

AsahiKASEI

Trailblaze Together

Medium-term management plan for FY2025–27

April 10, 2025

Asahi Kasei Corporation



Contents

1. Review of previous MTP (medium-term management plan)

2. What we aim for

3. “Trailblaze Together” MTP for FY2025–27

3-1 Basic policy and targets

3-2 Business strategy by sector

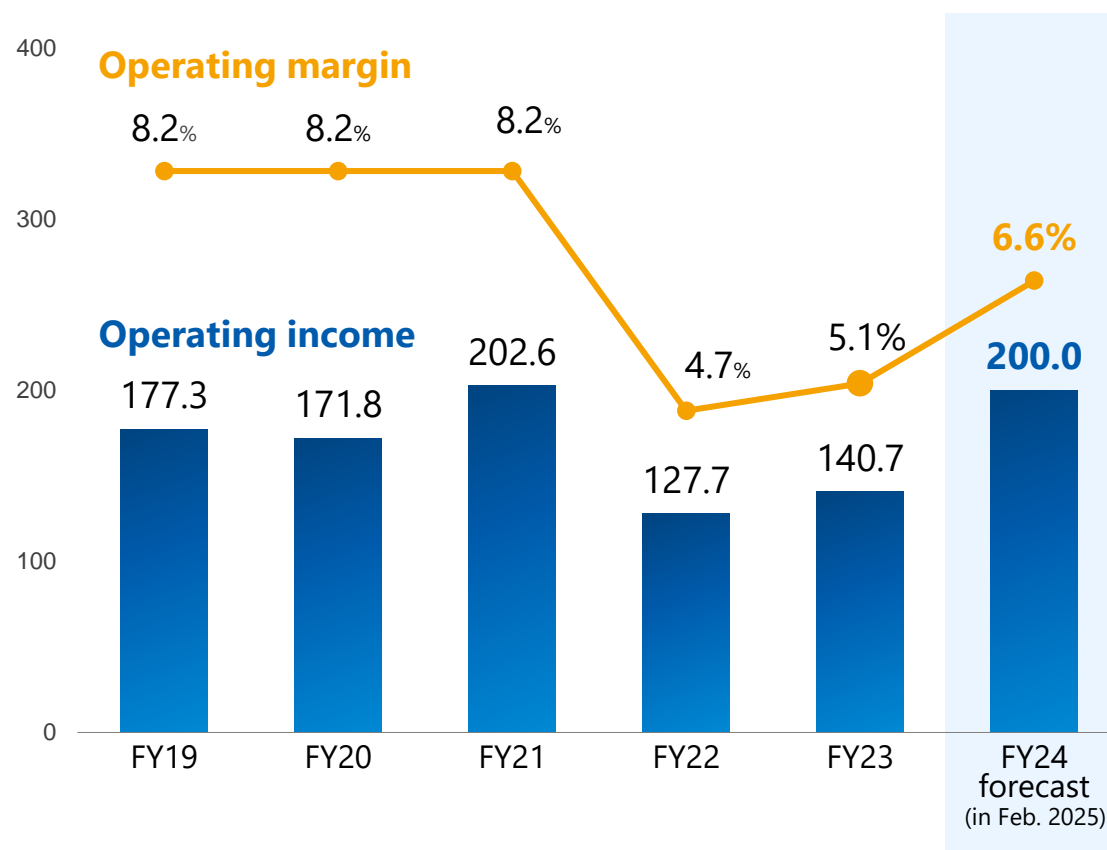
3-3 Strengthening the business platform

Management indicators (operating income, ROIC, ROE)

