Fiscal 2024 2nd Quarter Financial Results

Supplementary Financial Summary

November 1, 2024

Asahi Kasei Corporation

AsahiKASEI

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 do not imply a guarantee of actual outcomes.

Focus of H1 2024 results and FY 2024 forecast

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H1 2024 results	• **Year-on-year operating income increase in all segments;** significant improvement in Material with increased shipments due to firm demand in semiconductor and electronics markets and with appropriate product pricing based on feedstock costs, while Homes and Health Care continued to perform well • **Results exceeding forecast (July 2024);** Material and Health Care performing above expectations
FY 2024 forecast and policy	• **Year-on-year operating income increase forecasted in all segments**; Critical Care, Digital Solutions, and other growth businesses in each segment to contribute to income growth • **Operating income forecast revised upward from previous forecast (May 2024)** based on favorable results in H1; Health Care forecast maintained despite incurring expenses and amortizing goodwill etc. related to the Calliditas acquisition • Continuing to advance business portfolio transformation; accelerating studies on structural transformation of petrochemical chain-related businesses centered on Basic Materials while advancing investment in growth businesses with more exacting scrutiny on profitability and reaping the fruits of past investments
Shareholder returns	• Interim dividend of ¥18 per share, full-year dividend forecast of ¥36 per share (no change from the previous forecast) based on shareholder returns policy • **Decision to perform share repurchase up to ¥30 billion** to improve capital efficiency and enhance shareholder returns
Progress of MTP	• Completion of acquisition of ODC Construction, LLC, in the Homes business category, expanding North American business into Florida • Completion of acquisition of Calliditas Therapeutics AB, a Swedish pharmaceutical manufacturer, by tender offer • Progress in business portfolio transformation in Health Care

1. Consolidated results for H1 2024

H1 2024 consolidated financial results

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Net sales increased year-on-year in all segments; significant improvement in Material with increased shipments due to firm demand in semiconductor and electronics markets and with appropriate product pricing based on feedstock costs, while Homes and Health Care continued to perform well

Operating income also increased year-on-year in all segments; significant improvement in Material and firm performance in Homes and Health Care

Net income attributable to owners of the parent increased year-on-year mainly due to higher operating income

		H1 2023	H1 2024	Increase (decrease)	% change	H1 2024 forecast in Jul.	% change
Net sales	(¥ billion)	1,345.9	1,490.3	144.4	+10.7%	1,501.0	-0.7%
Operating income	(¥ billion)	55.9	108.9	53.0	+94.9%	95.0	+14.6%
Operating margin		4.2%	7.3%			6.3%	
Operating income before goodwill amortization	(¥ billion)	70.3	124.6	54.3	+77.2%	111.0	+12.3%
EBITDA	(¥ billion)	144.7	197.5	52.8	+36.5%	183.0	+7.9%
EBITDA margin		10.7%	13.3%			12.2%	
Net income attributable to owners of the parent	(¥ billion)	30.8	60.2	29.4	+95.3%	53.0	+13.7%
¥/US$ exchange rate (average)		141	153			153	
¥/€ exchange rate (average)		153	166			164	
Naphtha price (¥/kL, domestic)		65,600	78,000			77,500	
Dividends per share (¥)		18	18			18	

H1 2024 results operating income change factors

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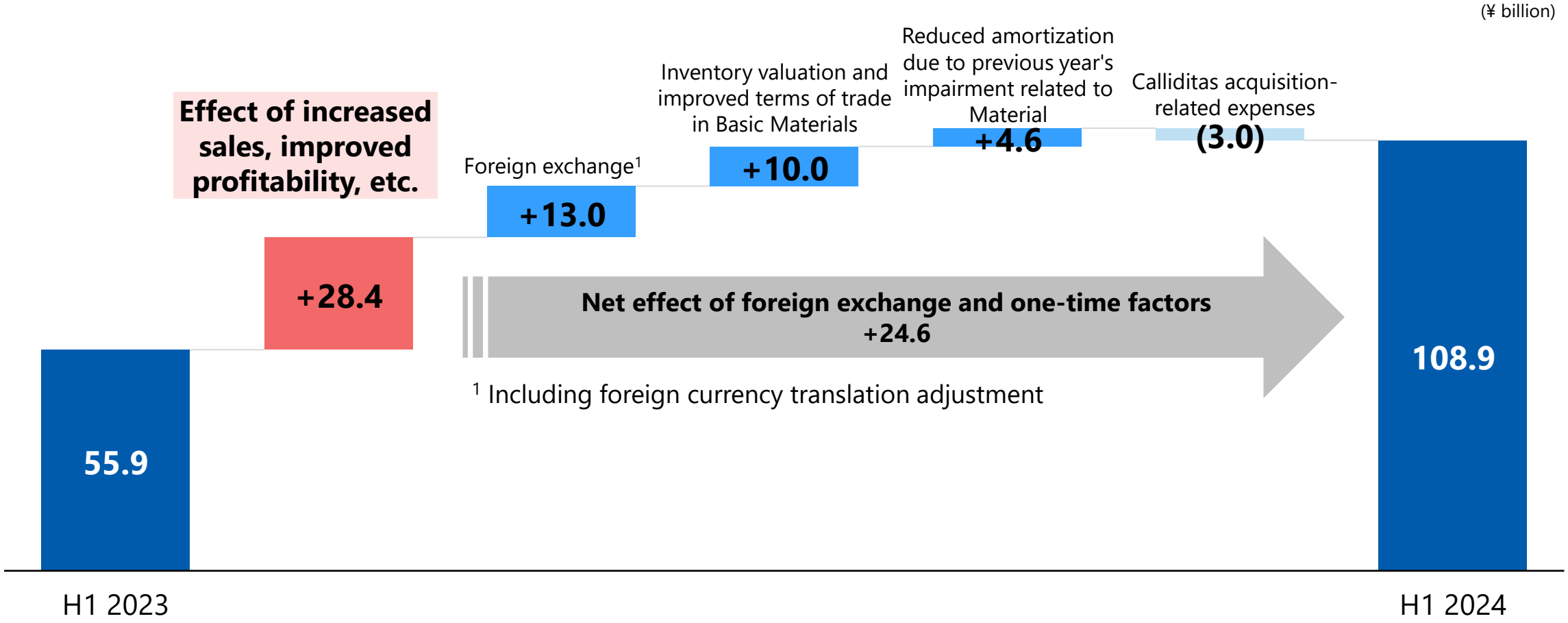
Of the ¥53.0 billion y-o-y increase, ¥28.4 billion was actual performance improvement excluding effect of foreign exchange and one-time factors

Effect of measures to increase sales and improve profitability such as appropriate pricing and cost reductions, in addition to increased shipments in each segment



[1] Including foreign currency translation adjustment

H1 2024 results by segment (year-on-year)

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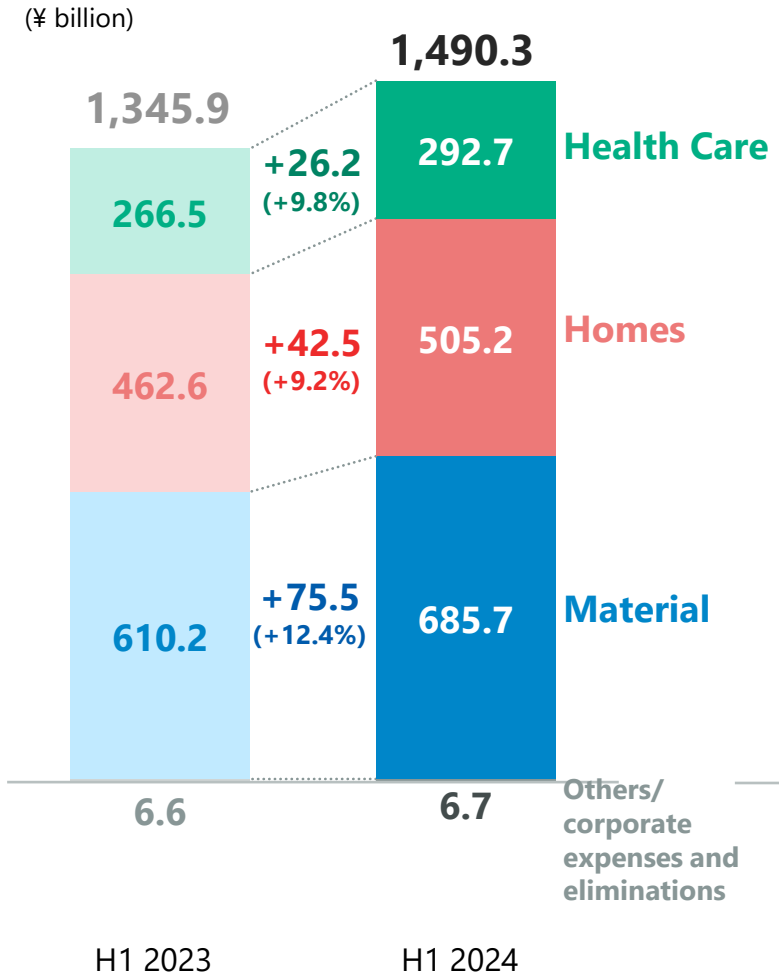
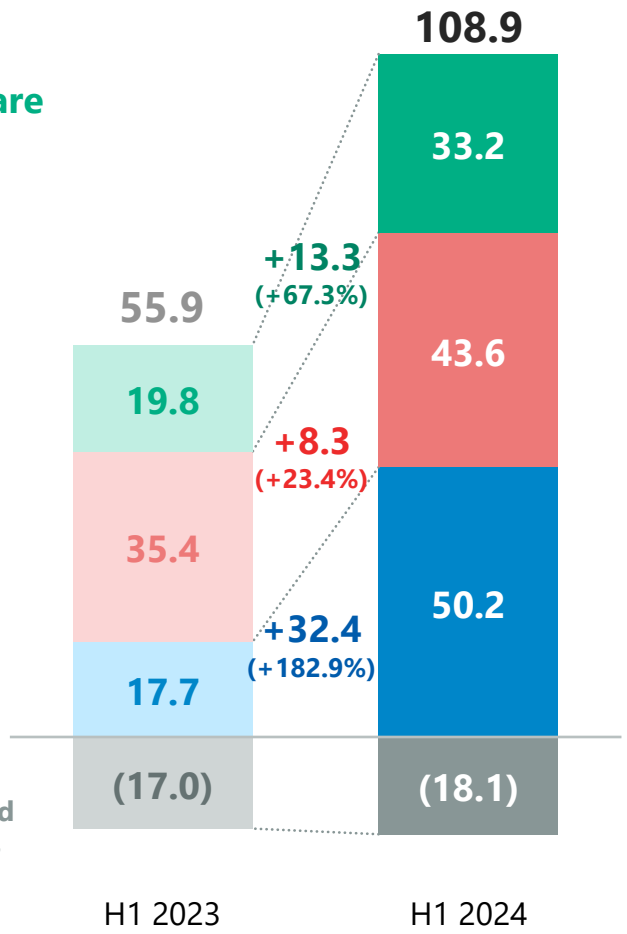
Sales (YoY)

+¥144.4 billion (+10.7%)



Operating income (YoY)

+¥53.0 billion (+94.9%)



Health Care

Sales and operating income increase

- **Health Care business category +¥6.7 billion;** Increased income with growth of mainstay products and, in Medical, positive effect of foreign exchange due to weaker yen
- **Critical Care +¥6.6 billion;** Increased income with higher sales prices and lower unit costs for defibrillators, and increased shipments of LifeVest

Homes

Sales and operating income increase

- **Homes business category +¥9.2 billion;** Increased income with expansion of real estate and overseas business

Material

Sales and operating income increase

- **Environmental Solutions +¥18.1 billion;** Increased income with improved terms of trade and positive effect of inventory valuation with higher petrochemical market prices in Basic Materials
- **Mobility & Industrial +¥4.9 billion;** Increased income with higher selling prices for car interior material and engineering plastics, and positive effect of foreign exchange due to weaker yen
- **Life Innovation +¥12.9 billion;** Increased income with firm performance of mainstay products centered on Digital Solutions, improved terms of trade, and positive effect of foreign exchange due to weaker yen

H1 2024 results by segment (vs. forecast in July)

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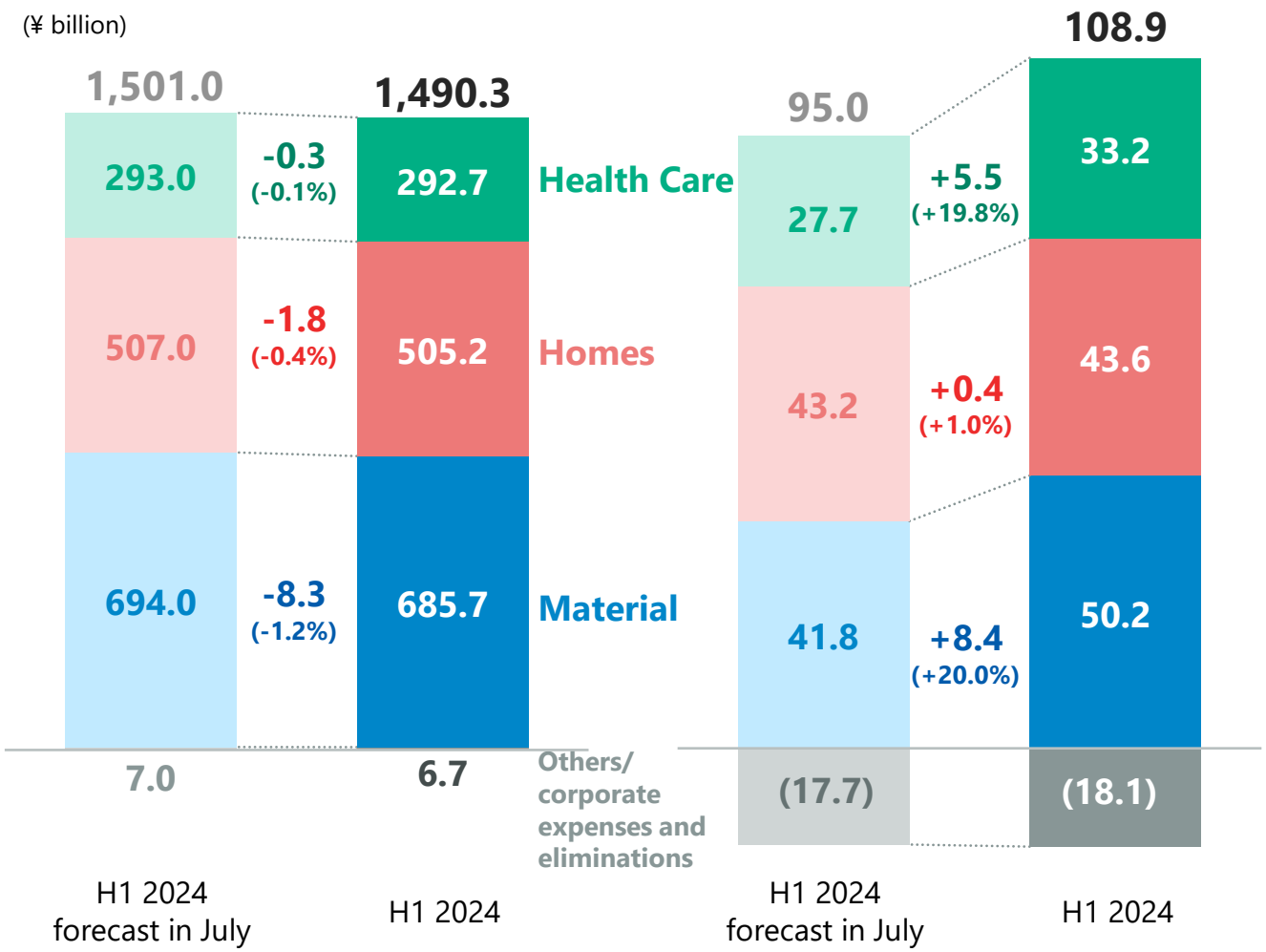
Sales (vs. forecast in July)

