

Toward Global Healthcare Company

October 5 & 6, 2021 (JST)

Asahi Kasei Corp., Healthcare Sector

Shuichi Sakamoto, Board Director, Primary Executive Officer

Richard A. Packer, Primary Executive Officer

Contents

- »» 1. Introduction of Healthcare Sector
- 2. Progress to Date
- 3. Growth Trajectory
- 4. Business Strategy
- 5. Closing

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.

ZOLL Medical Corporation's (ZOLL Medical) acquisition of Itamar Medical Ltd.(Itamar) is subject to approval by the shareholders of Itamar, regulatory approvals and other customary closing conditions. Assuming typical regulatory and shareholder approval timeframes, ZOLL Medical and Itamar currently expect the transaction to close by the end of 2021.

Healthcare Sector

AsahiKASEI

Group Mission: Contribute to life and living for people around the world

 Healthcare



- [Critical Care]**
ZOLL Medical
- [Pharmaceuticals]**
Asahi Kasei Pharma
Veloxis Pharmaceuticals
- [Medical Devices]**
Asahi Kasei Medical

 Material



- Basic Chemicals
- Fibers
- Specialty Chemicals
- Electronic Materials, Devices

 Homes



- Homes
- Construction Materials

ZOLL Medical

- CEO: Jonathan A. Rennert
- HQ Location: Boston, MA, USA
- Joined Asahi Kasei in FY2012
- FY2020 Sales: \$2.39 billion



- Business:

Medical Devices and Software

- Defibrillation and cardiac monitoring
- Circulation enhancement and CPR feedback
- Supersaturated oxygen therapy
- Data management
- Ventilation
- Sleep apnea treatment
- Therapeutic temperature management



Defibrillators/Monitors



AEDs



Wearable Defibrillators



CPR Feedback



Supersaturated oxygen therapy



Data Management



Ventilators



Sleep Apnea Treatment



Temperature Management

Asahi Kasei Pharma

- President & CEO: Yoshikazu Aoki
- HQ Location: Tokyo, Japan
- FY2020 Sales: ¥66.4 billion
- Business:

Prescription Drugs

- Teribone and Reclast (osteoporosis)
- Kevzara (rheumatoid arthritis)
- Recomodulin (DIC)
- Long-listed products

Diagnostic Products

- Enzymes for diagnostic products
- Diabetes testing kits



Teribone



Reclast



Kevzara



Recomodulin



Flivas
(Long-listed product)



Diagnostic Products

Veloxis Pharmaceuticals

- CEO: Craig A. Collard
- HQ Location: Raleigh, NC, USA
- Joined Asahi Kasei in FY2019
- FY2020 Sales: \$139 million
- Business:



Prescription Drugs

➤ Envarsus XR :

- Immunosuppressant drug used following kidney transplant
- Extend-release formulation of Tacrolimus* with a proprietary drug delivery technology

* This enables once-daily administration and side-effects reduction.

Once-daily
Envarsus XR[™]
(tacrolimus extended-release tablets)



Asahi Kasei Medical

- President & CEO: Shugo Sumiyoshi
- HQ Location: Tokyo, Japan
- FY2020 Sales: ¥73.3 billion
- Business:



Blood Purification

- Dialysis
- Therapeutic Apheresis



Dialyzer



Therapeutic Apheresis

Bioprocess

- Virus Removal Filters
- Fluid Management
- Biosafety Testing Services (CRO)



Virus Removal Filters



Fluid Management



CRO

Blood Transfusion

- Leukocyte Reduction Filters



Leukocyte Reduction Filters

Contents

1. Introduction of Healthcare Sector

»» **2. Progress to Date**

3. Growth Trajectory

4. Business Strategy

5. Closing

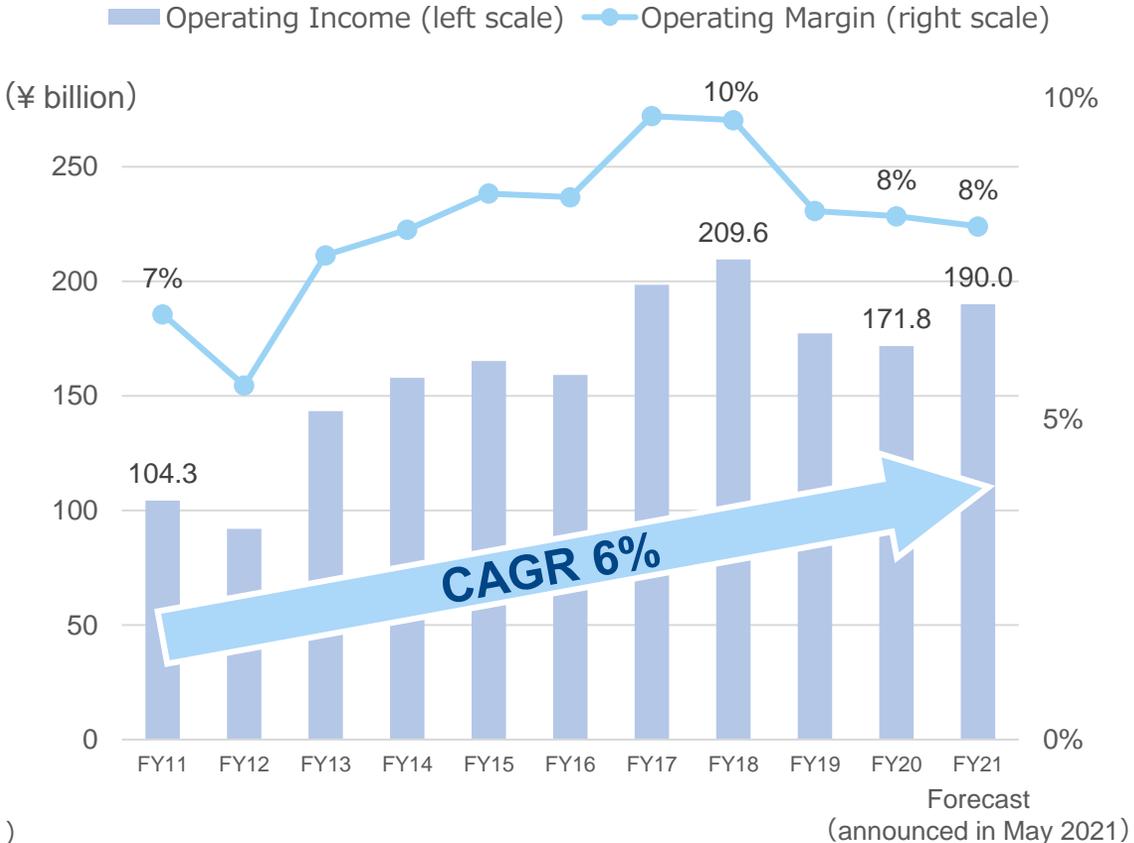
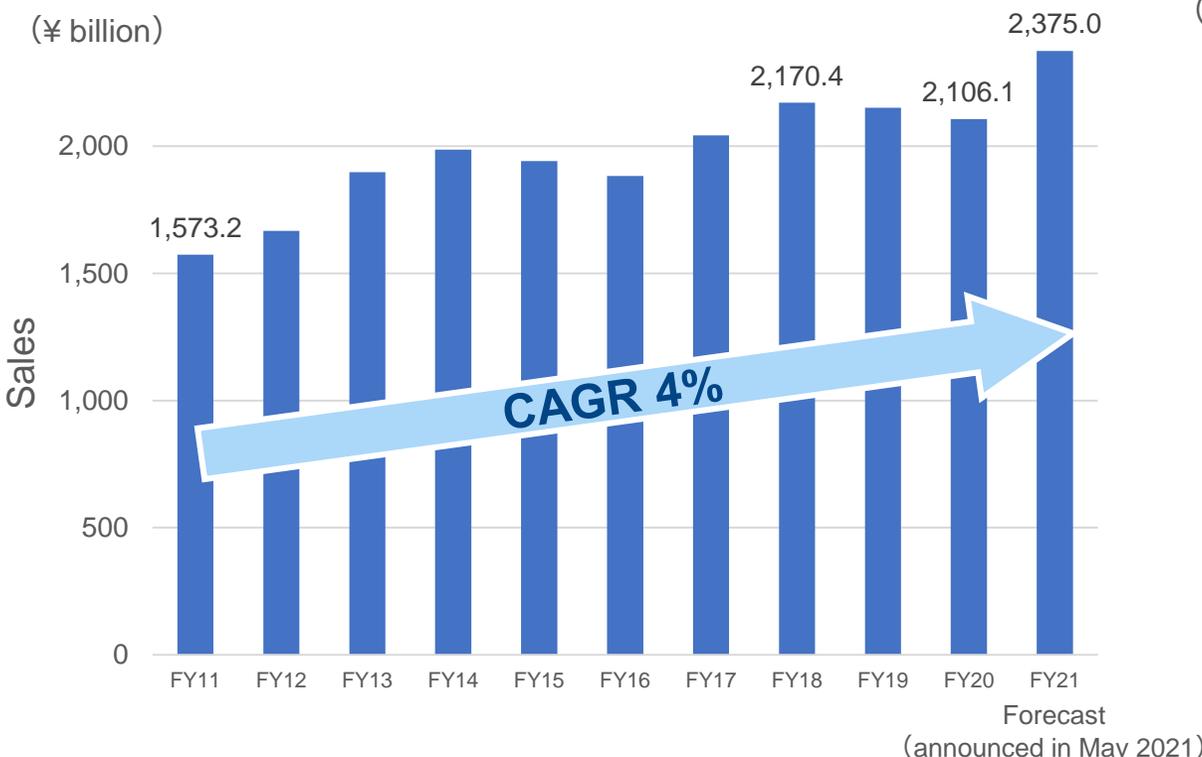
Asahi Kasei: Financial Performance