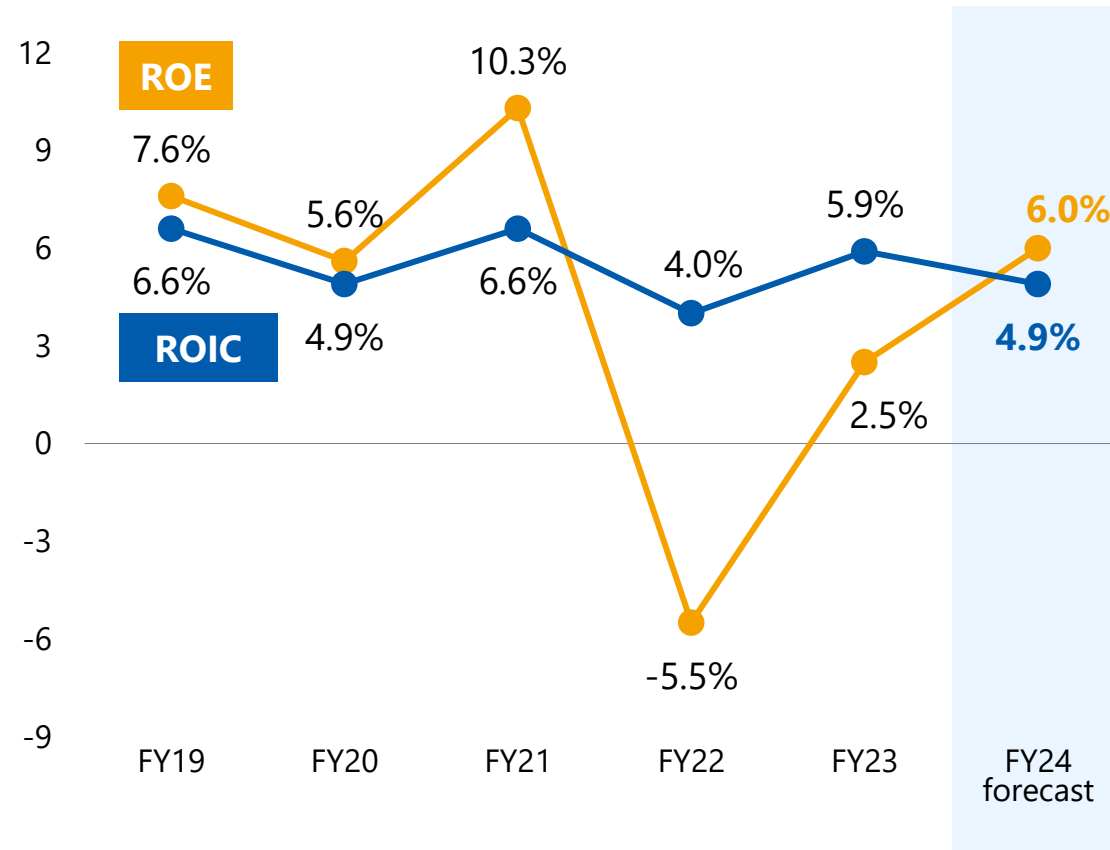
Performance was impacted by factors in Material such as sluggish earnings in main businesses and impairment losses, but significant recovery of income seen in fiscal 2024

Operating income and operating margin

(Billions of yen)



ROIC¹ and ROE



¹ ROIC = (operating income – income taxes) ÷ average annual invested capital

Management indicators

Net income also fell short of target due to sluggish operating income; nevertheless, financial health was generally maintained at a high level

| (Billions of yen) | | FY2022 | FY2023 | FY2024 forecast (in February 2025) | FY2024 initial plan (in April 2022) |
|------------------------|---|--------------|--------------|---------------------------------------|--|
| | Net sales | 2,726.5 | 2,784.9 | 3,044.0 | 2,700.0 |
| Profitability | Operating income | 127.7 | 140.7 | 200.0 | 270.0 |
| | Operating margin | 4.7% | 5.1% | 6.6% | 10.0% |
| | Operating income before amortization of goodwill | 165.0 | 170.3 | 234.0 | |
| | EBITDA ¹ | 305.0 | 322.9 | 386.0 | 470.0 |
| | EBITDA margin | 11.2% | 11.6% | 12.7% | 17.4% |
| | Net income attributable to owners of the parent | -91.9 | 43.8 | 110.0 | 200.0 |
| | EPS (yen) | -66.3 | 31.6 | 79.5 | 144 |
| Capital efficiency | ROIC | 4.0% | 5.9% | 4.9% | ≥8% |
| | ROE | -5.5% | 2.5% | 6.0% | ≥11% |
| Financial health | D/E ratio | 0.57 | 0.51 | 0.64 | |
| | Interest-bearing debt/EBITDA | 3.1 | 2.8 | 3.1 | |
| | Equity ratio | 48.1% | 49.5% | 45.4% | |
| Exchange rate (yen/\$) | | 136 | 145 | 153 | 110 |

¹ EBITDA = operating income + depreciation and amortization (tangible, intangible, and goodwill)

