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Fiscal 2023 Financial Results – Supplementary Financial Summary –

May 9, 2024

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 FY 2023 results and FY 2024 forecast

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FY 2023 results	• **Year-on-year operating income increase in all segments;** firm growth in Homes, with Critical Care in Health Care also driving improved results • Operating income exceeding the previous forecast (Feb. 2024) in all segments, especially Material; gain from tax effect of transfer of shares between consolidated subsidiaries in the U.S., but net income below forecast with impairment loss on certain assets in Basic Materials, etc.
FY 2024 forecast and policy	• **Year-on-year operating income increase forecasted in all segments;** improved performance in Material with gradual recovery of automotive, electronics, and semiconductor markets, and firm growth in Homes and Health Care expected • Uncertain operating environment outlook continuing with risks related to various government and central bank policies, the Chinese economy, and geopolitical factors; ongoing efforts to enhance earnings structure by appropriate pricing based on feedstock costs, and reduction of manufacturing costs and SG&A expenses • Accelerating studies on structural transformation of petrochemical chain-related businesses centered on Basic Materials and advancing investment in growth businesses with more exacting scrutiny on profitability while reaping the fruits of past investments
Shareholder returns	• Full-year dividend of ¥36 per share for FY 2023 (no change from the previous forecast) • FY 2024 dividend forecast unchanged at ¥36 per share based on shareholder returns policy (payout ratio of 49.9%)
Progress of MTP	• Decision to build integrated plant in Canada for Hipore wet-process lithium-ion battery separator base film manufacturing and coating • Start of joint feasibility study among three chemical companies on carbon neutrality of ethylene production facilities in western Japan

Equity in losses of affiliates and impairment loss related to Material

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Recording of impairment loss on certain assets in Basic Materials, etc. against backdrop of significantly worsened operating environment

Backdrop of equity in losses of affiliates and impairment loss

- FY 2022 worsening of earnings of petrochemical chain-related businesses centered on Basic Materials against backdrop of significantly worsened operating environment with demand slowdown centered on the Chinese market and lower market prices due to increased production capacity of ethylene, etc.
- Worsening of earnings continuing in FY 2023; impairment loss recorded as severe operating climate expected to continue
- Among the relevant businesses, some have positive consolidated operating income, but impairment loss recorded as result of impairment testing centered on domestic assets

Accelerating studies for structural transformation of petrochemical chain-related businesses centered on Basic Materials

	Relevant assets	Relevant business	Amount of loss (¥ billion)
Equity in losses of affiliates	Equity in PTT Asahi Chemical	AN, MMA	41.7
Impairment loss	Equipment related to asset group for general-purpose petrochemicals and resins	AN, basic chemicals, MMA, etc.	58.4
	Equipment for manufacturing regenerated fiber	Cupro (Bemberg)	12.2
	Goodwill etc. related to gas sensor business	Gas sensors	4.0
	Other equipment for manufacturing, etc.	Fibers, resins, etc.	16.0

Main relevant subsegments

- Environmental Solutions (Basic Materials)
- Mobility & Industrial
- Life Innovation

1. Consolidated results for FY 2023

Financial results for FY 2023 (consolidated, year-on-year)

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- Consolidated net sales increased year-on-year with firm sales in Homes and Health Care, although Material had slower demand in China and lower market prices than expected
- Operating income increased year-on-year in all segments; firm growth in Homes, with Critical Care in Health Care also driving improved results; operating income exceeding the previous forecast (Feb. 2024) in all segments, especially Material
- Net income attributable to owners of the parent improved significantly from previous year when impairment loss was recorded on Polypore (further details on following page)

		FY 2022[1]	FY 2023	Increase (decrease)	% change	FY 2023 forecast in Feb.	% change
Net sales	(¥ billion)	2,726.5	2,784.9	58.4	+2.1%	2,775.0	+0.4%
Operating income	(¥ billion)	127.7	140.7	13.0	+10.2%	130.0	+8.3%
Operating margin		4.7%	5.1%			4.7%	
Operating income before goodwill amortization	(¥ billion)	165.0	170.3	5.4	+3.2%		
EBITDA	(¥ billion)	305.0	322.9	17.9	+5.9%		
EBITDA margin		11.2%	11.6%				
Net income attributable to owners of the parent	(¥ billion)	(91.9)	43.8	135.8	—	80.0	-45.2%
EPS	(¥)	(66.30)	31.60	97.90	—	57.71	-45.2%
EPS before goodwill amortization	(¥)	(39.42)	52.96	92.38	—		
¥/US$ exchange rate (market average)		135	145			144	
¥/€ exchange rate (market average)		141	157			156	
Naphtha price (¥/kL, domestic)		76,700	69,200			68,750	
Dividends per share (¥)		36	36			36	

[1] Figures for fiscal 2022 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

Change in net income attributable to owners of the parent from previous forecast

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Gain from tax effect of transfer of shares between two consolidated subsidiaries in the U.S., but net income attributable to owners of the parent below previous forecast due to impairment loss on certain assets in Basic Materials, etc.

(¥ billion)

February 2024 forecast for net income attributable to owners of the parent

Operating income above forecast

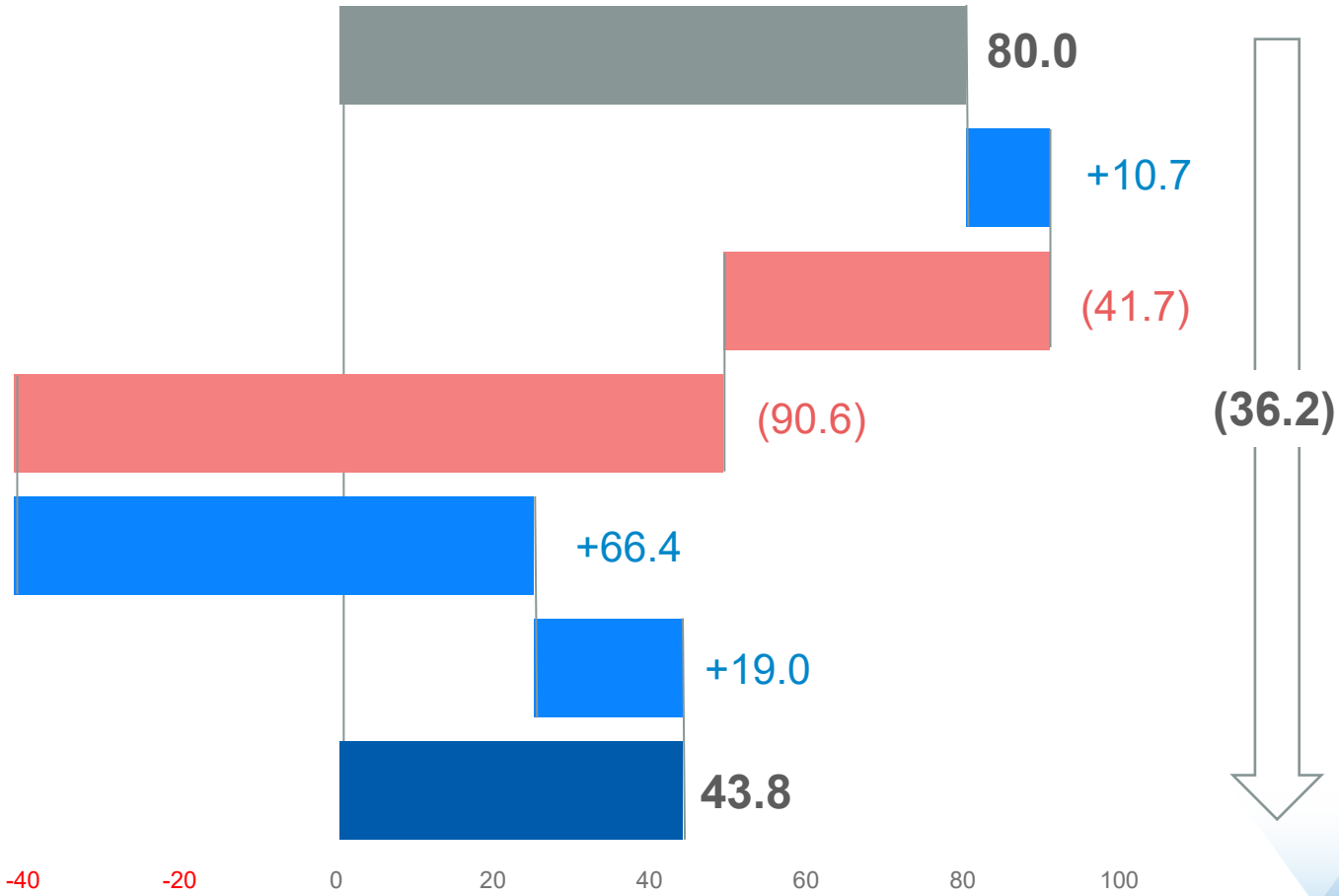
Equity in losses of affiliates due to impairment loss on PPT Asahi Chemical on the consolidated financial statements

Impairment loss on certain assets in Basic Materials, etc.

Gain on income taxes due to transfer of shares between two consolidated subsidiaries in the U.S.

Variation in other under non-operating income/expenses, extraordinary income/loss, income taxes, etc.

Result for net income attributable to owners of the parent



FY 2023 results by segment (year-on-year)

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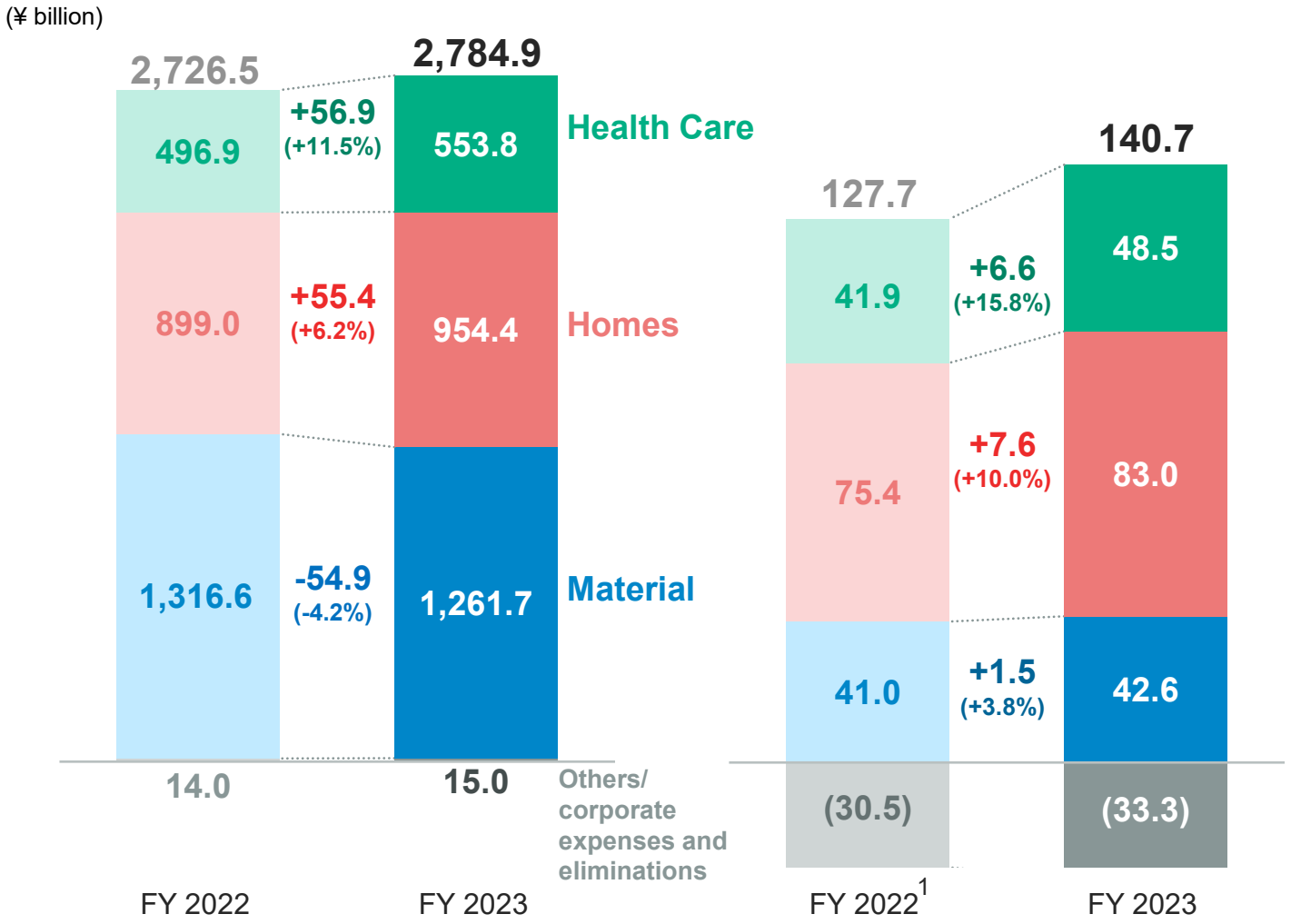
Sales (YoY)

+¥58.4 billion (+2.1%)

Operating income (YoY)

+¥13.0 billion (+10.2%)



Health Care — Sales and operating income increase

- **Health Care business category -¥4.0 billion;** Decreased income with nonrecurrence of previous year's lump sum licensing income, and negative impact of Bionova consolidation
- **Critical Care +¥10.6 billion;** Increased income with improved reimbursement conditions for LifeVest, higher sales price of defibrillators, and increased shipments of AEDs due to improvement of difficulty in parts procurement

Homes — Sales and operating income increase

- **Homes business category +¥5.6 billion;** Lower volume of work in order-built homes, but income increased with expansion of real estate and overseas business
- **Construction Materials +¥2.0 billion;** Increased income with progress in passing on increased costs

Material — Sales decrease, but operating income increase

- **Environmental Solutions +¥4.1 billion;** Although Basic Materials had decreased shipments with a slowdown in demand and an impact from inventory valuation due to lower market prices, income increased due to lower amortization of goodwill and other intangible assets as an effect of the impairment loss on Polypore in the previous year
- **Mobility & Industrial +¥2.2 billion;** Increased income with firm sales of car interior material and improved terms of trade

[1] Figures for fiscal 2022 are retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022.