-¥10.7 billion (-0.7%)

Operating income (vs. forecast in July)

+¥13.9 billion (+14.6%)



Health Care — Sales as expected, operating income above forecast

- **Health Care business category +¥4.7 billion;**
  Income exceeded forecast with firm sales of Envarsus XR and reduced fixed costs

Homes — Sales and operating income as expected

- **Basically in line with forecast**

Material — Sales as expected, operating income above forecast

- **Environmental Solutions +¥2.4 billion;**
  Income exceeded forecast with reduced fixed costs and improved customer composition in Basic Materials
- **Mobility & Industrial +¥2.1 billion;**
  Income exceeded forecast with greater shipments of car interior material and improved terms of trade for engineering plastics
- **Life Innovation +¥3.8 billion;**
  Income exceeded forecast with firm sales of mainstay products

Changes in quarterly operating income

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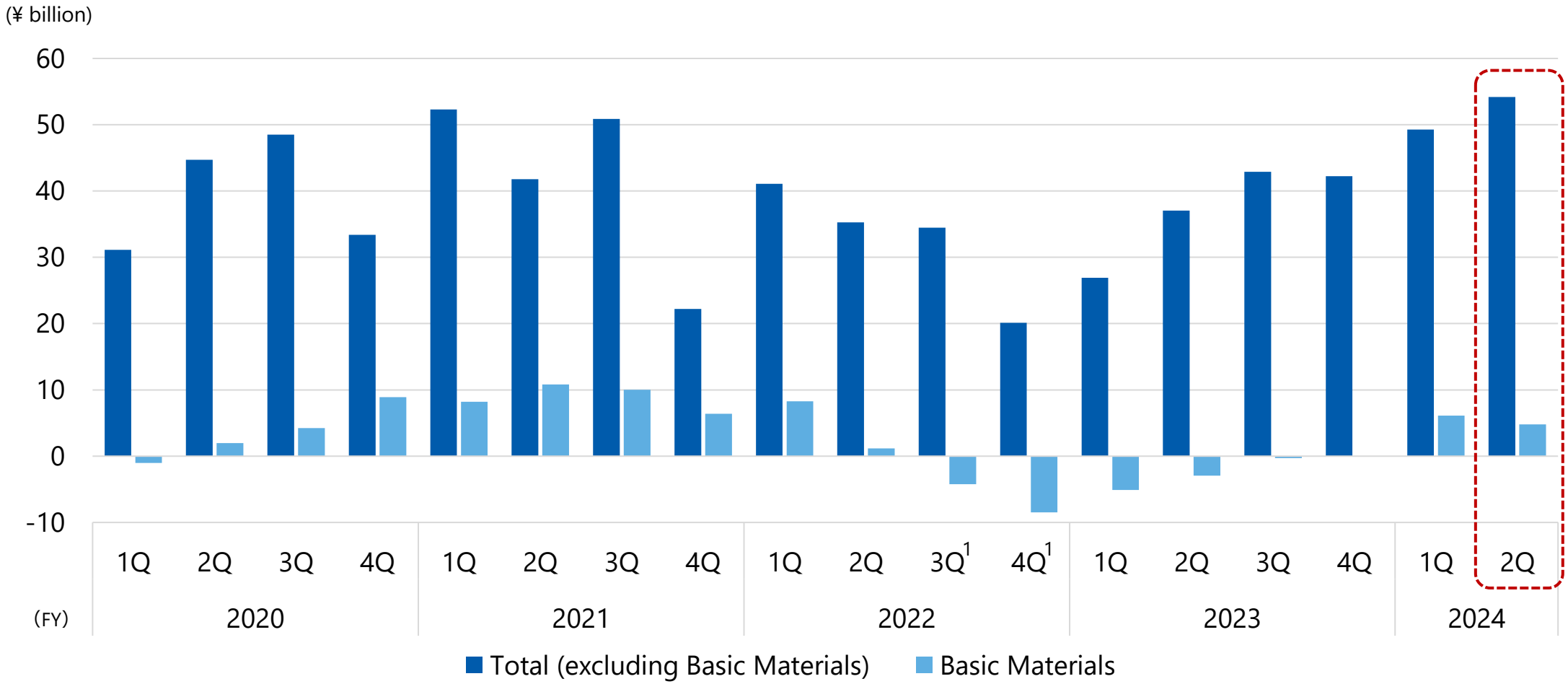
Operating income has been on a recovery trend since a nadir in Q4 FY2022; excluding Basic Materials, Q2 FY2024 operating income is the highest in 5 years



[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 with higher value of overseas expenses due to weaker yen, and with expenses related to the Calliditas acquisition
	Non-operating income/expenses	Greater interest income, but increased net expenses with foreign exchange loss on foreign-currency denominated savings due to stronger yen at closing
	Extraordinary income/loss	Worsened with business structure improvement expenses, etc.

(¥ billion)

	H1 2023		H1 2024		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	1,345.9	100.0%	1,490.3	100.0%	144.4	+10.7%
Cost of sales	956.7	71.1%	1,020.3	68.5%	63.6	+6.6%
Gross profit	389.2	28.9%	470.0	31.5%	80.8	+20.8%
Selling, general and administrative expenses	333.3	24.8%	361.1	24.2%	27.8	+8.3%
Operating income	55.9	4.2%	108.9	7.3%	53.0	+94.9%
Net non-operating income (expenses)	(3.8)		(5.2)		(1.4)	
of which, net equity in earnings (losses) of affiliates	(0.0)		1.5		1.6	
Ordinary income	52.0	3.9%	103.7	7.0%	51.7	+99.2%
Net extraordinary income (loss)	1.9		(6.6)		(8.5)	
Income before income taxes	54.0	4.0%	97.1	6.5%	43.2	+80.0%
Income taxes	(21.6)		(34.7)		(13.1)	
Net income attributable to non-controlling interests	(1.5)		(2.2)		(0.6)	
Net income attributable to owners of the parent	30.8	2.3%	60.2	4.0%	29.4	+95.3%

Extraordinary income and loss

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Increased gain on sales of strategic shareholdings, but worsening with nonrecurrence of previous year's gain on business transfer, as well as business structure improvement expenses for consolidation of production facilities, etc.

(¥ billion)

	H1 2023	H1 2024	Increase (decrease)
Gain on sales of investment securities	3.9	7.3	3.4
Gain on sales of noncurrent assets	0.2	0.2	0.1
Insurance income	2.0	1.2	(0.8)
Gain on business transfer	3.0	-	(3.0)
Total extraordinary income	9.0	8.7	(0.3)
Loss on valuation of investment securities	0.5	0.7	0.2
Loss on disposal of noncurrent assets	3.1	3.5	0.4
Impairment loss	0.0	1.1	1.1
Loss on product compensation	–	1.8	1.8
Business structure improvement expenses	3.6	8.3	4.7
Total extraordinary loss	7.1	15.3	8.2
Net extraordinary income (loss)	1.9	(6.6)	(8.5)

Balance sheets

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Total assets	Lower value of overseas assets due to stronger yen, but increased goodwill etc. due to consolidation of Calliditas and ODC
Liabilities	Increased interest-bearing debt due to acquisitions of Calliditas and ODC
Net assets	Increased retained earnings with recording of net income, but decreased accumulated other comprehensive income due to stronger yen

(¥ billion)

	At end of Mar. 2024	At end of Sep. 2024	Increase (decrease)
Current assets	1,650.0	1,631.7	(18.3)
Cash and deposits	338.1	341.0	2.9
Notes, accounts receivable–trade, and contract assets	485.9	463.6	(22.4)
Inventories	678.8	698.6	19.8
Other current assets	147.2	128.5	(18.7)
Noncurrent assets	2,012.7	2,156.8	144.1
Property, plant and equipment	853.3	870.7	17.4
Intangible assets	754.7	891.5	136.7
Investments and other assets	404.7	394.7	(10.0)
Total assets	3,662.7	3,788.5	125.8

	At end of Mar. 2024	At end of Sep. 2024	Increase (decrease)
Liabilities	1,814.1	1,985.0	170.9
Current liabilities	914.6	1,009.7	95.1
Notes and accounts payable–trade	213.3	194.3	(18.9)
Other current liabilities	701.3	815.4	114.0
Noncurrent liabilities	899.5	975.3	75.8
Net assets	1,848.6	1,803.4	(45.2)
Shareholders' equity	1,311.9	1,347.1	35.2
Capital stock	103.4	103.4	–
Capital surplus	80.3	80.4	0.1
Retained earnings	1,135.5	1,170.5	35.0
Treasury stock	(7.3)	(7.2)	0.1
Accumulated other comprehensive income	501.5	420.0	(81.5)
Non-controlling interests	35.2	36.3	1.1
Total liabilities and net assets	3,662.7	3,788.5	125.8

Goodwill	360.7	528.6	168.0
Interest-bearing debt[1]	917.0	1,113.2	196.2
D/E ratio	0.51	0.63	0.12

[1] Excluding lease obligations

Note:
¥151/US$ and ¥163/€ as of March 31, 2024
¥144/US$ and ¥160/€ as of September 30, 2024

Cash flows

Operating	Increased working capital due to higher feedstock costs, but greater cash provided due to increased income before income taxes
Investing	Greater cash used due to acquisitions of Calliditas and ODC
Financing	Flow turned positive due to financing of Calliditas and ODC acquisitions

(¥ billion)

	H1 2023	H1 2024	Increase (decrease)
a. Net cash provided by (used in) operating activities	133.9	151.1	17.2
b. Net cash provided by (used in) investing activities	(87.6)	(279.3)	(191.8)
Outlays for capital expenditure	(93.5)	(108.7)	(15.2)
Outlays for M&A	–	(188.4)	(188.4)
Others	5.9	17.8	11.9
c. Free cash flows [a+b]	46.4	(128.2)	(174.5)
d. Net cash provided by (used in) financing activities	(43.1)	163.5	206.5
e. Others	24.4	(31.2)	(55.6)
Net increase (decrease) in cash and cash equivalents [c+d+e]	27.7	4.1	(23.6)

2. Forecast for FY 2024

FY 2024 forecast (consolidated)

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Increased net sales and operating income forecasted in all segments; Critical Care, Digital Solutions, and other growth businesses in each segment to contribute to income growth; operating income forecast revised upward from previous forecast (May 2024); Health Care forecast maintained despite incurring expenses and amortizing goodwill etc. related to the Calliditas acquisition

Increased net income attributable to owners of the parent year-on-year with higher operating income; forecast revised upward

		FY 2023			FY 2024					FY 2024 forecast in May	
		H1	H2		H1	H2 forecast		Increase (decrease)	% change		% change
Net sales	(¥ billion)	1,345.9	1,439.0	2,784.9	1,490.3	1,580.7	3,071.0	286.1	+10.3%	2,912.0	+5.5%
Operating income	(¥ billion)	55.9	84.9	140.7	108.9	86.1	195.0	54.3	+38.5%	180.0	+8.3%
Operating margin		4.2%	5.9%	5.1%	7.3%	5.4%	6.3%			6.2%	
Operating income before goodwill amortization		70.3	100.0	170.3	124.6	104.4	229.0	58.7	+34.4%	208.7	+9.7%
EBITDA	(¥ billion)	144.7	178.3	322.9	197.5	183.5	381.0	58.1	+18.0%	356.0	+7.0%
EBITDA margin		10.7%	12.4%	11.6%	13.3%	11.6%	12.4%			12.2%	
Net income attributable to owners of the parent	(¥ billion)	30.8	13.0	43.8	60.2	49.8	110.0	66.2	+151.1%	100.0	+10.0%
EPS	(¥)	22.25	9.35	31.60	43.46	36.44	79.90	48.30	+152.8%	72.14	+10.8%
EPS before goodwill amortization	(¥)	32.68	20.28	52.96	54.80	49.80	104.60	51.64	+97.5%	92.84	+12.7%
¥/US$ exchange rate (average)		141	148	145	153	145	149			145	
¥/€ exchange rate (average)		153	160	157	166	160	163			155	
Naphtha price (¥/kL, domestic)		65,600	72,700	69,200	78,000	70,000	74,000			74,000	
Dividends per share (¥)		18	18	36	18	18 (forecast)	36 (forecast)			36 (forecast)	