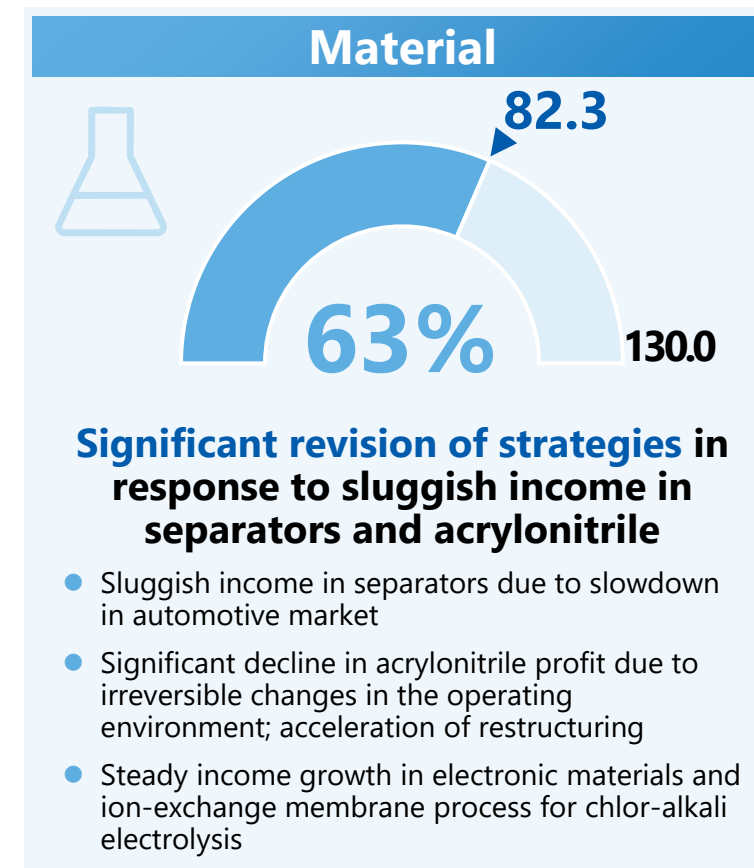
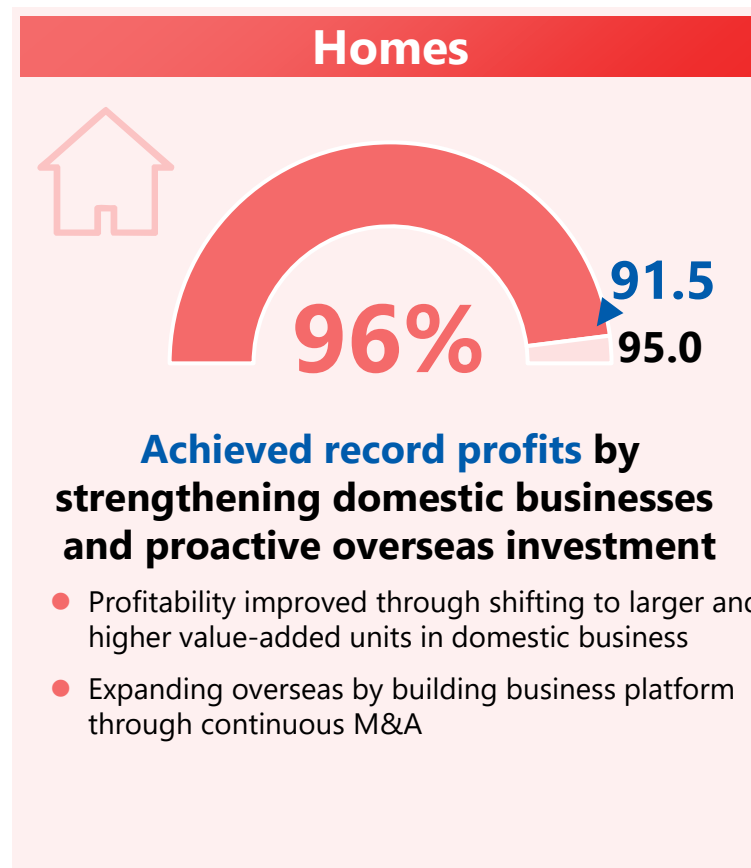
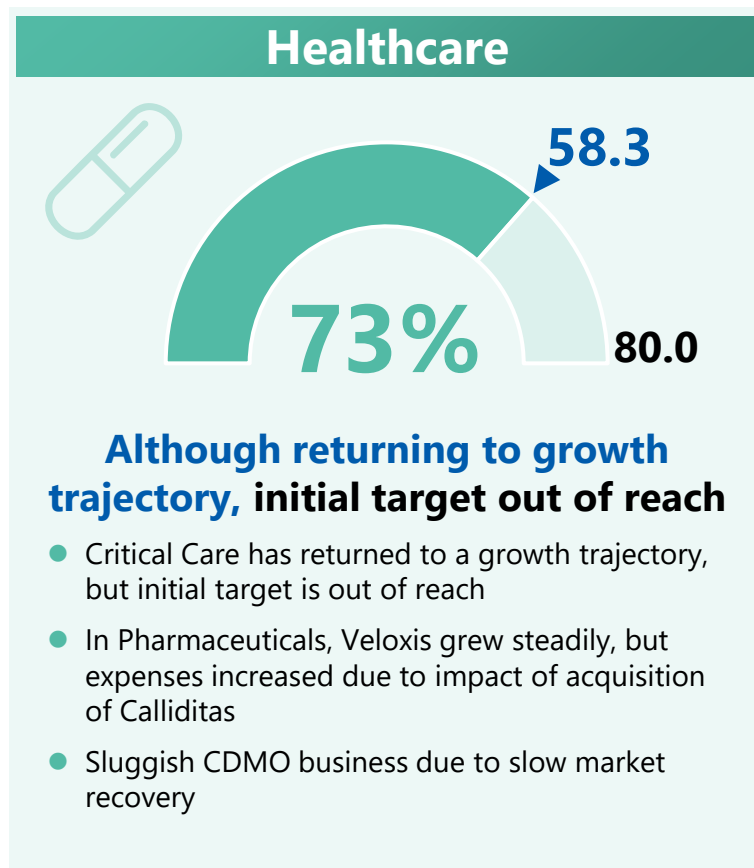
Performance by sector