FY 2023 results by segment (vs. forecast in Feb.)

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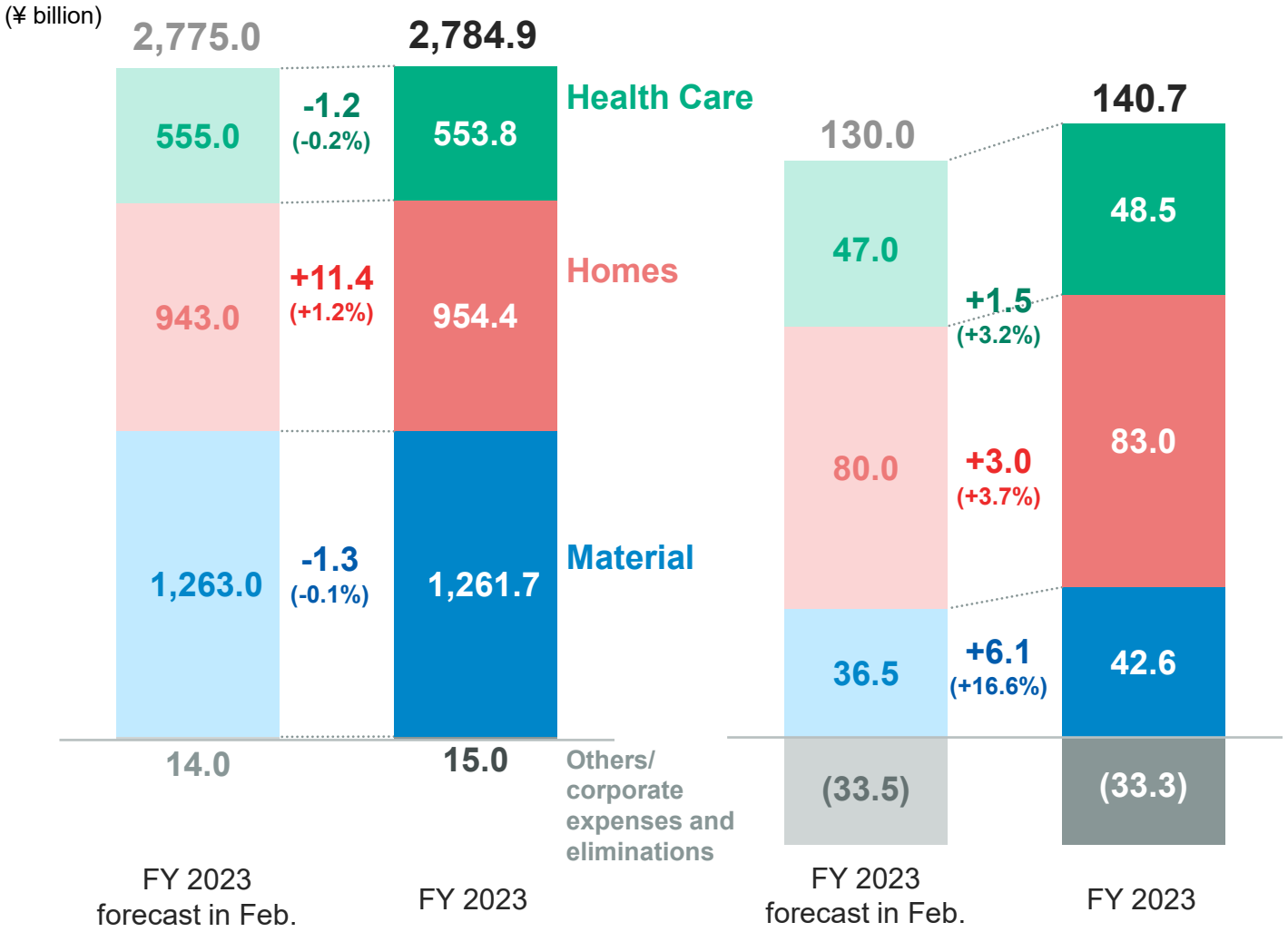
Sales (vs. forecast in Feb.)

+¥9.9 billion (+0.4%)

Operating income (vs. forecast in Feb.)

+¥10.7 billion (+8.3%)



Health Care

Sales as expected, operating income above forecast

- **Health Care business category +¥1.0 billion;**
  Income exceeded forecast with lower than expected SG&A expenses in Pharmaceuticals

Homes

Sales and operating income above forecast

- **Homes business category +¥3.5 billion;**
  Income exceeded forecast with firm performance and reduced fixed costs in order-built homes and real estate operations

Material

Sales as expected, operating income above forecast

- **Environmental Solutions +¥8.0 billion;**
  Income exceeded forecast with improved terms of trade and reduced fixed costs in Basic Materials and greater than expected shipments in separators

Changes in quarterly operating income

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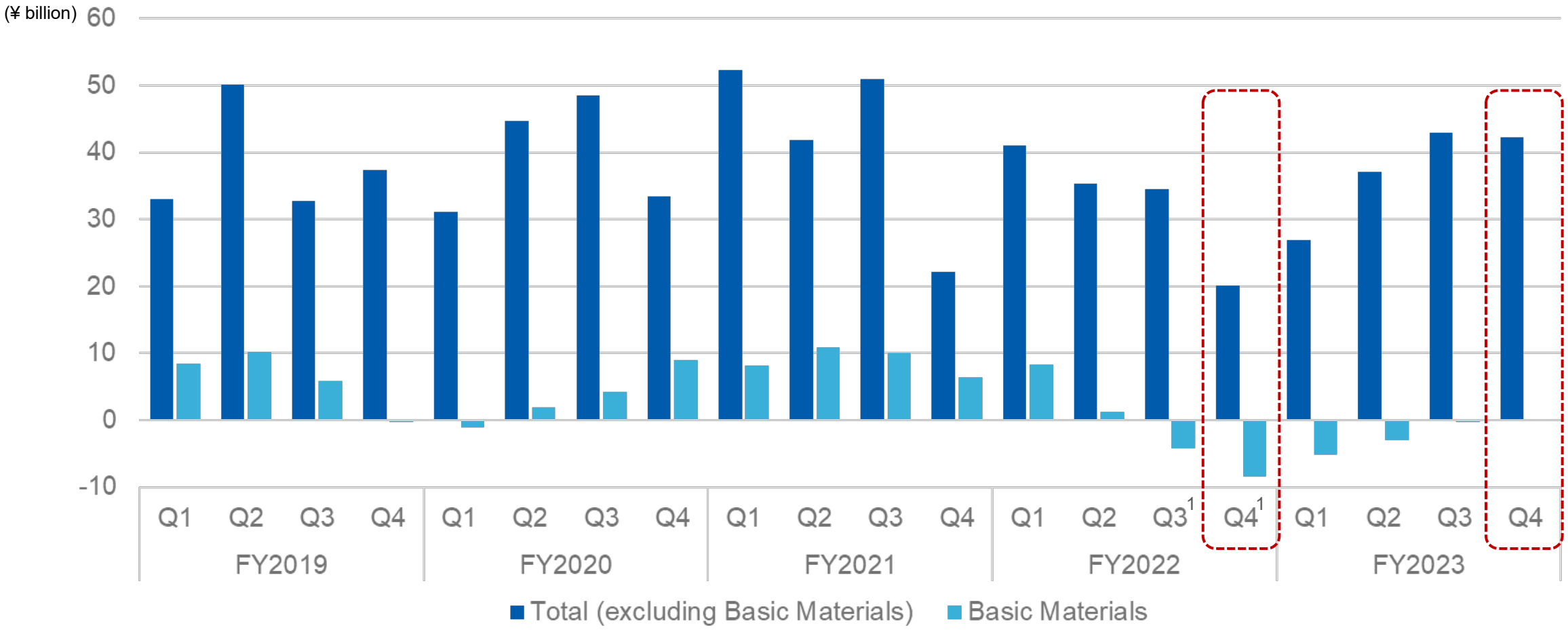
Q4 operating income significantly higher than a year ago and the highest for the past five years



[1] Figures for fiscal 2022 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

Statements of income

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Year-on-year variations	
SG&A	Increased value of overseas expenses due to weaker yen, impact of new consolidations, etc.
Non-operating income/expenses	Equity in losses of affiliates due to impairment loss on PTT Asahi Chemical on the consolidated financial statements, etc.
Extraordinary income/loss	Impairment loss recorded on certain assets in Basic Materials, etc., but improvement from previous year when impairment loss was recorded on Polypore

(¥ billion)

	FY 2022[1]		FY 2023		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	2,726.5	100.0%	2,784.9	100.0%	58.4	+2.1%
Cost of sales	1,952.7	71.6%	1,968.9	70.7%	16.2	+0.8%
Gross profit	773.8	28.4%	816.0	29.3%	42.2	+5.5%
Selling, general and administrative expenses	646.1	23.7%	675.2	24.2%	29.2	+4.5%
Operating income	127.7	4.7%	140.7	5.1%	13.0	+10.2%
Net non-operating income (expenses)	(6.8)		(50.6)		(43.8)	
of which, net equity in earnings (losses) of affiliates	0.9		(38.1)		(39.0)	
Ordinary income	120.9	4.4%	90.1	3.2%	(30.8)	-25.5%
Net extraordinary income (loss)	(183.4)		(61.3)		122.2	
Income before income taxes	(62.5)	-	28.8	1.0%	91.4	-
Income taxes	(27.5)		17.5		44.9	
Net income attributable to non-controlling interests	(1.9)		(2.5)		(0.6)	
Net income attributable to owners of the parent	(91.9)	-	43.8	1.6%	135.8	-

[1] Figures for fiscal 2022 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

Extraordinary income and loss

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Impairment loss recorded on certain assets in Basic Materials, etc., but improvement from previous year when impairment loss was recorded on Polypore

(¥ billion)

	FY 2022	FY 2023	Increase (decrease)
Gain on sales of investment securities	32.2	27.1	(5.1)
Gain on sales of noncurrent assets	0.7	0.5	(0.2)
Insurance income	8.8	15.3	6.5
Gain on business transfer	–	3.0	3.0
Settlement income	–	6.2	6.2
Total extraordinary income	41.7	52.1	10.4
Loss on valuation of investment securities	2.8	1.8	(1.0)
Loss on disposal of noncurrent assets	12.5	8.0	(4.5)
Impairment loss	189.4	92.8	(96.6)
Loss on fire at plant facilities	7.1	–	(7.1)
Business structure improvement expenses	13.3	10.7	(2.6)
Total extraordinary loss	225.2	113.4	(111.8)
Net extraordinary income (loss)	(183.4)	(61.3)	122.2

Balance sheets

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Total assets	Increased cash and deposits due to firm performance of overseas subsidiaries in addition to increased yen value of assets of overseas subsidiaries due to weaker yen
Liabilities	Increased yen value of liabilities of overseas subsidiaries due to weaker yen
Net assets	Increased accumulated other comprehensive income due to weaker yen

(¥ billion)

	At end of Mar. 2023	At end of Mar. 2024	Increase (decrease)
Current assets	1,488.2	1,650.0	161.8
Cash and deposits	251.2	338.1	86.9
Notes, accounts receivable–trade, and contract assets	442.7	485.9	43.2
Inventories	642.6	678.8	36.3
Other current assets	151.8	147.2	(4.6)
Noncurrent assets	1,965.7	2,012.7	47.0
Property, plant and equipment	871.7	853.3	(18.4)
Intangible assets[1]	736.2	754.7	18.6
Investments and other assets	357.8	404.7	46.8
Total assets	3,453.9	3,662.7	208.8

	At end of Mar. 2023	At end of Mar. 2024	Increase (decrease)
Liabilities	1,758.5	1,814.1	55.6
Current liabilities	912.2	914.6	2.4
Notes and accounts payable–trade	180.6	213.3	32.7
Other current liabilities	731.6	701.3	(30.3)
Noncurrent liabilities	846.4	899.5	53.2
Net assets	1,695.4	1,848.6	153.2
Shareholders' equity	1,317.5	1,311.9	(5.6)
Capital stock	103.4	103.4	–
Capital surplus	79.8	80.3	0.4
Retained earnings[1]	1,141.7	1,135.5	(6.2)
Treasury stock	(7.4)	(7.3)	0.1
Accumulated other comprehensive income	342.8	501.5	158.7
Non-controlling interests	35.1	35.2	0.1
Total liabilities and net assets	3,453.9	3,662.7	208.8

Goodwill[1]	348.6	360.7	12.1
Interest-bearing debt[2]	939.5	917.0	(22.4)
D/E ratio	0.57	0.51	(0.06)

[1] Figures at the end of March 2023 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022
[2] Excluding lease obligations

Cash flows

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Operating	Greater cash provided with reduced demand for working capital due to efforts to curtail inventories, etc. and decreased income tax payment, in addition to increased income before income taxes
Investing	Less cash used compared to previous year with impact of Bionova and Focus acquisition
Financing	Flow turned negative with repayment of borrowings

(¥ billion)

	FY 2022	FY 2023	Increase (decrease)
a. Net cash provided by (used in) operating activities	90.8	295.3	204.5
b. Net cash provided by (used in) investing activities	(213.6)	(142.6)	71.0
Outlays for capital expenditure	(172.2)	(172.0)	0.2
Outlays for M&A	(78.4)	—	78.4
Others	37.0	29.4	(7.6)
c. Free cash flows [a+b]	(122.8)	152.7	275.5
d. Net cash provided by (used in) financing activities	111.8	(94.3)	(206.1)
e. Others	15.7	29.7	13.9
Net increase (decrease) in cash and cash equivalents [c+d+e]	4.7	88.0	83.3
Free cash flows after cash dividends paid	(171.4)	102.7	274.1

2. Forecast for FY 2024

FY 2024 forecast (consolidated, year-on-year)

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Increased net sales and operating income in all segments; improved results in Material with gradual recovery of automotive, electronics, and semiconductor markets, firm growth in Homes and Health Care

Net income attributable to owners of the parent improving from previous year when impairment loss was recorded on certain assets in Basic Materials, etc.