Sales

► Sustainable growth driven by the three business sectors of Material, Homes and Healthcare

Operating Income

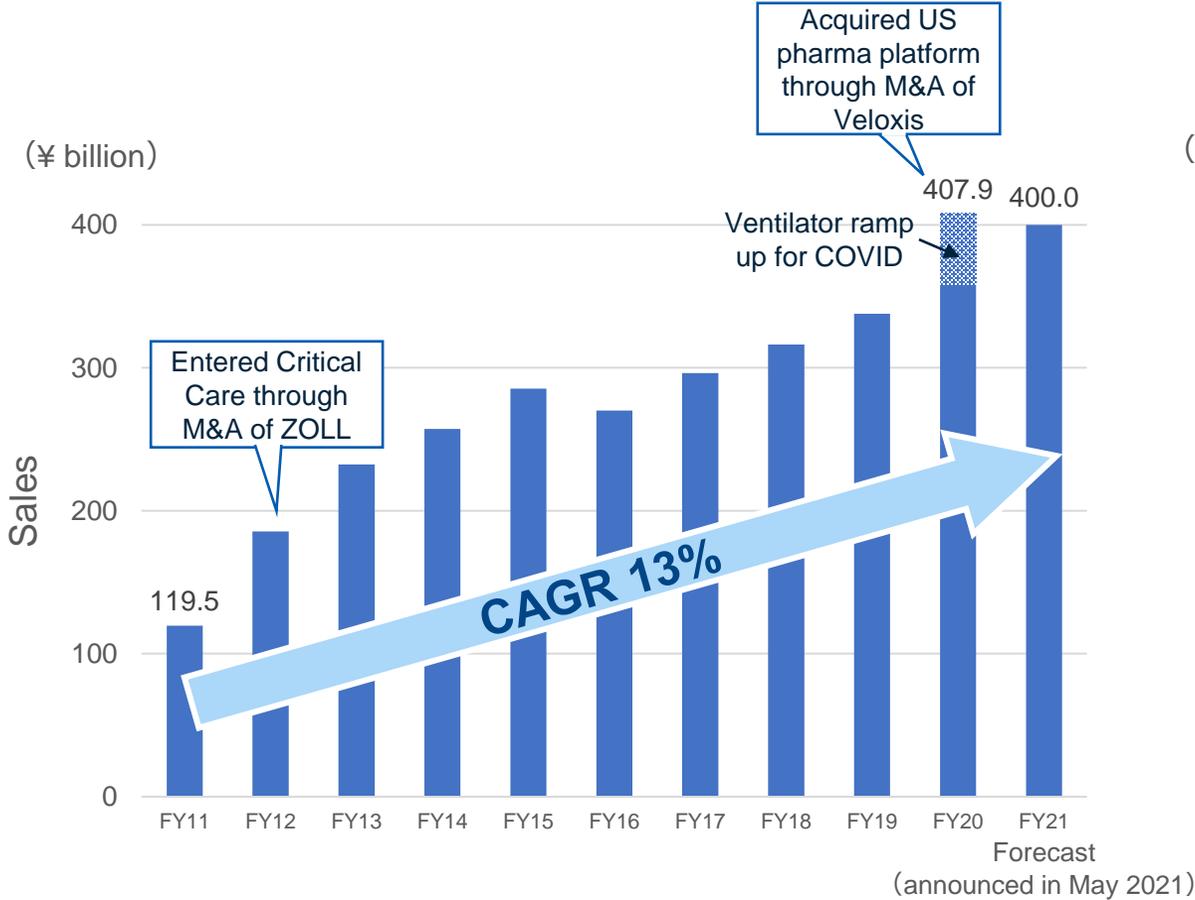
► Profit growth and stable profitability enabled by diversified portfolio