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

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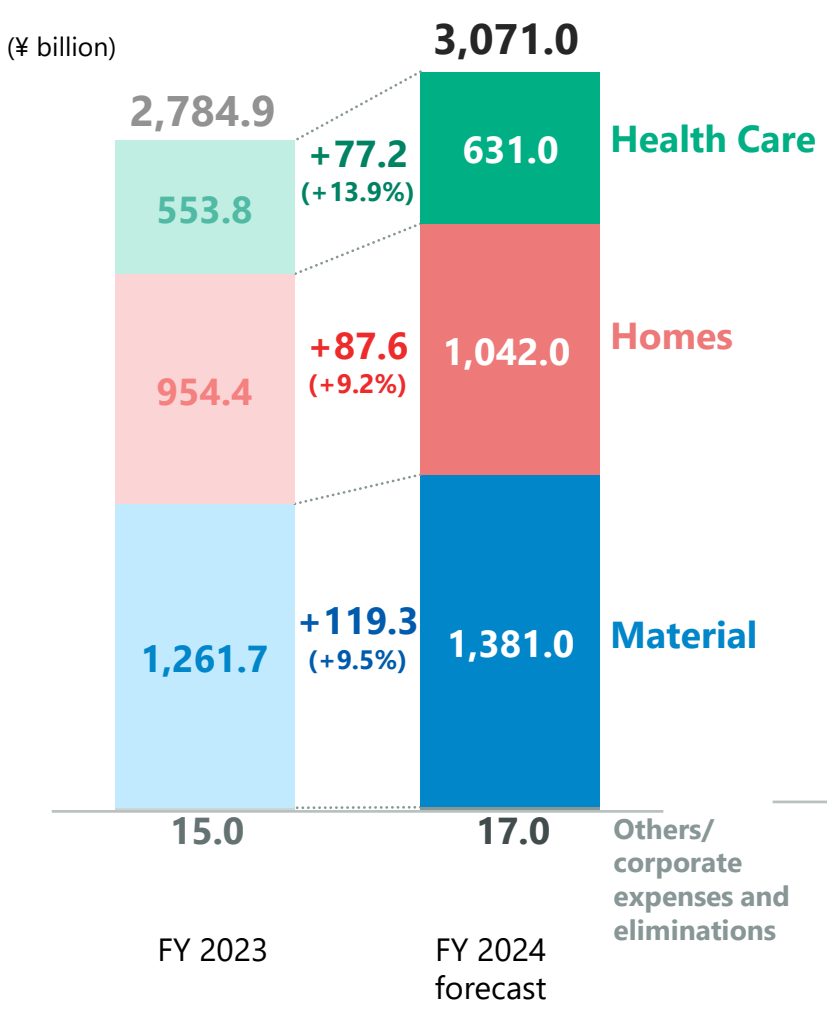
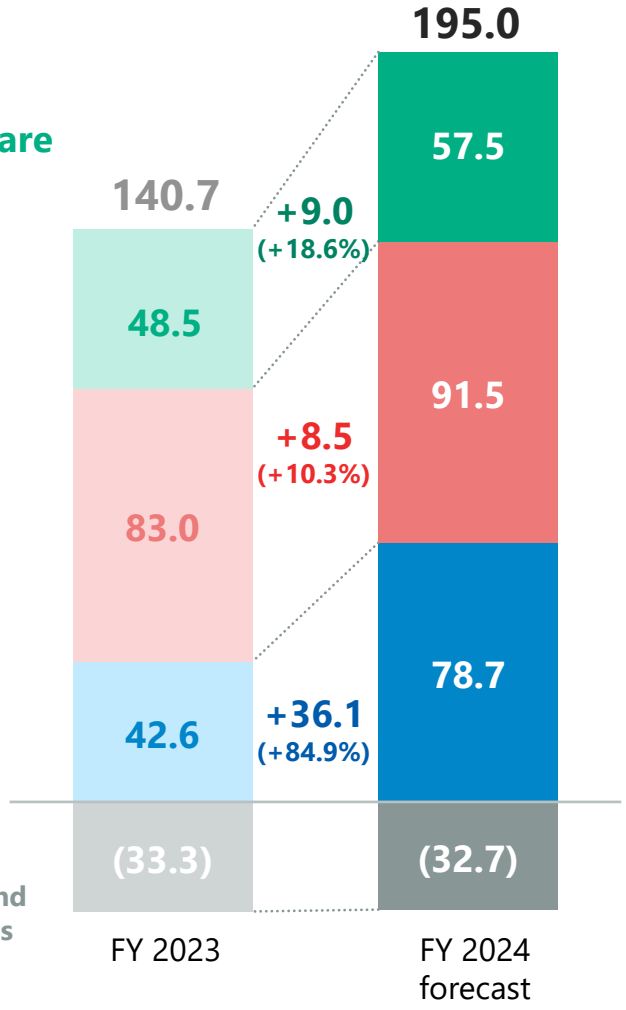
Sales (YoY)

+¥286.1 billion (+10.3%)



Operating income (YoY)

+¥54.3 billion (+38.5%)



Health Care

Sales and operating income increase

- **Health Care business category -¥1.6 billion;** Each business performing well, but decreased income due to impact of Calliditas acquisition
- **Critical Care +¥10.6 billion;** Increased income with higher sales prices and lower unit costs for defibrillators and increased shipments of LifeVest

Homes

Sales and operating income increase

- **Homes business category +¥7.5 billion;** Increased income with higher average unit prices and reduced costs in order-built homes

Material

Sales and operating income increase

- **Environmental Solutions +¥14.6 billion;** Increased income with improved terms of trade and positive effect of inventory valuation with higher petrochemical market prices in Basic Materials
- **Mobility & Industrial +¥9.4 billion;** Increased income with higher selling prices in car interior material and engineering plastics, and positive impact of foreign exchange due to weaker yen
- **Life Innovation +¥14.1 billion;** Increased income with firm performance of mainstay products centered on Digital Solutions, and improved terms of trade

FY 2024 forecast by segment (vs. forecast in May)

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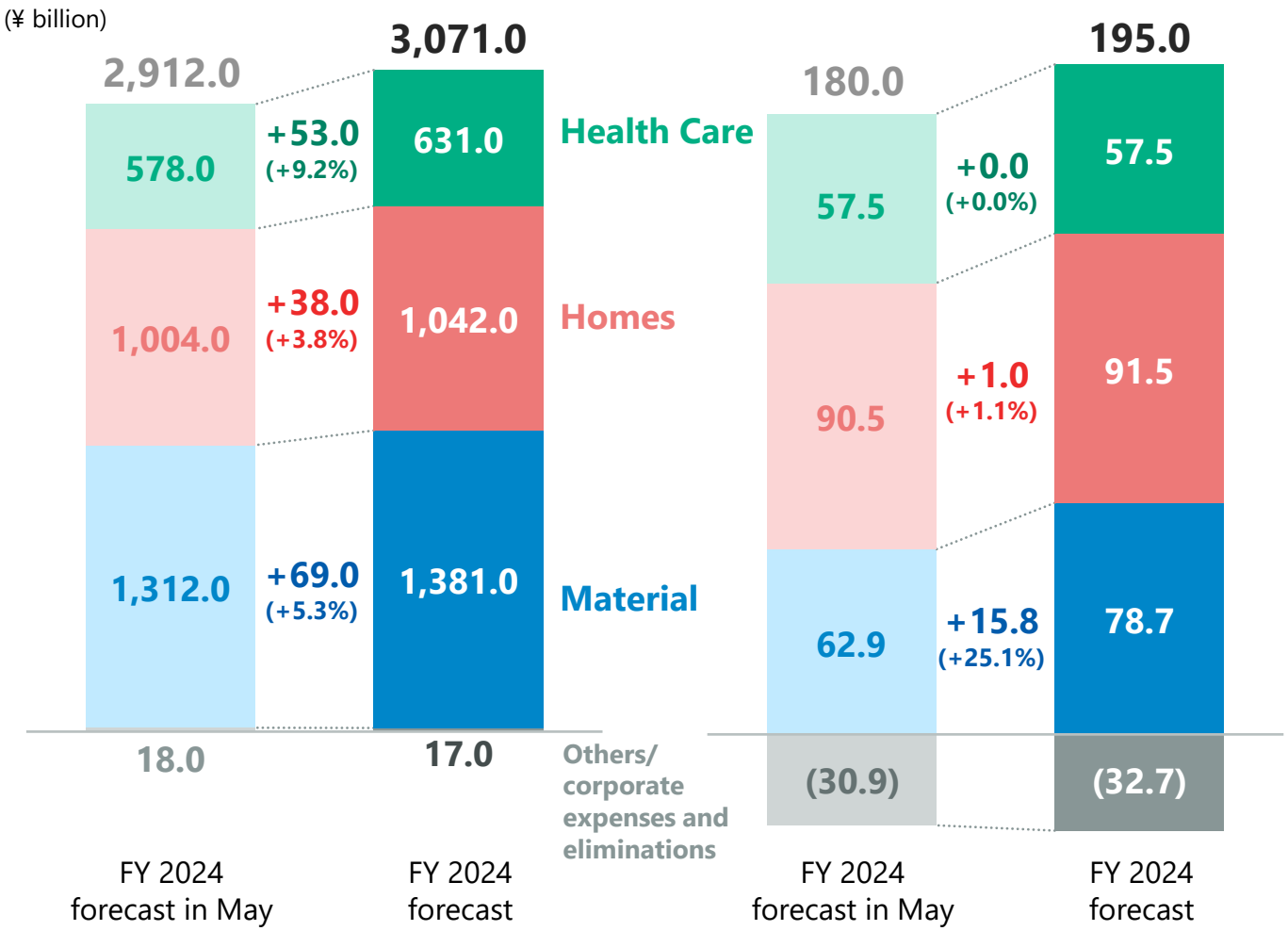
Sales (vs. forecast in May)

+¥159.0 billion (+5.5%)

Operating income (vs. forecast in May)

+¥15.0 billion (+8.3%)



Health Care

Sales revised upward, operating income as expected

- **Health Care business category -¥3.4 billion;** Lower SG&A expenses and positive impact of foreign exchange due to weaker yen, but income forecast revised downward due to impact of Calliditas acquisition
- **Critical Care +¥3.4 billion**; Income forecast revised upward with firm performance of each business and positive impact of foreign exchange due to weaker yen

Homes

Sales revised upward, operating income as expected

- **Homes business category +¥1.0 billion;** Each business performing well

Material

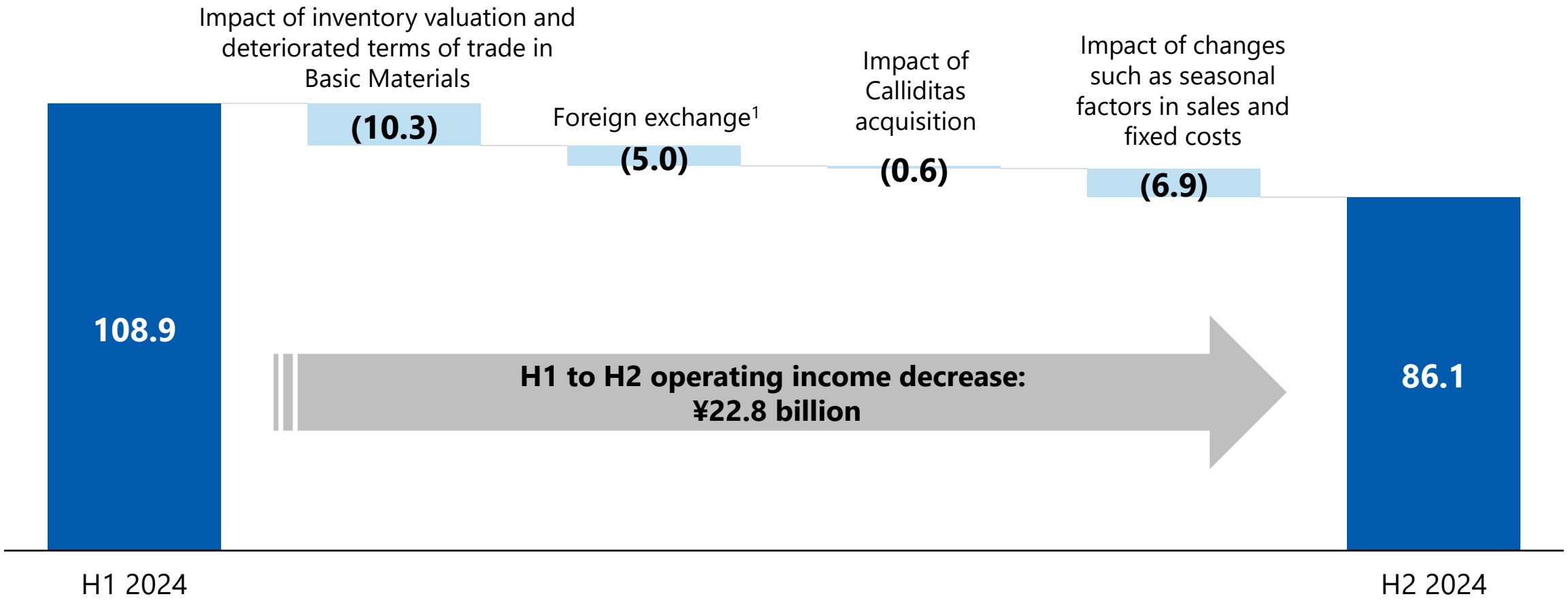
Sales and operating income revised upward

- **Environmental Solutions +¥5.3 billion;**
  Income forecast revised upward with increased volumes and improved operating rates in Basic Materials
- **Mobility & Industrial +¥2.2 billion;**
  Income forecast revised upward with greater shipments of car interior material
- **Life Innovation +¥8.7 billion;**
  Income forecast revised upward with firm sales of mainstay products centered on Digital Solutions

FY 2024 forecast (operating income changes from H1 to H2)

In addition to the negative impacts of petrochemical market prices and exchange rate fluctuation from H1 to H2, operating income will decrease due to impact of changes such as seasonal factors in sales and fixed costs, but firm operating climate expected to continue

(¥ billion)