		H1	H2	FY 2023	H1 forecast	H2 forecast	FY 2024 forecast	Increase (decrease)	% change
Net sales	(¥ billion)	1,345.9	1,439.0	2,784.9	1,428.0	1,484.0	2,912.0	127.1	+4.6%
Operating income	(¥ billion)	55.9	84.9	140.7	80.0	100.0	180.0	39.3	+27.9%
Operating margin		4.2%	5.9%	5.1%	5.6%	6.7%	6.2%		
Operating income before goodwill amortization		70.3	100.0	170.3	94.3	114.3	208.7	38.3	+22.5%
EBITDA	(¥ billion)	144.7	178.3	322.9	161.5	184.5	346.0	23.1	+7.1%
EBITDA margin		10.7%	12.4%	11.6%	11.3%	12.4%	11.9%		
Net income attributable to owners of the parent	(¥ billion)	30.8	13.0	43.8	40.0	60.0	100.0	56.2	+128.3%
EPS	(¥)	22.25	9.35	31.60	28.86	43.28	72.14	40.54	+128.3%
EPS before goodwill amortization	(¥)	32.68	20.28	52.96	39.20	53.63	92.84	39.88	+75.3%
¥/US$ exchange rate (market average)		141	148	145	145	145	145		
¥/€ exchange rate (market average)		153	160	157	155	155	155		
Naphtha price (¥/kL, domestic)		65,600	72,700	69,200	74,000	74,000	74,000		
Dividends per share (¥)		18	18	36	18 (forecast)	18 (forecast)	36 (forecast)		

FY 2024 forecast by segment (year-on-year)

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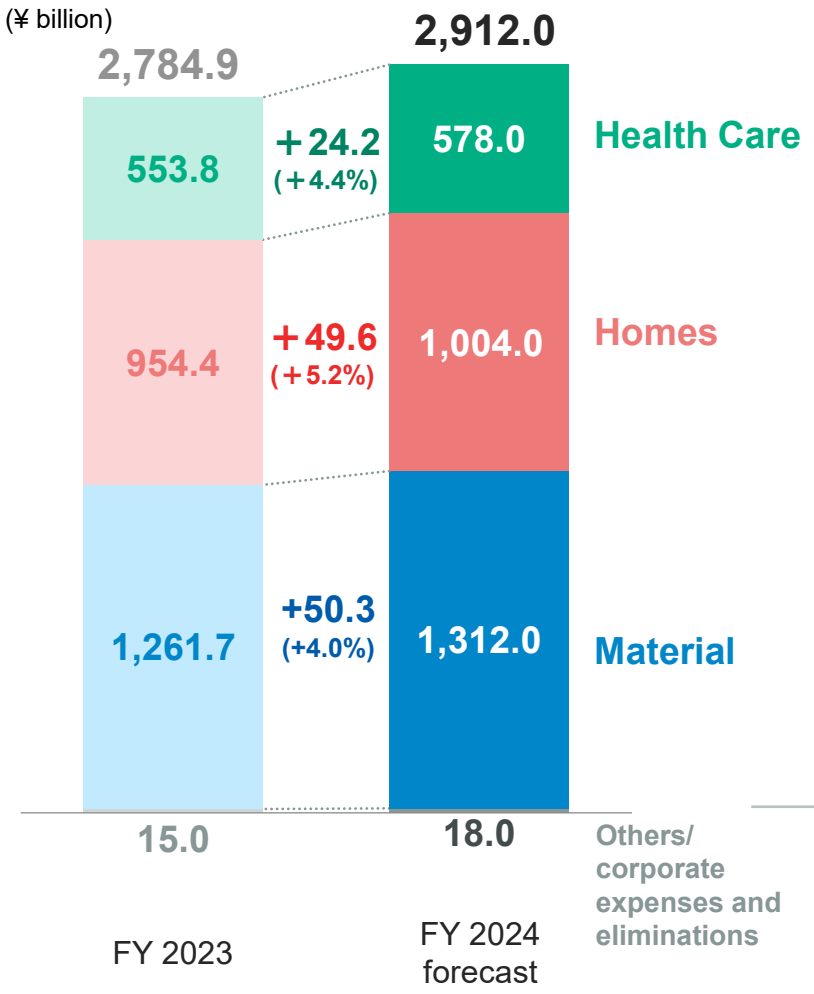
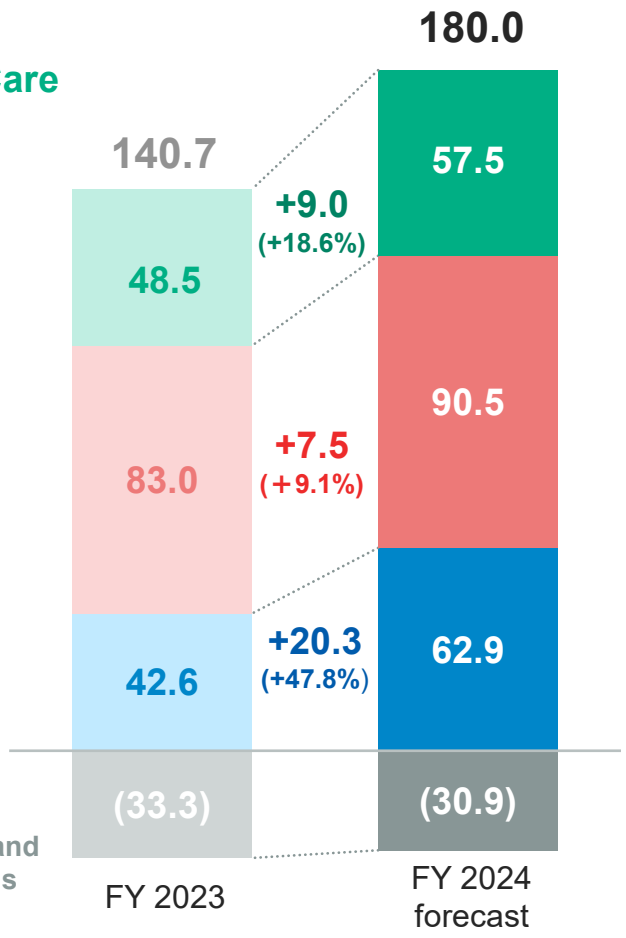
Sales (YoY)

+¥127.1 billion (+4.6%)



Operating income (YoY)

+¥39.3 billion (+27.9%)



Health Care

Sales and operating income increase

- **Health Care business category +¥1.8 billion;** Increased income with growth of mainstay products such as Envarsus XR
- **Critical Care +¥7.2 billion;** Increased income with greater shipments, higher sales prices, and elimination of impact of difficulty in parts procurement for defibrillators, and increased shipments of LifeVest

Homes

Sales and operating income increase

- **Homes business category +¥6.5 billion;** Increased income with higher average unit prices due to larger and higher value-added units, and higher operating margin due to cost reduction, in order-built homes
- **Construction Materials +¥1.1 billion;** Increased income with progress in passing on increased costs

Material

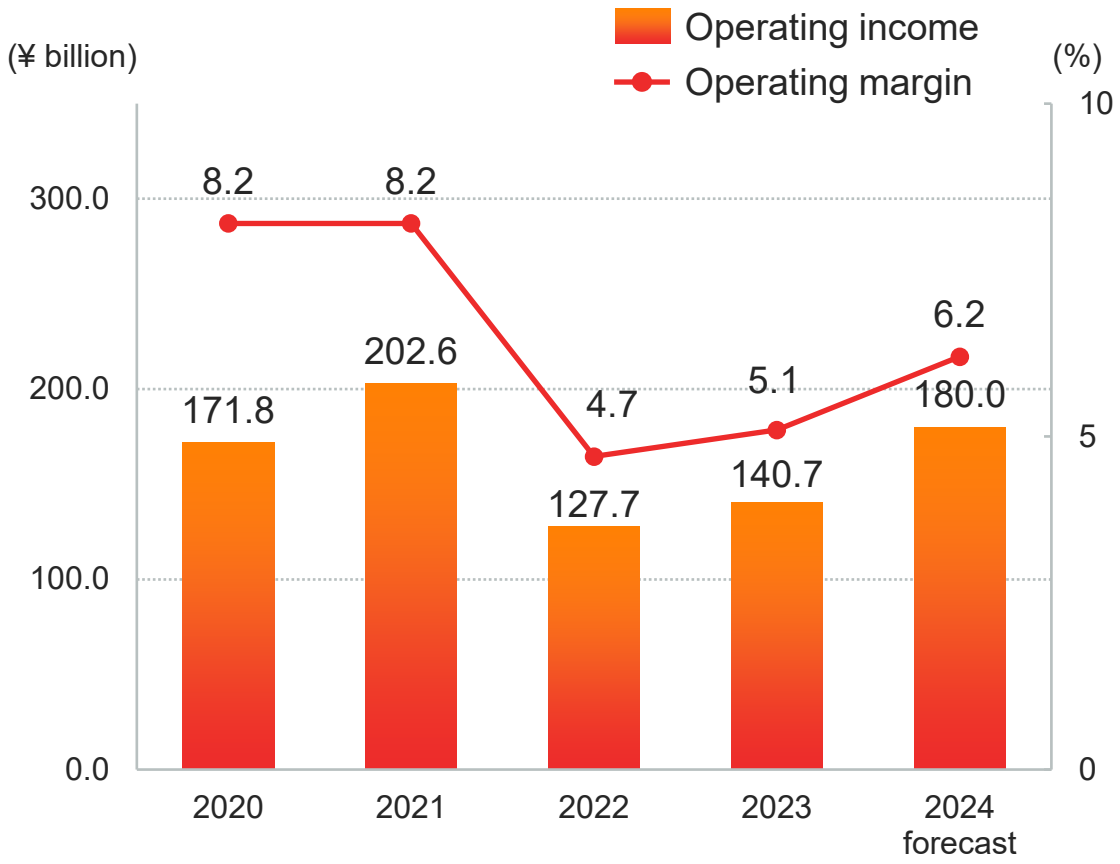
Sales and operating income increase

- **Environmental Solutions +¥9.8 billion;** Increased income with nonrecurrence of previous year's maintenance turnaround and reduced amortization due to previous year's impairment in Basic Materials
- **Mobility & industrial +¥6.7 billion;** Increased income with greater shipments of engineering plastics, improved product mix in car interior material, and improved terms of trade
- **Life innovation +¥5.4 billion;** Increased income with firm performance of products in Digital Solutions for AI servers, high-end smartphones, and automotive applications

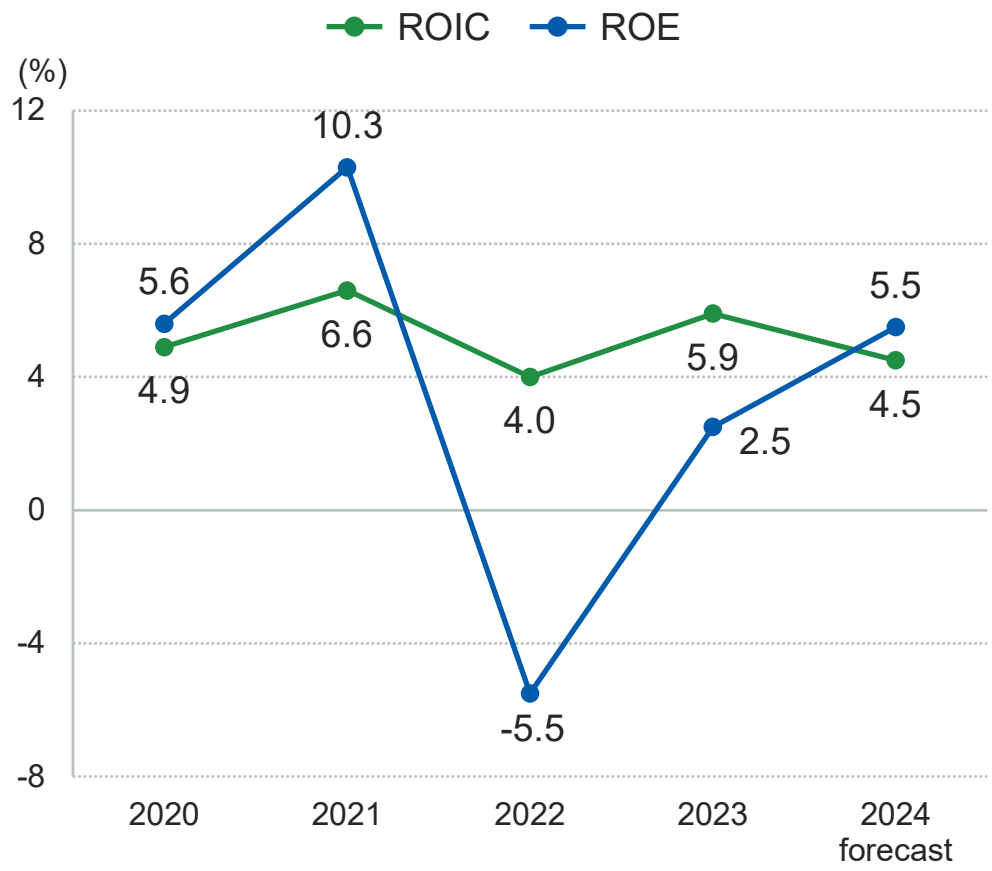
Main KPIs

ROIC and ROE in fiscal 2023 improved with gain from tax effect of transfer of shares between two consolidated subsidiaries in the U.S., but remained at low level due to sluggish performance in Material and impairment loss on certain assets in Basic Materials, etc.; ROE improvement forecasted in fiscal 2024