Healthcare Sector: Financial Performance

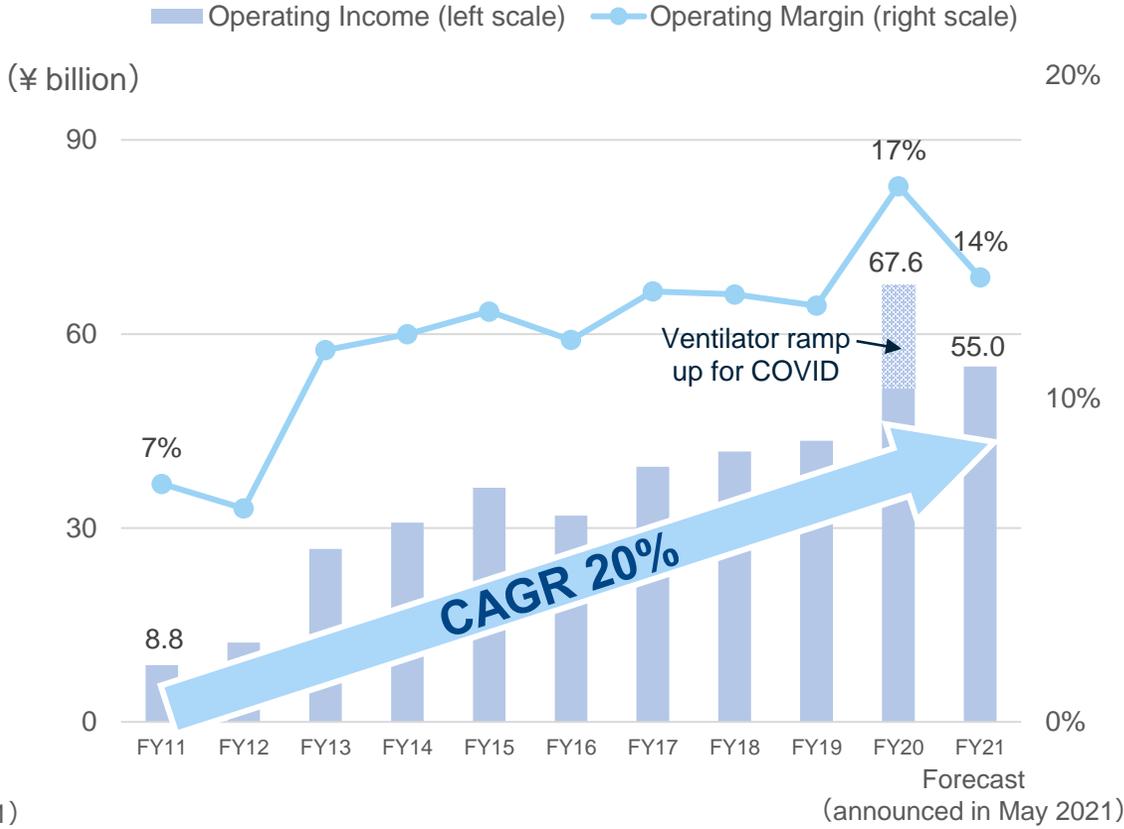
Sales

- ▶ Growth driven initially by Critical Care. Pharma and Bioprocess accelerating



Operating Income

- ▶ More than six-fold growth over the past 10 years
- ▶ Both profit growth and profit margin improvement achieved



After amortization of goodwill and intangible assets relating to M&A of ZOLL, Veloxis, etc.

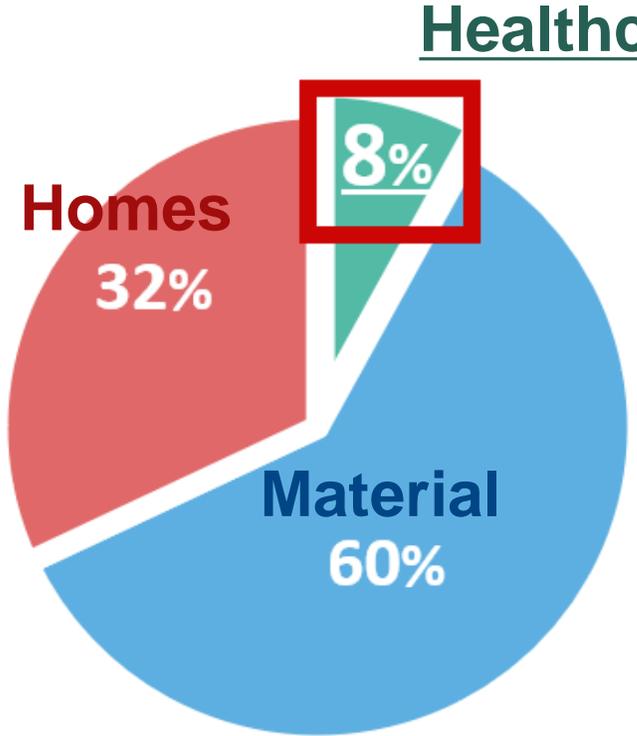
Notable M&A / In-licensing Deals in Healthcare Sector

- Accelerating activities for further growth by applying ZOLL's growth method to other businesses

Acquirer	Fiscal year	Company/Product	Business/Disease area
AsahiKASEI	2012	ZOLL Medical	Critical Care
	2019	Veloxis Pharmaceuticals	Pharmaceuticals
	2012	En-Pro Management	Resuscitation
 an Asahi Kasei company	2014	InnerCool Temperature Management	Circulation
		Impact Instrumentation	Resuscitation
		Advanced Circulatory Systems	Resuscitation
	2015	Kyma Medical Technologies	Cardiac Management
	2018	Payor Logic	Data Management
		Golden Hour Data Systems	Data Management
	2019	TherOx	Circulation
		Mobilize RSS	Resuscitation
		Cardiac Science	Resuscitation
	2021	Respicardia	New division
Itamar Medical		New division	
AsahiKASEI ASAHI KASEI PHARMA	2016	Isavuconazole	Infection
	2017	KEVZARA	Immunology
	2021	PLAQUENIL	Immunology
 PHARMACEUTICALS	2021	VEL-101 (formerly FR104)	Immunology/ Transplantation
AsahiKASEI ASAHI KASEI MEDICAL	2019	Virusure Forschung und Entwicklung	Bioprocess

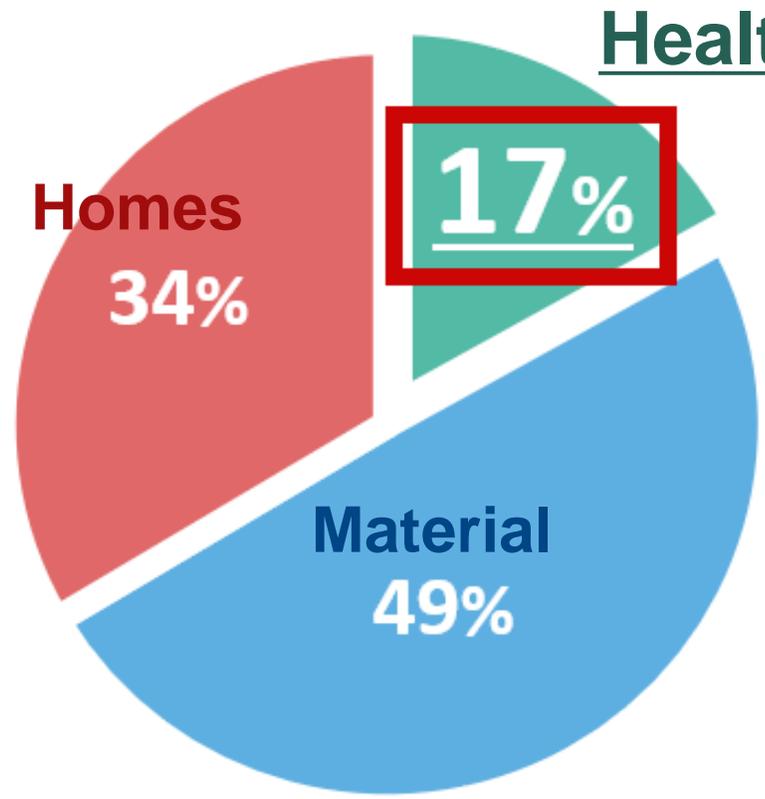
Contribution to Asahi Kasei Sales

FY2011



Total: ¥1,554.6 billion*

FY2021 (forecast announced in May 2021)



