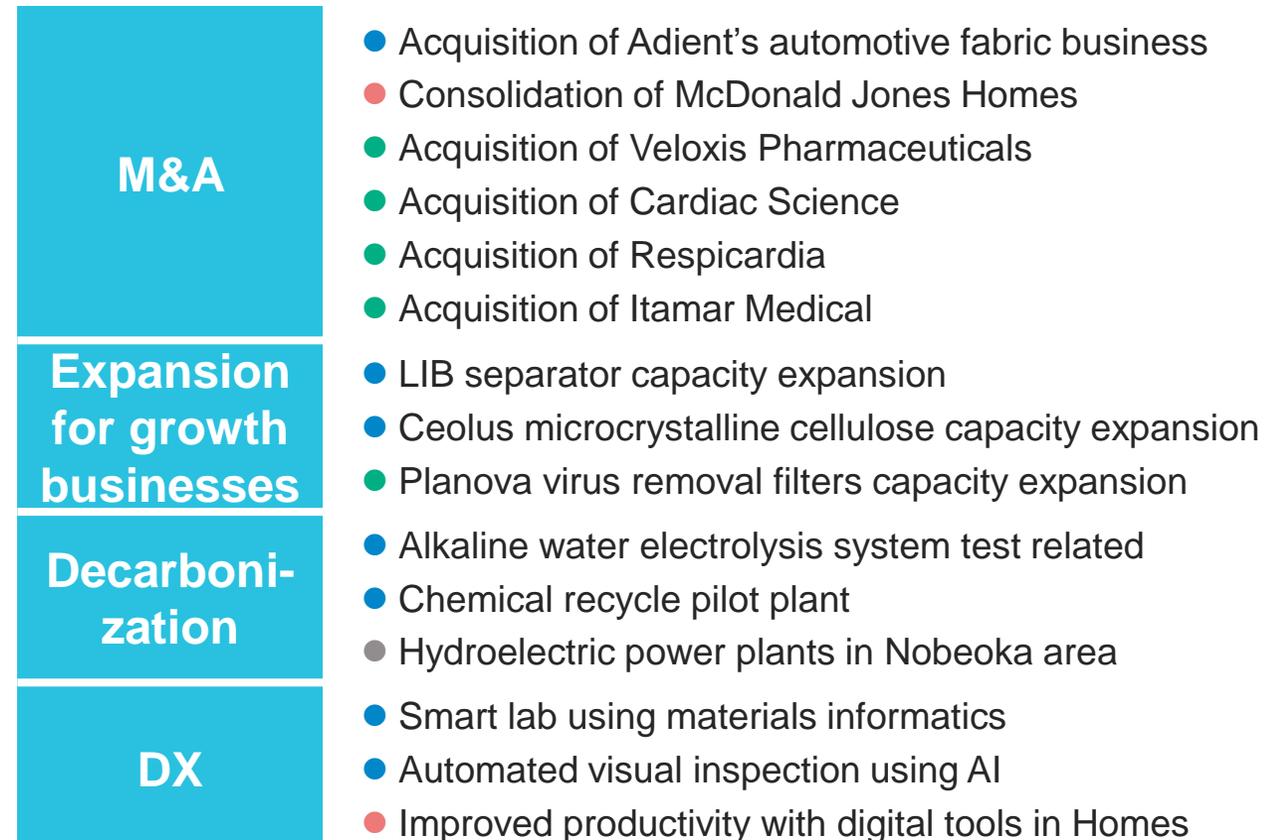
Investment

Proactively invested in businesses with medium-term growth prospects (Health Care, LIB separators, etc.) and in DX and decarbonization. Generate returns from such investments during the new medium-term plan period, leading to profit growth and improved investment efficiency

Investment decisions adopted

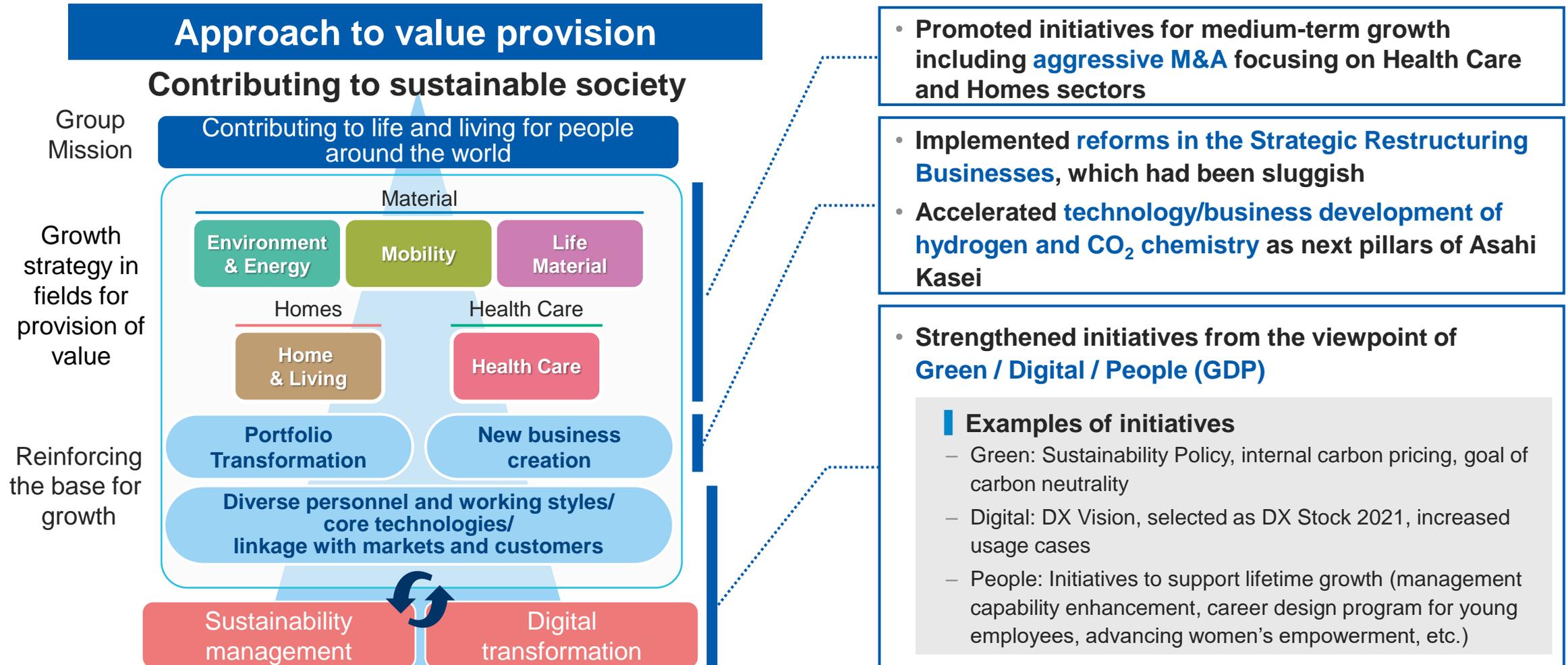


Main investments



Summary of Cs+ for Tomorrow 2021 actions

Promoted growth strategy in fields for provision of value and steadily strengthened the foundation for growth even in an unstable business environment



Under same approach to value provision, the deepening of initiatives and the creation of results are further accelerated in new medium-term management plan

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Look back on the path we have travelled

Achieving growth by constantly transforming our portfolio and taking on the challenges of social issues that change with the times over the 100 years since our founding

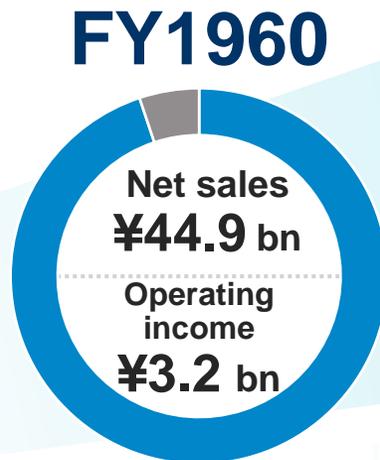
FY2021*

Founding
(Asahi Fabric Co., Ltd.)

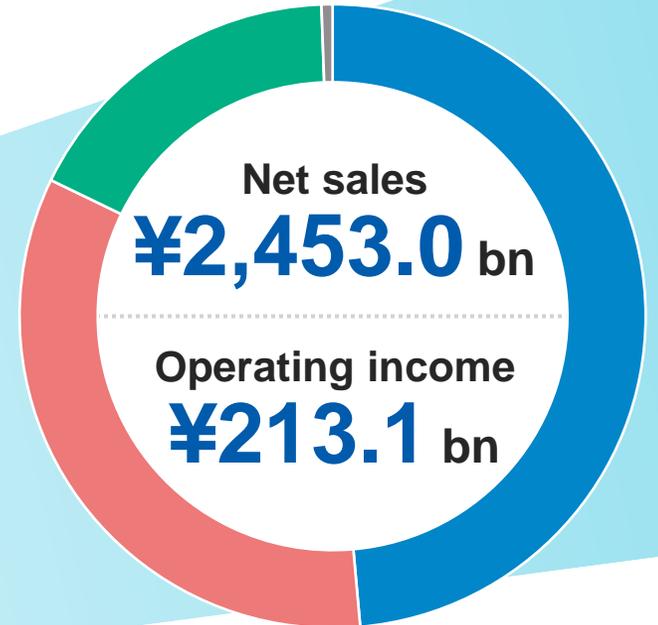
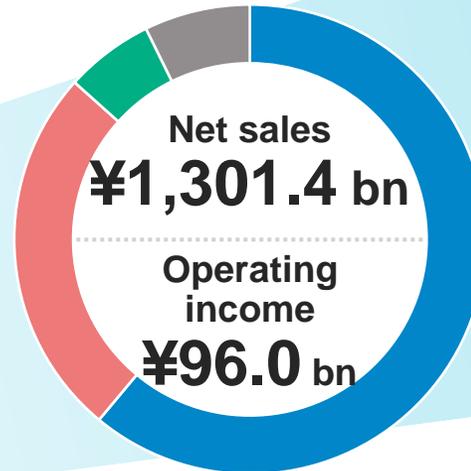


History of net sales portfolio

FY1922



FY1990



* Forecast as of Feb. 2022

Global healthcare

Construction materials and homes, pharmaceuticals and medical devices, electronic components and materials

Petrochemicals, synthetic fibers

Chemical fertilizers, regenerated fibers, explosives

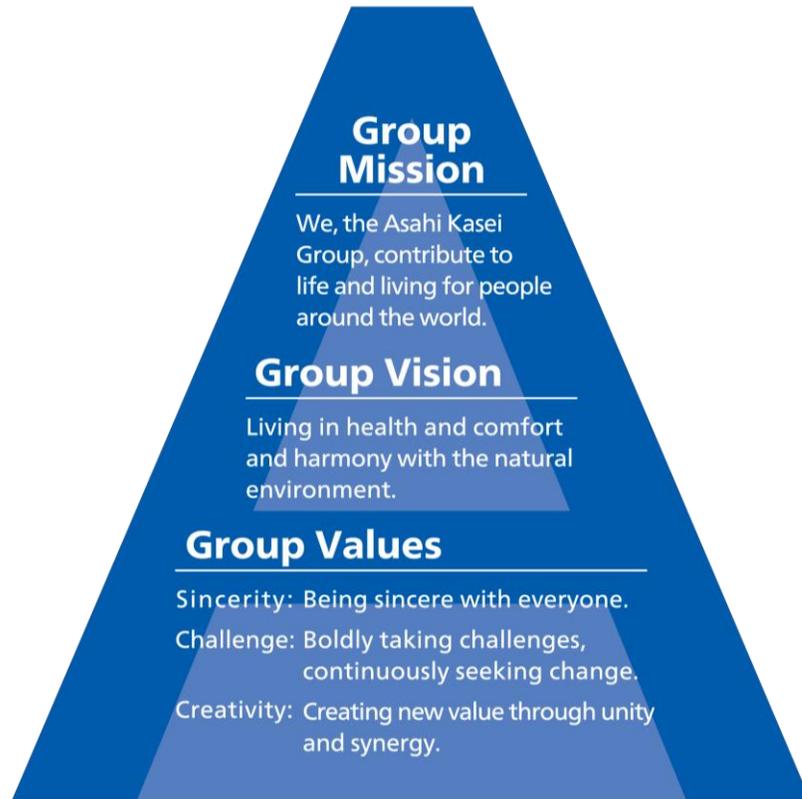
Asahi Kasei Group philosophy and sustainability for Asahi Kasei