Operating income, operating margin



ROIC, ROE



Shareholder returns

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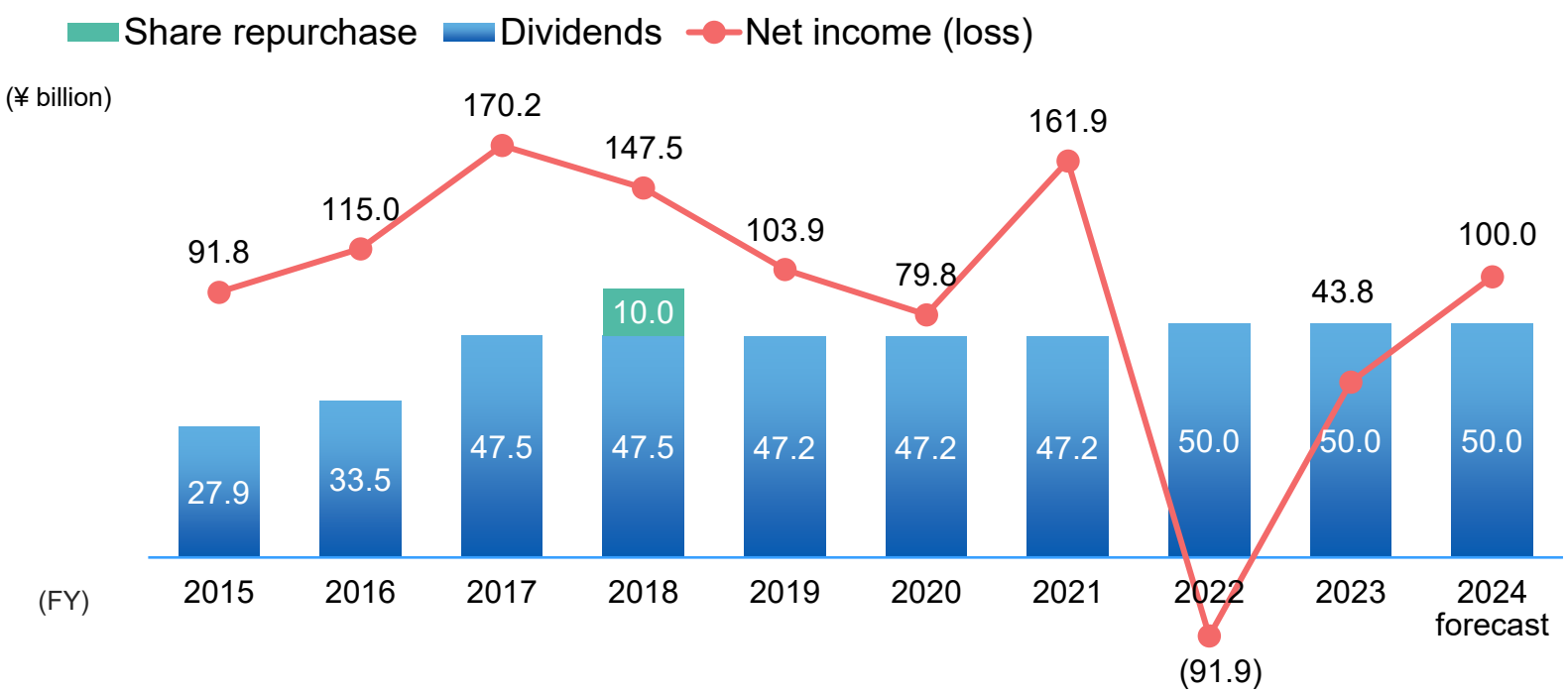
Full-year dividend of ¥36 per share for FY 2023 (no change from the previous forecast)

FY 2024 dividend forecast unchanged at ¥36 per share based on shareholder returns policy



Payout ratio	30.4%	29.1%	27.9%	32.2%	45.4%	59.1%	29.1%	–	113.9%	49.9%
Dividend per share (¥)	20	24	34	34	34	34	34	36	36	36

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 repurchases as appropriate based on comprehensive consideration of optimal debt/equity level, investment items, and share price

3. Results by segment

Sales and operating income increase/decrease

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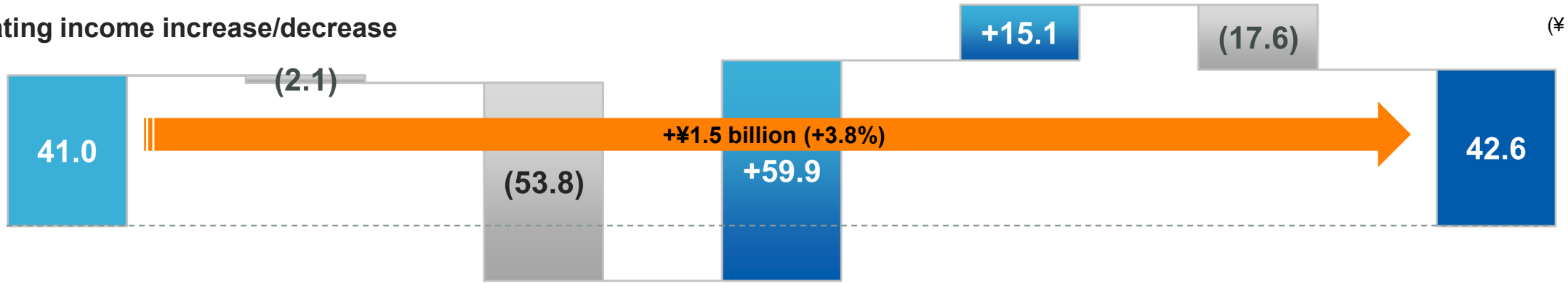
Negative impacts in sales volume and others (inventory valuation, operating rates, etc.) due to demand slowdown, but operating income increased with improved terms of trade as effects of lower feedstock costs and the weaker yen outweighed the impact of lower sales prices

Operating income increase/decrease

(¥ billion)



	Sales				Operating income								
									Increase (decrease) due to:				
	FY 2022	**FY 2023**	Increase (decrease)	% change	FY 2022	**FY 2023**	Increase (decrease)	% change	Sales Volume	Sales prices[1]	Feedstock cost[1]	Foreign exchange[2]	Others[3]
Material segment	1,316.6	**1,261.7**	(54.9)	-4.2%	41.0	**42.6**	1.5	+3.8%	(2.1)	(53.8)	59.9	15.1	(17.6)
Environmental Solutions	559.8	**495.0**	(64.9)	-11.6%	(2.3)	**1.8**	4.1	-	(5.5)	(39.9)	37.4	5.2	6.9
of which, Basic Materials	361.9	**293.5**	(68.4)	-18.9%	(3.2)	**(8.4)**	(5.1)	-					
Mobillity & Industrial	378.4	**381.7**	3.4	+0.9%	10.8	**13.0**	2.2	+20.4%	3.4	(18.8)	20.0	4.4	(6.8)
Life Innovation	377.7	**384.7**	7.0	+1.9%	27.8	**28.3**	0.5	+1.8%	0.1	4.9	(0.5)	5.5	(9.4)
of which, Digital Solutions	122.5	**128.5**	6.0	+4.9%	14.2	**12.5**	(1.7)	-11.8%					
Others in Material	0.7	**0.3**	(0.4)	-59.1%	4.6	**(0.6)**	(5.3)	-	-	-	3.1	-	(8.4)

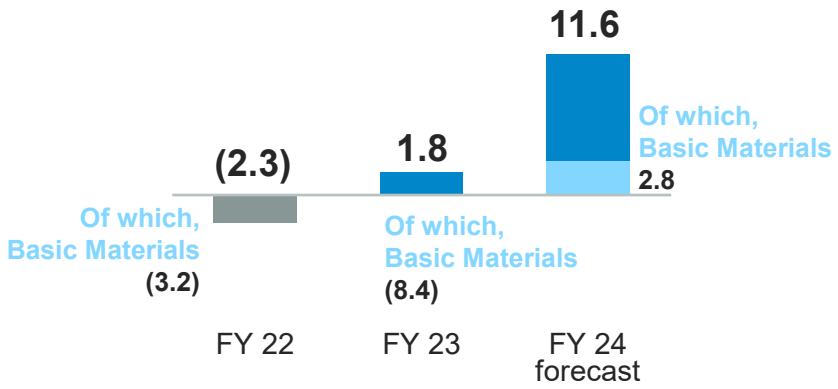
[1] Excluding effect of foreign exchange. [2] Effect of foreign exchange associated with sales prices and feedstock costs. [3] Foreign currency translation adjustment, fixed costs, inventory valuation, etc.
[4] "Others" in operating income of Environmental Solutions includes increase/decrease related to internal sales price which correlates with "Feedstock cost" for the segment; to compensate, corresponding positive and negative figures are shown as "Feedstock cost" and "Others" of Others in Material.

Overview by business

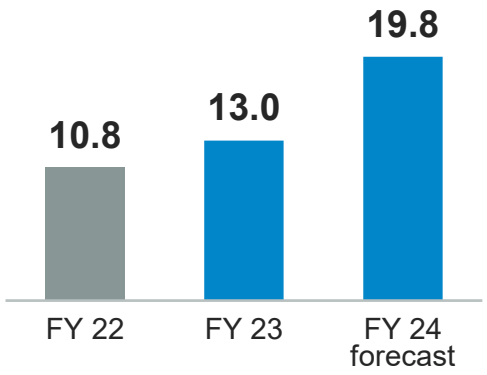
Operating income[1]

(¥ billion)

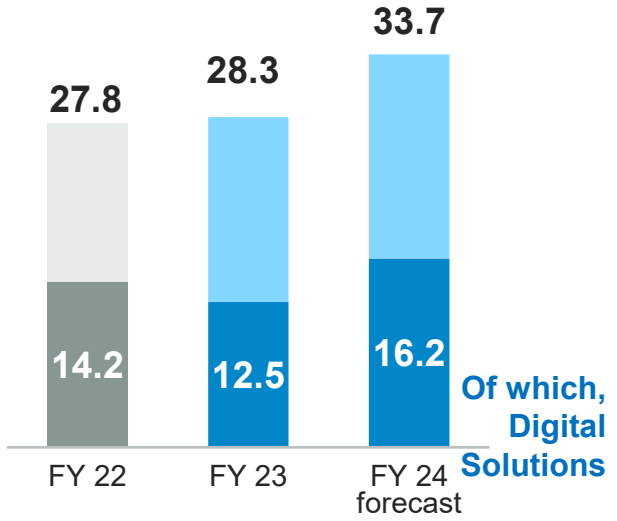
Environmental Solutions



Mobility & Industrial



Life Innovation



Main businesses		FY 2023 vs FY 2022 (YoY)		FY 2024 vs FY 2023 (YoY)	
Environmental Solutions	Separators	↗	Impacts from inventory valuation due to previous year's low operating rates and prices declining over time, but operating income increase with decreased amortization of goodwill and other intangible assets due to impairment on Polypore in previous year	↘	Increased shipments in automotive applications, but operating income decrease with impacts of product mix, price revisions, and increased fixed costs
	Basic Materials	↘	Operating income decrease with reduced shipments due to sluggish demand, impact of inventory valuation, and maintenance turnaround	↗	Operating income increase with nonrecurrence of previous year's maintenance turnaround, decreased amortization due to previous year's impairment, and improved terms of trade with gradually increasing market prices
Mobility & Industrial	Car interior material	↗	Operating income increase with greater sales volume due to recovery from impact of reduced vehicle production and effect of increased capacity, and improved terms of trade	↗	Operating income increase with firm shipments of synthetic leather products for North American and Chinese markets, effect of product mix, and improved terms of trade
	Engineering plastics & others	↗	Operating income increase with greater shipments in automotive and solar power applications, and improved terms of trade	↗	Operating income increase with increased shipments in automotive and solar power applications, expanded sales in industrial applications, and improved terms of trade
Life Innovation	Digital Solutions	↘	Firm performance of products for AI servers and high-end smartphones, but operating income decrease with impact of inventory valuation	↗	Operating income increase with firm performance of products for AI servers, high-end smartphones, and automotive applications

[1] Certain business was transferred from Mobility & Industrial to Environmental Solutions in FY 2024. (Immaterial effect on operating income, refer to page 45)

Performance trend

(¥ billion)

Sales	H1	H2	FY 2022	H1	H2	FY 2023	H1 forecast	H2 forecast	FY 2024[1] forecast	% change FY23 vs. FY22	% change FY24 vs. FY23
Material segment	**678.8**	**637.8**	**1,316.6**	**610.2**	**651.5**	**1,261.7**	**635.2**	**676.8**	**1,312.0**	**-4.2%**	**+4.0%**
Environmental Solutions	291.3	268.6	559.8	234.7	260.3	495.0	251.8	265.2	517.0	-11.6%	+4.5%
of which, Basic Materials	187.4	174.5	361.9	138.3	155.2	293.5	151.9	154.1	306.0	-18.9%	+4.2%
Mobility & Industrial	192.1	186.3	378.4	187.7	194.0	381.7	195.0	199.0	394.0	+0.9%	+3.2%
Life Innovation	195.2	182.6	377.7	187.5	197.2	384.7	188.4	212.6	401.0	+1.9%	+4.2%
of which, Digital Solutions	66.5	56.0	122.5	61.0	67.4	128.5	65.4	72.6	138.0	+4.9%	+7.4%
Others in Material	0.3	0.4	0.7	0.3	0.0	0.3	-	-	-	-59.1%	-

Operating income	H1	H2	FY 2022	H1	H2	FY 2023	H1 forecast	H2 forecast	FY 2024[1] forecast	% change FY23 vs. FY22	% change FY24 vs. FY23
Material segment	**40.6**	**0.4**	**41.0**	**17.7**	**24.8**	**42.6**	**28.7**	**34.2**	**62.9**	**+3.8%**	**+47.8%**
Environmental Solutions	12.5	(14.8)	(2.3)	(1.8)	3.7	1.8	6.4	5.2	11.6	-	+528.5%
of which, Basic Materials	9.5	(12.7)	(3.2)	(8.1)	(0.3)	(8.4)	2.3	0.5	2.8	-	-
Mobility & Industrial	9.1	1.7	10.8	6.9	6.1	13.0	8.6	11.1	19.8	+20.4%	+51.8%
Life Innovation	19.6	8.2	27.8	11.7	16.6	28.3	14.9	18.9	33.7	+1.8%	+19.1%
of which, Digital Solutions	10.5	3.7	14.2	5.3	7.3	12.5	7.0	9.2	16.2	-11.8%	+29.4%
Others in Material	(0.6)	5.2	4.6	1.0	(1.6)	(0.6)	(1.2)	(1.0)	(2.2)	-	-