[1] Including foreign currency translation adjustment

Main KPIs

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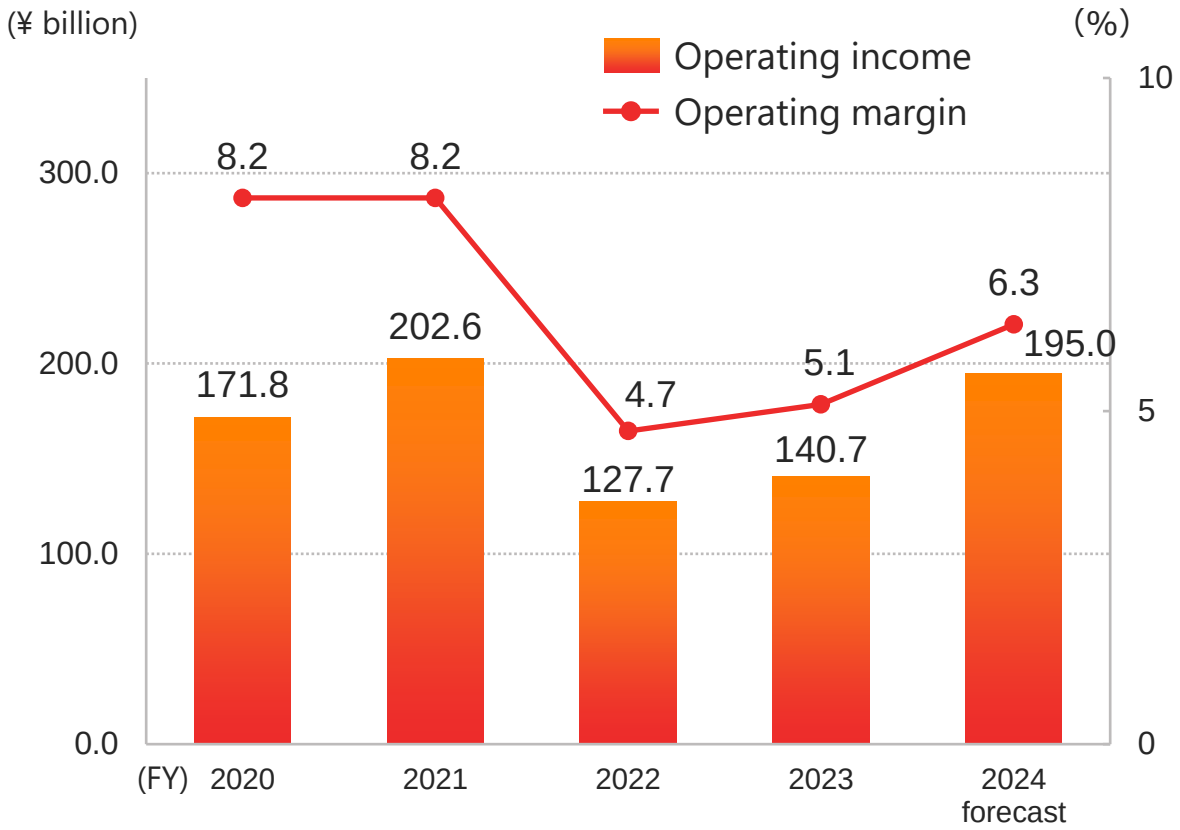
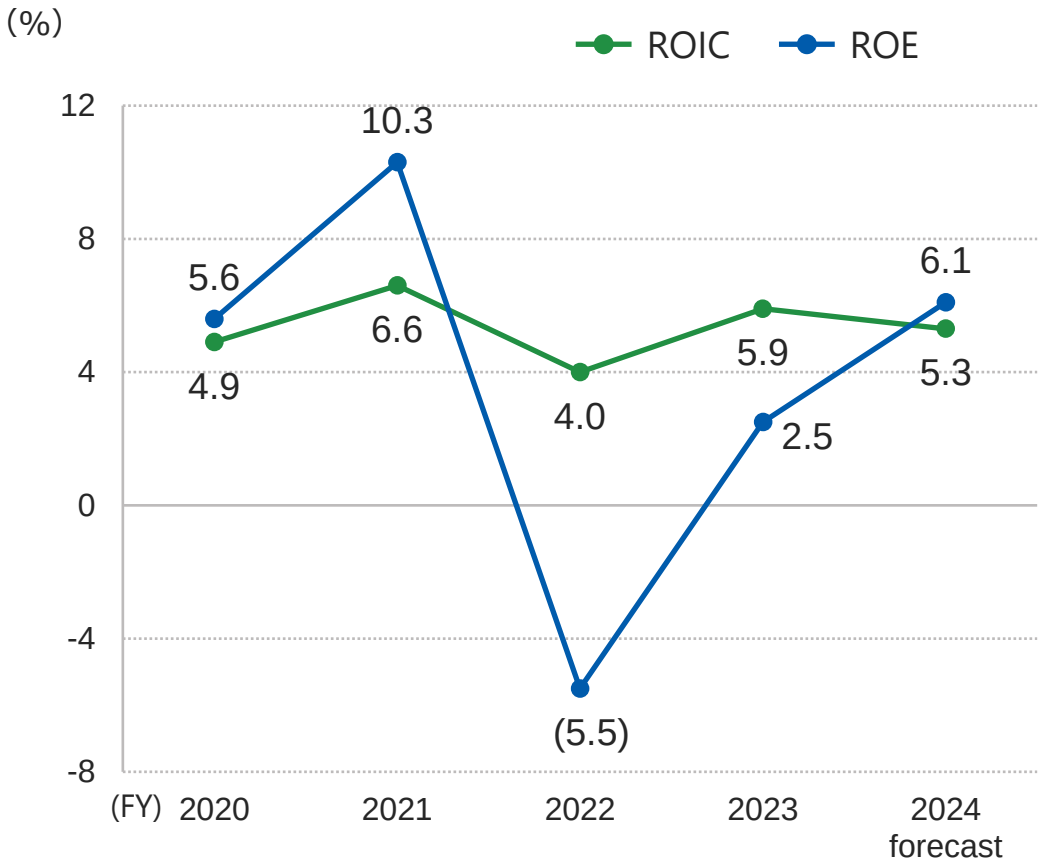
Improved operating margin expected with income growth in growth businesses and improved petrochemical market prices

Improved ROE expected with increased net income due to income growth in growth businesses and improved petrochemical market prices

Operating income, operating margin



ROIC[1], ROE

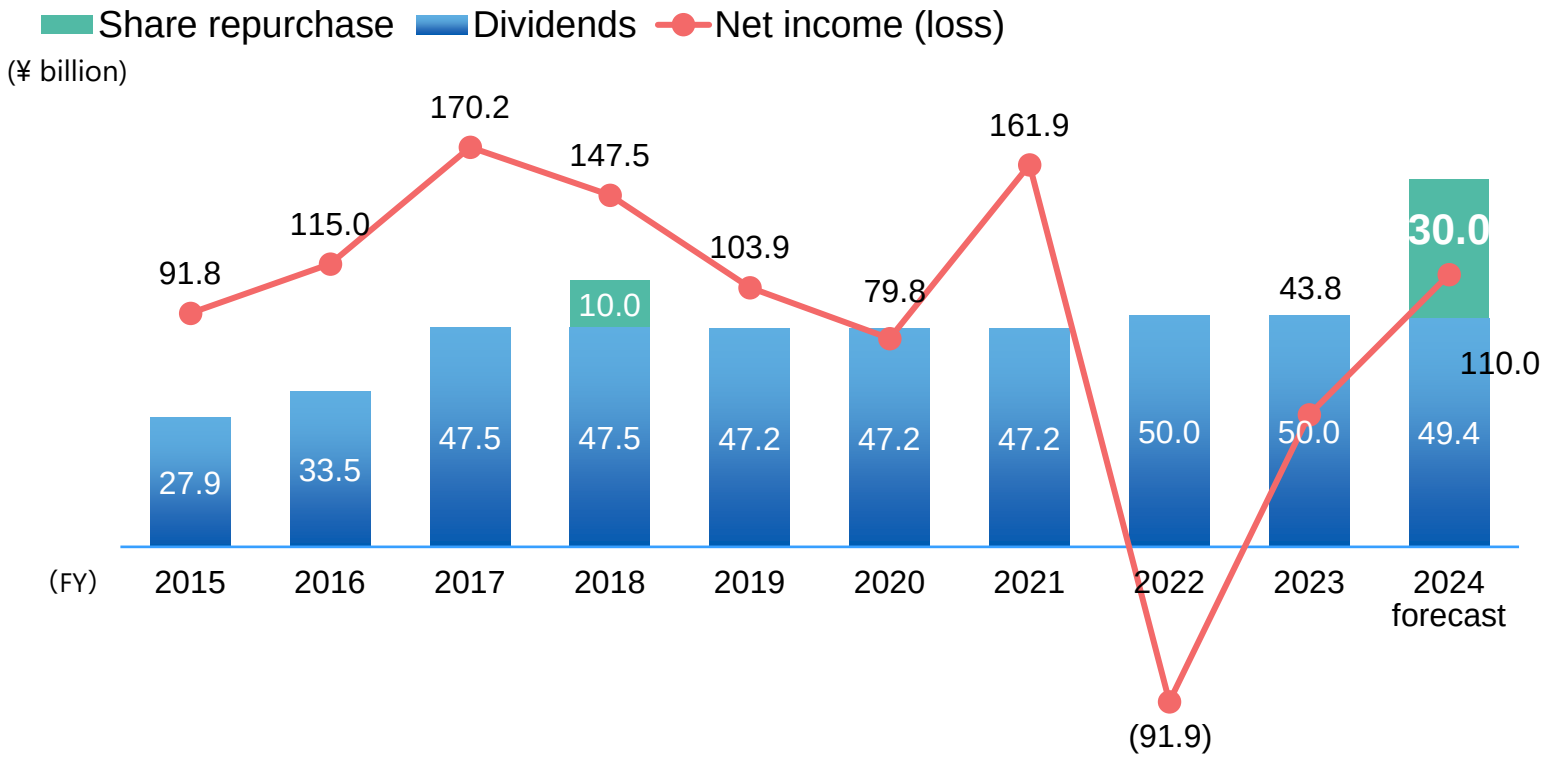


[1] ROIC = (operating income − income taxes) ÷ average annual invested capital

Shareholder returns

Interim dividend of ¥18 per share, full-year dividend forecast of ¥36 per share (no change from the previous forecast) based on shareholder returns policy

Decision to perform share repurchase up to ¥30 billion to improve capital efficiency and enhance shareholder returns



Payout ratio	30.4%	29.1%	27.9%	32.2%	45.4%	59.1%	29.1%	-	113.9%	45.1%
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

Partial change in presentation from FY 2024

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Certain business was transferred from Mobility & Industrial to Environmental Solutions in fiscal 2024; for comparison purposes, results of fiscal 2023 are hereinafter recalculated in accordance with the new classifications

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)

Material Sales and operating income increase/decrease

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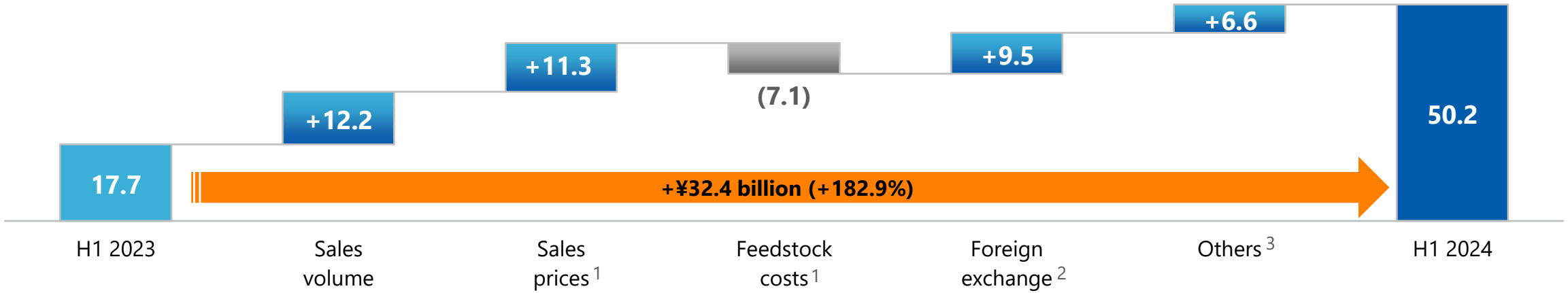
Operating income increased with positive sales volume factor centered on Life Innovation, positive sales prices factor due to appropriate pricing based on feedstock costs, and positive foreign exchange factor due to weaker yen

Operating income increase/decrease

(¥ billion)



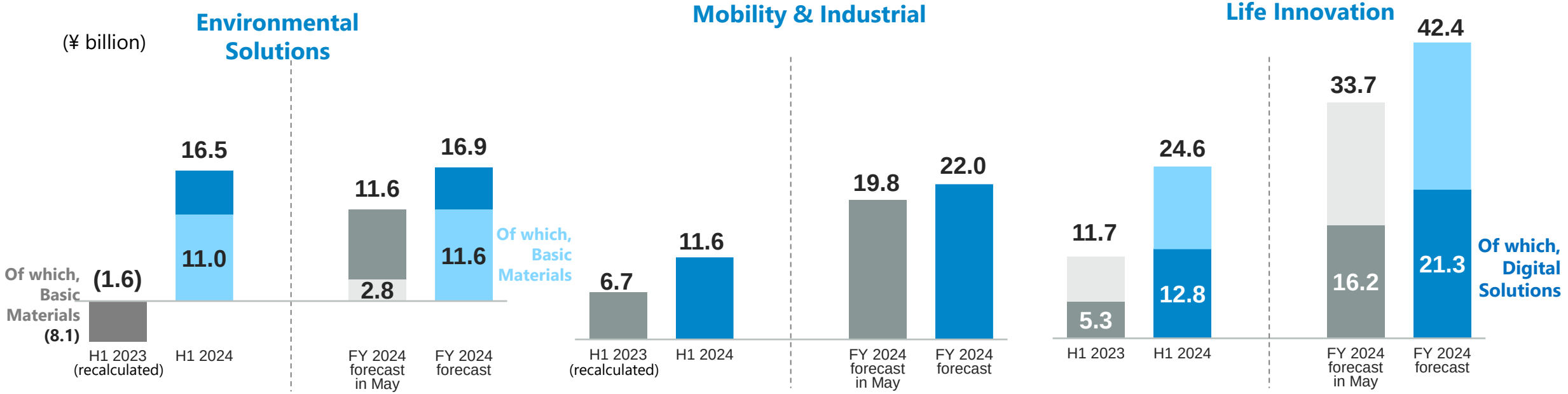
	Sales				Operating income								
									Increase (decrease) due to:				
	H1 2023 (recalculated)	**H1 2024**	Increase (decrease)	% change	H1 2023 (recalculated)	**H1 2024**	Increase (decrease)	% change	Sales Volume	Sales prices[1]	Feedstock cost[1]	Foreign exchange[2]	Others[3]
Material Segment	610.2	**685.7**	75.5	+12.4%	17.7	**50.2**	32.4	+182.9%	12.2	11.3	(7.1)	9.5	6.6
Environmental Solutions	238.0	**279.2**	41.1	+17.3%	(1.6)	**16.5**	18.1	-	2.6	7.5	(5.8)	3.7	10.1[4]
of which, Basic Materials	138.3	**166.5**	28.1	+20.3%	(8.1)	**11.0**	19.0	-					
Mobillity & Industrial	184.4	**204.2**	19.8	+10.8%	6.7	**11.6**	4.9	+73.7%	(0.3)	4.0	(1.4)	2.5	0.2
Life Innovation	187.5	**202.3**	14.8	+7.9%	11.7	**24.6**	12.9	+110.4%	9.9	(0.1)	1.4	3.3	(1.6)
of which, Digital Solutions	61.0	**72.5**	11.4	+18.7%	5.3	**12.8**	7.5	+143.0%					
Others in Material	0.3	**0.0**	(0.3)	-99.0%	1.0	**(2.6)**	(3.5)	-	-	-	(1.3)[4]	-	(2.2)[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.