While Homes is generally on track to reach its target, Healthcare and Material will fall short

FY2024 operating income attainment forecast

(Billions of yen)

Blue figures indicate forecast in February 2025, black figures indicate MTP targets in April 2022



Management indicators by sector¹

| (Billions of yen) | | FY2022 ² | FY2023 | FY2024 forecast (n February 2025) | FY2024 initial plan (in April 2022) |
|-------------------|------------------------------|---------------------|---------|--------------------------------------|--|
| Healthcare | Net sales (a) | 496.9 | 553.8 | 620.0 | 530.0 |
| | Operating income (b) | 41.9 | 48.5 | 58.3 | 80.0 |
| | Operating income ratio (b/a) | 8.4% | 8.8% | 9.4% | 15.1% |
| | EBITDA(c) | 106.4 | 118.7 | 138.0 | 140.0 |
| | EBITDA rate (c/a) | 21.4% | 21.4% | 22.3% | 26.4% |
| | ROIC ³ | 4.2% | 4.5% | 4.8% | 8.8% |
| Homes | Net sales (a) | 899.0 | 954.4 | 1,043.0 | 930.0 |
| | Operating income (b) | 75.4 | 83.0 | 91.5 | 95.0 |
| | Operating income ratio (b/a) | 8.4% | 8.7% | 8.8% | 10.2% |
| | EBITDA(c) | 93.4 | 104.3 | 112.5 | 112.0 |
| | EBITDA rate (c/a) | 10.4% | 10.9% | 10.8% | 12.0% |
| | FCF rate | 1.3% | 7.1% | -2.6% | 5.6% |
| | ROIC ³ | 27.1% | 27.1% | 24.7% | 32.7% |
| Material | Net sales (a) | 1,316.6 | 1,261.7 | 1,365.0 | 1,230.0 |
| | Operating income (b) | 41.0 | 42.6 | 82.3 | 130.0 |
| | Operating income ratio (b/a) | 3.1% | 3.4% | 6.0% | 10.6% |
| | EBITDA(c) | 128.5 | 119.9 | 153.7 | 237.0 |
| | EBITDA rate (c/a) | 9.8% | 9.5% | 11.3% | 19.3% |
| | ROIC ³ | 2.4% | 2.6% | 4.8% | 8.0% |

¹ As figures in this table are results, forecasts, and plans for each sector, their sums do not equal the total consolidated figures.

² Fiscal 2022 results retroactively adjusted to reflect the completion in the first quarter of fiscal 2023 of purchase price allocation for the acquisition of Focus Companies of the U.S. on October 31, 2022.

³ By business unit, ROIC = operating income (1 - tax rate) ÷ (fixed assets + working capital etc.); same on following pages.