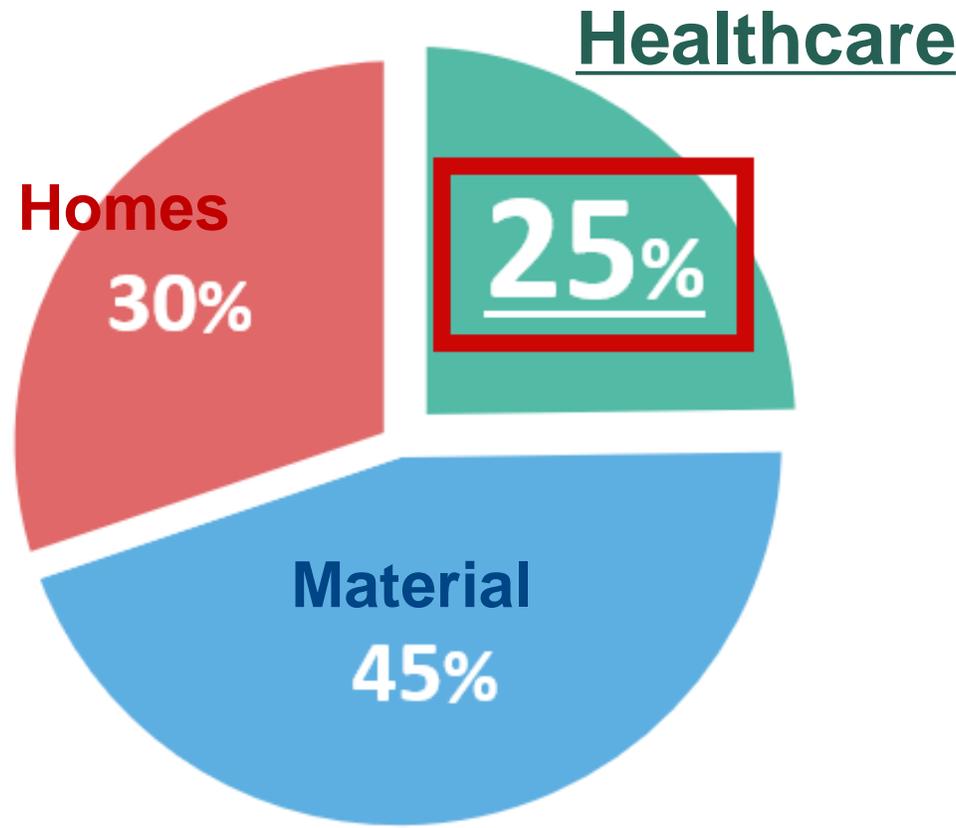
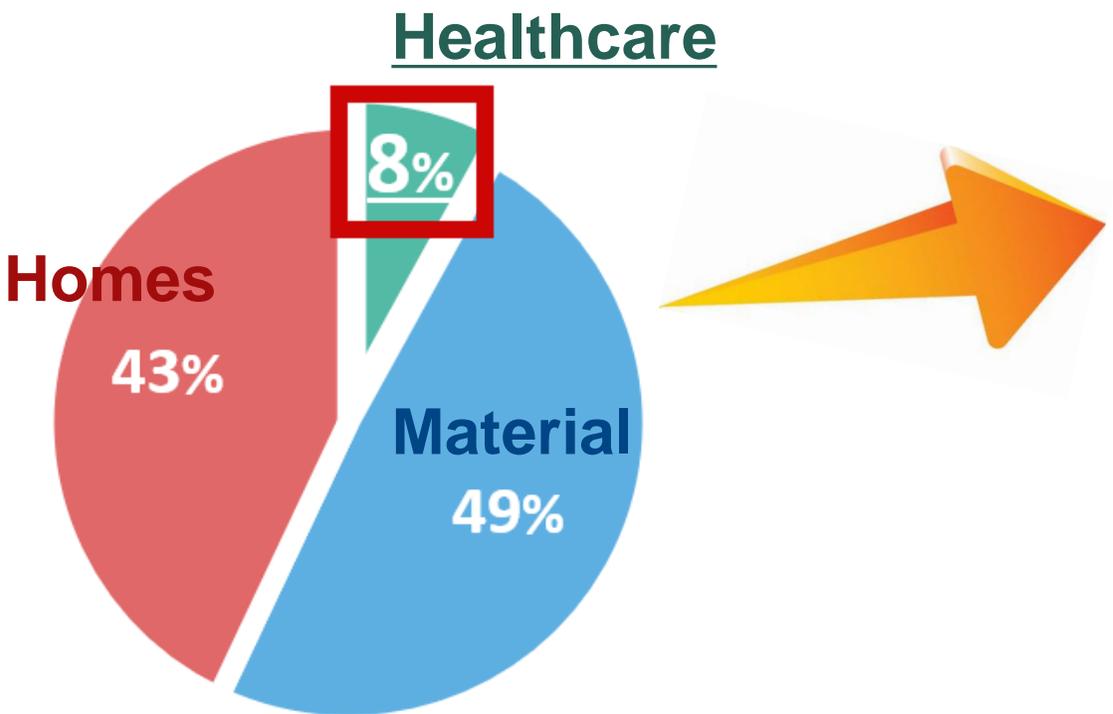
Total: ¥2,359.0 billion*

*Excluding the "Others" category and intersegment eliminations.

Contribution to Asahi Kasei Operating Income

FY2011

FY2021 (forecast announced in May 2021)



Total: ¥110.9 billion*

Total: ¥222.0 billion*

*Excluding the "Others" category and corporate expenses and eliminations.