Under the unchanging Group Mission, we will aim for a virtuous cycle of two aspects of sustainability: **contributing to sustainable society** and **sustainable growth of corporate value**

Asahi Kasei Group philosophy

Creating for Tomorrow

Group Slogan



Two aspects of sustainability for Asahi Kasei



Towards the realization of sustainable society

We will contribute to the realization of a **sustainable society**, further clarified through Covid-19, with diverse human resources, technologies, and businesses that we have cultivated over the past 100 years

Living in health and comfort Care for People

Active life
in the new normal



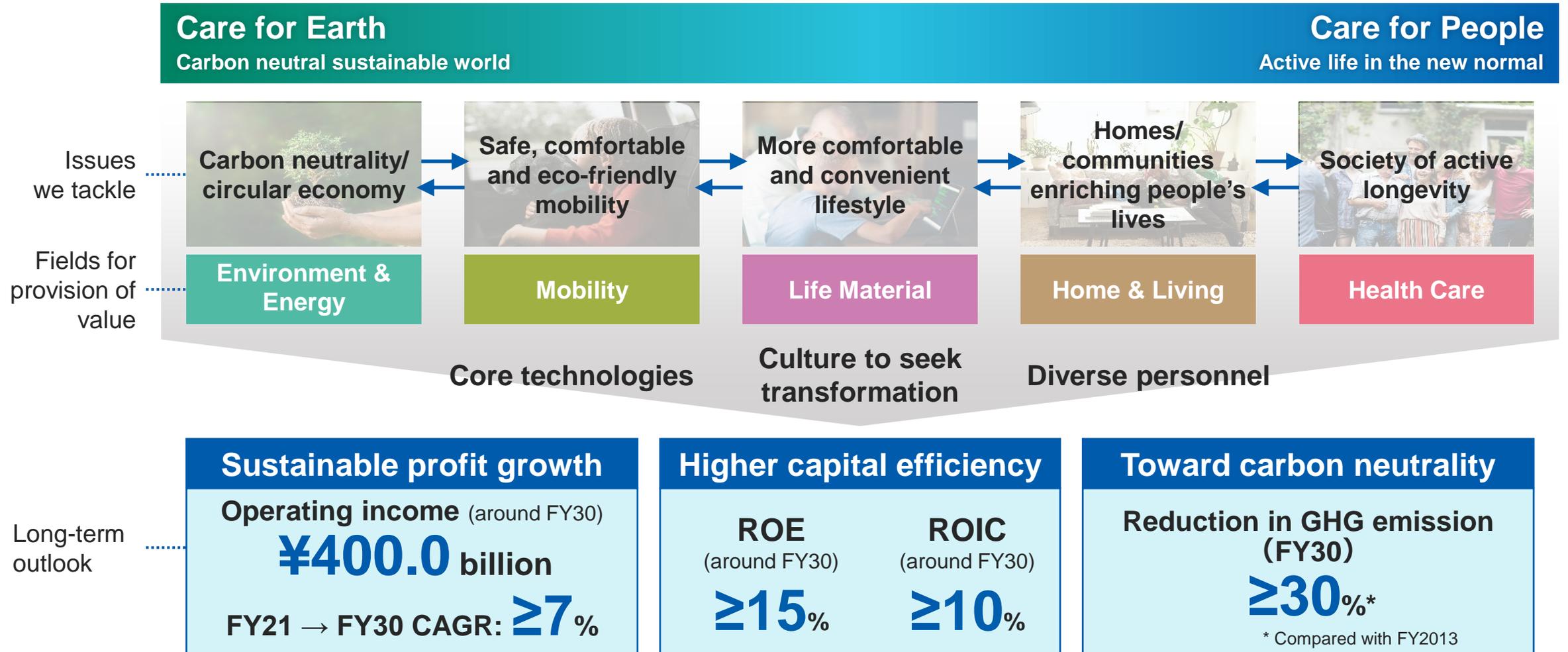
Harmony with the natural environment Care for Earth

Carbon neutral
sustainable world

FY2050 goal: Carbon neutrality



Social challenges that are less industry-specific and more interrelated offer promising business opportunities for Asahi Kasei. Seeking further growth by taking challenges in the five fields for provision of value



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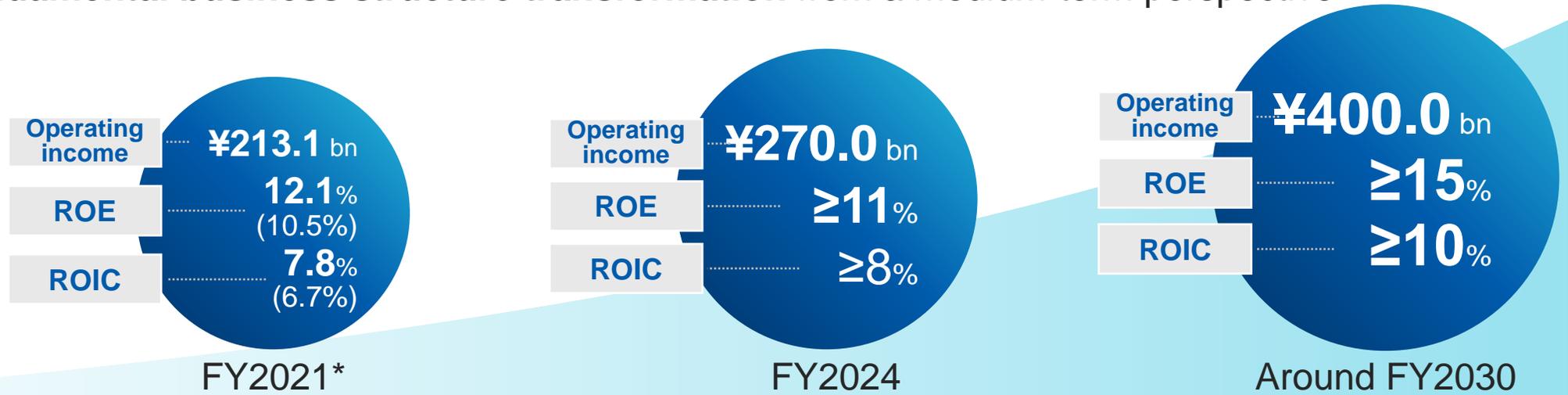
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Basic policy | Vision for 2030 and Positioning of the New Medium-Term Management Plan

Positioning the new medium-term management plan as the first step toward achieving the vision for 2030, we will pursue business portfolio evolution by investing priority resources in the next growth businesses and embarking on **fundamental business structure transformation** from a medium-term perspective



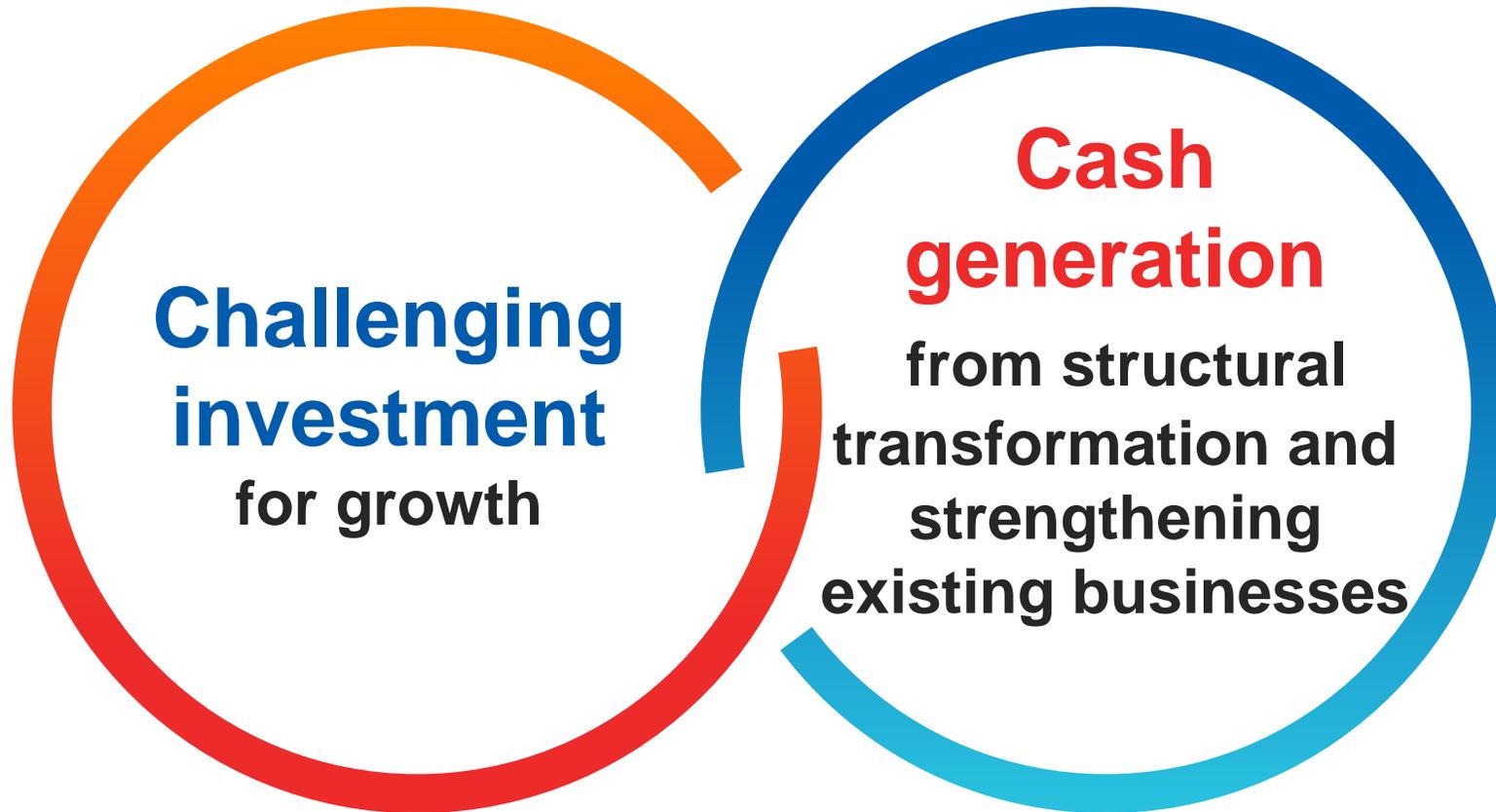
Approach to business portfolio evolution



* Forecast as of Feb. 2022; figures of ROE and ROIC in parentheses excluding one-time tax reduction of ≈¥24 billion related to reconfiguration of Veloxis organizations in FY2020

Basic policy | Basic Guidelines for Business Portfolio Evolution

With strong awareness of the three aspects of "speed," "asset light," and "high value-added," we will implement both **challenging investment for growth** and **cash generation from structural transformation and strengthening existing businesses**