Business portfolio transformation

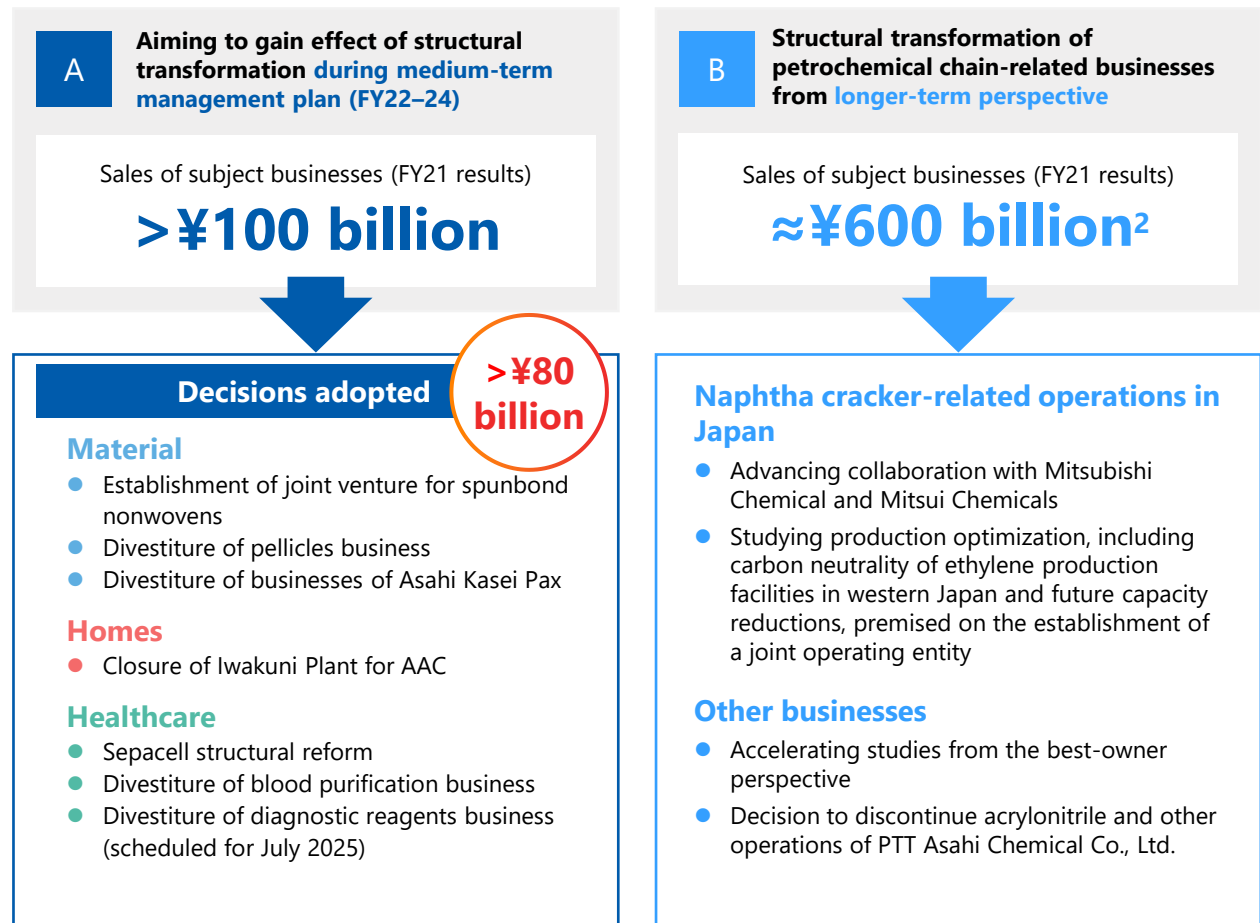
Business portfolio transformation, including both investments for growth and structural transformation, progressing largely as planned

Growth investment (major investments in GG10)

FY22–24 cumulative investment in 10 Growth Gears (GG10) businesses to drive future growth¹ **≈¥700 billion**

| | |
|------------|---|
| Healthcare | <p>Global Specialty Pharma</p> <ul style="list-style-type: none"> Acquisition of Calliditas Therapeutics, a pharmaceutical company headquartered in Sweden <p>Bioprocess</p> <ul style="list-style-type: none"> Acquisition of Bionova Scientific, a U.S. biologics CDMO, and expansion of business platform |
| Homes | <p>North American and Australian Homes</p> <ul style="list-style-type: none"> Acquisition of Focus Companies, a building components supplier in Nevada, and ODC Construction, a residential construction work subcontractor in Florida, in the U.S. |
| Material | <p>Digital Solutions</p> <ul style="list-style-type: none"> Increased capacity for Pimel semiconductor buffer coat/interlayer dielectric <p>Energy Storage (separator)</p> <ul style="list-style-type: none"> Expansion of automotive LIB separators (integrated plant in North America and addition of coating facilities in U.S. and Japan) |

Structural transformation



¹ Total amount including maintenance investments, etc. ² Some overlap with category A

Trend toward recovery of operating income

Progress in shifting to profit structure less dependent on general-purpose chemicals (former Basic Materials category), which are susceptible to market fluctuations; **total operating income excluding general-purpose chemicals forecasted to reach record high in FY2024**

Medium-term management plan
"Cs for Tomorrow 2018"