Material Overview by business

AsahiKASEI

Operating income



Main businesses		H1 2024 vs H1 2023 (YoY)	FY 2024 revised forecast vs forecast in May
Environmental Solutions	Separators	Shipment volumes even with year-ago period, but operating income decrease with impact of inventory valuation due to low operating rates in 2023	Income forecast revised downward with lower than expected shipments of LIB separator due to impact of EV demand slowdown, operating rate adjustments, and increased expenses related to establishment of new company
	Basic Materials	Operating income increase with improved terms of trade and positive effect of inventory valuation with higher petrochemical market prices, etc.	Income forecast revised upward due to increased volumes and improved operating rates
Mobility & Industrial	Car interior material	Operating income increase with progress in passing on increased costs, and improved terms of trade due to weaker yen	Income forecast revised upward due to higher than expected shipments for North American and Chinese markets
	Engineering plastics & others	Operating income increase with greater shipments in solar power applications, and improved terms of trade due to weaker yen	Lower than expected shipments mainly in automotive applications, but operating income in line with previous forecast due to progress in passing on increased costs
Life Innovation	Digital Solutions	Operating income increase with firm performance of electronic materials for AI servers and high-end smartphones, and electronic components for camera modules, as well as improved terms of trade due to weaker yen	Income forecast revised upward with firm sales of mainstay products

Performance trend

(¥ billion)

Sales	(recalculated) H1	(recalculated) H2	FY 2023	H1	H2 forecast	FY 2024 forecast	Increase (decrease)	% change	FY 2024 forecast in May	% change
Material Segment	**610.2**	**651.5**	**1,261.7**	**685.7**	**695.3**	**1,381.0**	**119.3**	**9.5%**	**1,312.0**	**5.3%**
Environmental Solutions	238.0	264.0	502.0	279.2	283.8	563.0	61.0	12.1%	517.0	8.9%
of which, Basic Materials	138.3	155.2	293.5	166.5	172.5	339.0	45.5	15.5%	306.0	10.8%
Mobility & Industrial	184.4	190.3	374.7	204.2	199.8	404.0	29.3	7.8%	394.0	2.5%
Life Innovation	187.5	197.2	384.7	202.3	211.7	414.0	29.3	7.6%	401.0	3.2%
of which, Digital Solutions	61.0	67.4	128.5	72.5	72.5	145.0	16.5	12.9%	138.0	5.1%
Others in Material	0.3	0.0	0.3	0.0	(0.0)	0.0	(0.3)	-99.6%	-	-

Operating Income	(recalculated) H1	(recalculated) H2	FY 2023	H1	H2 forecast	FY 2024 forecast	Increase (decrease)	% change	FY 2024 forecast in May	% change
Material Segment	**17.7**	**24.8**	**42.6**	**50.2**	**28.5**	**78.7**	**36.1**	**+84.9%**	**62.9**	**25.1%**
Environmental Solutions	(1.6)	3.9	2.3	16.5	0.4	16.9	14.6	+639.1%	11.6	45.7%
of which, Basic Materials	(8.1)	(0.3)	(8.4)	11.0	0.6	11.6	20.0	-	2.8	315.8%
Mobility & Industrial	6.7	5.9	12.6	11.6	10.4	22.0	9.4	+75.0%	19.8	11.3%
Life Innovation	11.7	16.6	28.3	24.6	17.8	42.4	14.1	+49.6%	33.7	25.6%
of which, Digital Solutions	5.3	7.3	12.5	12.8	8.5	21.3	8.8	+69.8%	16.2	31.2%
Others in Material	1.0	(1.6)	(0.6)	(2.6)	(0.0)	(2.6)	(2.0)	-	(2.2)	-

Material

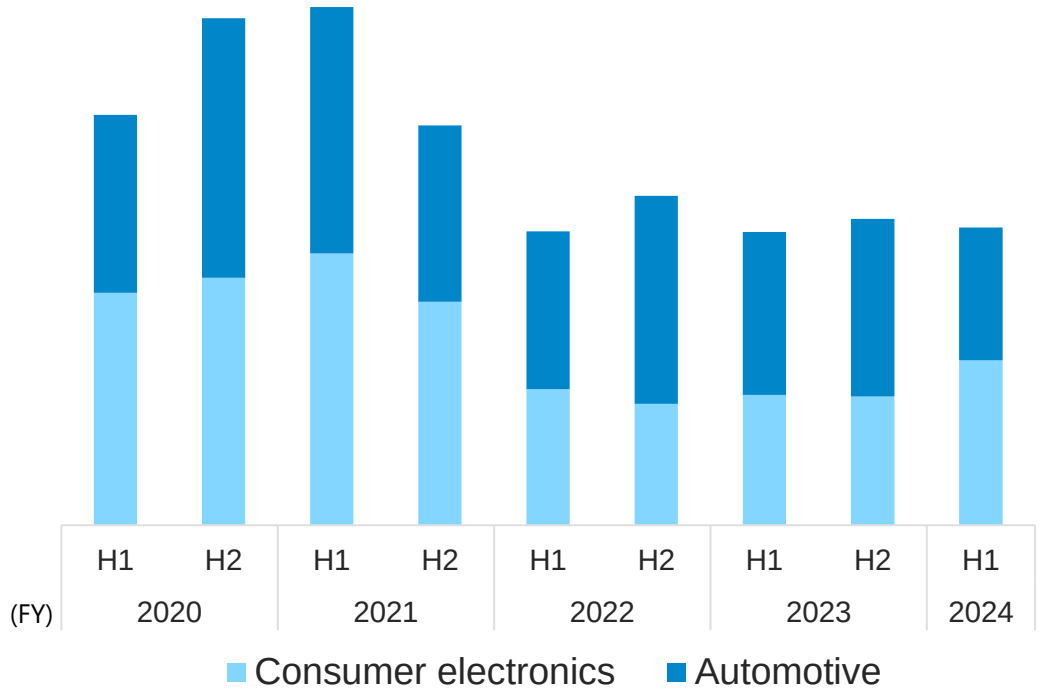
Trends in separator business

AsahiKASEI

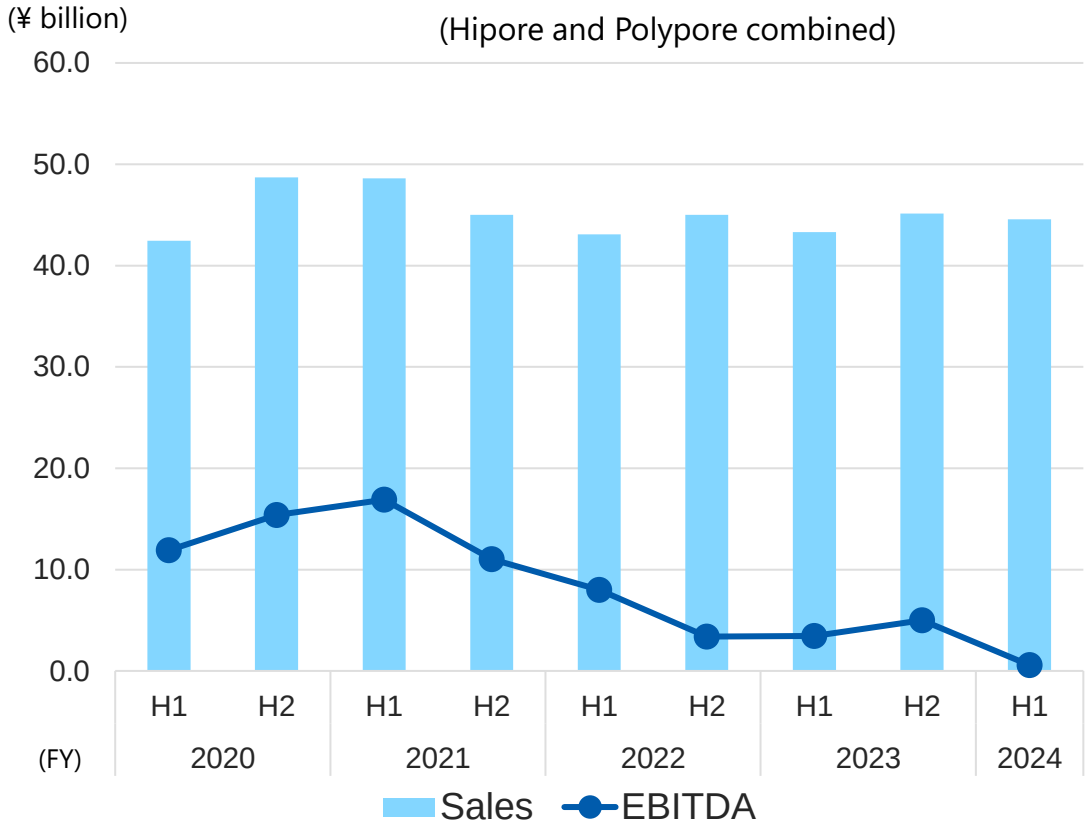
Hipore wet-process LIB separator expanded along with market growth, but volume decreased in H2 FY 2021 with automotive applications impacted by reduced vehicle production and consumer electronics applications impacted by economic slowdown in China; EBITDA at low level due to reduced operating rates

Challenging environment expected to continue in FY 2024 impacted by EV market slowdown in Europe and the U.S.; advancing cost reductions and other profit-improvement measures

Hipore sales volume



Separator business performance



Homes

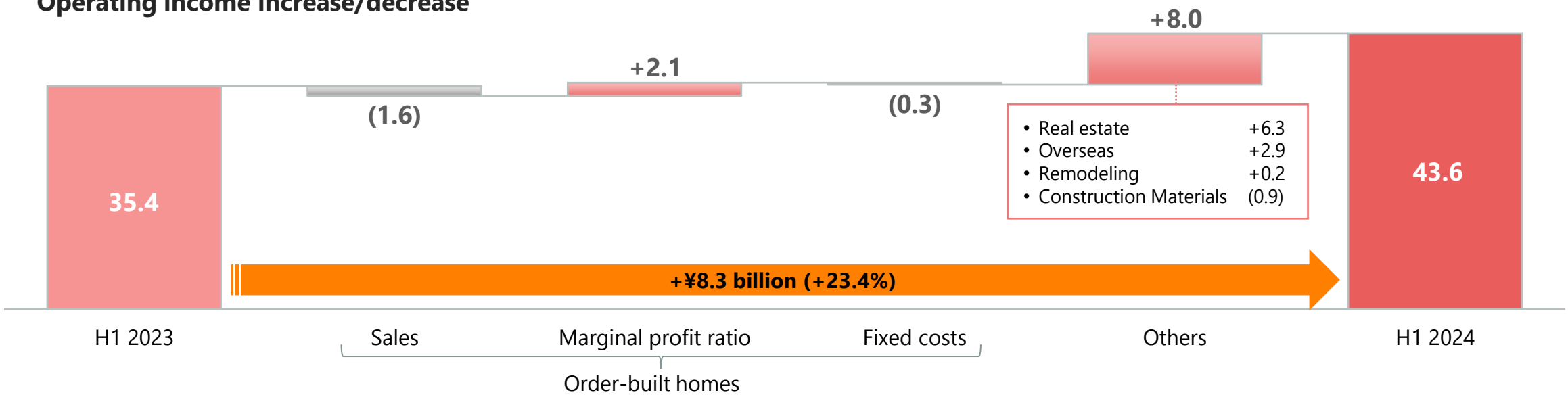
Sales and operating income increase/decrease

AsahiKASEI

Operating income increased with effects of higher unit prices and cost reductions combining to offset negative impacts in sales factor due to reduced volume of work in order-built homes, and firm performance in real estate and overseas business

(¥ billion)

Operating income increase/decrease



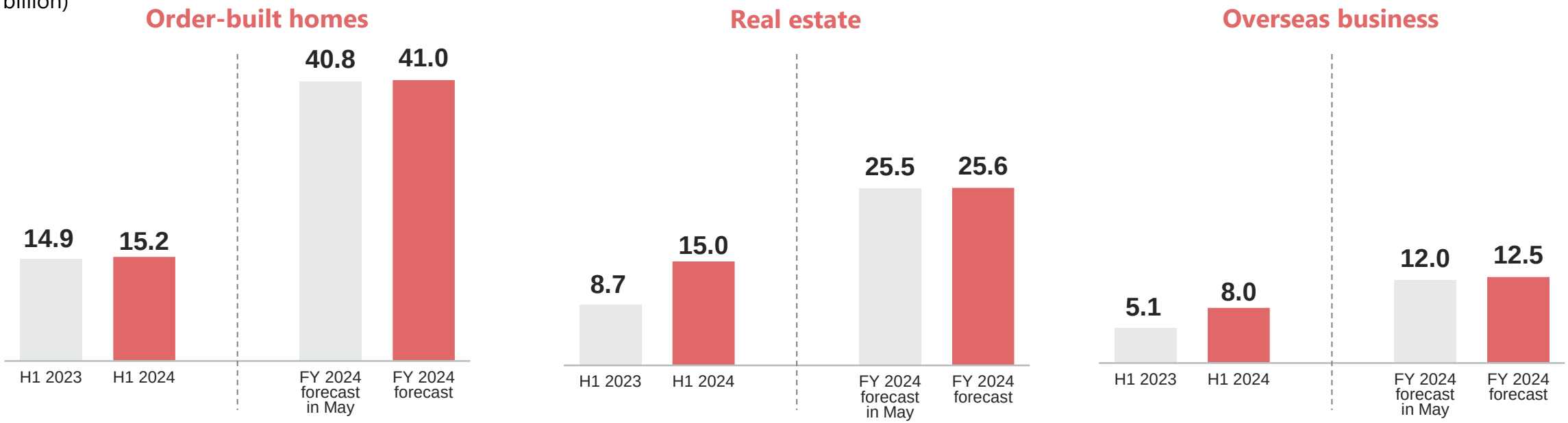
	Sales				Operating income							
									Increase (decrease) due to:			
									Order-built homes			Others
	H1 2023	**H1 2024**	Increase (decrease)	% change	H1 2023	**H1 2024**	Increase (decrease)	% change	Sales	Marginal Profit	Fixed cost	
Homes segment	462.6	505.2	42.5	+9.2%	35.4	43.6	8.3	+23.4%	(1.6)	2.1	(0.3)	8.0
Homes	440.6	484.2	43.6	+9.9%	32.7	41.9	9.2	+28.1%	(1.6)	2.1	(0.3)	9.0[1]
Construction Materials	22.0	20.9	(1.0)	-4.8%	2.6	1.7	(0.9)	-34.9%	-	-	-	(0.9)

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

Overview by business

AsahiKASEI

Operating income
(¥ billion)