Speed

Not missing opportunities; moving boldly while assessing the balance with risk

Asset light

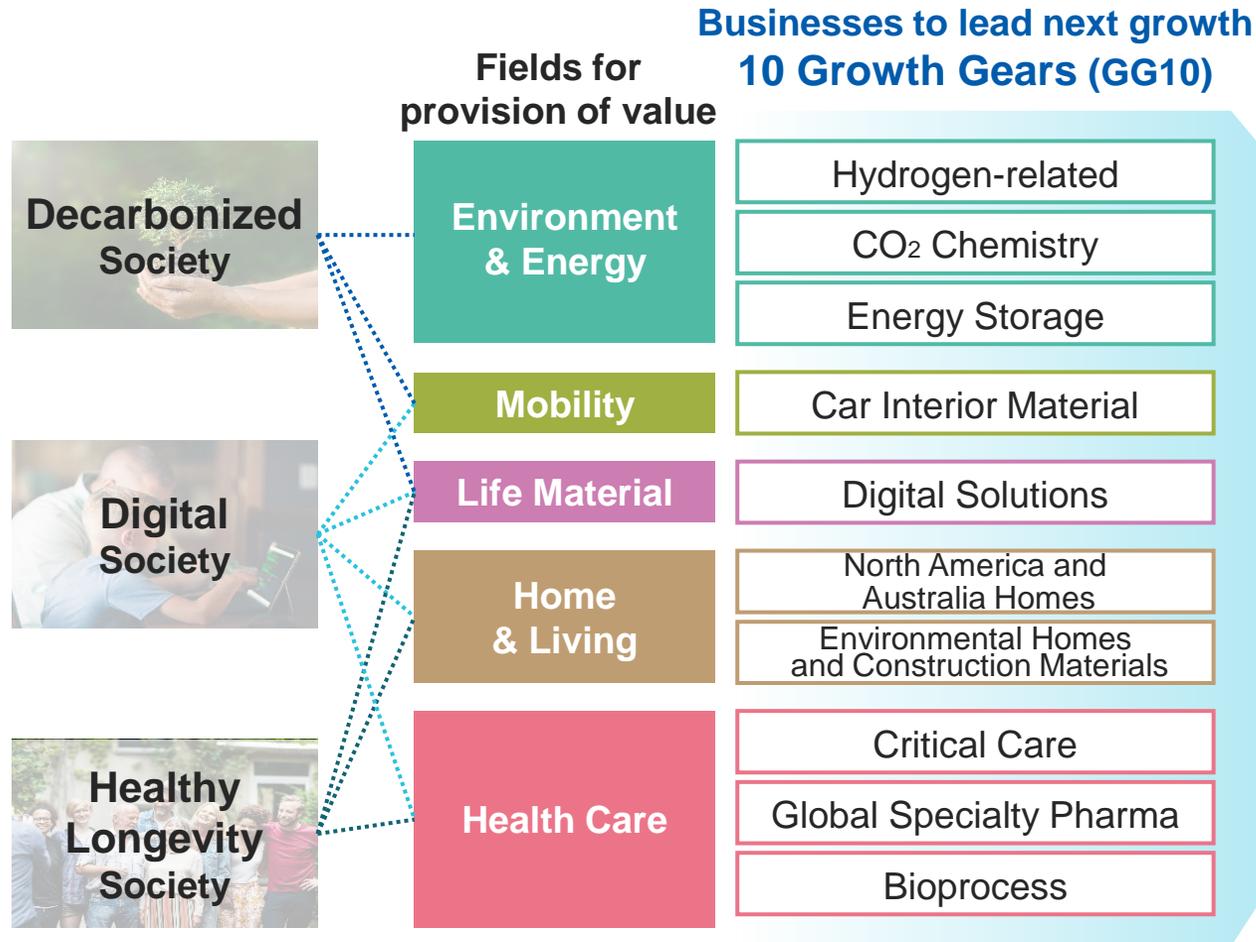
Creating optimal business models without being constrained by conventional ideas of the process industries

High value-added

Focusing on areas where Asahi Kasei can build superior positions

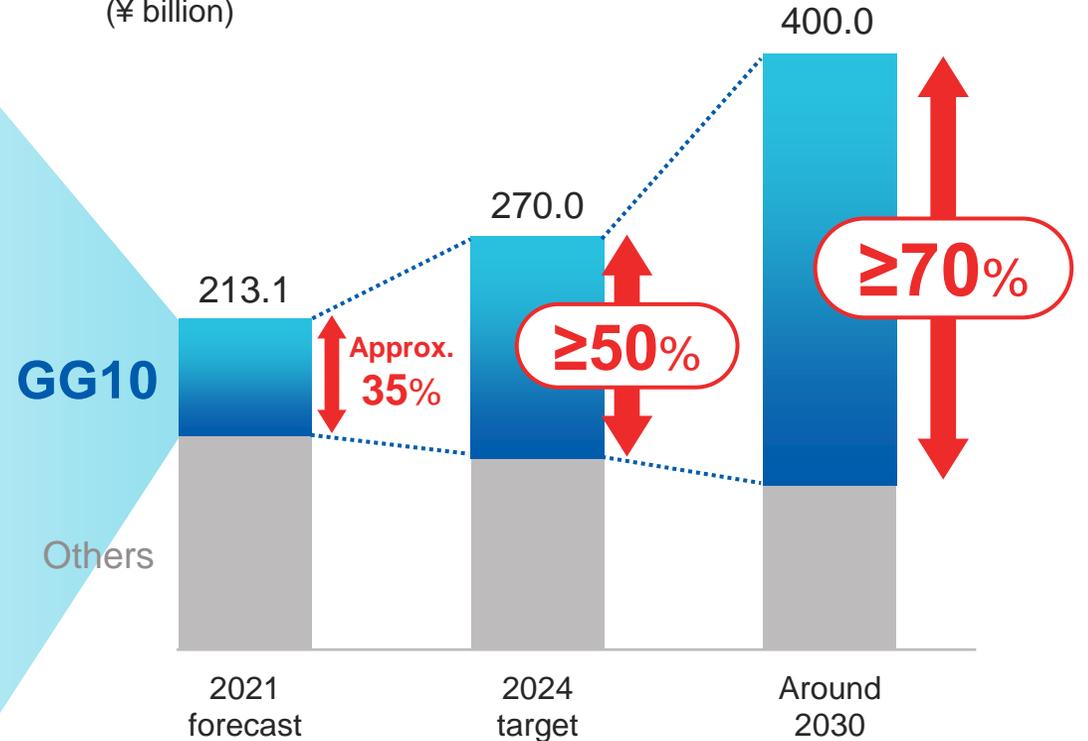
Basic policy | Next growth businesses

Focusing resources on **10 Growth Gears (GG10)** that will drive future growth and aiming to have them provide more than 70% of operating income around 2030



Operating income of GG10*

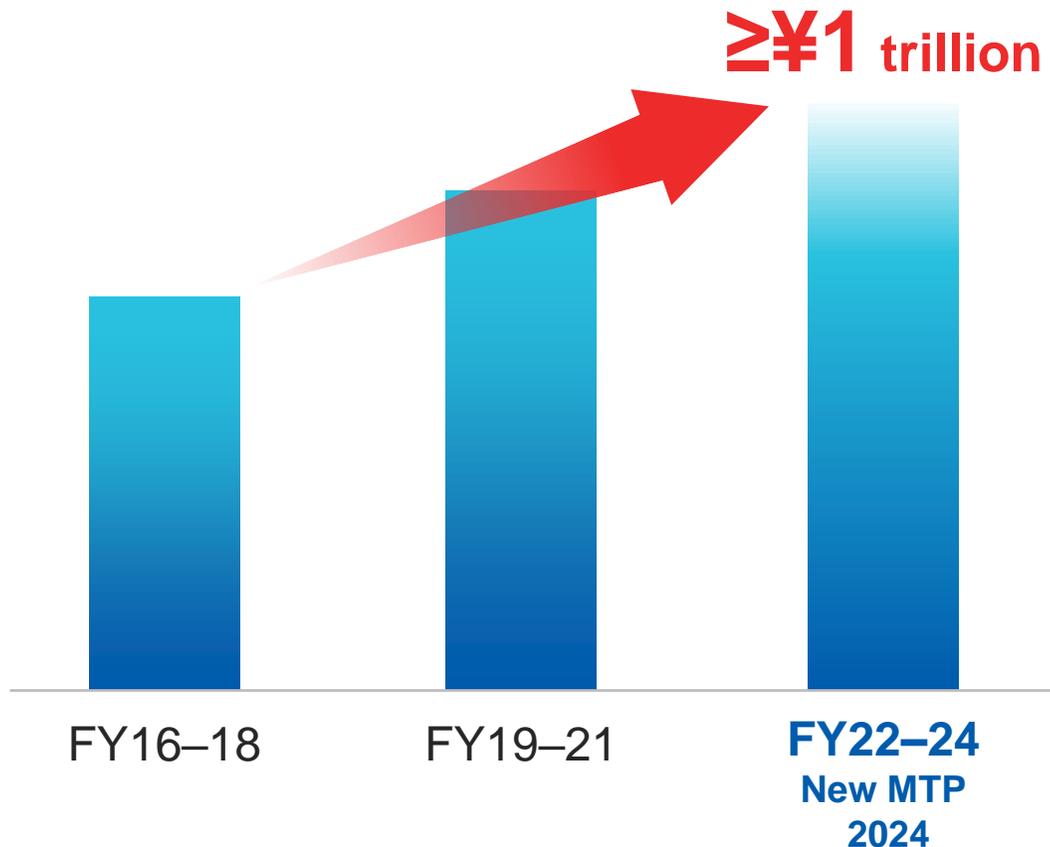
(¥ billion)



* Proportions of GG10 profit calculated based on group profit before corporate expenses and eliminations.

Basic policy | **Active investment for growth**

Planning investment of more than ¥1 trillion for next 3 years; over half, ≈ ¥600 billion, is to be invested for GG10


Total amount of investment for each MTP period
 (Investment decisions adopted)

Focused investment

Approx. **¥600 billion** for GG10
 (including maintenance and other investments)

Emphasis on financial discipline

Careful examination from the following perspectives:

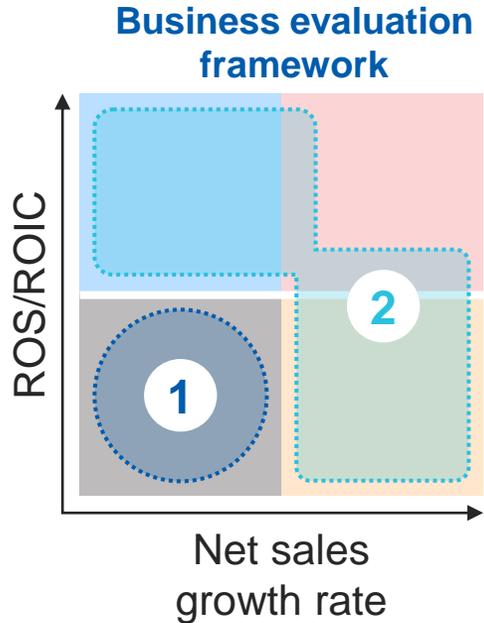
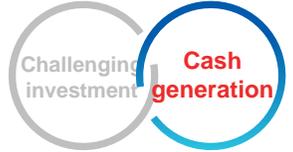
Environmental value
 Is it worth investment even considering carbon pricing?

Investment efficiency
 Will it ultimately contribute to improved ROIC?

Investment scenario
 Is it better to invest with capital outside Asahi Kasei?