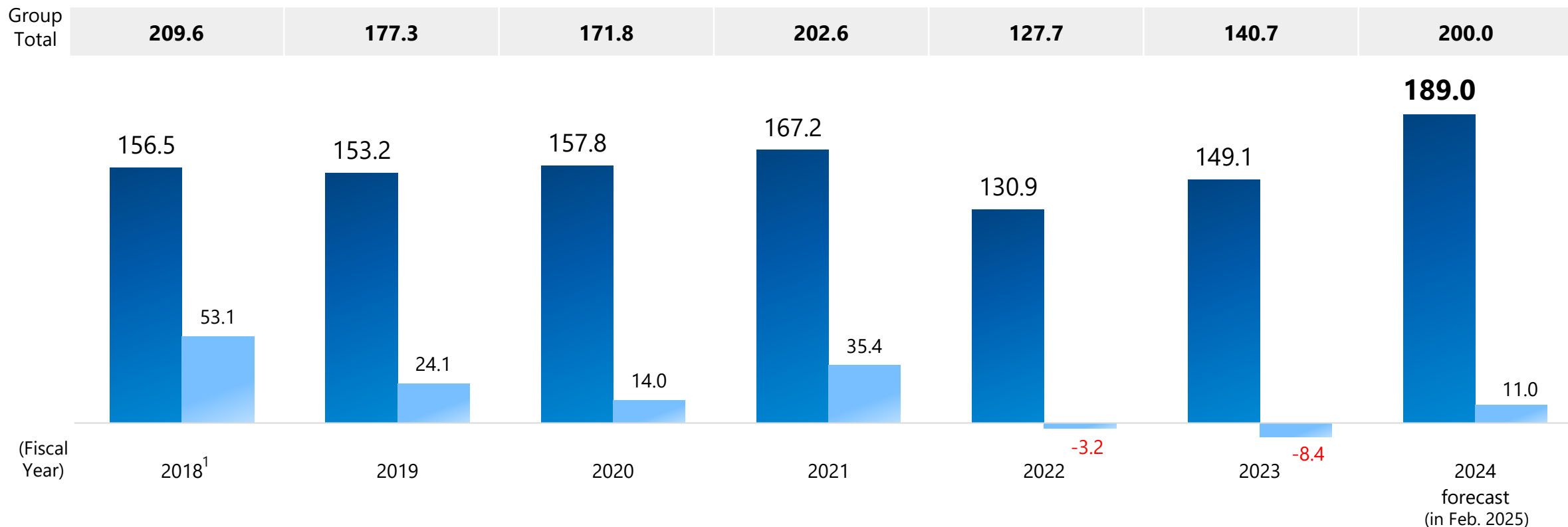
Medium-term management plan
"Cs+ for Tomorrow 2021"

Medium-term management plan 2024
"Be a Trailblazer"

(Billions of yen)

■ Total excluding former Basic Materials

■ Former Basic Materials



¹ Figures for former Basic Materials based on the organization as of fiscal 2018

Contents

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3-1 Basic policy and targets

3-2 Business strategy by sector

3-3 Strengthening the business platform

What we aim for in 2030

Two mutually reinforcing aspects of sustainability: Contributing to a sustainable society and sustainable growth of corporate value

Sustainable profit growth

Operating income ¥380 billion
(FY24–30 CAGR > 10%)

High capital efficiency

ROIC ≥ 8% **ROE** ≥ 12%

Continually creating innovative products, services, and business models

directly facing the world's challenges in various fields

Challenges taken on, issues addressed



Carbon neutrality/
circular economy



Creation of new value
through digital innovation



More comfortable, safe
and secure lives



Homes/communities
enriching people's lives



Society of active
longevity

Vision by sector

Material

Providing sustainable solutions that contribute to a better life for people and the Earth by utilizing the technology and knowledge of materials and chemistry

Homes

Enabling secure and enriched living through the provision of high-quality, highly durable homes and construction materials, and various related services

Healthcare

Contributing to the lives of people through the provision of innovative pharmaceuticals and medical devices that meet unmet needs under the mission "Improve and save patients' lives"