Main businesses		H1 2024 vs H1 2023 (YoY)		FY 2024 revised forecast vs forecast in May
Homes	Order-built homes	→	Steady operating income with effect of higher average unit prices resulting from larger and higher value-added units and effect of cost reductions combining to offset impact of lower volume of work	→	Basically in line with previous forecast
	Real estate	↗	Operating income increase with firm trend of number of units in rental management business and substantial increase in number of condominium units sold	→	Basically in line with previous forecast
	Overseas business	↗	Operating income increase with recovery in volume of work in North American operations compared to previous year when demand stagnated, progress in passing on higher material costs in Australian operations, and positive effect of weaker yen	→	Basically in line with previous forecast

Performance trend

(¥ billion)

Sales	H1	H2	FY 2023	H1	H2 forecast	FY 2024 forecast	Increase (decrease)	% change	FY 2024 forecast in May	% change
Homes Segment	**462.6**	**491.8**	**954.4**	**505.2**	**536.8**	**1,042.0**	**87.6**	**+9.2%**	**1,004.0**	**+3.8%**
Homes	440.6	472.2	912.9	484.2	515.8	1,000.0	87.1	+9.5%	960.0	+4.2%
Order-built homes	195.6	205.4	401.0	194.0	219.9	414.0	13.0	+3.2%	418.0	-1.0%
Real estate	87.1	114.5	201.6	114.4	108.6	223.0	21.4	+10.6%	224.0	-0.4%
Remodeling	27.9	28.3	56.3	28.0	30.5	58.5	2.2	+4.0%	60.0	-2.5%
Overseas business	129.4	123.3	252.8	146.4	153.6	300.0	47.2	+18.7%	254.0	+18.1%
Others	0.6	0.7	1.3	1.3	3.2	4.5	3.2	+248.3%	4.0	+13.7%
Construction Materials	22.0	19.5	41.5	20.9	21.1	42.0	0.5	+1.1%	44.0	-4.5%

Operating income	H1	H2	FY 2023	H1	H2 forecast	FY 2024 forecast	Increase (decrease)	% change	FY 2024 forecast in May	% change
Homes Segment	**35.4**	**47.6**	**83.0**	**43.6**	**47.9**	**91.5**	**8.5**	**+10.3%**	**90.5**	**+1.1%**
Homes	32.7	46.8	79.5	41.9	45.1	87.0	7.5	+9.4%	86.0	+1.2%
Order-built homes	14.9	20.0	34.9	15.2	25.8	41.0	6.1	+17.5%	40.8	+0.5%
Real estate	8.7	16.5	25.2	15.0	10.5	25.6	0.3	+1.4%	25.5	+0.2%
Remodeling	3.2	3.4	6.6	3.4	3.9	7.3	0.7	+10.0%	7.0	+3.9%
Overseas business	5.1	6.4	11.5	8.0	4.5	12.5	1.0	+8.8%	12.0	+4.2%
Others	0.8	0.5	1.3	0.3	0.4	0.7	(0.6)	-48.9%	0.7	-5.4%
Construction Materials	2.6	0.8	3.4	1.7	2.8	4.5	1.1	+31.1%	4.5	+0.0%

Homes

Breakdown of order-built homes and real estate

AsahiKASEI

Value of orders received in order-built homes for H1 increased by 10.8% compared to year-ago period when marketing strategy was in transition; targeting H2 orders level with H1

Steady expansion of rental management business in real estate based on recent strong performance in 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 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	Q1	77.2	(-16.4%)	509.0	55.1	32.4	6.6	94.2	3.6	36.7	40.3
	Q2	109.3	(+10.7%)	525.0	58.6	36.9	5.9	101.4	9.1	37.7	46.8
	H1	186.5	(-2.4%)		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	Q1	88.8	(+15.0%)	542.6	50.1	32.8	8.2	91.1	10.9	38.8	49.7
	Q2	117.9	(+7.8%)	571.5	57.5	37.3	8.2	103.0	23.2	41.5	64.7
	H1	206.6	(+10.8%)		107.6	70.1	16.3	194.0	34.1	80.3	114.4
	H2 forecast	206.9	(-0.2%)	555.5				219.9	20.4	88.2	108.6
	annual forecast	**413.6**	**(+5.0%)**					**414.0**	**54.5**	**168.5**	**223.0**

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

Orders and deliveries of order-built homes

AsahiKASEI

H1 2024 results

(% change from previous year)

	Orders received (¥ billion)		Orders received (units)		Number of units delivered	
Unit homes	122.1	+5.5%	2,365	-6.3%	2,275	-18.1%
Multi-dwelling homes	84.5	+19.3%	2,764	+1.3%	2,368	-17.8%
Other	–	–	–	–	20	+25.0%
Order-built homes total	**206.6**	**+10.8%**	**5,129**	**-2.3%**	**4,663**	**-17.8%**

FY 2024 forecast

(% change from previous year)

	Orders received (¥ billion)		Orders received (units)		Number of units delivered	
Unit homes	239.5	+1.3%	4,620	-11.7%	5,290	-11.4%
Multi-dwelling homes	174.1	+10.5%	5,650	+0.9%	5,900	-13.6%
Other	–	–	–	–	35	+16.7%
Order-built homes total	**413.6**	**+5.0%**	**10,270**	**-5.2%**	**11,225**	**-12.5%**

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.

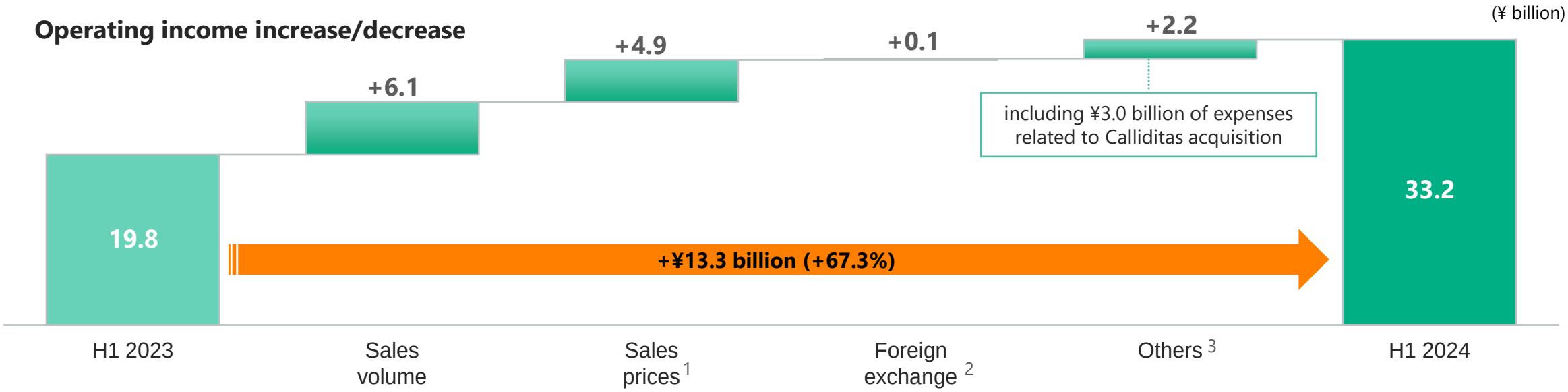
Health Care

Sales and operating income increase/decrease

AsahiKASEI

Operating income increased due to positive sales volume factor with steady expansion of mainstay products, others factor due to foreign currency translation adjustment, and, in Critical Care, positive sales prices factor for defibrillators

Operating income increase/decrease



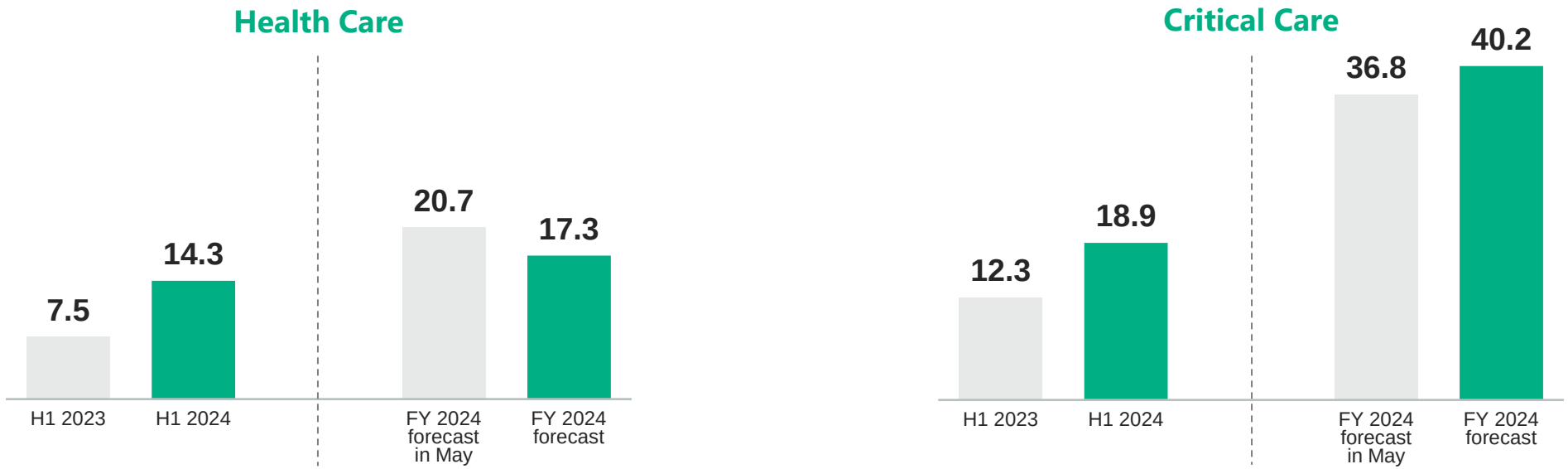
	Sales				Operating income							
									Increase (decrease) due to:			
	H1 2023	**H1 2024**	Increase (decrease)	% change	H1 2023	**H1 2024**	Increase (decrease)	% change	Sales volume	Sales prices[1]	Foreign exchange[2]	Others[3]
Health Care Segment	266.5	**292.7**	26.2	+9.8%	19.8	**33.2**	13.3	+67.3%	6.1	4.9	0.1	2.2
Health Care	100.9	**113.5**	12.7	+12.6%	7.5	**14.3**	6.7	+89.7%	6.2	(0.1)	0.2	0.5
Critical Care	165.7	**179.2**	13.6	+8.2%	12.3	**18.9**	6.6	+53.6%	(0.0)	5.0	(0.1)	1.7

[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)



Main businesses		H1 2024 vs H1 2023 (YoY)	FY 2024 revised forecast vs forecast in May
Health Care	Pharmaceuticals	Expenses related to Calliditas acquisition incurred, but operating income increase with greater shipments of mainstay products	Reduced SG&A expenses and positive effect of foreign exchange due to weaker yen, but income forecast revised downward due to impact of Calliditas acquisition
	Medical	Operating income increase with greater shipments of Planova and positive effect of foreign exchange due to weaker yen	Income forecast revised upward with positive effect of foreign exchange due to weaker yen
Critical Care	LifeVest	Operating income increase with greater shipments and effect of foreign exchange due to weaker yen	Income forecast revised upward with shipments trending above expectations, lower SG&A expenses and positive effect of foreign exchange due to weaker yen
	Defibrillators	Operating income increase with higher selling prices and lower unit costs	Income forecast revised upward with sales trending above expectations, lower SG&A expenses and positive effect of foreign exchange due to weaker yen

Health Care

Performance trend

AsahiKASEI

(¥ billion)

Sales	H1	H2	FY 2023	H1	H2 forecast	FY 2024 forecast	Increase (decrease)	% change	FY 2024 forecast in May	% change
Health Care Segment	**266.5**	**287.3**	**553.8**	**292.7**	**338.3**	**631.0**	**77.2**	**+13.9%**	**578.0**	**+9.2%**
Health Care	100.9	107.5	208.4	113.5	131.5	245.0	36.6	+17.6%	226.0	+8.4%
Pharmaceuticals	56.3	59.5	115.8	66.2	84.8	151.0	35.2	+30.4%	131.0	+15.3%
Medical	44.5	48.0	92.6	47.3	46.7	94.0	1.4	+1.5%	95.0	-1.1%
Critical Care	165.7	179.7	345.4	179.2	206.8	386.0	40.6	+11.8%	352.0	+9.7%

Operating income	H1	H2	FY 2023	H1	H2 forecast	FY 2024 forecast	Increase (decrease)	% change	FY 2024 forecast in May	% change
Health Care Segment	**19.8**	**28.7**	**48.5**	**33.2**	**24.3**	**57.5**	**9.0**	**+18.6%**	**57.5**	**+0.0%**
Health Care	7.5	11.4	18.9	14.3	3.0	17.3	(1.6)	-8.5%	20.7	-16.4%
Critical Care	12.3	17.3	29.6	18.9	21.3	40.2	10.6	+35.9%	36.8	+9.2%

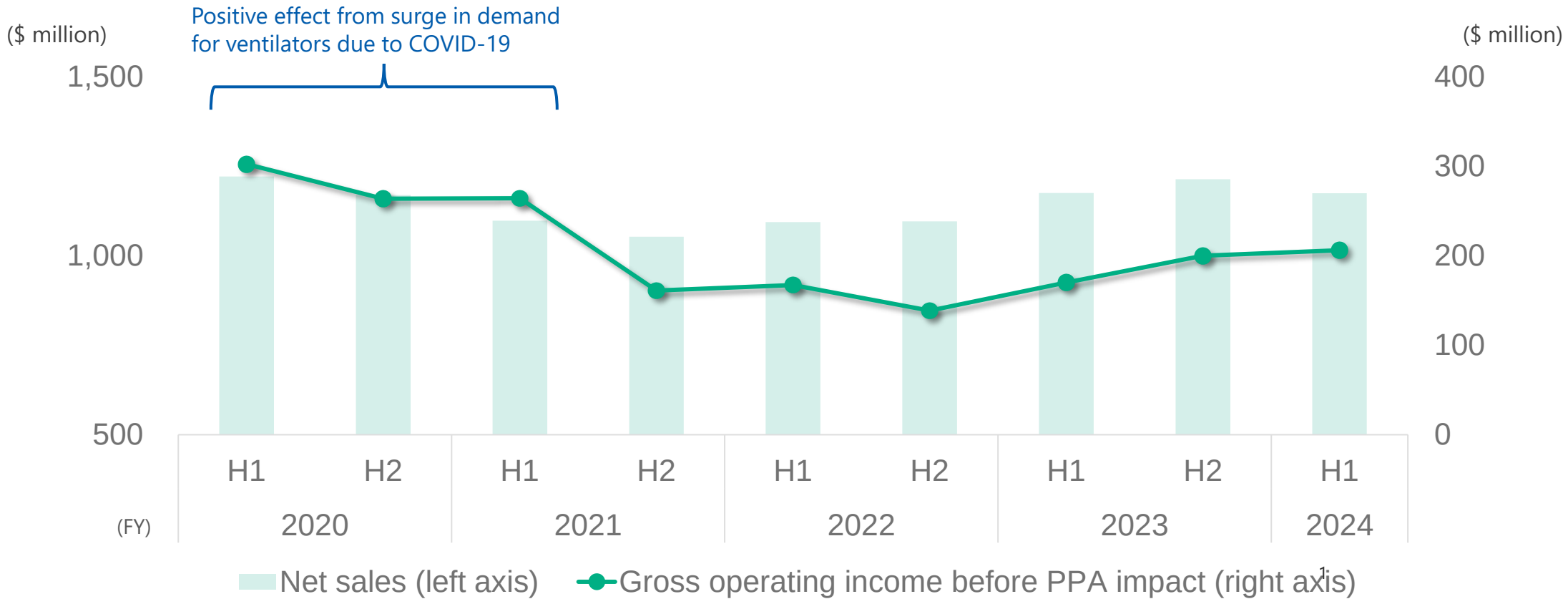
EBITDA	H1	H2	FY 2023	H1	H2 forecast	FY 2024 forecast	Increase (decrease)	% change	FY 2024 forecast in May	% change
Health Care Segment	**54.0**	**64.7**	**118.7**	**69.8**	**67.5**	**137.3**	**18.6**	**+15.7%**	**126.6**	**+8.4%**
Health Care	21.7	26.5	48.2	29.6	25.5	55.1	6.9	+14.4%	50.3	+9.6%
Critical Care	32.3	38.2	70.5	40.1	42.0	82.2	11.7	+16.5%	76.3	+7.7%