Basic policy | **Cash generation from structural transformation and strengthening existing businesses**

Start fundamental business structure transformation while completing reform of **Strategic Restructuring Businesses**



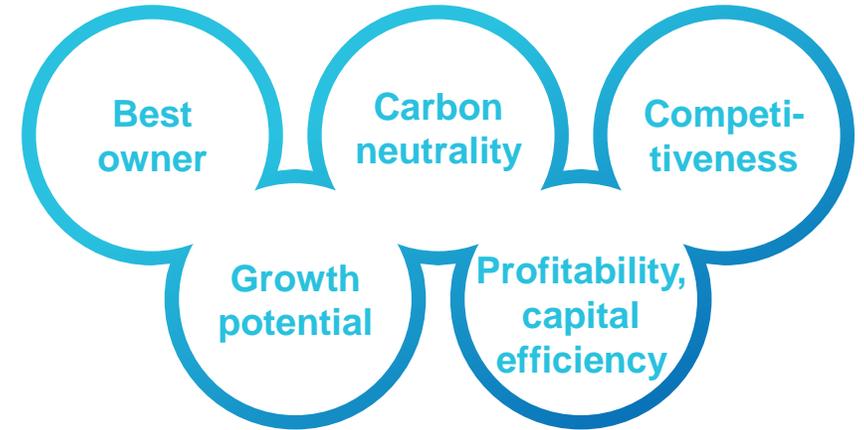
1 Reform of Strategic Restructuring Businesses

Review and revise the strategy of the Strategic Restructuring Businesses



2 Fundamental business structure transformation

Structural transformation based not only on performance but also on strategic fit with Asahi Kasei's vision



New MTP targets

- Carefully monitor businesses classified “Follow” and swiftly act on those classified “Exit”
- Continue periodic business evaluation, promptly revise strategies of underperforming businesses

- Formulate roadmap of **fundamental business transformation** and start it
- **Accelerate growth through investment in GG10** with cash from transformation

Basic policy | **Financial targets**

Pursuing capital efficiency improvement as well as continuous operating profit growth, aiming for $\geq 10\%$ of ROIC and $\geq 15\%$ of ROE

		(¥ billion)	FY2018	FY2021 forecast (as of Feb 2022)	FY2024 target	'21→'24 annual growth	Long-term outlook (Around FY2030)	'24→'30 annual growth
Profitability	Net sales		2,170.4	2,453.0	2,700.0			
	Operating income		209.6	213.1	270.0	8.2%	400.0	6.8%
	Operating margin		9.7%	8.7%	10.0%			
	EBITDA ¹		313.6	364.3	470.0			
	EBITDA margin		14.5%	14.9%	17.4%			
	Net income		147.5	185.5	200.0		300.0	
	EPS (¥)		106	134	144	2.5%	216	7.0%
Capital efficiency	ROIC ²		8.8%	7.8% (6.7%) ³	$\geq 8\%$		$\geq 10\%$	
	ROE		11.1%	12.1% (10.5%) ³	$\geq 11\%$		$\geq 15\%$	
Financial health	D/E ratio		0.31	0.47				
	Net D/E ratio		0.17	0.32				
	Capital ratio		53.6%	51.3%				
Exchange rate (¥/\$)			111	110	110			

¹ Operating income, depreciation, and amortization (tangible, intangible, and goodwill) ² (Operating income – income taxes) / average annual invested capital

³ Figures in parentheses excluding one-time tax reduction of ≈¥24 billion related to reconfiguration of Veloxis organizations in FY2020

Basic policy | **Capital allocation**

Controlling capital allocation by closely monitoring the status of operating CF and D/E ratio

Framework for capital allocation (3-year period FY2022–24)**Operating CF**

3-year total

¥750 to ¥900 billion**Borrowing capacity**

Increase in interest-bearing debt

+¥50 to +¥300 billion

(D/E ratio of 0.4 to 0.7)

Investing CF

Capital expenditure 3-year total (incl. M&A)

¥800 to ¥900 billion*

* Cash-outflow basis (different from decision-adopted basis)

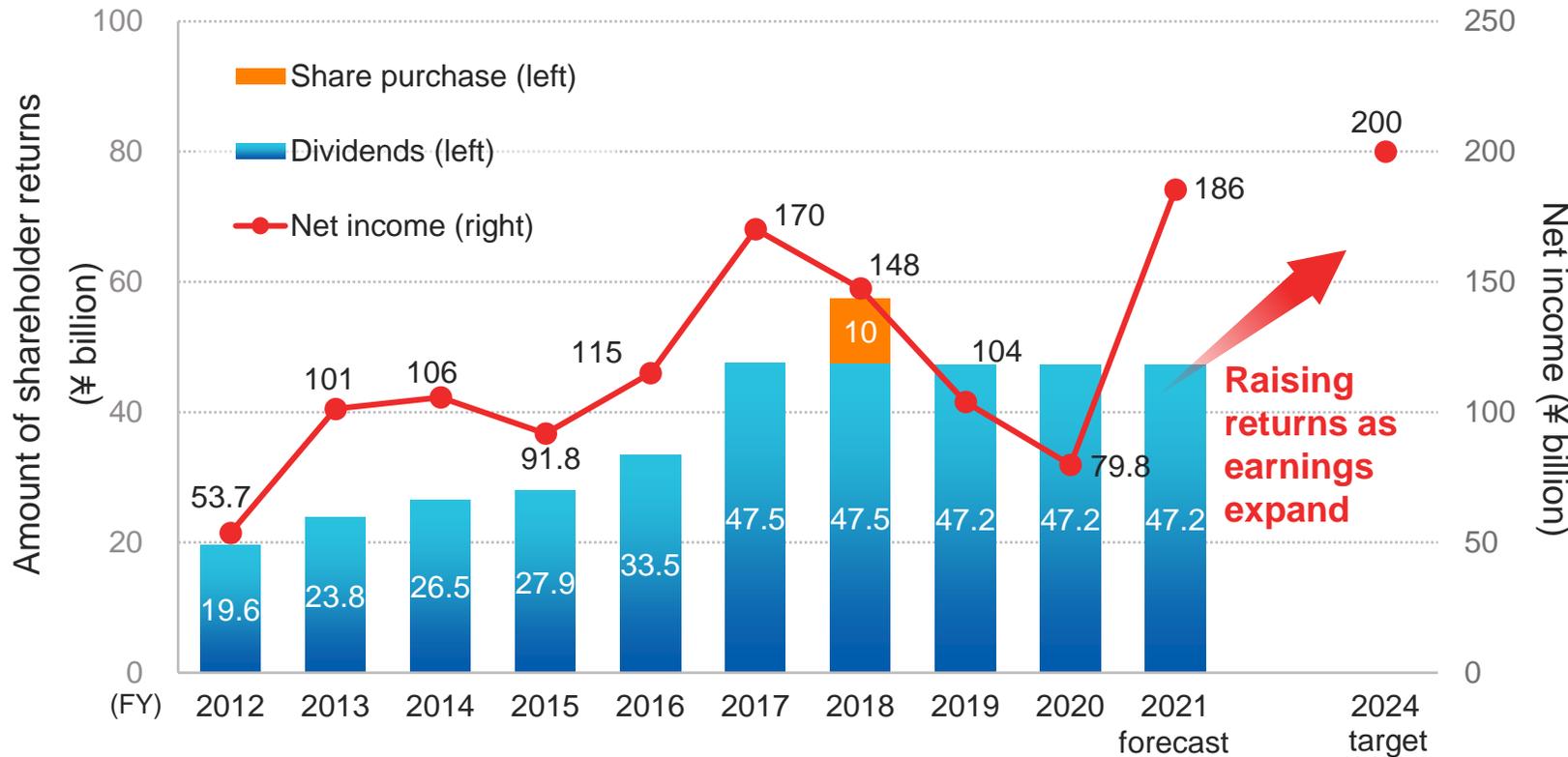
Shareholder returns

3-year total

¥150 to ¥180 billion

Basic policy | Shareholder returns

Based on the principle of returning profits to shareholders through dividends, increasing the level of returns in line with profit growth



Payout ratio	36.4%	23.5%	25.1%	30.4%	29.1%	27.9%	32.2%	45.4%	59.1%	25.4%	
								3-year total: 38%			

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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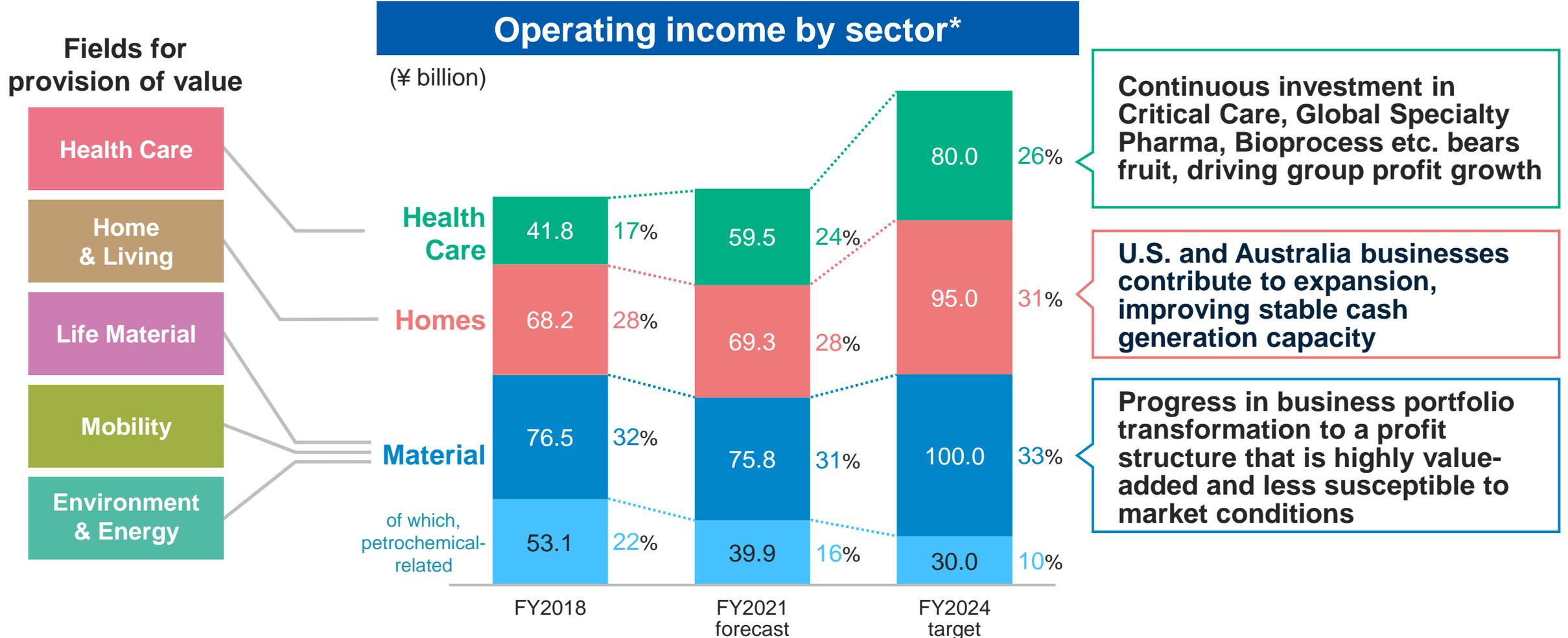
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Business strategy by sector | Direction of sector business portfolio

Health Care to continue driving group profit growth and generate more than one-fourth of group income in FY2024. In Material, we will prioritize stabilizing earnings of petrochemical-related and increase the proportion of high value-added businesses



* Figures differ from consolidated amounts shown on previous pages. Proportion of sector profit is calculated based on sum of three sectors.

Business strategy by sector | Material (basic direction)

Basic Strategy

Aiming to improve profitability and capital efficiency by reforming the portfolio with strategies and tactics that are not existing extensions in order to realize carbon neutrality

Portfolio transformation

Focus on next growth businesses

- Accelerating commercialization of new businesses that contribute to decarbonization (related to hydrogen, CO₂, energy storage, etc.)
- Building on value chain in automotive interior materials
- Exploring new business opportunities related to electronic components and materials

Full use of existing assets

- Profit growth by expanding production capacity in the separator business
- Business development utilizing intangibles (technology licensing business related to CO₂ chemistry, new business models for ion-exchange membranes, etc.)