Contents

1. Introduction of Healthcare Sector
2. Progress to Date
- »» **3. Growth Trajectory**
4. Business Strategy
5. Closing

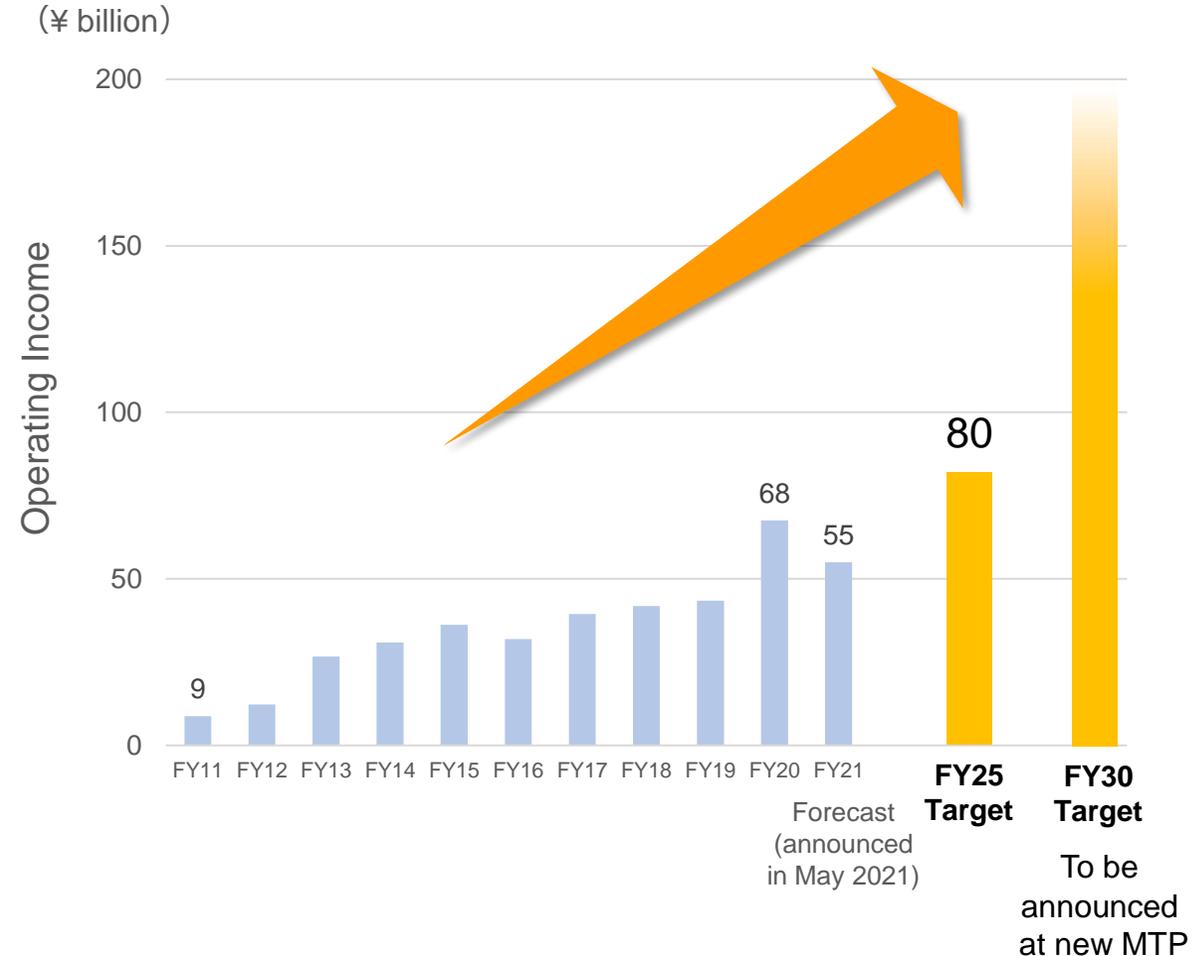
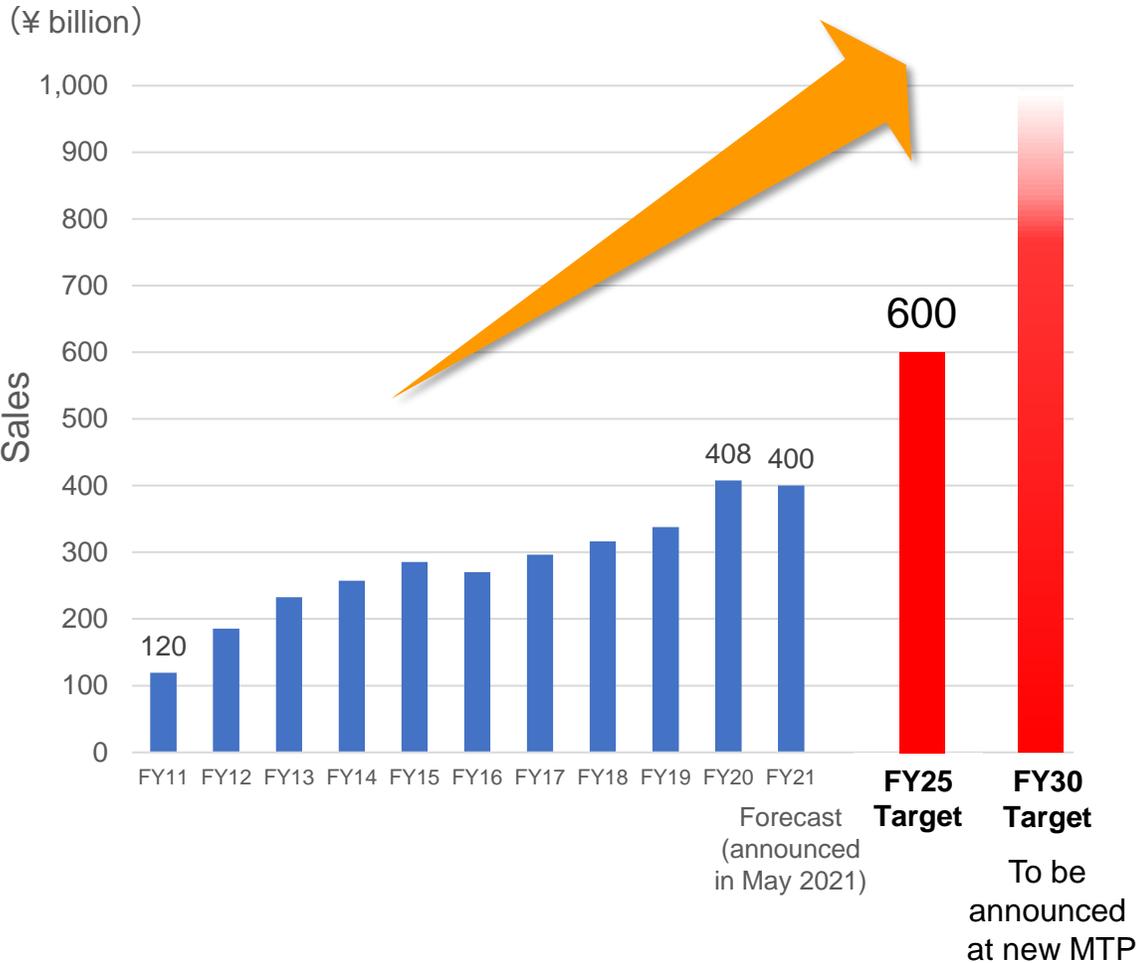
Policies for Healthcare toward FY2025

Healthcare to become the third major pillar and growth driver of Asahi Kasei

- ✓ **Accelerate transformation into a Global Healthcare Company**
- ✓ **Operate both pharmaceutical and medical device businesses**
- ✓ **Target sales of ¥600 billion and operating income of ¥80 billion in FY2025**
- ✓ **Leverage M&A opportunities in addition to organic growth**