Diversity × Specialty

Asahi Kasei's characteristic

Diversity

Abundant opportunities
for growth

Ability to generate
stable earnings



Specialty

Differentiation from
competitors

High added value
and high profitability

Healthcare

Homes

Material

Financial foundations

Technology, IP,
manufacturing expertise,
digital platform

Brand strength and
trustworthiness

Diverse personnel

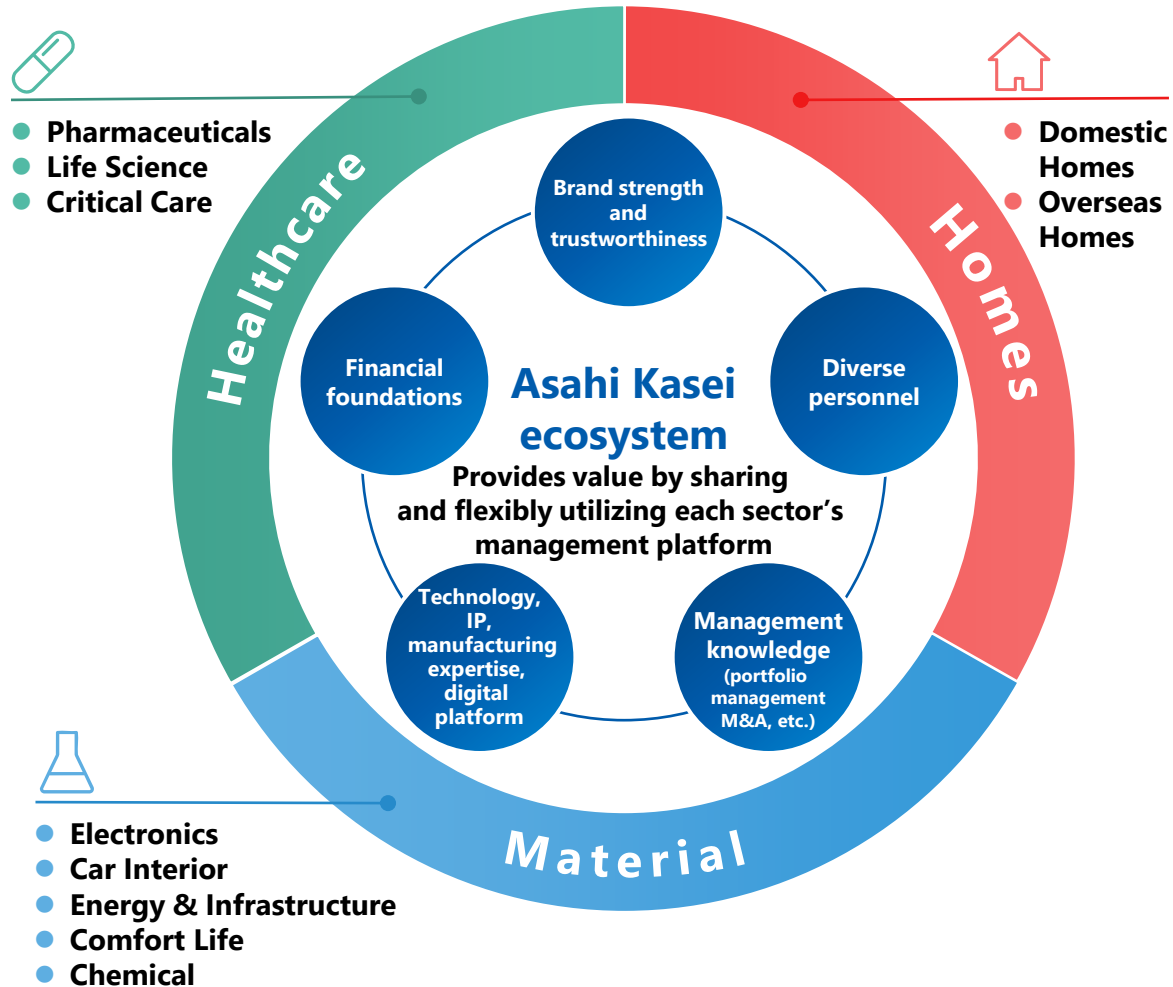
Management
knowledge
(portfolio management, M&A, etc.)

Management foundations built over a century

Virtuous cycle through "Diversity × Specialty"



Asahi Kasei's ecosystem and path to success in each sector



Healthcare

- Focused on specific therapeutic areas
- Full use of M&A know-how and human resources



Homes

- **Unique positioning** based on strengths such as human resources and branding
- **Overseas expansion with business model** based on domestic know-how