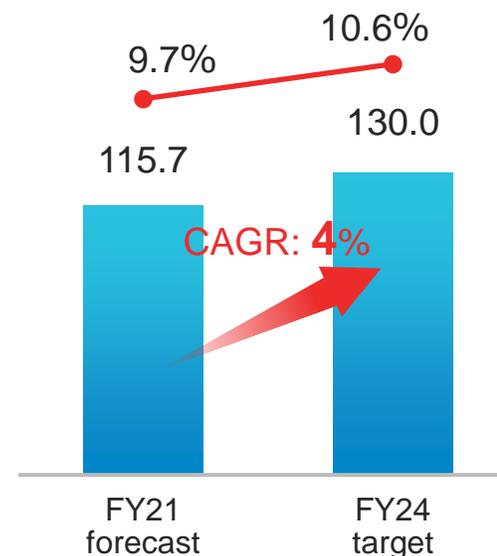
Challenging investment

Cash generation

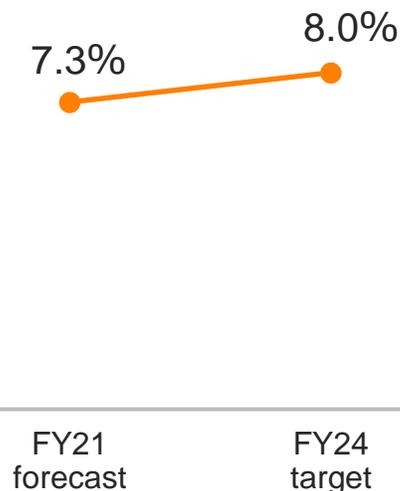
Management KPI

Operating income growth, operating margin

- Operating income (¥ billion)
- Operating margin

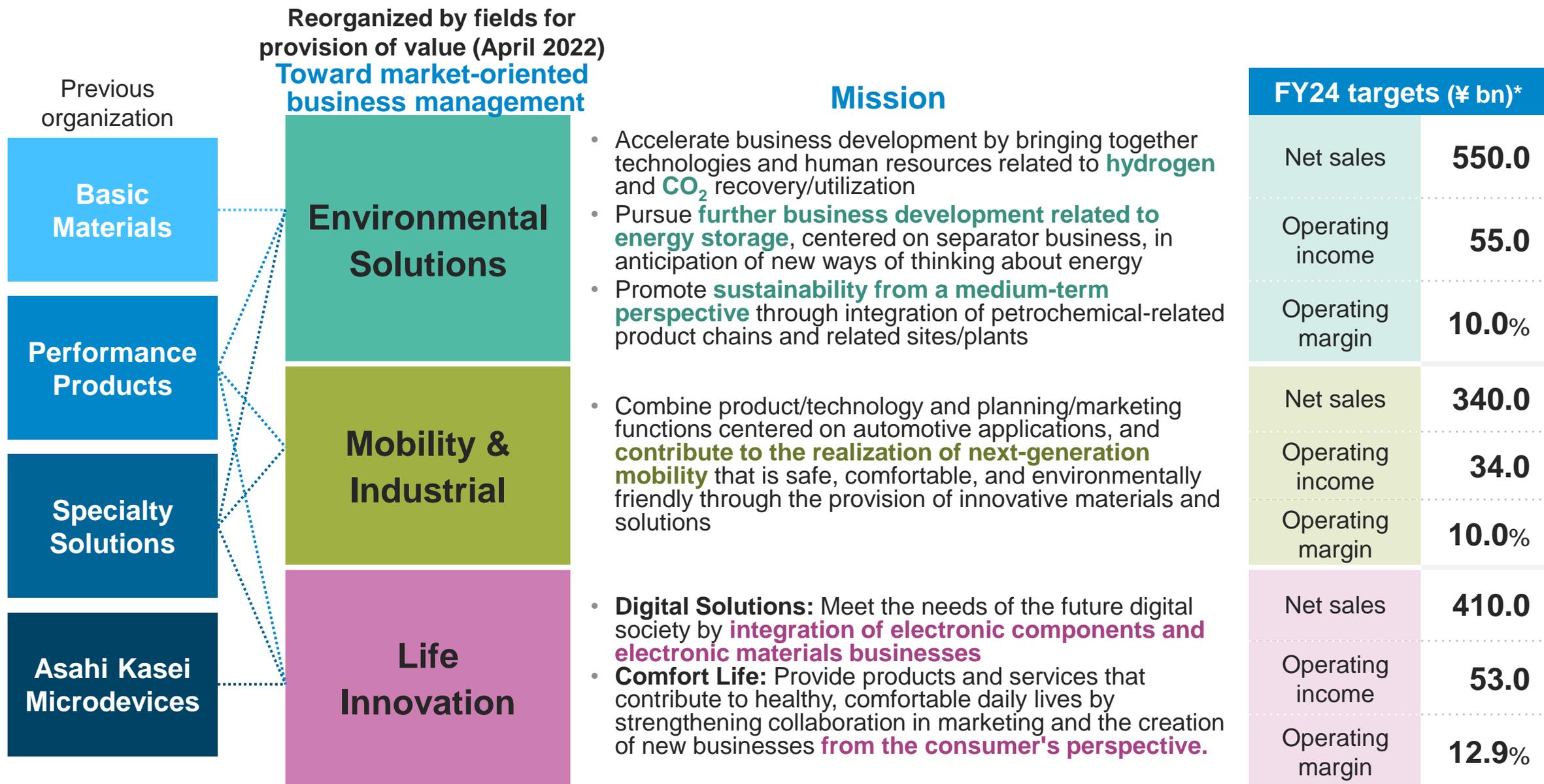


ROIC*



* ROIC = operating income (1 - tax rate) / (fixed assets + working capital, etc.)

Business strategy by sector | Material (mission and targets with new organization)



* Figures differ from consolidated amounts of Material sector

Business strategy by sector | Material (Environment & Energy)

Aiming to realize Asahi Kasei's two mutually reinforcing aspects of sustainability (contributing to sustainable society and sustainable growth of corporate value) by leveraging business foundations, including the technologies and knowledge cultivated to date

GX (Green Transformation)

Expediting green solutions

Launching hydrogen-related businesses

Leveraging CO₂ chemistry with various businesses

Cultivating energy storage businesses

Pursuit of separator business growth

Leveraging know-how and knowledge to find new opportunities

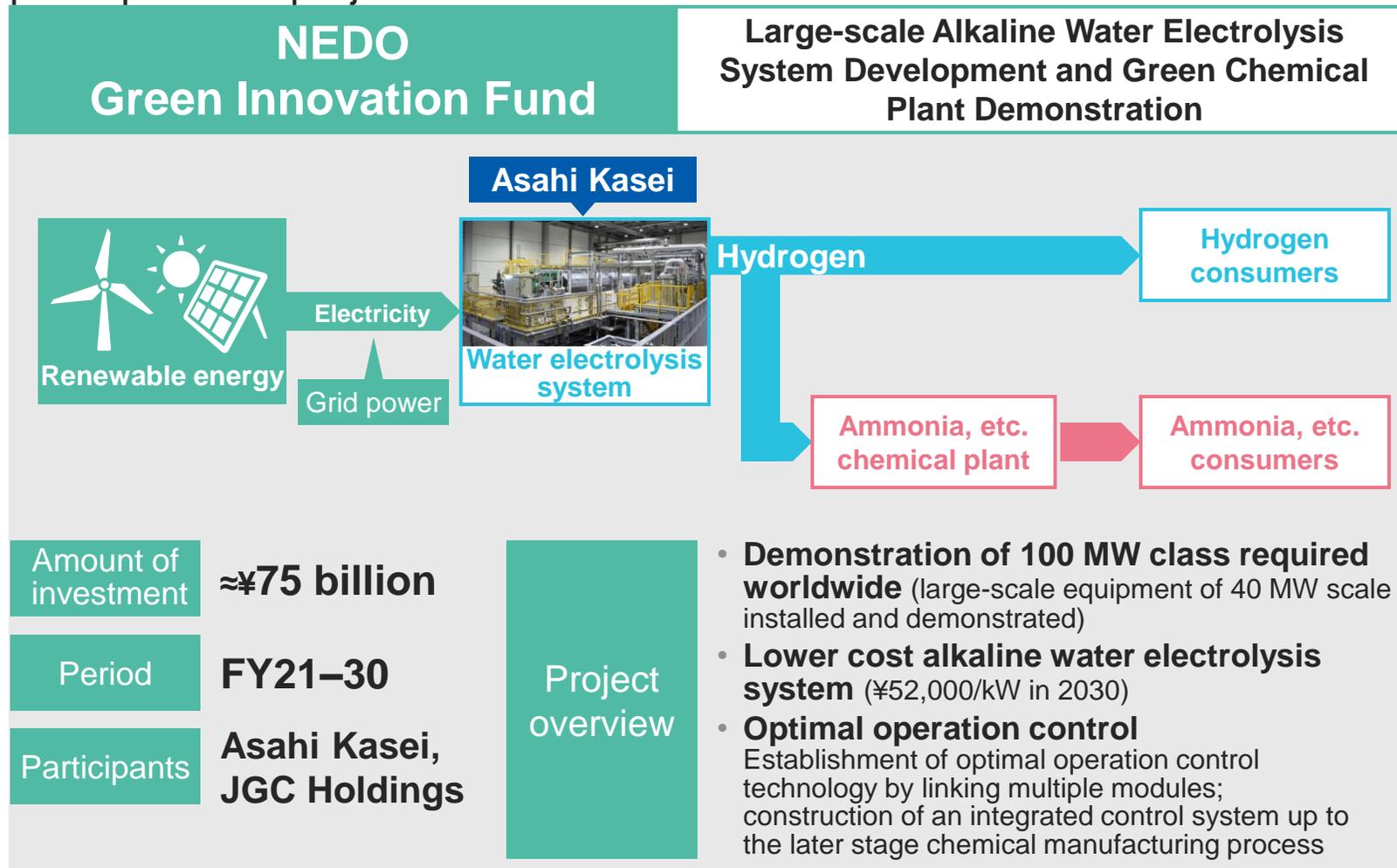
Promoting actions to achieve carbon neutrality

Transformation of petrochemical business from medium-term view

Accelerating initiatives by company-wide teams

Business strategy by sector | **Material (Environment & Energy: H₂-related business)**

Accelerating the establishment of hydrogen business infrastructure by utilizing the verification experiment under the NEDO Green Innovation Fund; aiming for early commercialization (FY2025 projected) through participation in projects that will be launched around the world



Amount of investment	≈¥75 billion
Period	FY21–30
Participants	Asahi Kasei, JGC Holdings

Establishing a business foundation by utilizing the project, and launch business in FY2025

Driving the establishment of a supply chain system as a key player in the hydrogen business

Considering aggressive investment as a future growth driver in the Material sector

Business strategy by sector | Material (Mobility)

Aiming for growth through the development of products related to automotive interior materials and for EVs

5 fields to provide solutions

Body
Light weighting



Interior & Comfort
Higher comfort



Safety
Enhanced performance



E-Drivetrain
Higher efficiency



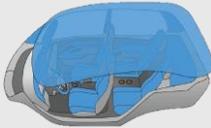
ICE
Cost optimization



Dinamica Artificial suede

Aiming to be the No. 1 brand of artificial suede by advanced Environmental performance through technological innovation

- **Products with a high ratio of recycled raw materials**
Dinamica AutoPure: 73%
- **No organic solvent used**



For headliners, seats, door panels, etc.

Further advancement of leading environmentally friendly features

SAGE Car interior material
Automotive Interiors

Further strengthening position as a leading Tier-2 supplier of automotive interior materials

- **Expanding market penetration with fabric business from Adient (acquired in FY20)**

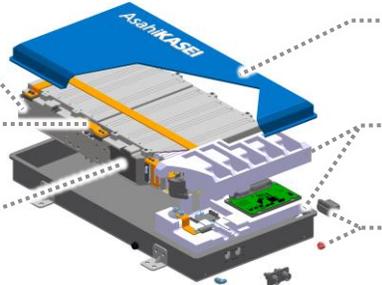
Sales of Sage



FY21 forecast FY24 target

Providing value as a development partner for OEMs by proposing concepts for EV platforms combining diverse technologies and expertise