Health Care

Performance trend in Critical Care (dollar-based)

AsahiKASEI

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 FY 2023



[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 2023 H1	FY 2023 Total	FY 2024 H1	H1 2024 vs H1 2023 Increase (decrease)	H1 2024 vs H1 2023 % change
Asahi Kasei Pharma						
Teribone	(Japan, ¥ billion)	19.4	38.8	20.5	1.2	+6.2%
Reclast	(Japan, ¥ billion)	0.6	1.3	0.6	(0.0)	-1.7%
Kevzara	(Japan, ¥ billion)	5.4	11.2	5.5[1]	0.1	+1.7%
Plaquenil	(Japan, ¥ billion)	2.9	5.8	3.2	0.3	+11.1%
Recomodulin	(Japan, ¥ billion)	4.1	8.2	3.5	(0.7)	-16.3%
Cresemba	(Japan, ¥ billion)	0.3	0.6	1.6	1.3	+420.5%
Empaveli	(Japan, ¥ billion)	0.1	0.7	1.0	1.0	+1,129.7%
Veloxis Pharmaceuticals						
Envarsus XR	(US, $ million)	107	220	135	28	+26.1%

[1] Some impact of curtailed shipments from May to September 2024

Product name	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
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
Recomodulin	Recombinant thrombomodulin alfa	Anticoagulant	Disseminated intravascular coagulation	Injection
Cresemba	Isavuconazonium sulfate	Antifungal agent	Aspergillosis, Mucormycosis, Cryptococcosis	Capsule, Injection
Empaveli	Pegcetacoplan	Complement protein C3 inhibitor	Paroxysmal nocturnal hemoglobinuria	Injection
Envarsus XR	Tacrolimus extended-release tablets	Immunosuppressant drug	Kidney transplantation	Tablet

Health Care

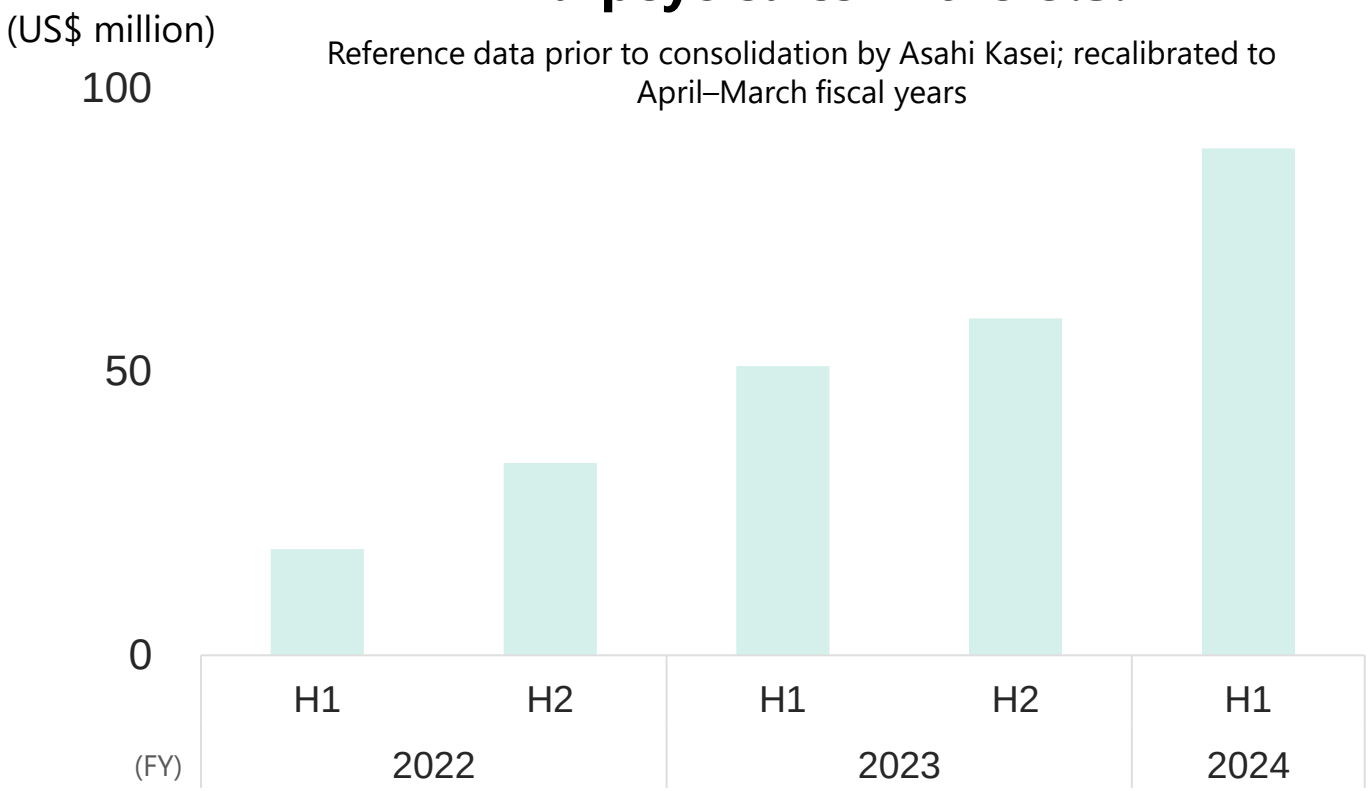
Calliditas business performance trend

AsahiKASEI

Completion of tender offer for Calliditas, consolidated on statements of income from October 2024; sales of marketed drug Tarpeyo consistently growing, peak sales of over US$500 million forecasted after FY 2030; expecting positive operating income after amortization of goodwill and other intangible assets in FY 2025

Tarpeyo sales in the U.S.

Reference data prior to consolidation by Asahi Kasei; recalibrated to April–March fiscal years



Calliditas overview

Name: Calliditas Therapeutics AB

Location: Stockholm, Sweden

Marketed product: Tarpeyo

- ✓ Tarpeyo is the first ever fully approved treatment for IgA nephropathy[1]
- ✓ IgA nephropathy is a rare kidney disease whose cause is not completely understood
- ✓ Prescribed patients expanding and growth expected to accelerate in the main market of the United States[2]

[1] First drug approved by the FDA to prevent the worsening of renal function due to IgA nephropathy

[2] Marketed or under development by licensees in the EU, China, and Japan

Pharmaceuticals pipeline

Development stage	Code name, generic name	Indication	Origin	Development	Region/remarks
Approved	AK1820, isavuconazonium sulfate	Aspergillosis, mucormycosis and cryptococcosis	Licenced	In-house	Marketed as Cresemba 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 complete
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 Joint U.S.-Japan Phase I study complete
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)

4. Appendix

Overseas sales

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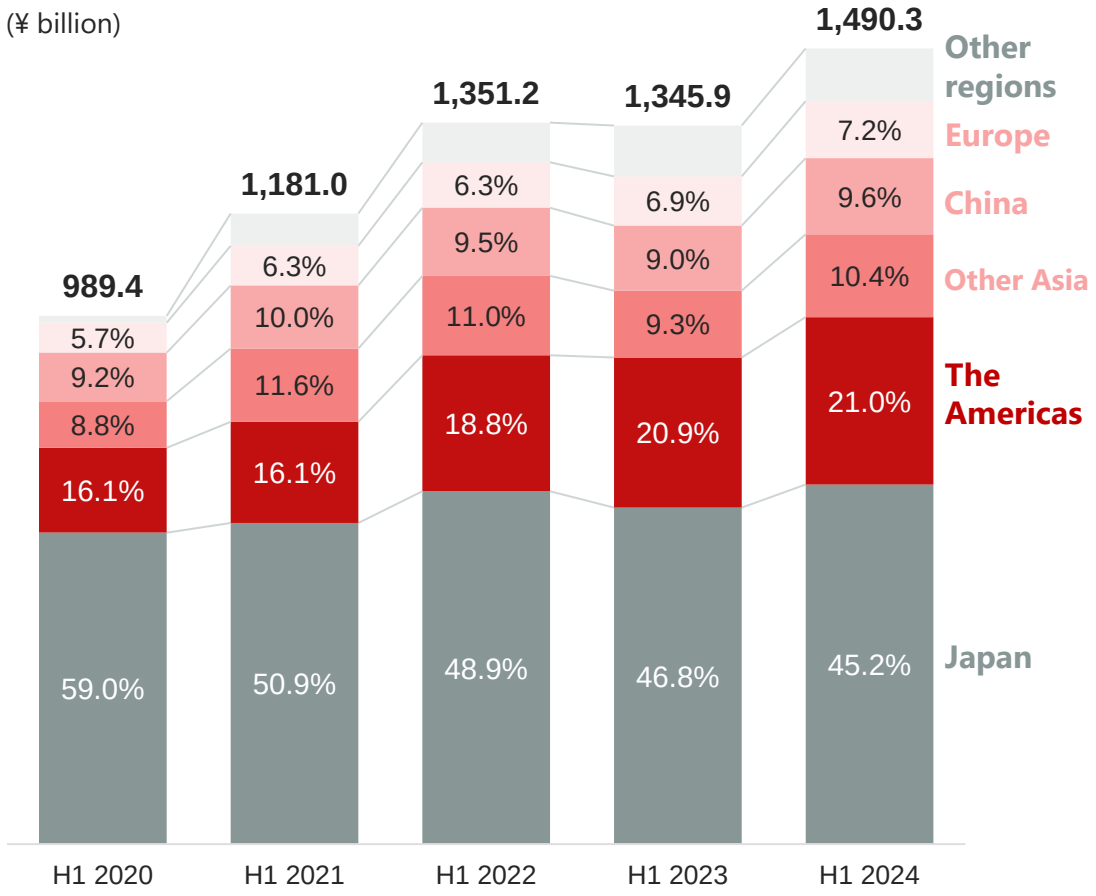
Higher portion of overseas sales year-on-year due to effect of weaker yen; sales in the Americas increasing with acquisitions in Health Care and Homes in the U.S.

Sales by region [1]



Overseas sales

(¥ billion)

	H1 2023 (recalculated)		H1 2024		Increase (decrease)	% change
	Overseas sales	% of total	Overseas sales	% of total		
Material Segment	**372.7**	**61.1%**	**433.9**	**63.3%**	**61.2**	**+16.4%**
Environmental Solutions	137.6	58.6%	159.4	57.1%	21.8	+15.8%
Mobility & Industrial	150.9	80.4%	170.1	83.3%	19.2	+12.7%
Life Innovation	83.9	44.7%	104.2	51.5%	20.3	+24.2%
Others in Material	0.3	98.4%	0.2	100.0%	(0.1)	-39.7%
Homes Segment	**129.4**	**28.0%**	**146.4**	**29.0%**	**17.0**	**+13.1%**
Homes	129.4	29.4%	146.4	30.2%	17.0	+13.1%
Construction Materials	-	-	-	-	-	-
Health Care Segment	**212.7**	**79.8%**	**235.8**	**80.5%**	**23.1**	**+10.9%**
Health Care	49.4	49.0%	58.8	51.8%	9.4	+19.0%
Critical Care	163.3	98.5%	177.0	98.7%	13.7	+8.4%
Others	0.6	9.7%	0.7	11.0%	0.1	+16.7%
Consolidated	**715.4**	**53.2%**	**816.8**	**54.8%**	**101.4**	**+14.2%**

[1] The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

Capex, depreciation/amortization, R&D

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(¥ billion)

	Capital expenditures			Depreciation and amortization[1]			R&D expenditures		
	FY 2023 (recalculated)	H1 2024	FY 2024 forecast	FY 2023 (recalculated)	H1 2024	FY 2024 forecast	FY 2023 (recalculated)	H1 2024	FY 2024 forecast
Material segment	**111.5**	**46.9**	**176.0**	**72.0**	**31.8**		**43.8**	**22.0**	
Environmental Solutions	56.2	22.4		32.1	13.8		12.6	6.7	
Mobility & Industrial	24.5	13.1		18.6	8.9		12.4	6.7	
Life Innovation	30.6	11.2		21.2	9.0		18.1	8.3	
Others in Material	0.2	0.1		0.2	0.1		0.8	0.3	
Homes segment	**25.8**	**18.9**	**31.0**	**20.1**	**9.8**		**3.6**	**1.9**	
Homes	23.5	17.2		17.8	8.7		3.0	1.6	
Construction Materials	2.3	1.7		2.3	1.1		0.6	0.3	
Health Care segment	**32.2**	**21.4**	**51.0**	**47.2**	**24.4**		**47.8**	**25.6**	
Health Care	20.9	11.7		24.3	12.7		20.4	11.3	
Critical Care	11.3	9.7		22.9	11.7		27.4	14.3	
Others	1.1	1.2	2.0	0.9	0.6		0.1	0.1	
Corporate expenses and elimination	13.2	6.3	15.0	12.4	6.2		11.3	5.3	
Total	**183.7**	**94.7**	**275.0**	**152.6**	**72.9**	**153.0**	**106.6**	**54.8**	**119.0**

Amortization of goodwill	
29.6	15.7

[1] Amortization of goodwill is excluded and shown separately below the table.