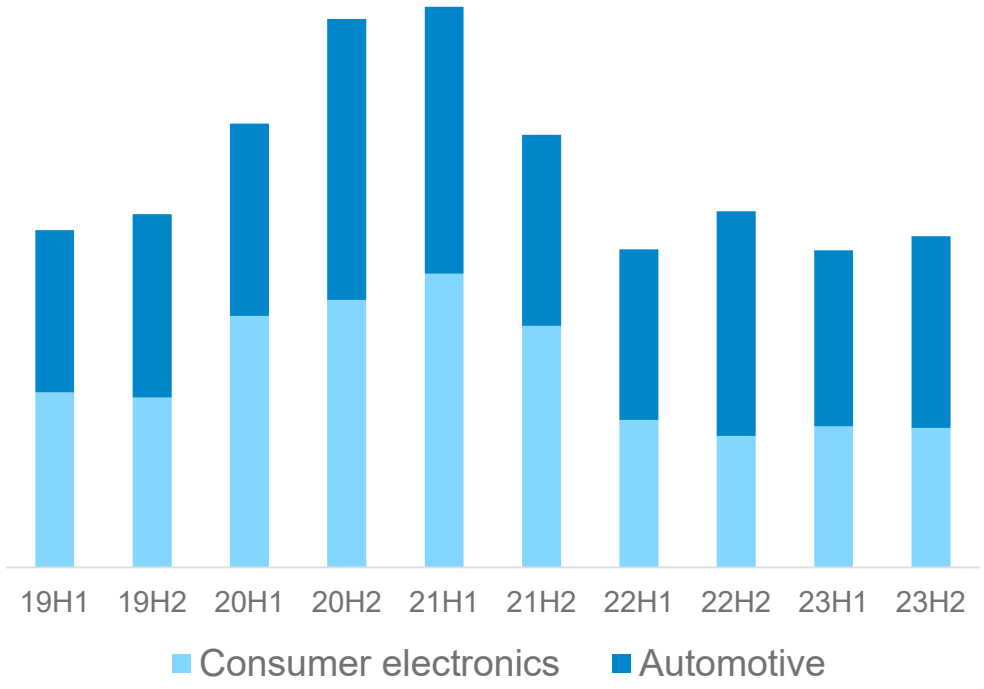
1 Certain business was transferred from Mobility & Industrial to Environmental Solutions in FY 2024. (Immaterial effect on operating income, refer to page 45)

Trends in separator business

Hipore wet-process LIB separator expanded along with market growth, but volume decreased in H2 2021 with automotive applications impacted by reduced vehicle production and consumer electronics applications impacted by economic slowdown in China; EBITDA at low level due to reduced operating rates

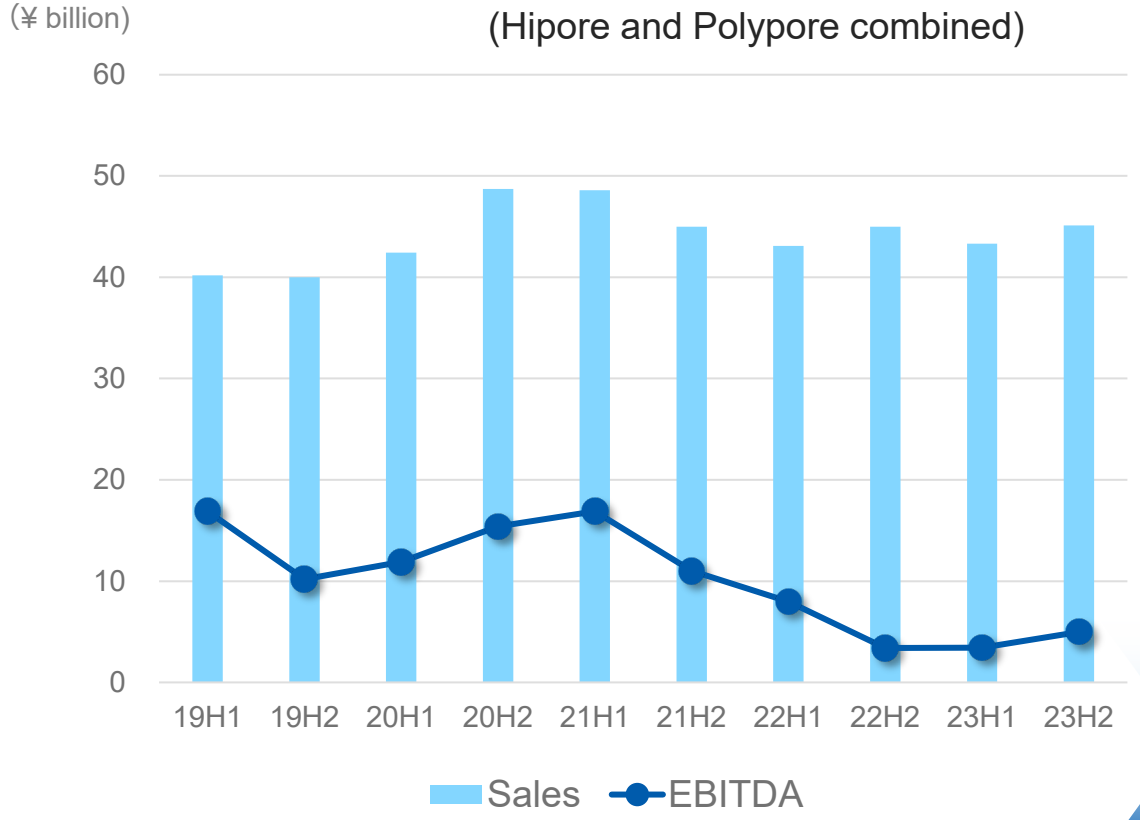
Increased shipments for automotive applications in North America expected from FY 2024 onward

Hipore sales volume



Separator business performance

(Hipore and Polypore combined)



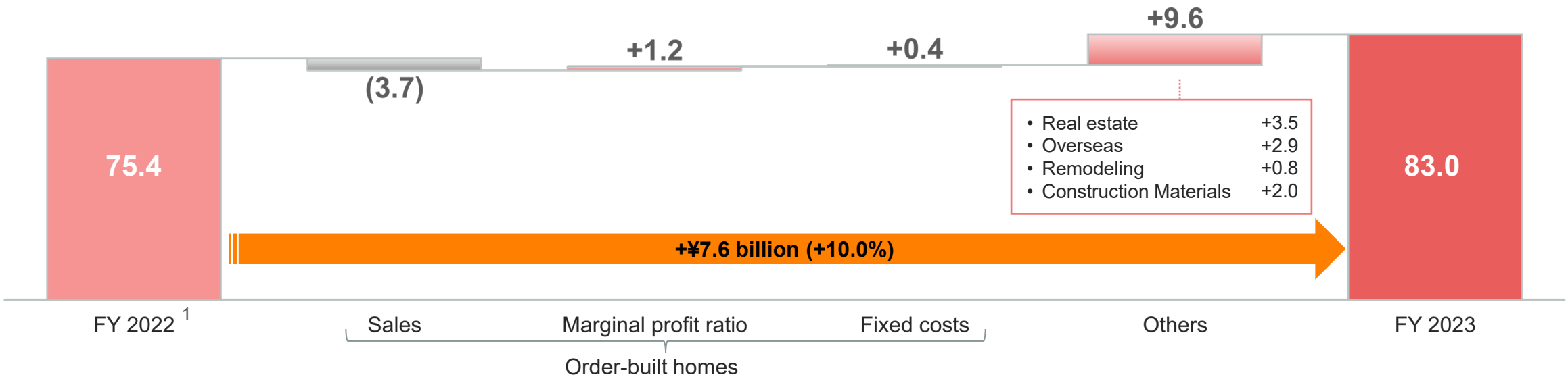
Sales and operating income increase/decrease

AsahiKASEI

Effects of higher unit prices and fixed cost reductions exceeded by negative impacts in sales factor due to reduced volume of work in order-built homes, but increased operating income with firm performance in real estate, overseas business, and construction materials

(¥ billion)

Operating income increase/decrease



	Sales				Operating income							
									Increase (decrease) due to:			
									Order-built homes			Others
	FY 2022	**FY 2023**	Increase (decrease)	% change	FY 2022 [1]	**FY 2023**	Increase (decrease)	% change	Sales	Marginal Profit	Fixed cost	
Homes segment	899.0	954.4	55.4	+6.2%	75.4	83.0	7.6	+10.0%	(3.7)	1.2	0.4	9.6
Homes	859.2	912.9	53.6	+6.2%	73.9	79.5	5.6	+7.6%	(3.7)	1.2	0.4	7.6 [2]
Construction Materials	39.7	41.5	1.8	+4.5%	1.5	3.4	2.0	+133.8%	-	-	-	2.0

[1] Figures for fiscal 2022 are retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

[2] Real estate, Remodeling, Overseas, etc.

Overview by business

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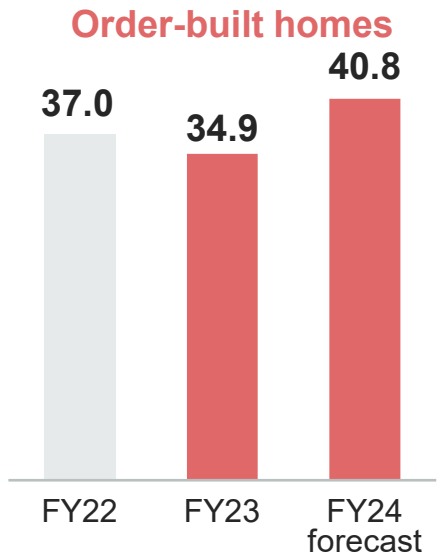
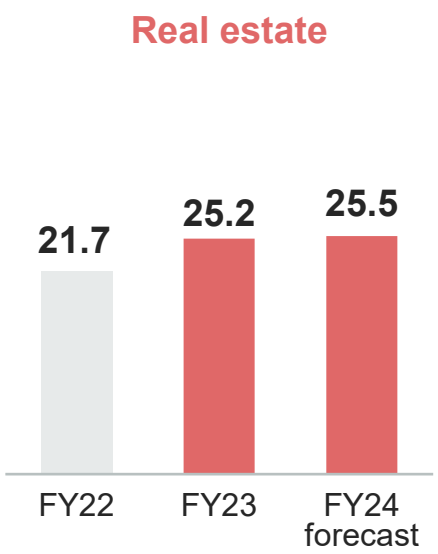
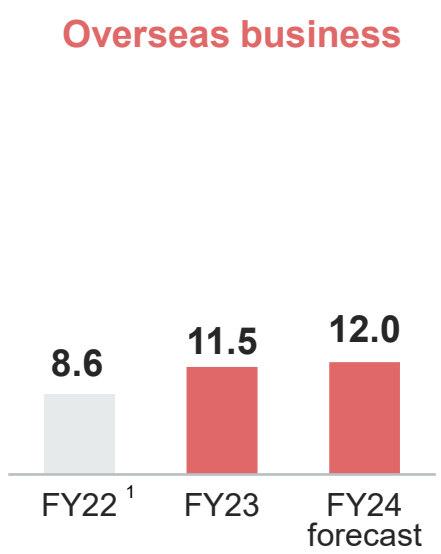
Operating income

(¥ billion)







Main businesses		FY 2023 vs FY 2022 (YoY)	FY 2024 vs FY 2023 (YoY)
Homes	Order-built homes	Increased average unit prices with larger and higher value-added units and reduced fixed costs, but operating income decrease with decreased volume and higher material costs	Impact of high material costs continuing, but operating income increase with higher average unit prices due to larger and higher value-added units centered on multi-dwelling homes, and improved operating margin due to cost reduction
	Real estate	Operating income increase with firm trend of number of units in rental management business and earnings differential among condominium units delivered	Firm performance of rental management, but operating income flat with impact of product mix of condominium units delivered
	Overseas	Increased operating income with progress in passing on higher material and labor costs in fiscal 2023 which significantly impacted the previous year in Australian business (decreased operating income in North American business compared to previous year when selling prices were maintained while lumber prices declined)	Lower volume of work in Australian business, but operating income flat due to increased volume of work in North American business

[1] Figures for fiscal 2022 are retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

Performance trend

(¥ billion)

Sales	H1	H2	FY 2022	H1	H2	FY 2023	H1 forecast	H2 forecast	FY 2024 forecast	% change FY23 vs. FY22	% change FY24 vs. FY23
Homes segment	**420.4**	**478.5**	**899.0**	**462.6**	**491.8**	**954.4**	**504.1**	**499.9**	**1,004.0**	**+6.2%**	**+5.2%**
Homes	**401.0**	**458.2**	**859.2**	**440.6**	**472.2**	**912.9**	**482.0**	**478.0**	**960.0**	**+6.2%**	**+5.2%**
Order-built homes	196.6	214.1	410.7	195.6	205.4	401.0	205.5	212.5	418.0	-2.4%	+4.3%
Real estate	81.1	108.4	189.5	87.1	114.5	201.6	115.0	109.0	224.0	+6.4%	+11.1%
Remodeling	26.1	28.3	54.4	27.9	28.3	56.3	28.5	31.5	60.0	+3.4%	+6.6%
Overseas business	96.8	106.6	203.4	129.4	123.3	252.8	132.0	122.0	254.0	+24.2%	+0.5%
Others	0.4	0.8	1.2	0.6	0.7	1.3	1.0	3.0	4.0	+12.6%	+202.6%
Construction Materials	**19.4**	**20.3**	**39.7**	**22.0**	**19.5**	**41.5**	**22.1**	**21.9**	**44.0**	**+4.5%**	**+6.0%**