Lightweight and safe products for automotive lithium-ion batteries



Module case
Xyron

Busbar cover
Xyron

End plate
Leona, Xyron

Cover
Leona, Xyron

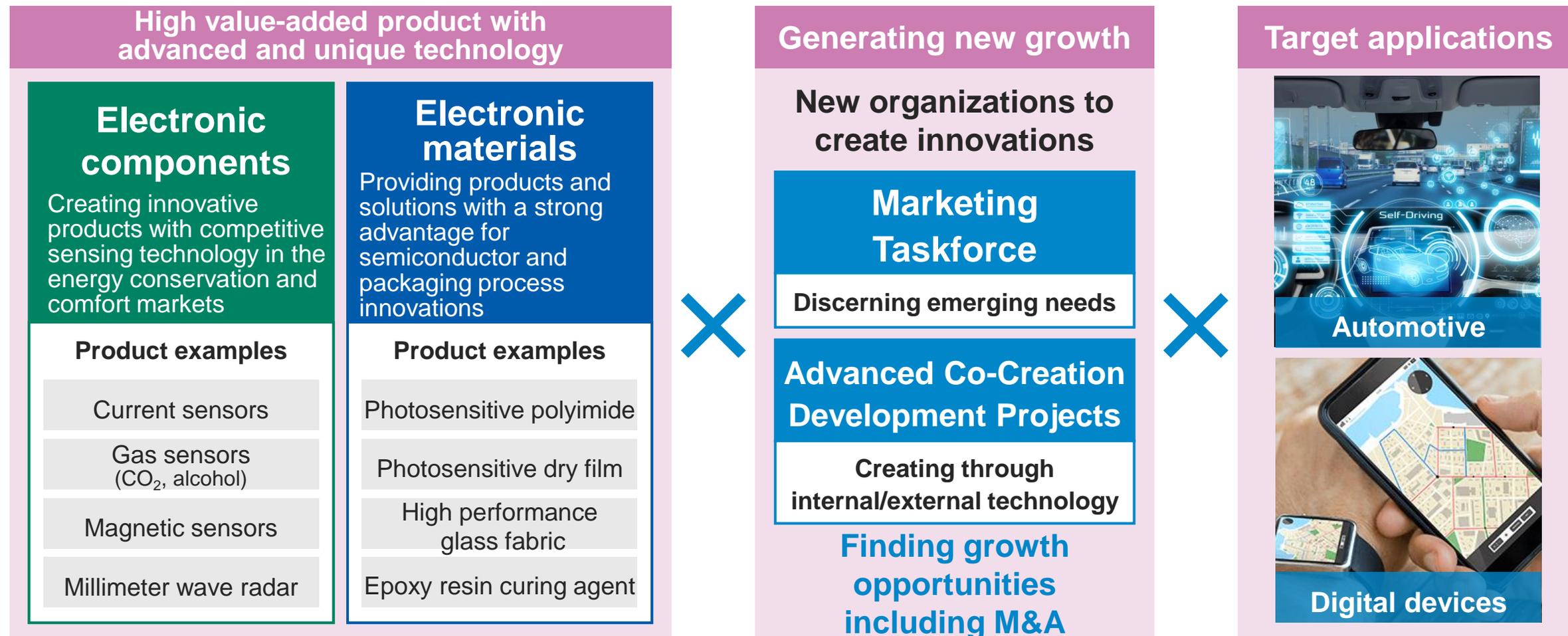
Internal electronics holder
SunForce

Connectors
Leona

Xyron: Modified PPE resin that reduces weight with flame retardancy and low specific gravity
SunForce: Modified PPE foam beads with flame retardancy and dimensional accuracy superior to conventional foams
Leona: Polyamide resin used in place of metal due to its high strength, rigidity, etc.

Business strategy by sector | Material (Life Material: Digital Solutions domain)

Responding to the needs of the digital society with distinctive components, materials, and solutions by leveraging the uniqueness of having both electronic components and electronic materials and integrating them



Business strategy by sector | Homes (basic direction)

Basic Strategy

Maximizing lifetime customer value in the domestic business and continuing to invest and generate returns from past investments in the overseas business, increasing cash generation capability while maintaining high operating margin (10%) and ROIC (over 30%)

Portfolio transformation

Focused allocation of resources to growth businesses

- Expansion based on platforms in North America and Australia (including continued M&A)
- Expansion of environmentally friendly homes and construction materials (net zero-emission houses and apartment buildings, Neoma Foam insulation material)

Promoting high value-added in domestic business and maximizing synergies in overseas business

- Customer satisfaction as the essence of the domestic business; developing and providing homes and services that seamlessly meet the ever-changing needs of people's lives at different times and in different environments
- Improving profitability of overseas businesses by leveraging the industrialization, systemization, and digitalization know-how cultivated in Japan

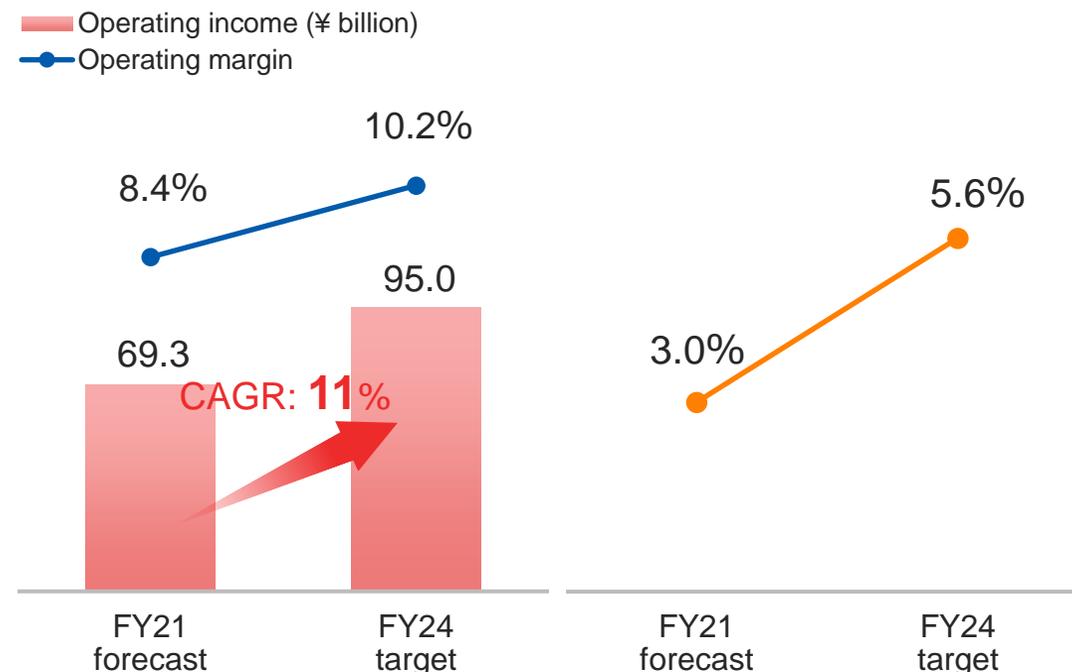
Challenging investment

Cash generation

Management KPI

Operating income growth, operating margin

FCF over net sales



Protecting lives, enriching lives, and creating platforms to support life

Pursuing customer satisfaction as the essence of business

No.1 Customer Satisfaction in steel-frame homes segment for 7th straight year in Japan. *



Continuously expanding into new businesses and markets by leveraging strengths cultivated in existing businesses

(Atlas condominiums, homes for seniors, medium-rise buildings, overseas business)

* 2016-2022 ORICON Customer Satisfaction Survey No.1 in steel-frame homes segment, House manufacturer custom-built house ranking.

Business strategy by sector | Homes (overseas business)

Aims

Providing high-quality homes suitable for the local area
by improving efficiency and productivity through industrialization
Bringing about innovation in the construction industry and at construction sites

Strategic direction

Limited to
North America and Australia
from perspectives of economic
scale and population growth

Working with local companies
that know the local market well; not
introducing Japanese-style homes

Know-how of industrialized house
development, design, and construction;
process streamlining **know-how** with
information coordination

Basic strategy

North America



Establishing a supplier model for
rational execution of different
processes in manufacturing
and on construction sites




Australia



Establishing an Australian model
of strong competitive advantages
beyond the reach of individual
builders or suppliers



**Approach of capitalizing on the strengths of Asahi Kasei Homes,
aiming at operating margin of 10% or more in overseas business**

Business strategy by sector | Health Care (basic direction)

Basic Strategy

Under the mission of “Improve and save patients’ lives,” seize a wide range of business opportunities in global markets in both pharmaceuticals and medical devices to drive the Asahi Kasei Group's profit growth

Portfolio transformation

Boosting growth through business development

Challenging investment

- Bringing innovative medical devices in critical care to market
- Expansion of global pharmaceutical business through collaboration by Asahi Kasei Pharma and Veloxis
- Expanding the scope of the bioprocess business to capture market growth

Gaining profits through growth of overseas business and strengthening of domestic businesses

Cash generation

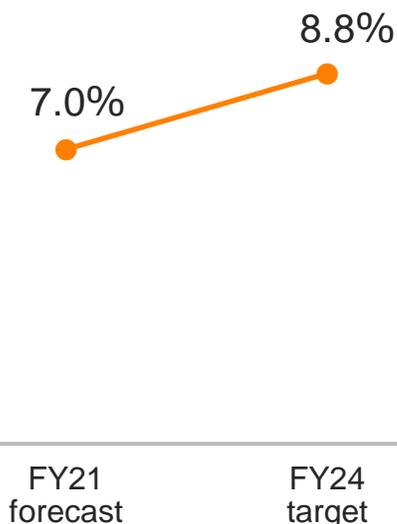
- Strengthening and expanding overseas market position in critical care, pharmaceutical, and bioprocess businesses
- Greater efficiency and sophistication of domestic business operations through the use of DX, etc.

Management KPI

EBITDA growth, EBITDA margin

ROIC*

■ EBITDA (¥ billion)
● EBITDA margin



* ROIC = operating income (1 - tax rate) / (fixed assets + working capital, etc.)

Pursuing further growth focused on serious cardiopulmonary conditions

- Expanding market position and product portfolio in the area of cardiopulmonary resuscitation
- Providing multi-faceted solutions for cardiovascular disease diagnosis, treatment, and management (LifeVest, devices for diagnosis/monitoring patients)
- Market expansion of innovative medical devices to address unmet needs for sleep apnea and acute myocardial infarction



TherOx
Therapy for acute myocardial infarction

Acute myocardial infarction

Acquired in June 2019

Cardiac arrest

Acquired in April 2021

Respiratory distress

Acquired in December 2021

Diagnosis and treatment of sleep apnea, which is closely related to heart disease



Respicardia
Implantable neurostimulators for the treatment of moderate to severe central sleep apnea (CSA)



Itamar
Diagnosis solution for home-based testing for sleep apnea



Professional defibrillators, AEDs



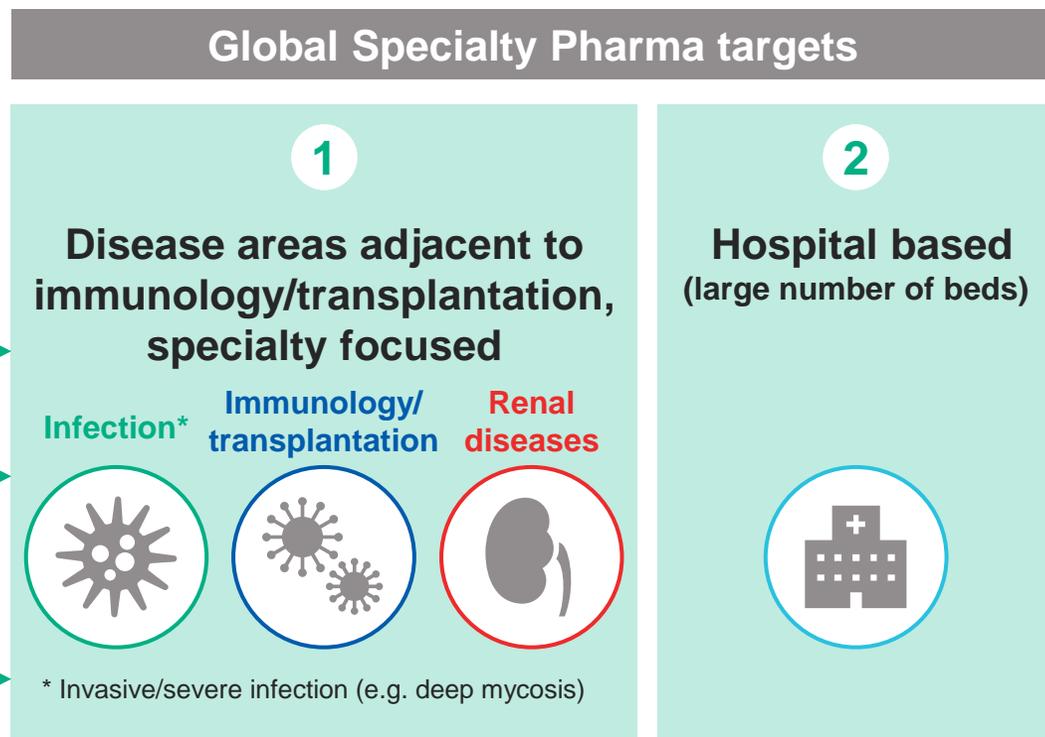
LifeVest wearable cardioverter defibrillator (WCD)

Business strategy by sector | **Health Care (pharmaceuticals)**

Transformation into Global Specialty Pharma focused on immunology/transplantation and adjacent disease areas