Major investments during medium-term management plan (FY2022–2024)

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Segment	Business category	Project	Capacity	Location	Completion of construction
Material	Environmental Solutions	Renovation of hydroelectric power plants (Suigasaki power plant)	–	Nishiusuki-gun, Miyazaki, Japan	Scheduled for completion in H2 2024
		Capacity increase for Hipore LIB separator	350 million m^2/y	Hyuga-shi, Miyazaki, Japan	Scheduled for completion in H2 2024
		Capacity increase for Celgard LIB separator	150 million m^2/y	North Carolina, the U.S.	Scheduled for completion after FY 2025[1]
		Capacity increase for Hipore LIB separator coating	600 million m^2/y	North Carolina, the U.S. Hyuga-shi, Miyazaki, Japan	Scheduled for completion in H1 2026
		Construction of integrated plant for base film manufacturing and coating of Hipore LIB separator	700 million m^2/y (as coated film)	Ontario, Canada	Scheduled for completion in FY 2027
	Mobility & Industrial	Capacity increase for Dinamica artificial suede	4 million m^2/y	Nobeoka-shi, Miyazaki, Japan	Completed in H1 2022
	Life Innovation	New plant for Ceolus microstalline cellulose	–	Kurashiki-shi, Okayama, Japan	Completed in H2 2022
		Capacity increase for Pimel photosensitive insulator	–	Fuji-shi, Shizuoka, Japan	Scheduled for completion in H2 2024
Health Care	Health Care	Capacity increase for Planova BioEX virus removal filters	–	Oita-shi, Oita, Japan	Completed in H2 2022
		Construction of new assembly plant for Planova virus removal filters	–	Nobeoka-shi, Miyazaki, Japan	Completed in May 2024
		Capacity increase at biologics CDMO Bionova	–	California, the U.S.	Scheduled for completion in H1 2025
		Establishment of plasmid DNA manufacturing facility by biologics CDMO Bionova	–	Texas, the U.S.	Scheduled to start construction in FY 2025

H1 2022 H2 2022 H1 2023 H2 2023 H1 2024 H2 2024

[1] Timing of capacity increase aligned with demand trends

Major M&A during medium-term management plan (FY2022–2024)

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Segment	Business category	Company	Operations	Cost	Goodwill	Consolidation on statements of income
Homes	Homes	Focus Companies (Focus Plumbing LLC and 4 other companies)	Residential construction work in North America	¥36.2 billion	¥12.8 billion	Nov. 2022
		ODC Construction, LLC	Residential construction work in North America	¥34.8 billion	¥33.4 billion (provisional)	Sep. 2024
Health Care	Health Care	Bionova Holdings, Inc.	Biopharmaceutical manufacturing process development, GMP-compliant manufacturing of current and next-generation antibody drugs	¥42.9 billion	¥35.5 billion	Jul. 2022
		Calliditas Therapeutics AB	Development, manufacture, and sale of medicine and related products	¥173.9 billion (at time of announcement in May 2024)	¥169.5 billion (provisional)	Oct. 2024

H1 2022 | H2 2022 | H1 2023 | H2 2023 | H1 2024 | H2 2024

Progress of structural transformation during medium-term management plan (FY2022–2024)

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Segment	Business category	Project	H1 2022	H2 2022	H1 2023	H2 2023	H1 2024	H2 2024
Material	Life Innovation	Divestiture of photomask pellicles business	Divestiture in Jul. 2023					
		Establishment of joint venture for spunbond nonwovens fabric business with Mitsui Chemicals	Establishment and deconsolidation in Oct. 2023					
		Divestiture of businesses of Asahi Kasei Pax	Divestiture of container business in Oct. 2023					
			Divestiture of film business in Apr. 2024					
Homes	Construction Materials	Closure of Iwakuni Plant for AAC	Scheduled to close at the end of Mar. 2025					
Health Care	Health Care	Withdrawal of Sepacell leukocyte reduction filter business	Divestiture of Chinese subsidiary in Nov. 2023		Scheduled to be withdrawn within a few years			
		Divestiture of blood purification business	Scheduled to be transferred in Apr. 2025					
		Divestiture of diagnostics business	Scheduled to be transferred in Jul. 2025					

Quarterly sales

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(¥ billion)

	FY 2021[1]				FY 2022				FY 2023 (recalculated)				FY 2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
Material Segment	**279.6**	**296.3**	**315.2**	**318.9**	**339.4**	**339.4**	**327.0**	**310.8**	**296.8**	**313.4**	**328.9**	**322.6**	**350.5**	**335.2**	**695.3**
Environmental Solutions	119.1	129.0	137.3	137.2	149.9	141.4	136.8	131.8	116.2	121.8	134.8	129.2	146.9	132.3	283.8
of which, Basic Materials	72.4	82.3	90.2	90.0	100.1	87.3	88.7	85.9	66.2	72.1	80.8	74.4	88.0	78.4	172.5
Mobility & Industrial	75.4	76.5	80.7	89.6	92.5	99.7	94.0	92.3	90.1	94.3	94.1	96.2	104.2	100.0	199.8
Life Innovation	85.0	90.5	97.1	91.9	96.9	98.3	96.0	86.5	90.3	97.3	100.0	97.2	99.4	102.9	211.7
of which, Digital Solutions	28.6	30.6	31.3	30.9	34.2	32.3	29.9	26.1	29.4	31.7	33.1	34.3	35.7	36.8	72.5
Others in Material	0.0	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Homes Segment	**195.1**	**197.9**	**218.3**	**211.2**	**206.6**	**213.8**	**230.1**	**248.4**	**221.1**	**241.6**	**240.0**	**251.7**	**236.5**	**268.7**	**536.8**
Homes	187.2	188.6	208.5	202.2	197.5	203.5	219.5	238.8	210.5	230.2	229.5	242.7	226.4	257.9	515.8
Construction Materials	7.9	9.3	9.8	9.0	9.2	10.3	10.7	9.6	10.6	11.4	10.5	9.0	10.1	10.8	21.1
Health Care Segment	**105.8**	**100.1**	**107.0**	**103.0**	**121.4**	**124.1**	**128.6**	**122.8**	**129.4**	**137.1**	**145.5**	**141.7**	**145.8**	**147.0**	**338.3**
Health Care	42.8	42.6	46.8	42.1	50.5	48.5	54.5	46.8	51.1	49.8	56.4	51.2	56.3	57.2	131.5
Critical Care	63.0	57.5	60.3	60.9	71.0	75.6	74.1	76.0	78.3	87.3	89.2	90.6	89.4	89.8	206.8
Others	3.0	3.3	3.2	3.5	3.0	3.5	3.4	4.1	3.4	3.1	3.8	4.6	3.2	3.6	10.3
Consolidated	**583.4**	**597.6**	**643.7**	**636.6**	**670.4**	**680.8**	**689.2**	**686.1**	**650.7**	**695.2**	**718.2**	**720.7**	**735.9**	**754.4**	**1,580.7**

[1] For comparison purposes, results of FY 2021 are recalculated in accordance with the new classifications from FY 2022.

Quarterly operating income

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(¥ billion)

	FY 2021 [1]				FY 2022				FY 2023 (recalculated)				FY 2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3[2]	Q4[2]	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
Material Segment	**31.1**	**27.5**	**29.8**	**17.6**	**26.8**	**13.9**	**8.1**	**(7.7)**	**7.6**	**10.1**	**13.0**	**11.8**	**26.6**	**23.6**	**28.5**
Environmental Solutions	14.3	14.5	13.8	6.2	10.2	2.4	(2.6)	(12.2)	(0.7)	(0.9)	2.2	1.7	9.9	6.6	0.4
of which, Basic Materials	8.2	10.8	10.0	6.4	8.3	1.2	(4.2)	(8.5)	(5.1)	(2.9)	(0.3)	0.0	6.1	4.8	0.6
Mobility & Industrial	8.2	5.0	5.4	7.1	5.2	3.9	0.5	1.2	3.0	3.7	1.4	4.5	5.6	6.1	10.4
Life Innovation	10.2	8.9	10.8	4.9	12.1	7.5	7.7	0.6	4.5	7.2	9.8	6.9	12.4	12.2	17.8
of which, Digital Solutions	4.3	4.6	4.6	3.4	6.7	3.8	3.2	0.5	2.0	3.3	4.0	3.3	6.2	6.6	8.5
Others in Material	(1.6)	(1.1)	(0.2)	(0.6)	(0.6)	0.1	2.5	2.7	0.8	0.2	(0.4)	(1.2)	(1.2)	(1.3)	(0.0)
Homes Segment	**15.1**	**18.1**	**22.3**	**17.3**	**15.3**	**18.3**	**18.5**	**23.3**	**13.4**	**21.9**	**21.9**	**25.7**	**17.0**	**26.6**	**47.9**
Homes	14.7	17.3	21.3	17.3	15.0	17.9	17.9	23.1	12.5	20.2	21.2	25.6	16.5	25.5	45.1
Construction Materials	0.4	0.8	1.0	0.0	0.3	0.4	0.6	0.1	0.9	1.7	0.7	0.1	0.5	1.2	2.8
Health Care Segment	**20.5**	**13.8**	**15.9**	**2.0**	**14.8**	**11.0**	**11.4**	**4.6**	**9.6**	**10.3**	**15.8**	**12.9**	**15.6**	**17.6**	**24.3**
Health Care	7.6	5.9	9.0	(0.7)	10.0	4.5	7.9	0.5	5.1	2.4	8.0	3.4	7.4	6.9	3.0
Critical Care	12.9	7.8	6.9	2.7	4.8	6.5	3.5	4.1	4.5	7.9	7.8	9.5	8.2	10.7	21.3
Others	0.5	1.2	0.9	1.5	0.6	1.2	0.8	1.7	0.6	1.0	0.6	0.9	0.2	0.6	1.4
Corporate expenses and eliminations	(6.7)	(7.9)	(8.0)	(9.8)	(8.1)	(7.9)	(8.6)	(10.2)	(9.4)	(9.2)	(8.7)	(9.1)	(9.5)	(9.4)	(16.0)
Consolidated	**60.5**	**52.6**	**60.9**	**28.6**	**49.4**	**36.4**	**30.3**	**11.7**	**21.8**	**34.1**	**42.6**	**42.2**	**49.9**	**59.0**	**86.1**

[1] For comparison purposes, results of FY 2021 are recalculated in accordance with the new classifications from FY 2022.
[2] Figures for FY 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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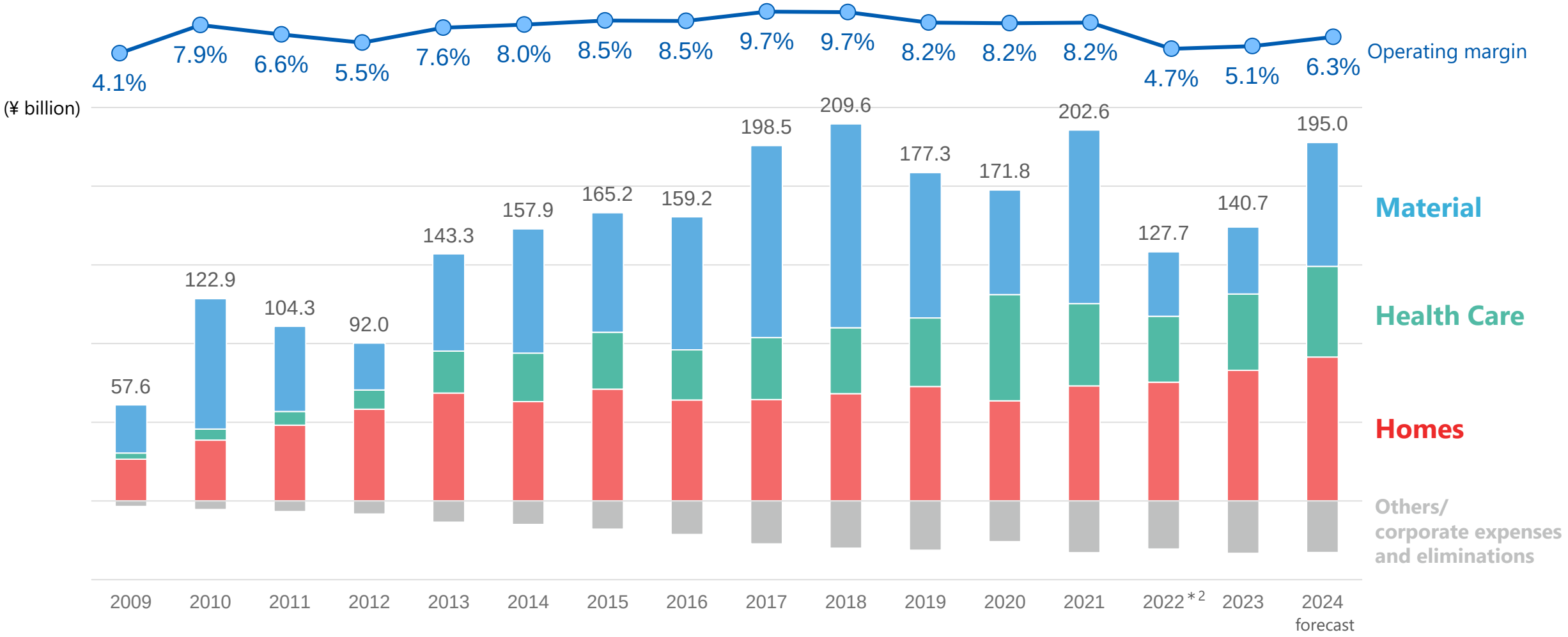
Income structure is more resilient with steady income growth in Homes and income expansion in Health Care; Material impacted by severe operating environment after operating income peak in fiscal 2018 but recovering from nadir in fiscal 2022 and overall income returning to growth trajectory



[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 and position of GG10 businesses

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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
			Electronic devices
		Comfort Life	High-performance materials (functional additives, etc.)
			Fibers (apparel, etc.)
			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)	

Businesses to drive future growth 10 Growth Gears (GG10)

- Energy Storage (separator)
- Hydrogen-related
- CO2 Chemistry
- Car Interior Material
- Digital Solutions
- Environmental Homes and Construction Materials
- North American & Australian Homes
- Environmental Homes and Construction Materials
- Global Specialty Pharma
- Bioprocess
- Critical Care

Growth Potential

- Growth drivers of future business
- Promoting alliance strategies from a competitive perspective

First Priority

- Gaining income from past investments
- Continued aggressive investment, including inorganic growth

Earnings Base Expansion

- Finding opportunities to expand scale while maintaining stable earnings (focus on projects with high probability of success)

Notes and schedule

- 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 Q3 fiscal 2024

February 5, 2025 (JST)


AsahiKASEI
Creating for Tomorrow