Operating income	H1	H2[1]	FY 2022[1]	H1	H2	FY 2023	H1 forecast	H2 forecast	FY 2024 forecast	% change FY23 vs. FY22	% change FY24 vs. FY23
Homes segment	**33.6**	**41.8**	**75.4**	**35.4**	**47.6**	**83.0**	**43.1**	**47.4**	**90.5**	**+10.0%**	**+9.1%**
Homes	**32.9**	**41.0**	**73.9**	**32.7**	**46.8**	**79.5**	**41.1**	**44.9**	**86.0**	**+7.6%**	**+8.1%**
Order-built homes	16.2	20.8	37.0	14.9	20.0	34.9	16.3	24.5	40.8	-5.6%	+16.9%
Real estate	7.5	14.2	21.7	8.7	16.5	25.2	14.6	10.9	25.5	+16.2%	+1.2%
Remodeling	2.5	3.3	5.8	3.2	3.4	6.6	3.1	3.9	7.0	+14.6%	+5.9%
Overseas business	6.4	2.1	8.6	5.1	6.4	11.5	7.0	5.0	12.0	+34.2%	+4.4%
Others	0.3	0.6	0.9	0.8	0.5	1.3	0.2	0.5	0.7	+43.2%	-46.0%
Construction Materials	**0.7**	**0.7**	**1.5**	**2.6**	**0.8**	**3.4**	**2.0**	**2.5**	**4.5**	**+133.8%**	**+31.1%**

[1] Figures for fiscal 2022 are retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

Breakdown of order-built homes and real estate

Orders for order-built homes increased by 10.8% year-on-year with firm orders for multi-dwelling homes; year-on-year increase of 5.0% targeted in fiscal 2024 with advancement of higher value-added units

Steady expansion of rental management business in Real estate based on recent expansion of orders for multi-dwelling homes

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

		Order-built homes							Real estate		
		Orders			Sales				Sales[1]		
		Value of new orders during the term		Order backlog	Unit homes	Multi-dwelling homes	Other	Total	Development	Rental/ brokerage	Total
FY 2021	H1	206.3	(+42.0%)	563.5	127.4	51.0	10.6	189.0	21.8	64.2	86.0
	H2	178.0	(-1.8%)	533.3	142.3	60.6	11.6	214.5	29.5	67.0	96.5
	annual	**384.3**	**(+17.7%)**		**269.7**	**111.6**	**22.2**	**403.5**	**51.3**	**131.2**	**182.5**
FY 2022	H1	191.2	(-7.3%)	548.1	130.9	55.5	10.2	196.6	11.7	69.4	81.1
	H2	164.4	(-7.6%)	503.0	134.9	65.5	13.7	214.1	35.2	73.2	108.4
	annual	**355.6**	**(-7.5%)**		**265.8**	**121.0**	**23.9**	**410.7**	**46.9**	**142.6**	**189.5**
FY 2023	H1	186.5	(-2.4%)	525.0	113.7	69.3	12.5	195.6	12.7	74.4	87.1
	H2	207.4	(+26.2%)	520.4	116.6	74.0	14.7	205.4	34.2	80.4	114.5
	annual	**393.9**	**(+10.8%)**		**230.3**	**143.3**	**27.3**	**401.0**	**46.8**	**154.8**	**201.6**
FY 2024	**annual forecast**	**413.8**	**(+5.0%)**					**418.0**	**53.5**	**170.5**	**224.0**

[1] Within real estate business, condominiums business is shown as "Development" while brokerage business and rental management are shown together as "Rental/brokerage" (FY 2021-2022 revised accordingly)

Orders and deliveries of order-built homes

FY 2023 results

(% change from previous year)

	Orders received				Number of units delivered	
	(¥ billion)	(% change)	(units)	(% charge)	(units)	(% charge)
Unit homes	236.5	+5.2%	5,234	+0.5%	5,972	-18.6%
Multi-dwelling homes	157.5	+20.3%	5,600	+4.1%	6,827	+2.7%
Other	–	–	–	–	30	-9.1%
Order-built homes total	**393.9**	**+10.8%**	**10,834**	**+2.4%**	**12,829**	**-8.4%**

FY 2024 forecast

(% change from previous year)

	Orders received				Number of units delivered	
	(¥ billion)	(% change)	(units)	(% charge)	(units)	(% charge)
Unit homes	247.5	+4.6%	5,510	+5.3%	5,420	-9.2%
Multi-dwelling homes	166.3	+5.6%	5,900	+5.4%	5,950	-12.8%
Other	–	–	–	–	35	+16.7%
Order-built homes total	**413.8**	**+5.0%**	**11,410**	**+5.3%**	**11,405**	**-11.1%**

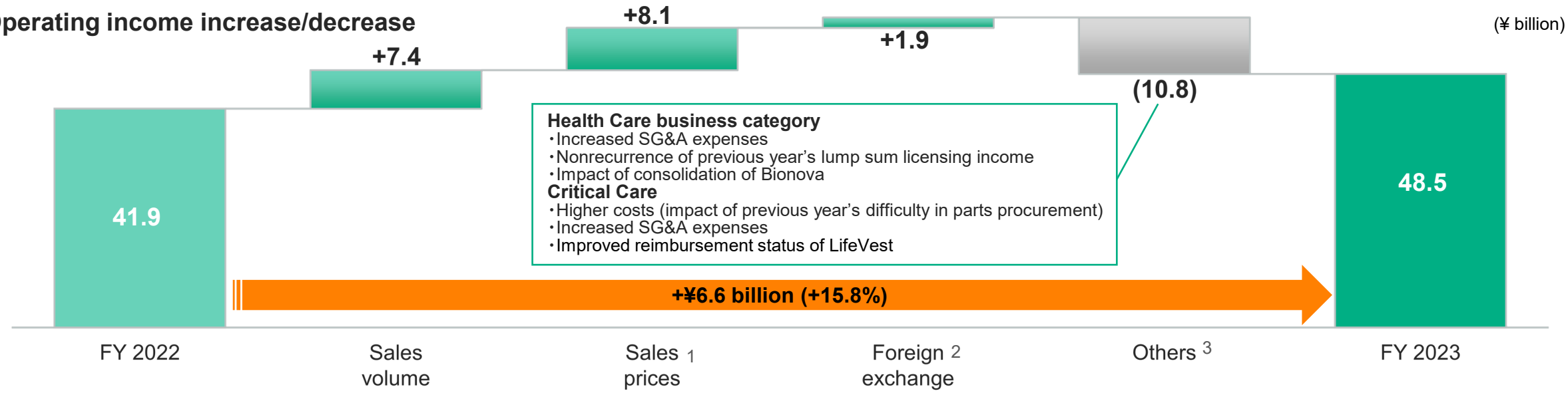
Note: Data for domestic Japanese business shown. As the Accounting Standard for Revenue Recognition is applied beginning with FY 2021, sales do not correspond with deliveries.

Sales and operating income increase/decrease

AsahiKASEI

Negative others factor with impacts of nonrecurrence of lump-sum licensing income and new consolidation of Bionova in the Health Care business category, but operating income increased due to positive sales prices factor with progress in passing on higher costs to defibrillator prices and positive sales volume factor for AEDs with improvement of difficulty in parts procurement in Critical Care

Operating income increase/decrease



	Sales				Operating income							
									Increase (decrease) due to:			
	FY 2022	**FY2023**	Increase (decrease)	% change	FY 2022	**FY2023**	Increase (decrease)	% change	Sales volume	Sales prices[1]	Foreign exchange[2]	Others[3]
Health Care segment	496.9	**553.8**	56.9	+11.5%	41.9	**48.5**	6.6	+15.8%	7.4	8.1	1.9	(10.8)
Health Care	200.2	**208.4**	8.2	+4.1%	22.9	**18.9**	(4.0)	-17.5%	2.4	(0.8)	0.2	(5.9)
Critical Care	296.7	**345.4**	48.7	+16.4%	18.9	**29.6**	10.6	+56.1%	4.9	8.9	1.7	(4.9)

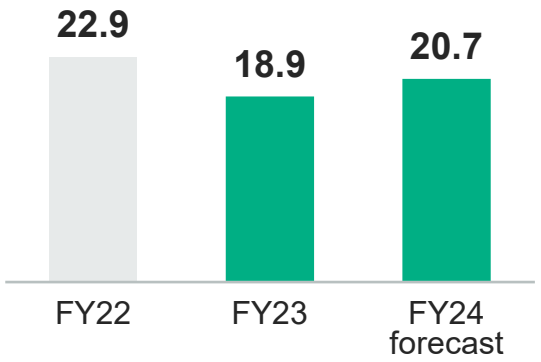
[1] Excluding effect of foreign exchange. [2] Effect of foreign exchange associated with sales prices.
[3] Including foreign currency translation adjustment, fixed cost variance, and nonrecurring income/expense related to licensing, new consolidations, etc.

Overview by business

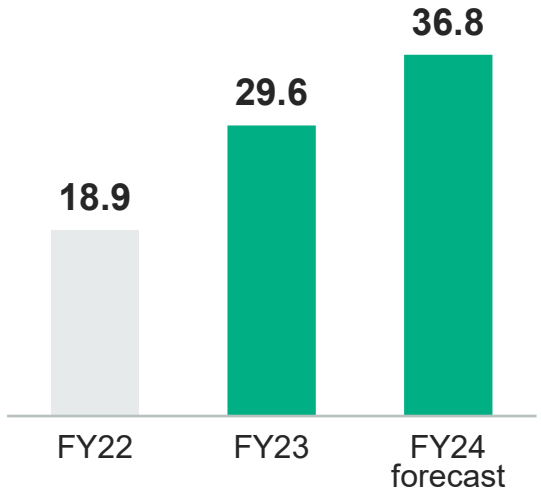
Operating income

(¥ billion)

Health Care



Critical Care



Main businesses		FY 2023 vs FY 2022 (YoY)	FY 2024 vs FY 2023 (YoY)
Health Care	Pharmaceuticals	Firm sales of mainstay products such as Envarsus XR, but operating income decrease with nonrecurrence of previous year's lump-sum licensing income, and increased SG&A expenses at Veloxis	Impact of reduced reimbursement prices, but operating income increase with growth of mainstay products such as Envarsus XR and contribution of new products launched in previous year
	Medical	Operating income decrease with consolidation of Bionova and decreased shipments of Planova due to inventory adjustments by customers.	Operating income decrease with lower shipments in blood purification business and impact of inventory valuation for Planova expected due to previous year's increase in feedstock and fuel costs despite recovery of shipments
Critical Care	LifeVest	Operating income increase with improved reimbursement status	Operating income increase with greater shipments and improved reimbursement status
	Defibrillators	Operating income increase with progress in passing on increased costs and increased shipments of AEDs along with recovery from difficulty in parts procurement	Operating income increase with higher shipments, progress in passing on increased costs, and elimination of impact of difficulty in parts procurement

Performance trend

(¥ billion)

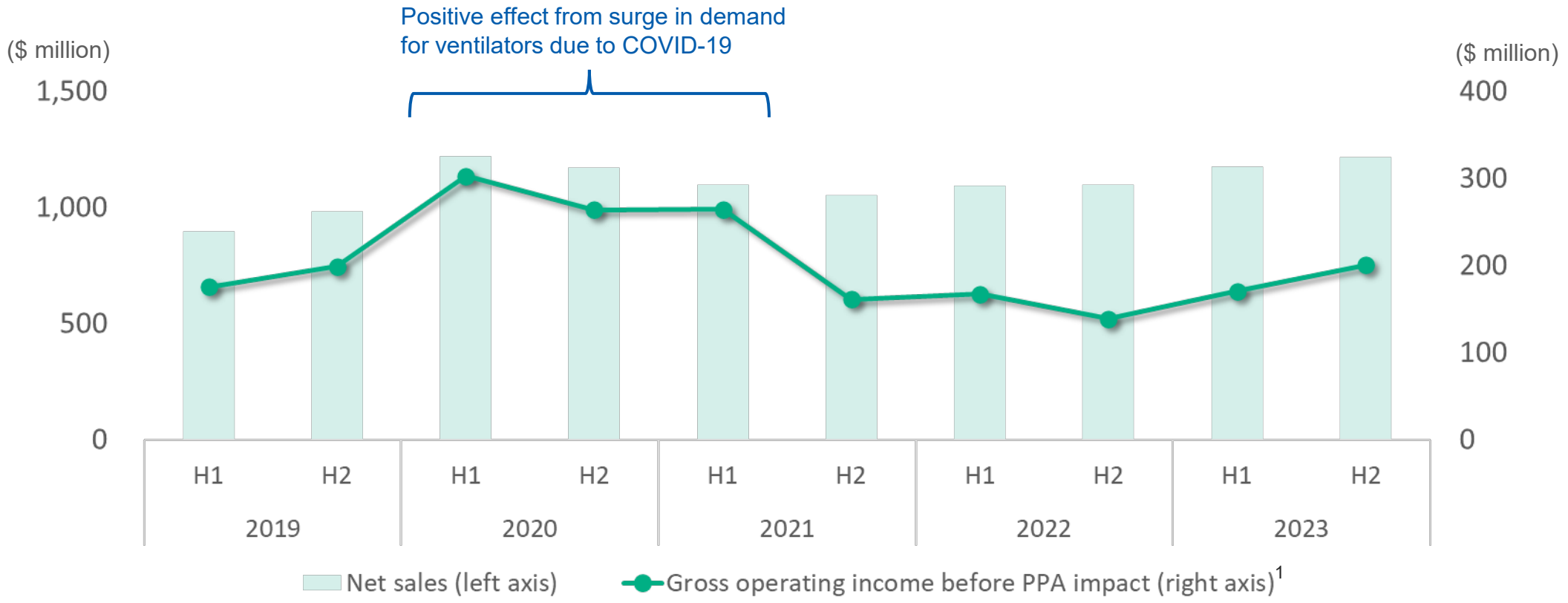
Sales	H1	H2	FY 2022	H1	H2	FY 2023	H1 forecast	H2 forecast	FY 2024 forecast	% change FY23 vs. FY22	% change FY24 vs. FY23
Health Care segment	**245.5**	**251.4**	**496.9**	**266.5**	**287.3**	**553.8**	**281.2**	**296.8**	**578.0**	**+11.5%**	**+4.4%**
Health Care	98.9	101.3	200.2	100.9	107.5	208.4	111.9	114.1	226.0	+4.1%	+8.5%
Pharmaceuticals	53.6	56.4	110.0	56.3	59.5	115.8	65.7	65.3	131.0	+5.3%	+13.1%
Medical	45.3	44.9	90.2	44.5	48.0	92.6	46.2	48.8	95.0	+2.6%	+2.6%
Critical Care	146.6	150.1	296.7	165.7	179.7	345.4	169.3	182.7	352.0	+16.4%	+1.9%