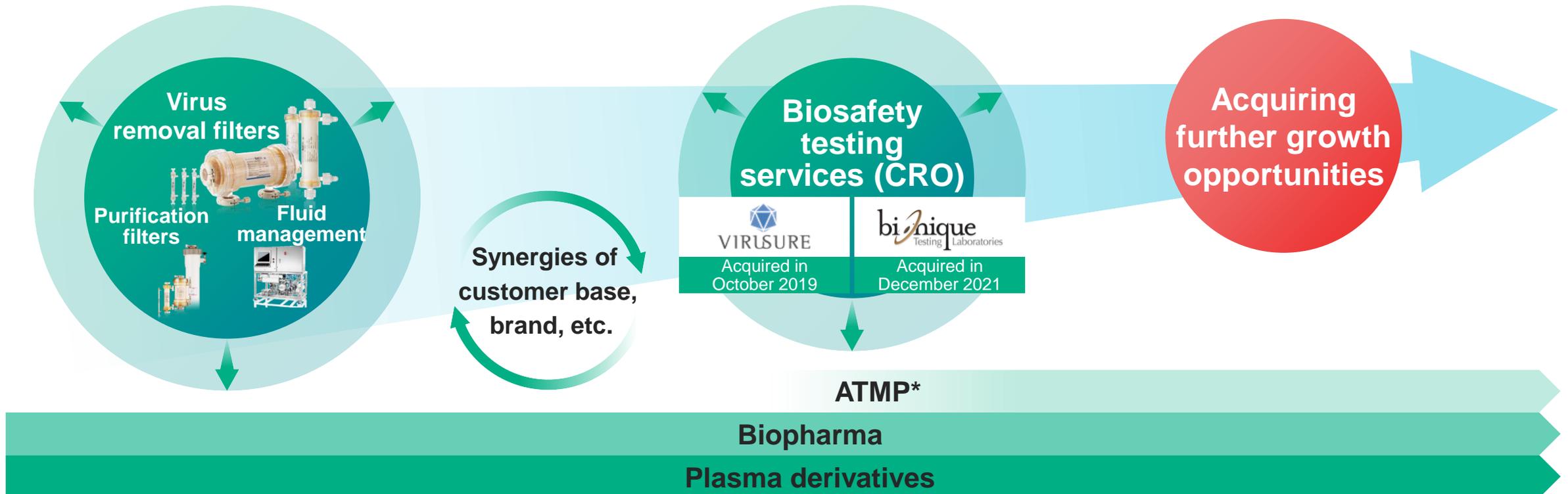
- **Global targets:** Business development, clinical development, and sales promotion through collaboration by Asahi Kasei Pharma and Veloxis
- **Core areas in Japan/U.S.:** Launch and expansion of sales of drugs by leveraging each company's domain knowledge and sales channels
- **Capturing further growth opportunities by establishing a business base in Europe**

Area	Core disease areas	Products
Asahi Kasei Pharma		
Japan	Orthopedics	 <ul style="list-style-type: none"> • Teribone • Reclast
	Critical care/hospital based	 <ul style="list-style-type: none"> • Recomedulin
	Immunology	 <ul style="list-style-type: none"> • Kevzara • Bredinin • Plaquenil
Veloxis Pharmaceuticals		
U.S.	Transplantation	 <ul style="list-style-type: none"> • Envarsus XR • VEL-101 (former FR104)



Business strategy by sector | **Health Care (bioprocess)****Evolving into a premium partner for pharmaceutical companies,
contributing to biologics safety and manufacturing efficiency**

- Expansion of market position for virus removal filters; increasing production capacity to meet growing demand
- Strengthening and expanding biosafety testing services (CRO)
- Further business scope expansion to capture growth in the pharmaceutical market, including next-generation drugs



* Advanced therapy medical products (gene therapy, cell therapy, regenerative medicine, next-gen vaccine, etc.)

Business strategy by sector | Financial targets by sector*

(¥ billion)	FY21 forecast			FY24 target	
Material	Net sales	1,192.0	➤	Net sales	1,230.0
	Operating income (margin)	115.7 (9.7%)		Operating income (margin)	130.0 (10.6%)
	EBITDA (margin)	195.6 (16.4%)		EBITDA (margin)	237.0 (19.3%)
	ROIC	7.3%		ROIC	8.0%
Homes	Net sales	824.0	➤	Net sales	930.0
	Operating income (margin)	69.3 (8.4%)		Operating income (margin)	95.0 (10.2%)
	EBITDA (margin)	84.4 (10.3%)		EBITDA (margin)	112.0 (12.0%)
	ROIC	32.5%		ROIC	32.7%
Health Care	Net sales	423.0	➤	Net sales	530.0
	Operating income (margin)	59.5 (14.1%)		Operating income (margin)	80.0 (15.1%)
	EBITDA (margin)	108.2 (25.6%)		EBITDA (margin)	140.0 (26.4%)
	ROIC	7.0%		ROIC	8.8%

* Figures differ from consolidated amounts shown on previous pages.

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1. Review of Cs+ for Tomorrow 2021

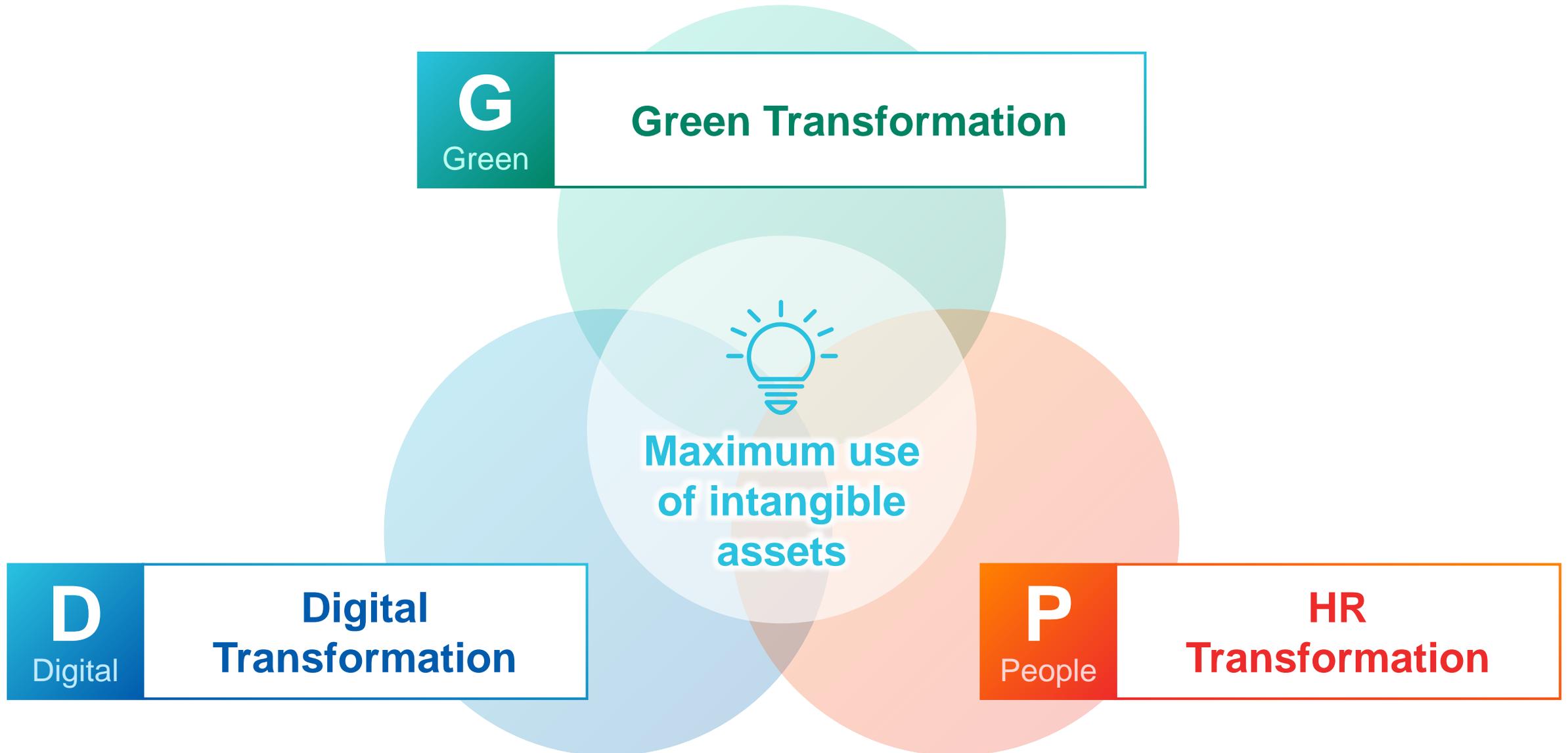
2. What we want to be

**3. Medium-term
management plan 2024
— Be a Trailblazer**

3-1 Basic policy

3-2 Business strategy
by sector

**3-3 Strengthening
business platform**

Strengthening business platform | 4 key areas for transformation

Strengthening business platform | Maximum use of intangible assets

Aiming to build strategies and create new businesses by making full use of diverse internal and external intangible assets. April 2022 establishment of Intellectual Property Intelligence Office for further accelerating use of intangible assets across Asahi Kasei



Connecting intangible assets with digital technology

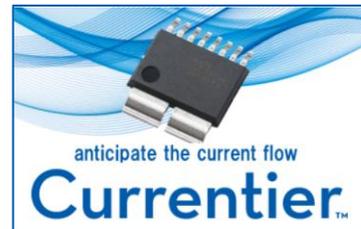
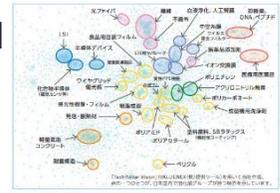
Example 1 Group-wide marketing activities for automobile OEMs

- Various technologies and products adding value for automobiles
- Enhancement of networking with OEMs via each business and valuable approach for customers utilizing data

Obtaining further business opportunities by establishing strategic partnerships with OEMs

Example 2 Creation of business models utilizing IP landscaping (IPL)

- Overview and analysis of intellectual property information by IPL**
Research on applications and potential customers that can take advantage of our products' strengths



Developing a market where we can promote our product's features of high-speed response and low heat generation