Aggressive Expansion Expectation

▶ Targeted Operating Income margin 20%

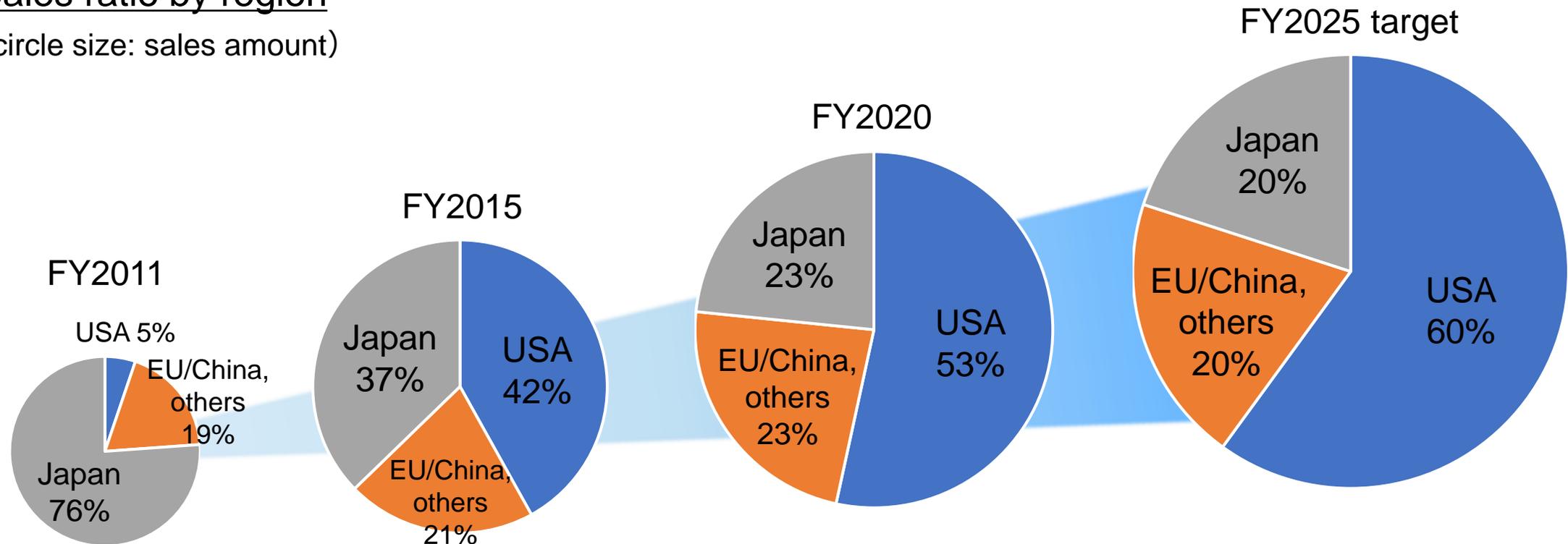


Regional Strategy

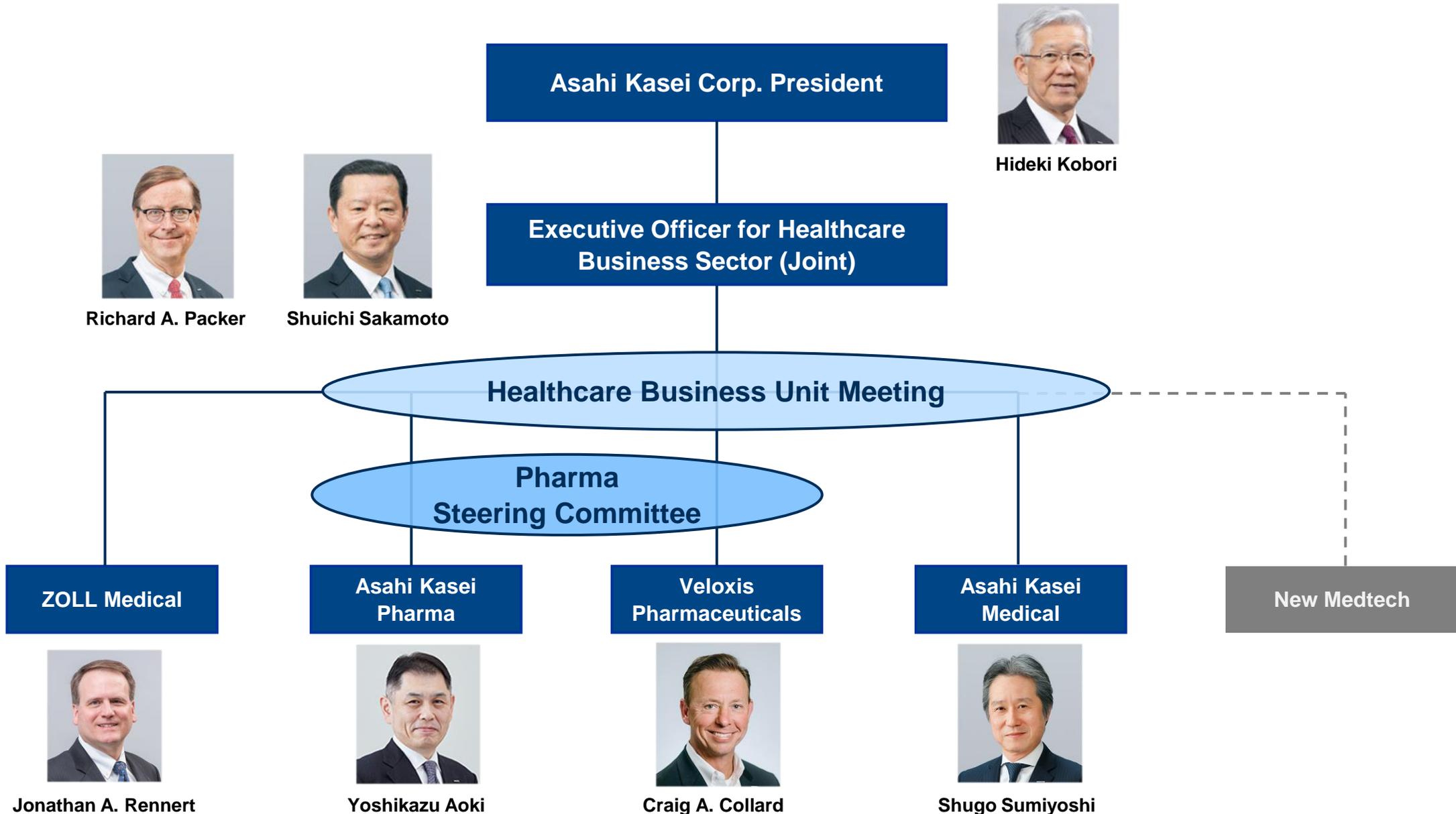
- ▶ USA : Pursue growth opportunities in the biggest and high growth market
- ▶ Japan : Strengthen business for generating sustainable and stable profit
- ▶ EU/China : Establish business platform for further expansion

Sales ratio by region

(circle size: sales amount)



Healthcare Sector Governance



Contents

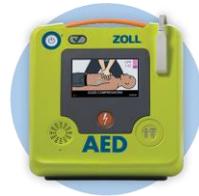
1. Introduction of Healthcare Sector
2. Progress to Date
3. Growth Trajectory
- »» **4. Business Strategy**
5. Closing

ZOLL Business Strategy

- ▶ **Focus on serious cardiopulmonary conditions**
- ▶ **Growth plans are supported by:**
 - ▶ Portfolio of best-in-class technologies for critical cardiopulmonary care
 - ▶ Expansion into adjacent markets



PROTECTION &
PATIENT MANAGEMENT



DEFIBRILLATION
& CARDIAC
MONITORING



ACUTE
CRITICAL CARE



DATA
MANAGEMENT



VENTILATION



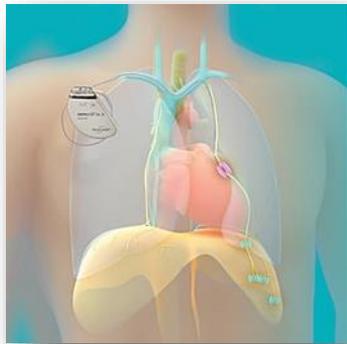
SLEEP APNEA

Improving Outcomes for Underserved Patients Suffering from Serious Cardiopulmonary Conditions

Research shows complex interrelationships between **cardiovascular disease** and **sleep apnea**

An estimated 60% of cardiovascular patients suffer from some form of sleep apnea.

The majority of these patients go undiagnosed.¹



ZOLL Respicardia
Acquired April 2021

Provider of novel implantable neurostimulators for the treatment of moderate to severe Central Sleep Apnea (CSA)



Itamar Medical
Agreement to acquire announced September 2021

Medical device and digital health company focused on the integration of sleep apnea diagnosis into the cardiac patient care pathway

¹ <https://www.ahajournals.org/doi/10.1161/CIRCULATIONAHA.117.029400>

Transformation into Global Specialty Pharma

▶ Aim to achieve sales goals of ¥150 billion for FY2025 and ¥200 billion for FY2030 as a global specialty pharma

Core disease areas	Products
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Asahi Kasei Pharma

Orthopedics		<ul style="list-style-type: none"> • Teribone • Reclast
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Critical care / hospital based		<ul style="list-style-type: none"> • Recomodulin
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Immunology		<ul style="list-style-type: none"> • Kevzara • Plaquenil • Bredinin
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Veloxis Pharmaceuticals

Transplantation		<ul style="list-style-type: none"> • Envarsus XR • VEL-101 (formerly FR104)
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Global pharma targets

1. Disease areas adjacent to immunology/transplantation, specialty

Infection*	Immunology/ Transplantation	Renal diseases
		

* Invasive/severe infection (e.g. deep mycosis)

2. Hospital based



Note: Orthopedics continues to be a core disease area in Japan.