Operating income	H1	H2	FY 2022	H1	H2	FY 2023	H1 forecast	H2 forecast	FY 2024 forecast	% change FY23 vs. FY22	% change FY24 vs. FY23
Health Care segment	**25.8**	**16.0**	**41.9**	**19.8**	**28.7**	**48.5**	**24.1**	**33.4**	**57.5**	**+15.8%**	**+18.6%**
Health Care	14.6	8.4	22.9	7.5	11.4	18.9	9.6	11.1	20.7	-17.5%	+9.4%
Critical Care	11.3	7.7	18.9	12.3	17.3	29.6	14.5	22.3	36.8	+56.1%	+24.4%

EBITDA	H1	H2	FY 2022	H1	H2	FY 2023	H1 forecast	H2 forecast	FY 2024 forecast	% change FY23 vs. FY22	% change FY24 vs. FY23
Health Care segment	**57.2**	**49.2**	**106.4**	**54.0**	**64.7**	**118.7**	**58.2**	**68.4**	**126.6**	**+11.6%**	**+6.7%**
Health Care	27.2	22.2	49.4	21.7	26.5	48.2	24.0	26.3	50.3	-2.4%	+4.3%
Critical Care	30.0	27.0	57.0	32.3	38.2	70.5	34.2	42.1	76.3	+23.7%	+8.3%

Performance trend in Critical Care (dollar-based)

Operating income temporarily declined from H2 2021 with impact of difficulty in parts procurement for AEDs, etc., and decreased orders for defibrillators for professional use in North America; returned to growth trajectory in H1 2023 with elimination of difficulty in parts procurement, progress in passing on increased costs, and improved reimbursement conditions for LifeVest



[1] Gross operating income before PPA (purchase price allocation) impact is operating income excluding the following amortization expense of goodwill and other intangible assets, etc.
・Amortization of goodwill and other intangible assets, etc. based on Japan GAAP and US GAAP in relation to acquisition of ZOLL by Asahi Kasei in April 2012
・Amortization of goodwill and other intangible assets, etc. based on Japan GAAP in relation to acquisitions by ZOLL after April 2012

Main pharmaceuticals

(Sales region, monetary unit)		FY 2022 H1	FY 2022 H2	FY 2022 Total	FY 2023 H1	FY 2023 H2	FY 2023 Total	FY 2023 vs FY 2022	% change
Asahi Kasei Pharma									
Teribone	(Japan, ¥ billion)	20.7	19.2	39.9	19.4	19.5	38.8	(1.0)	-2.6%
Recomodulin	(Japan, ¥ billion)	4.2	4.2	8.4	4.1	4.1	8.2	(0.2)	-2.6%
Kevzara	(Japan, ¥ billion)	4.5	4.8	9.3	5.4	5.8	11.2	1.9	+20.7%
Reclast	(Japan, ¥ billion)	0.7	0.7	1.4	0.6	0.7	1.3	(0.1)	-7.2%
Plaquenil	(Japan, ¥ billion)	2.7	2.7	5.4	2.9	2.9	5.8	0.4	+8.2%
Veloxis Pharmaceuticals									
Envarsus XR	(US, $ million)	88	97	186	107	114	220	35	+18.8%

	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

Pharmaceuticals pipeline

Development stage	Code name, generic name	Indication	Origin	Development	Region/remarks
Filed	AK1820, isavuconazonium sulfate	Aspergillosis, mucormycosis and cryptococcosis	Licenced	In-house	Additional formulation
Phase III	TA799, apraglutide	Short bowel syndrome	Licensed	Licensor	Phase I in Japan was conducted by Asahi Kasei Pharma
Phase II	ART-123, recombinant thrombomodulin alfa	Chemotherapy-induced peripheral neuropathy (CIPN)	In-house	In-house	Additional indication Joint U.S.-Japan Phase I study in progress
Phase II	AK1830	Pain associated with osteoarthritis	Licensed	In-house	
Phase II		Chronic low back pain			
Phase I	AK1910	Autoimmune diseases	Licensed	In-house	
Phase III (overseas)	ART-123, recombinant thrombomodulin alfa	Severe sepsis with coagulopathy	In-house	In-house	United States, Europe, etc.
Phase I (overseas)	ART-123, recombinant thrombomodulin alfa	Chemotherapy-induced peripheral neuropathy (CIPN)	In-house	In-house	United States
Phase I (overseas)	AK1320	Spinal fusion surgery	In-house	In-house	North America
Phase I (overseas)	VEL-101	SOT (solid organ transplant)	Licensed	In-house	United States, etc.
Phase II (licensed out)	LY3857210	Chronic pain	Co-development	Licensee	Global (Asahi Kasei Pharma has promotion rights in Japan and China)

Trend in management KPI by segment[1]

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(¥ billion)		FY2022[2]	FY2023	FY2024 forecast
Health Care	Net sales (a)	496.9	553.8	578.0
	Operating income (b)	41.9	48.5	57.5
	Operating margin (b/a)	8.4%	8.8%	9.9%
	EBITDA (c)	106.4	118.7	126.6
	EBITDA margin (c/a)	21.4%	21.4%	21.9%
	ROIC	4.2%	4.5%	5.3%
Homes	Net sales (a)	899.0	954.4	1,004.0
	Operating income (b)	75.4	83.0	90.5
	Operating margin (b/a)	8.4%	8.7%	9.0%
	EBITDA (c)	93.4	104.3	111.7
	EBITDA margin (c/a)	10.4%	10.9%	11.1%
	Free cash flow ratio	1.3%	7.1%	3.0%
	ROIC	27.1%	27.1%	26.4%
Material	Net sales (a)	1,316.6	1,261.7	1,312.0
	Operating income (b)	41.0	42.6	62.9
	Operating margin (b/a)	3.1%	3.4%	4.8%
	EBITDA (c)	128.5	119.9	124.2
	EBITDA margin (c/a)	9.8%	9.5%	9.5%
	ROIC	2.4%	2.6%	3.6%

[1] Management KPIs of each segment are highlighted; sums of figures shown on this page do not equal the consolidated figures.
[2] Figures for fiscal 2022 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022.

4. Appendix

Overseas sales

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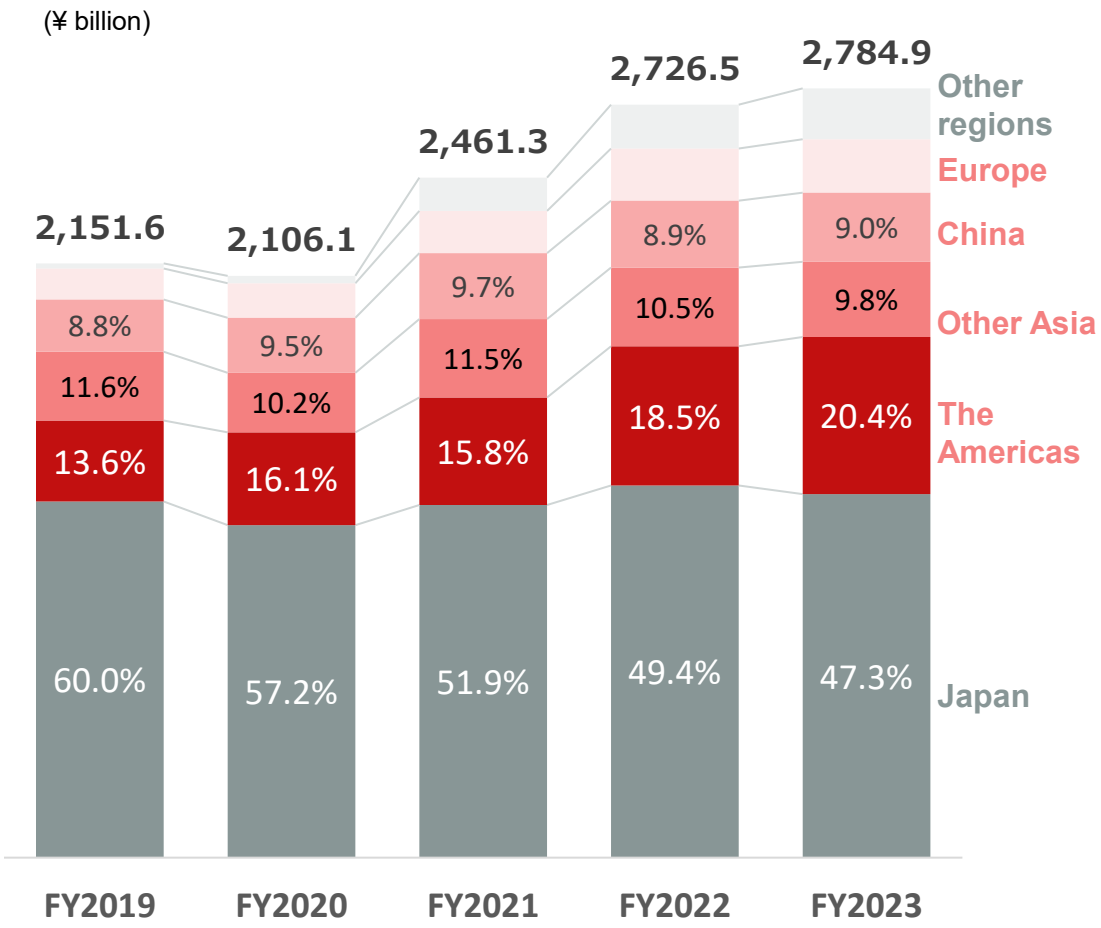
Sales in the U.S. increasing with acquisitions in Health Care and Homes; sales in China flat due to economic stagnation

Overseas sales by region



Overseas sales

(¥ billion)

	FY 2022		FY 2023		Increase (decrease)	% change
	Overseas sales	% of total	Overseas sales	% of total		
Material segment	**785.5**	**59.7%**	**770.7**	**61.1%**	**(14.8)**	**-1.9%**
Environmental Solutions	319.1	57.0%	285.6	57.7%	(33.5)	-10.5%
Mobility & Industrial	299.8	79.2%	305.6	80.0%	5.7	+1.9%
Life Innovation	165.9	43.9%	179.3	46.6%	13.4	+8.1%
Others in Material	0.7	100.0%	0.3	97.0%	(0.4)	-60.3%
Homes segment	**203.4**	**22.6%**	**252.8**	**26.5%**	**49.3**	**+24.2%**
Homes	203.4	23.7%	252.8	27.7%	49.3	+24.2%
Construction Materials	-	-	-	-	-	-
Health Care segment	**388.6**	**78.2%**	**444.3**	**80.2%**	**55.7**	**+14.3%**
Health Care	96.7	48.3%	104.1	50.0%	7.4	+7.6%
Critical Care	291.9	98.4%	340.2	98.5%	48.3	+16.6%
Others	1.0	7.2%	1.3	8.5%	0.3	+26.1%
Consolidated	**1,378.5**	**50.6%**	**1,469.0**	**52.8%**	**90.5**	**+6.6%**

Capex, depreciation/amortization, R&D

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(¥ billion)

	Capital expenditures			Depreciation and amortization[1]			R&D expenditures		
	FY 2022	FY 2023	FY 2024 forecast	FY 2022[2]	FY 2023	FY 2024 forecast	FY 2022	FY 2023	FY 2024 forecast
Material segment	**106.5**	**111.5**	**214.0**	**72.1**	**72.0**		**41.8**	**43.8**	
Environmental Solutions	50.5	56.2		34.5	32.1		10.5	12.3	
Mobility & Industrial	18.4	24.5		16.6	18.6		11.2	12.7	
Life Innovation	37.4	30.6		20.8	21.2		19.1	18.1	
Others in Material	0.2	0.2		0.1	0.2		1.0	0.8	
Homes segment	**25.7**	**25.8**	**23.0**	**17.2**	**20.1**		**3.9**	**3.6**	
Homes	23.2	23.5		14.8	17.8		3.3	3.0	
Construction Materials	2.5	2.3		2.4	2.3		0.6	0.6	
Health Care segment	**25.1**	**32.2**	**48.0**	**43.4**	**47.2**		**46.6**	**47.8**	
Health Care	13.0	20.9		22.2	24.3		20.1	20.4	
Critical Care	12.1	11.3		21.2	22.9		26.5	27.4	
Others	0.6	1.1	1.0	0.8	0.9		0.1	0.1	
Corporate expenses and eliminations	16.9	13.2	19.0	6.5	12.4		12.6	11.3	
Total	**174.9**	**183.7**	**305.0**	**140.0**	**152.6**	**137.0**	**105.0**	**106.6**	**112.0**

Amortization of goodwill	
37.3	29.6

[1] Amortization of goodwill is excluded and shown separately below the table.
[2] Figures for fiscal 2022 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022.

Major investments

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Segment	Business category	Project	Completion of construction/ start-up	Capacity	Location
Material	Environmental Solutions	Renovation of hydroelectric power plants (Suigasaki power plant)	H1 2025	–	Nishiusuki-gun, Miyazaki, Japan
		Capacity increase for Hipore LIB separator	H1 2024	350 million m^2/y	Hyuga-shi, Miyazaki, Japan
		Capacity increase for Celgard LIB separator	FY 2024 or later	150 million m^2/y	North Carolina, the U.S.
		Capacity increase for Hipore LIB separator coating	H1 2026	700 million m^2/y	North Carolina, the U.S. Hyuga-shi, Miyazaki, Japan Pyeongtaek-si, Korea
Health Care	Health Care	Construction of new assembly plant for Planova virus removal filters	H1 2024	–	Nobeoka-shi, Miyazaki, Japan
		Capacity increase at biologics CDMO Bionova	FY 2025	–	California, the U.S.