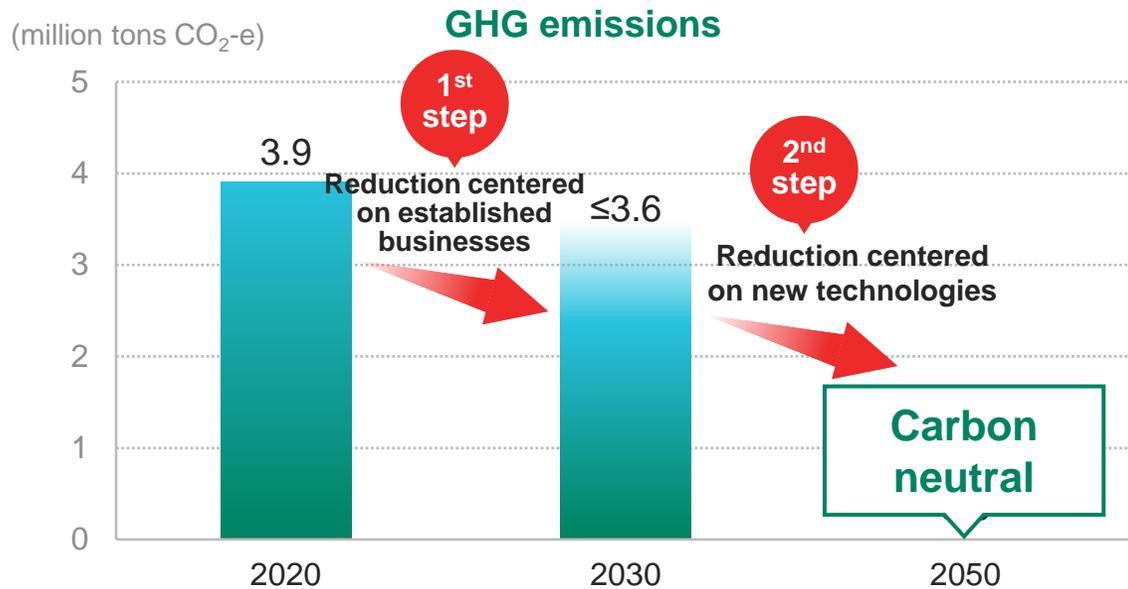
◀ Coreless current sensor IC

Strengthening business platform | Green Transformation

Reducing our own GHG emissions

2030 Decrease by 30% or more (vs. FY 2013)

2050 Carbon neutral



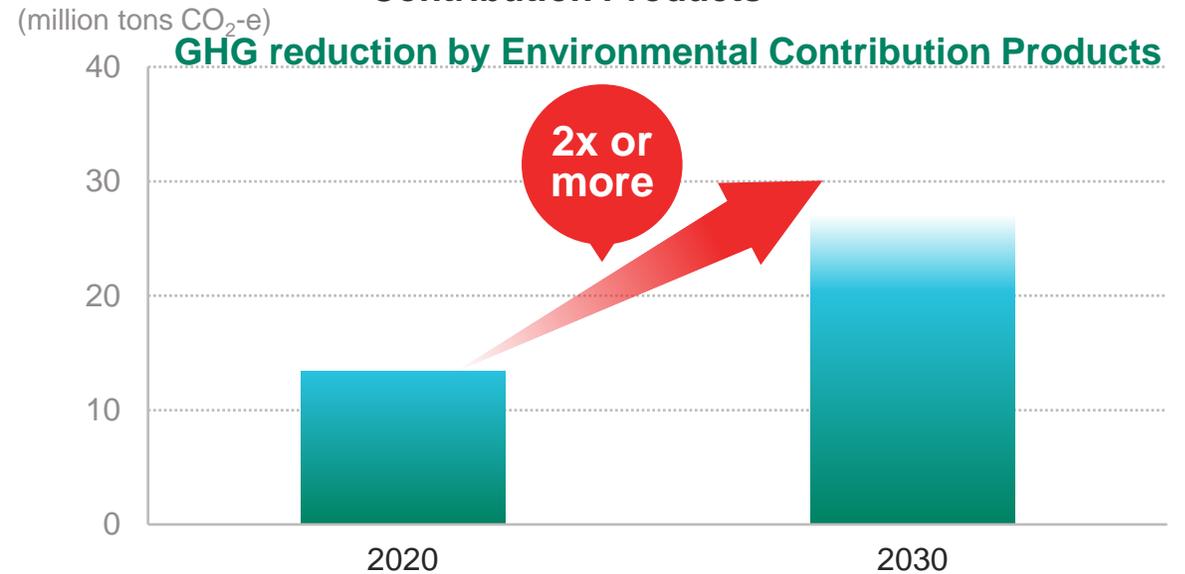
• Initiatives to promote GHG emission reductions

Company-wide projects, carbon footprint of products, participation in rule formulation, internal carbon pricing, internal awards, etc.

• Investment for decarbonization: ≈¥60 billion (3-year total)

Reducing the world's GHG emissions

- 2030 • More than doubled contribution to GHG reductions
• Increase sales ratio of Environmental Contribution Products



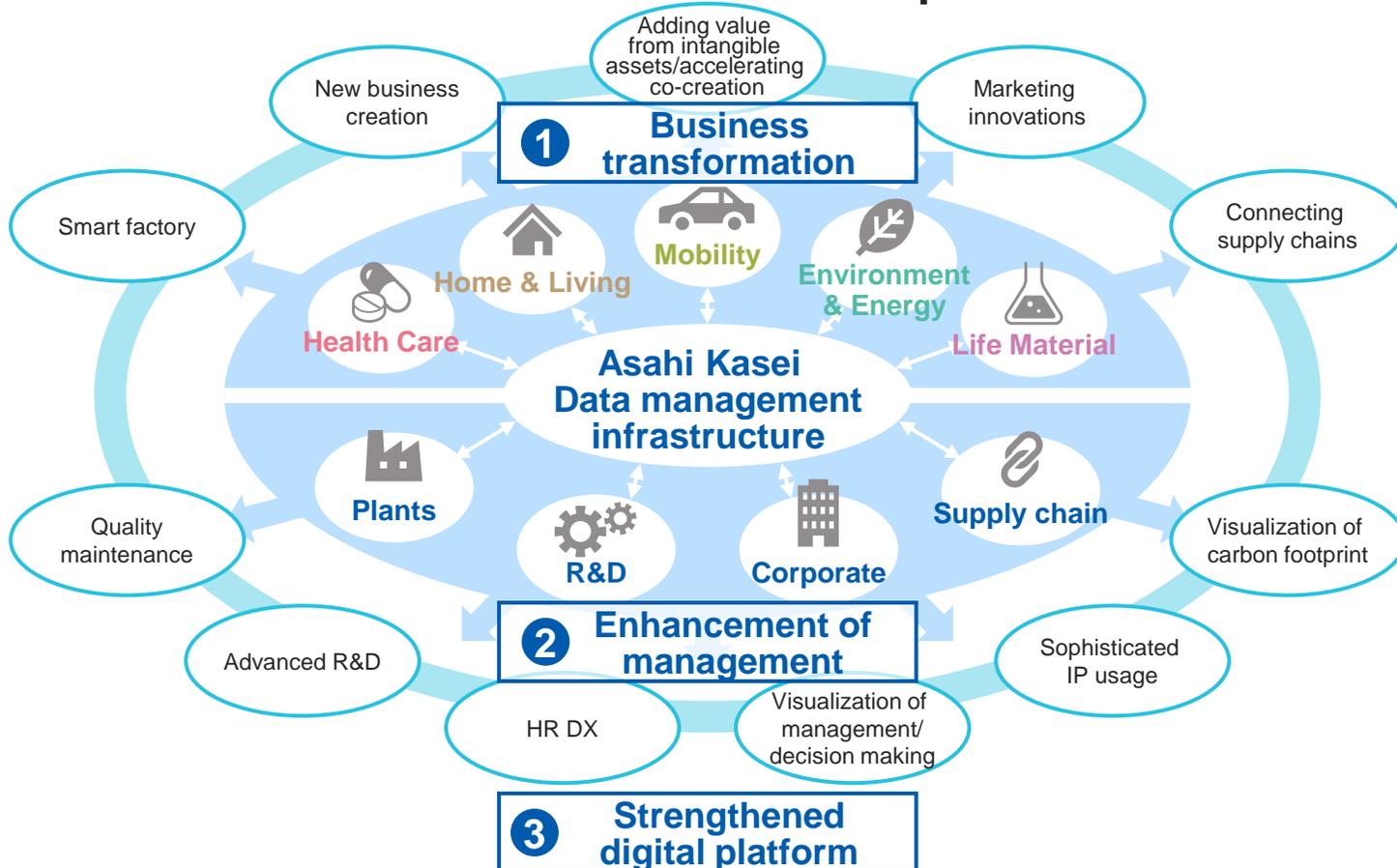
Calculated by LCA based on opinions of outside experts

• Examples of GHG reductions from the LCA perspective

- Producing acrylonitrile using biomass propylene (ISCC PLUS certification acquired)
- Producing S-SBR using butadiene derived from plastic waste
- Accelerating commercialization of polyamide 66 using biomass-derived intermediate

3 main pillars of Digital Creation Period (from FY2022)

Making full use of diverse assets to change our business models at the fastest speed with DX



Digital HR development and hiring, further introduction of agile development, promotion of digital data usage

KPI (FY2024 target) DX-Challenge 10-10-10

Digital professionals 10 times	Approximately 2,500 employees worldwide to be digital professionals (10 times FY2021)
Volume of digital data usage 10 times	Ten times increase in digital data usage throughout the Asahi Kasei Group (vs. FY2021)
Profit contribution from main projects ¥10 billion	In addition to normal activities, contribution to profit increase of ¥10 billion from main projects (3-year total)

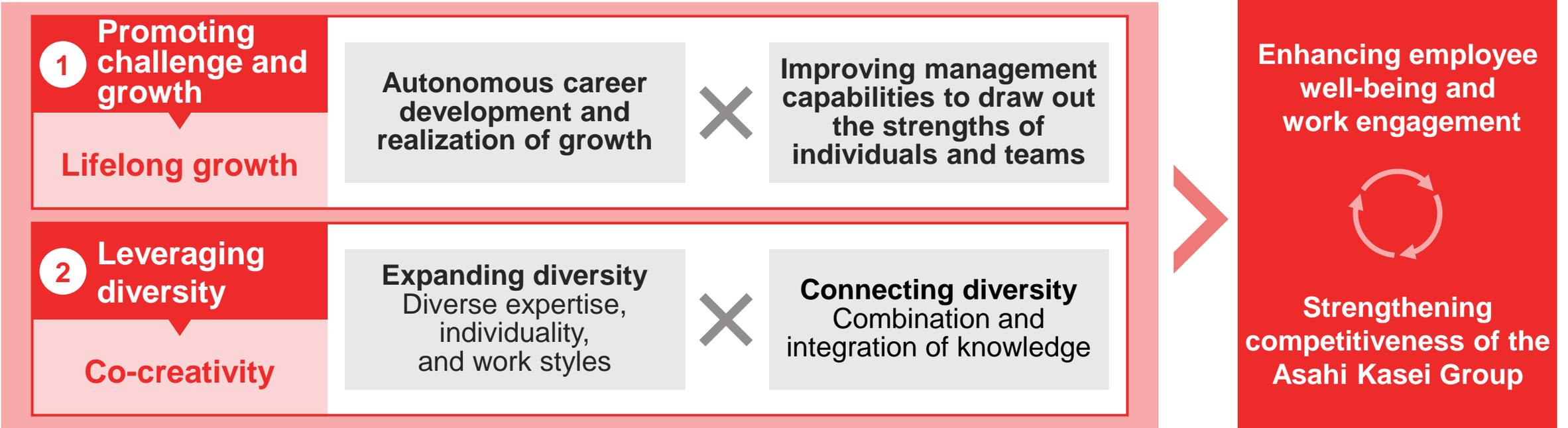
DX related investment*

≈¥30 billion planned
(3-year total)

* IT investments and cloud usage fees for digital transformation

Strengthening business platform | People (transformation of HR)

People are our most valuable assets, everything starts from people
Discovering the future with lifelong growth and co-creativity of diverse individuals



Main KPIs	Number of Group Masters	Growth behavior index	Diversified HR index
	FY24: 300 (FY21: 259 in 64 fields)	Continuous actions to monitor and maintain/improve <u>Engagement survey results on 5-point scale</u> FY20: 3.65, FY21: 3.69	Proportion of women working as managers and Group Masters FY30: 10% (FY18: 2.2%, FY21: 3.4%) Proportion of women and non-Japanese executive officers FY18: 8%, FY22: 22%

Strengthening business platform | Main financial/non-financial KPIs

Financial
KPIs

Profit growth

Operating income

FY24	¥270 billion
around FY30	¥400 billion

Capital efficiency

	ROE	ROIC
FY24	≥11%	≥8%
around FY30	≥15%	≥10%

Business portfolio
transformation

Operating income from GG10

FY24	≥50%
around FY30	≥70%

Proportion of patents
in force for GG10

FY30	≥50%
	(FY21: ≥30%)

Digital professionals

FY24	10 times
	(vs. FY21)

Number of
Group Masters

FY24	300
	(FY21: 259)

Non-
Financial
KPIsOur own GHG
Emissions reduction

FY30	≥30%
	(vs. FY13)

GHG reduction
by Environmental Contribution
Products

FY30	2X or more
	(vs. FY20)

With **A-Spirit***, we will take on the challenge of transformation to pioneer a new roadmap and take the first step of the next 100 years

* A-Spirit stands for both “Asahi Kasei spirit” and “Animal spirit” which means ambitious motivation to be a trailblazer

**Ambitious
motivation**

We will boldly challenge ourselves with high goals, not being satisfied with the current situation

**Healthy sense
of urgency**

We will have a strong commitment to goals and focus on generating results

**Quick
decisions**

We will rapidly and boldly take actions with nimble connections and genuine communication

**Spirit of
advancement**

We will create new ways of doing things without being constrained by existing frameworks

AsahiKASEI

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.”

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 to not imply a guarantee of actual outcomes.