Cooperation Enhancement within Pharma Domain

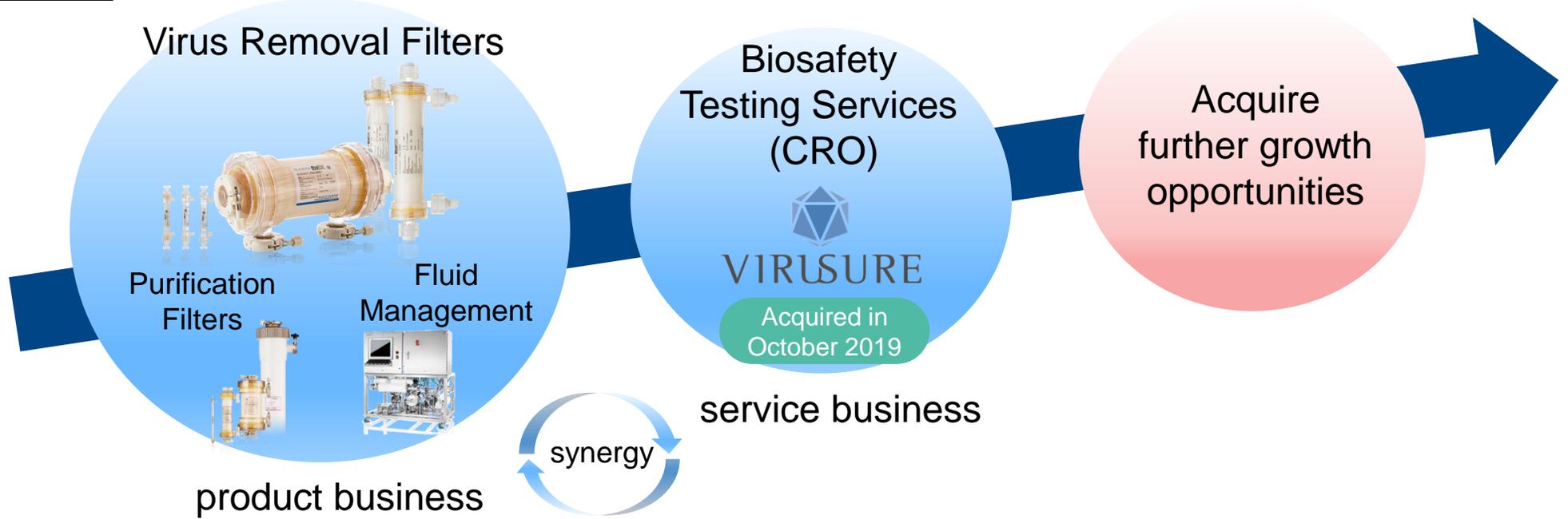
- ▶ Combining the best knowledge of each organization in business / clinical development

Functions	Japan	USA	
	Asahi Kasei Pharma	Veloxis Pharmaceuticals	
Business Development	✓	✓	• Grasp medical needs and access to cutting-edge innovation in USA
R&D	✓		• Promote open innovation drug discovery at Asahi Kasei Pharma research center
Clinical Development	✓ Japan	✓ Global	• Consolidate global clinical trial bases to USA and enhance its function
Sales & Marketing	✓ Asia	✓ USA/EU	• Leverage existing business capabilities and conduct sales and marketing activities in each territory

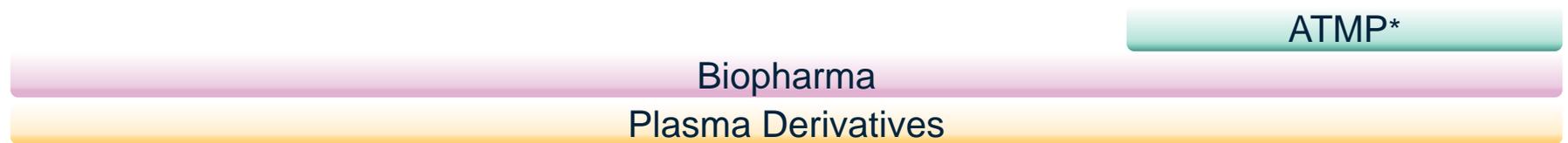
Expansion of Bioprocess Business Base

- ▶ Expand current business focusing on pioneering biologics safety and manufacturing efficiencies
- ▶ Added CRO business to the business portfolio through the acquisition of Virusure

Business Portfolios



Target market



* Advanced Therapy Medical Products (gene therapy, cell therapy, regenerative medicine, next-gen vaccine, etc.)

Firm Business Platform in Japan

Pharmaceuticals

Achieve sustainable growth as a specialty pharma for orthopedics, critical care medicine and immunology:

- **Maximize sales and profits by utilizing existing products as key drivers**
- **Expand drug pipeline for Japan market through in-licensing**
Marketing of Plaquenil in Japan by Asahi Kasei Pharma started in 2H 2021
- **Dramatically improve profitability and efficiency through DX**
 - Omni-channel retailing being implemented to connect newly developed owned website for healthcare professionals and other promotional activities
 - AI based compound design for drug discovery
 - Establish “Smart” factories with high efficiency utilizing DX

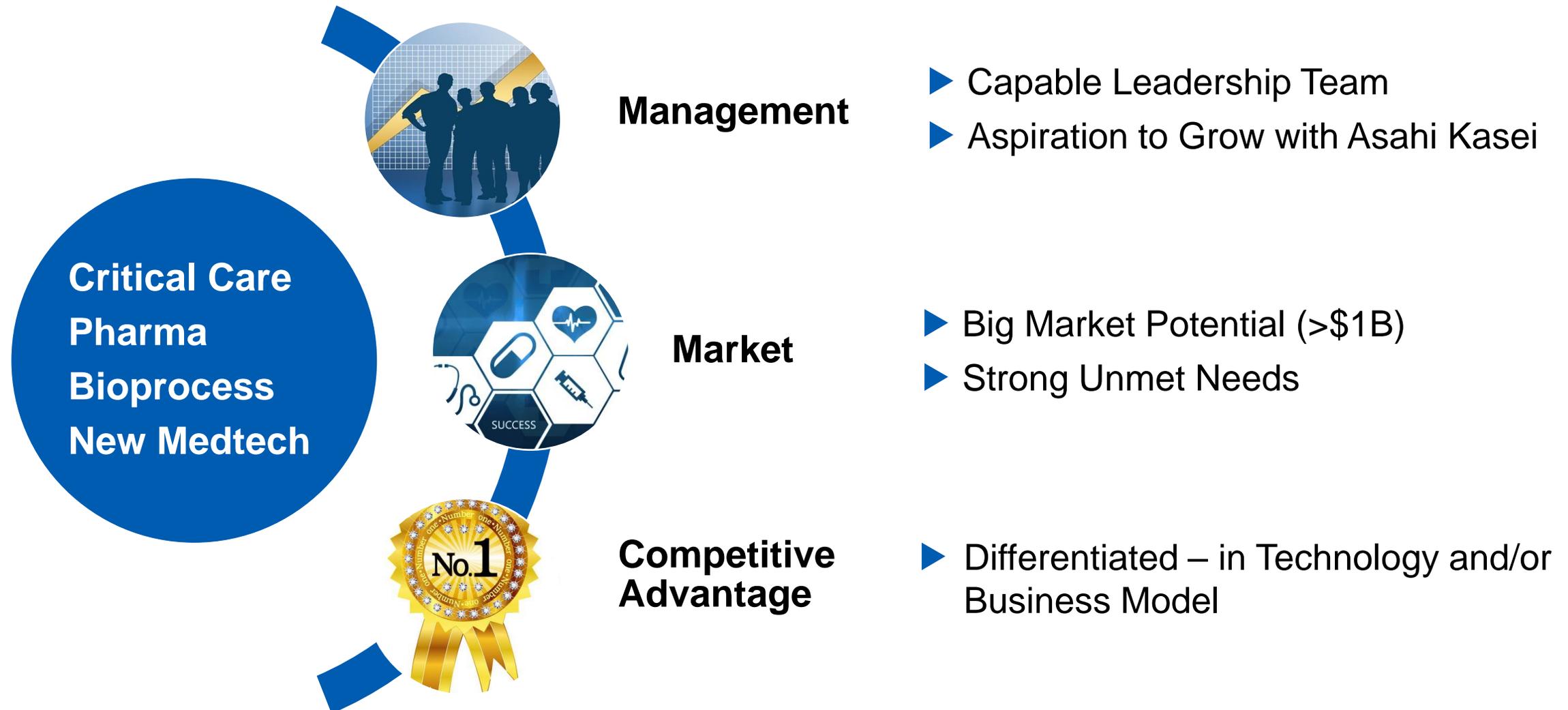
Blood Purification

Maintain the hemodialysis business, and invest in the therapeutic apheresis business as a leading company:

- **Continue stable product supply as a major dialyzer supplier**
Reliable supply chain with wide market coverage (>80% of domestic clinics)
- **Create clinical opportunities leveraging the No.1 market position of therapeutic apheresis systems in Japan**
Development of the differentiating systems, ACH-Σ and PL-μ
- **Expand unique therapeutic apheresis product line and its clinical indications**
Continuous contribution to the treatment of intractable/chronic diseases

Business Development Policy

M&A; Equity; Debt with Option; In-Licensing, etc.