Note: Projects completed or under construction during FY 2023 shown

Major M&A (since April 2022)

AsahiKASEI

Segment	Business category	Company	Operations	Consolidation on statements of income	Cost	Goodwill
Homes	Homes	Focus Companies (Focus Plumbing LLC and 4 other companies)	Residential construction work in North America	Nov.1, 2022	¥36.2 billion	¥12.8 billion
Health Care	Health Care	Bionova Holdings, Inc.	Biopharmaceutical manufacturing process development, GMP-compliant manufacturing of current and next-generation antibody drugs	Jul. 1, 2022	¥42.9 billion	¥35.5 billion

Quarterly sales

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(¥ billion)

	FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022				FY 2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Material segment	**208.0**	**236.8**	**271.0**	**289.0**	**279.6**	**296.3**	**315.2**	**318.9**	**339.4**	**339.4**	**327.0**	**310.8**	**296.8**	**313.4**	**328.9**	**322.6**
Environmental Solutions	89.0	95.1	106.5	123.7	119.1	129.0	137.3	137.2	149.9	141.4	136.8	131.8	114.6	120.1	132.8	127.4
of which, Basic Materials	53.7	55.9	64.4	77.1	72.4	82.3	90.2	90.0	100.1	87.3	88.7	85.9	66.2	72.1	80.8	74.4
Mobility & Industrial	39.1	55.6	71.6	76.8	75.4	76.5	80.7	89.6	92.5	99.7	94.0	92.3	91.8	96.0	96.0	98.0
Life Innovation	79.9	85.9	92.7	88.3	85.0	90.5	97.1	91.9	96.9	98.3	96.0	86.5	90.3	97.3	100.0	97.2
of which, Digital Solutions	28.0	28.1	30.7	27.5	28.6	30.6	31.3	30.9	34.2	32.3	29.9	26.1	29.4	31.7	33.1	34.3
Others in Material	(0.0)	0.3	0.2	0.2	0.0	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0
Homes segment	**147.8**	**184.8**	**170.2**	**177.1**	**195.1**	**197.9**	**218.3**	**211.2**	**206.6**	**213.8**	**230.1**	**248.4**	**221.1**	**241.6**	**240.0**	**251.7**
Homes	139.1	175.3	161.0	169.4	187.2	188.6	208.5	202.2	197.5	203.5	219.5	238.8	210.5	230.2	229.5	242.7
Construction Materials	8.8	9.5	9.2	7.6	7.9	9.3	9.8	9.0	9.2	10.3	10.7	9.6	10.6	11.4	10.5	9.0
Health Care segment	**95.7**	**109.2**	**103.0**	**100.0**	**105.8**	**100.1**	**107.0**	**103.0**	**121.4**	**124.1**	**128.6**	**122.8**	**129.4**	**137.1**	**145.5**	**141.7**
Health Care	36.5	37.8	40.7	39.4	42.8	42.6	46.8	42.1	50.5	48.5	54.5	46.8	51.1	49.8	56.4	51.2
Critical Care	59.2	71.4	62.3	60.6	63.0	57.5	60.3	60.9	71.0	75.6	74.1	76.0	78.3	87.3	89.2	90.6
Others	3.6	3.5	3.0	3.3	3.0	3.3	3.2	3.5	3.0	3.5	3.4	4.1	3.4	3.1	3.8	4.6
Consolidated	**455.2**	**534.2**	**547.3**	**569.4**	**583.4**	**597.6**	**643.7**	**636.6**	**670.4**	**680.8**	**689.2**	**686.1**	**650.7**	**695.2**	**718.2**	**720.7**

Quarterly operating income

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(¥ billion)

	FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022				FY 2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3[1]	Q4[1]	Q1	Q2	Q3	Q4
Material segment	**8.0**	**11.0**	**20.9**	**23.0**	**31.1**	**27.5**	**29.8**	**17.6**	**26.8**	**13.9**	**8.1**	**(7.7)**	**7.6**	**10.1**	**13.0**	**11.8**
Environmental Solutions	1.9	4.4	8.2	13.0	14.3	14.5	13.8	6.2	10.2	2.4	(2.6)	(12.2)	(0.7)	(1.1)	2.0	1.6
of which, Basic Materials	(1.0)	2.0	4.2	8.9	8.2	10.8	10.0	6.4	8.3	1.2	(4.2)	(8.5)	(5.1)	(2.9)	(0.3)	0.0
Mobility & Industrial	(3.3)	0.8	3.9	6.3	8.2	5.0	5.4	7.1	5.2	3.9	0.5	1.2	3.0	3.9	1.6	4.5
Life Innovation	8.2	6.6	9.0	5.5	10.2	8.9	10.8	4.9	12.1	7.5	7.7	0.6	4.5	7.2	9.8	6.9
of which, Digital Solutions	3.1	2.8	3.8	3.6	4.3	4.6	4.6	3.4	6.7	3.8	3.2	0.5	2.0	3.3	4.0	3.3
Others in Material	1.2	(0.8)	(0.3)	(1.8)	(1.6)	(1.1)	(0.2)	(0.6)	(0.6)	0.1	2.5	2.7	0.8	0.2	(0.4)	(1.2)
Homes segment	**10.6**	**20.9**	**16.4**	**15.2**	**15.1**	**18.1**	**22.3**	**17.3**	**15.3**	**18.3**	**18.5**	**23.3**	**13.4**	**21.9**	**21.9**	**25.7**
Homes	9.8	19.6	15.5	14.8	14.7	17.3	21.3	17.3	15.0	17.9	17.9	23.1	12.5	20.2	21.2	25.6
Construction Materials	1.0	1.3	1.1	0.0	0.4	0.8	1.0	0.0	0.3	0.4	0.6	0.1	0.9	1.7	0.7	0.1
Health Care segment	**15.5**	**19.9**	**20.4**	**11.8**	**20.5**	**13.8**	**15.9**	**2.0**	**14.8**	**11.0**	**11.4**	**4.6**	**9.6**	**10.3**	**15.8**	**12.9**
Health Care	5.7	5.1	8.8	3.4	7.6	5.9	9.0	(0.7)	10.0	4.5	7.9	0.5	5.1	2.4	8.0	3.4
Critical Care	9.8	14.8	11.7	8.4	12.9	7.8	6.9	2.7	4.8	6.5	3.5	4.1	4.5	7.9	7.8	9.5
Others	0.8	1.0	0.9	1.5	0.5	1.2	0.9	1.5	0.6	1.2	0.8	1.7	0.6	1.0	0.6	0.9
Corporate expenses and eliminations	(4.8)	(6.1)	(5.8)	(9.2)	(6.7)	(7.9)	(8.0)	(9.8)	(8.1)	(7.9)	(8.6)	(10.2)	(9.4)	(9.2)	(8.7)	(9.1)
Consolidated	**30.1**	**46.7**	**52.7**	**42.3**	**60.5**	**52.6**	**60.9**	**28.6**	**49.4**	**36.4**	**30.3**	**11.7**	**21.8**	**34.1**	**42.6**	**42.2**

[1] Figures for fiscal 2022 are retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022.

Operating income trend[1]

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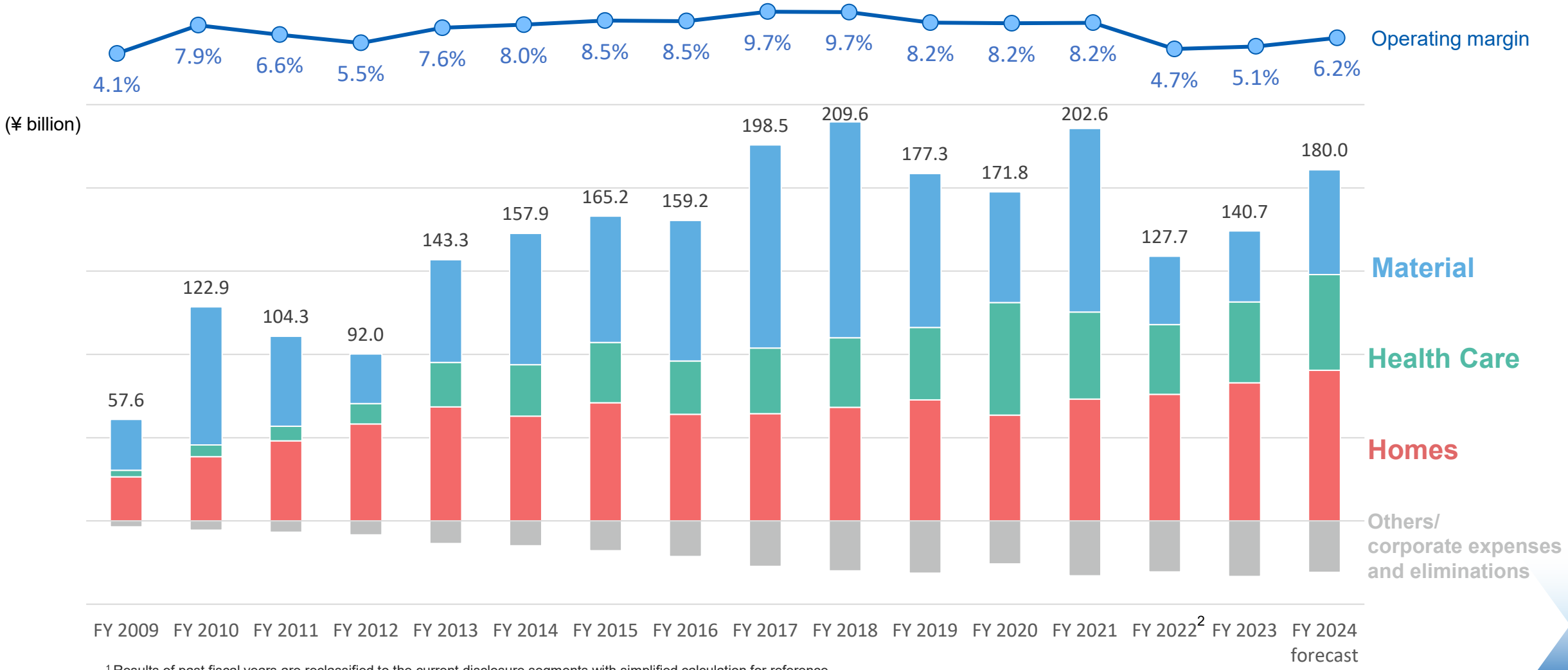
Income structure is more resilient with steady income growth in Homes and income expanding in Health Care; Material impacted by severe operating environment after operating income peak in fiscal 2018 but recovering from nadir in fiscal 2022 and overall income returning to growth trajectory



[1] Results of past fiscal years are reclassified to the current disclosure segments with simplified calculation for reference
[2] Figures for fiscal 2022 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

Business categories

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Segments	Business categories	Businesses
Material	Environmental Solutions	Separators
		Membrane solutions
		Synthetic rubber & elastomers
		Basic Materials: Petrochemical-related business
	Mobility & Industrial	Car interior material
		Engineering plastics
		Performance coating materials
	Life Innovation	Digital Solutions: Electronic materials
		Digital Solutions: Electronic devices
		Comfort Life: High-performance materials (functional additives, etc.)
		Comfort Life: Fibers (apparel, etc.)
		Comfort Life: Consumables
Homes	Homes	Order-built homes (unit homes, multi-dwelling homes)
		Real estate (condominiums, rental management)
		Remodeling
		Overseas business (North American, Australian)
	Construction Materials	Construction materials
Health Care	Health Care	Pharmaceuticals (therapeutic drugs)
		Medical (bioprocess, blood purification)
	Critical Care	Defibrillators
		LifeVest (wearable cardioverter defibrillator)

Partial change in presentation of Material segment

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- Certain business was transferred from Mobility & Industrial to Environmental Solutions in fiscal 2024; the effects on net sales and operating income are shown below (relevant figures for fiscal 2023 on preceding pages have not been recalculated)

Sales	FY 2023 before transfer				FY 2023 recalculated			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Material segment	**296.8**	**313.4**	**328.9**	**322.6**	**296.8**	**313.4**	**328.9**	**322.6**
Environmental Solutions	114.6	120.1	132.8	127.4	116.2	121.8	134.8	129.2
of which, Basic Materials	66.2	72.1	80.8	74.4	66.2	72.1	80.8	74.4
Mobility & Industrial	91.8	96.0	96.0	98.0	90.1	94.3	94.1	96.2
Life Innovation	90.3	97.3	100.0	97.2	90.3	97.3	100.0	97.2
of which, Digital Solutions	29.4	31.7	33.1	34.3	29.4	31.7	33.1	34.3
Others in Material	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0

Operating Income	FY 2023 before transfer				FY 2023 recalculated			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Material segment	**7.6**	**10.1**	**13.0**	**11.8**	**7.6**	**10.1**	**13.0**	**11.8**
Environmental Solutions	(0.7)	(1.1)	2.0	1.6	(0.7)	(0.9)	2.2	1.7
of which, Basic Materials	(5.1)	(2.9)	(0.3)	0.0	(5.1)	(2.9)	(0.3)	0.0
Mobility & Industrial	3.0	3.9	1.6	4.5	3.0	3.7	1.4	4.5
Life Innovation	4.5	7.2	9.8	6.9	4.5	7.2	9.8	6.9
of which, Digital Solutions	2.0	3.3	4.0	3.3	2.0	3.3	4.0	3.3
Others in Material	0.8	0.2	(0.4)	(1.2)	0.8	0.2	(0.4)	(1.2)

Notes and schedule

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- For comparison purposes, results of past fiscal years are recalculated in accordance with the new classifications from FY 2022.
- 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.
- EBITDA = operating income, depreciation, and amortization (tangible, intangible, and goodwill)

Schedule for announcement of financial results for Q1 fiscal 2024

July 31, 2024 (JST)