Acceleration of Business Development

- 
- ▶ Preparation in progress for the relocation of Healthcare headquarters functions to the US in the near future
 - ✓ Put ourselves in the location with the largest market where innovation and growth happens
 - ▶ Concentrate business development resources of Healthcare in the US
 - ✓ Share each business development staff's network of connections within the team and maximize its effects
 - ▶ Proactively utilize small investments and CVC, as well as M&A

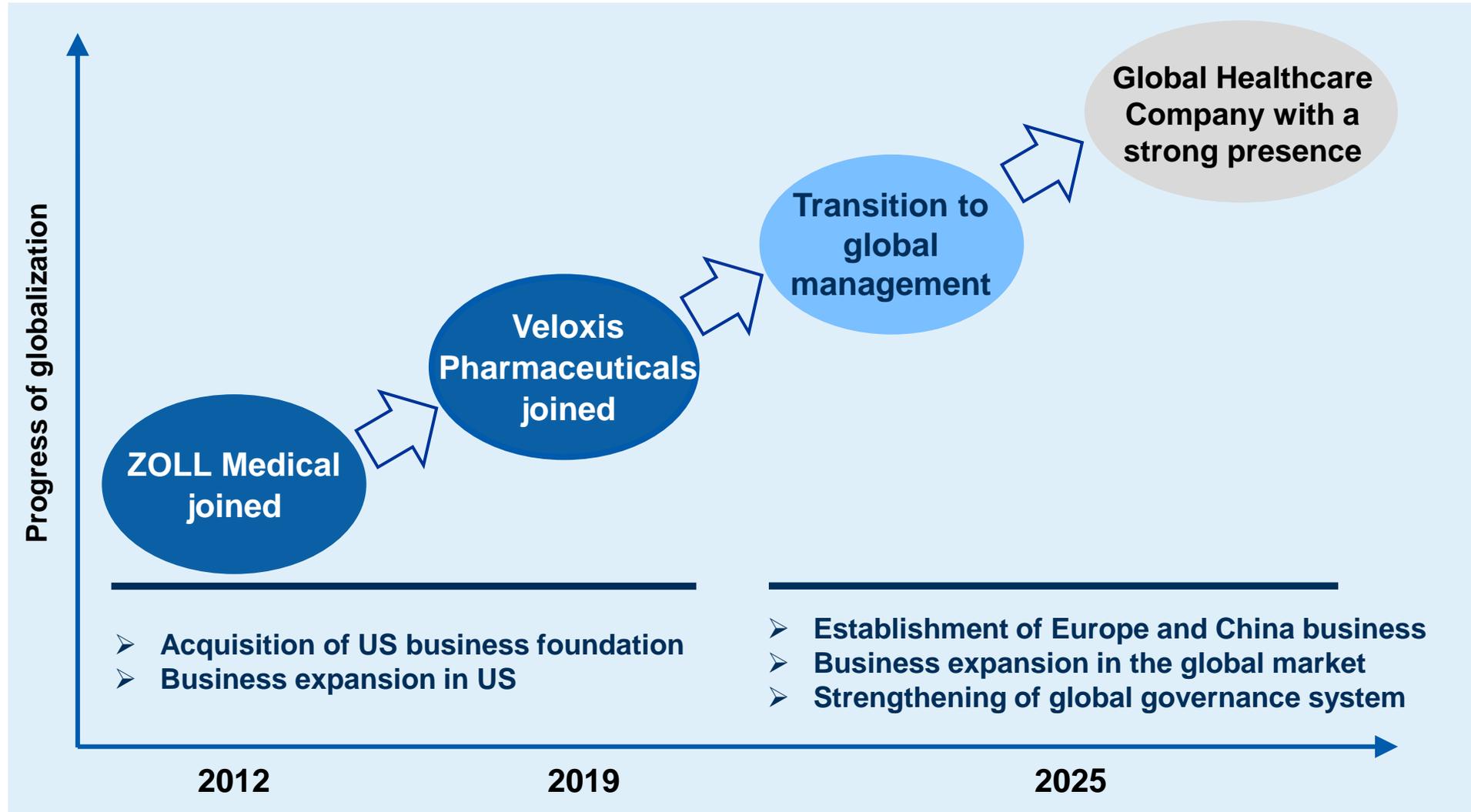
Contents

1. Introduction of Healthcare Sector
2. Progress to Date
3. Growth Trajectory
4. Business Strategy

»»» 5. Closing

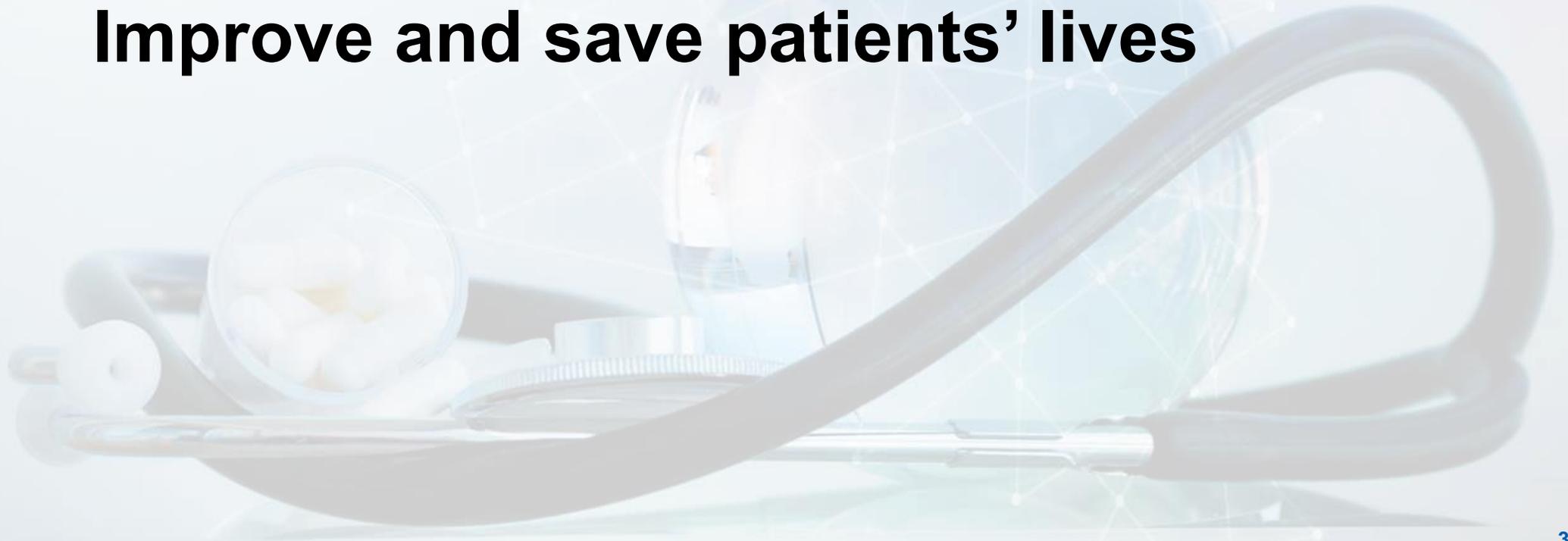
Toward Global Healthcare Company

- ▶ Accelerate transformation into a Global Healthcare Company with wide variety of growth drivers



Healthcare Sector Mission

Improve and save patients' lives



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.”