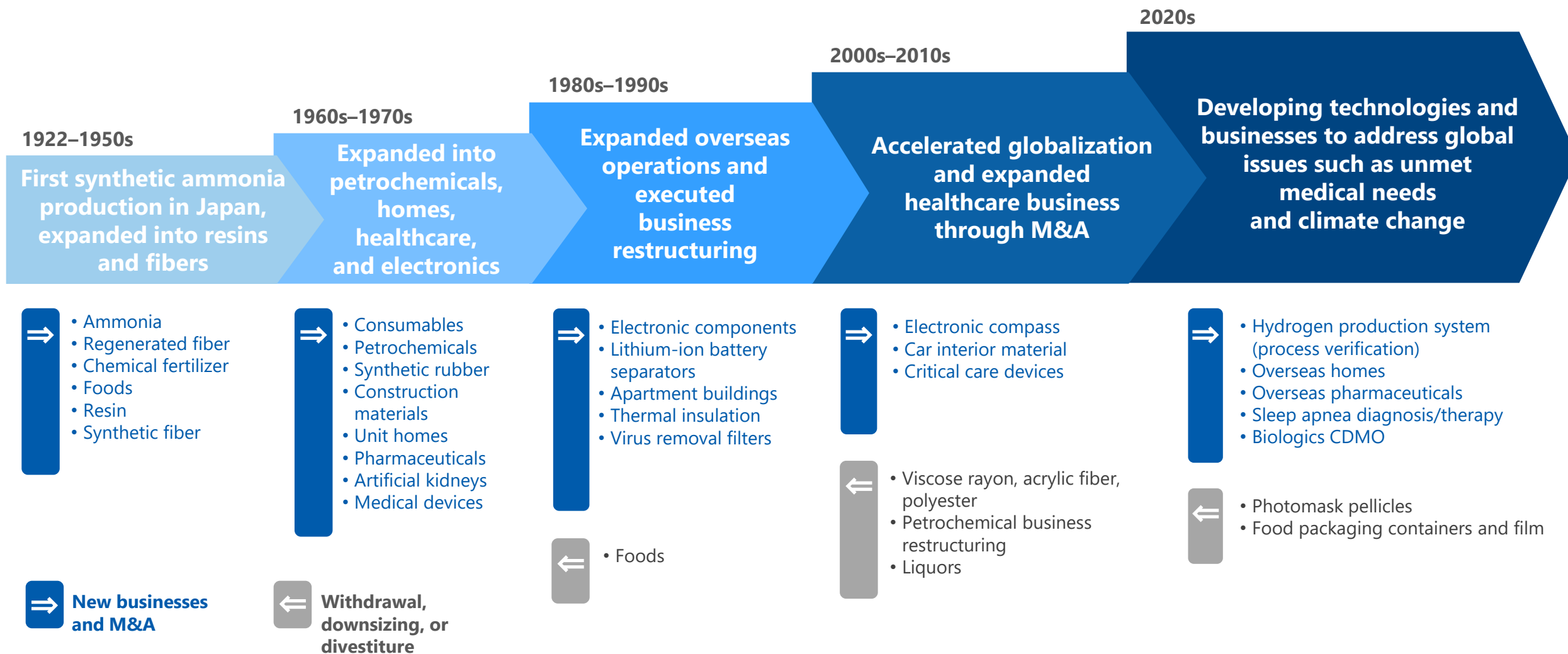


Material

- **Generating earnings in niche areas leveraging accumulated technologies and expertise**
- Approach to growth **utilizing other companies' capital and alliances**



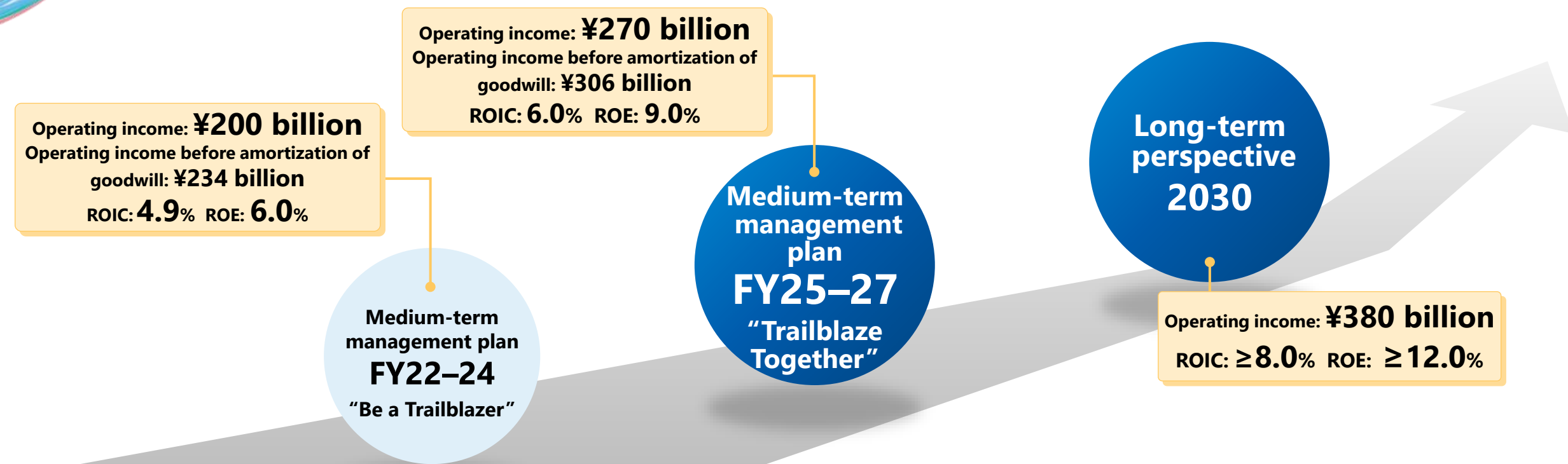
History of Business Portfolio Reform and Growth



Contents

1. Review of previous MTP
2. What we aim for
- 3. “Trailblaze Together” MTP for FY2025–27**
 - 3-1 Basic policy and targets**
 - 3-2 Business strategy by sector
 - 3-3 Strengthening the business platform

Targets and basic policies of the new medium-term management plan



Basic policies of the medium-term management plan for FY2025-27

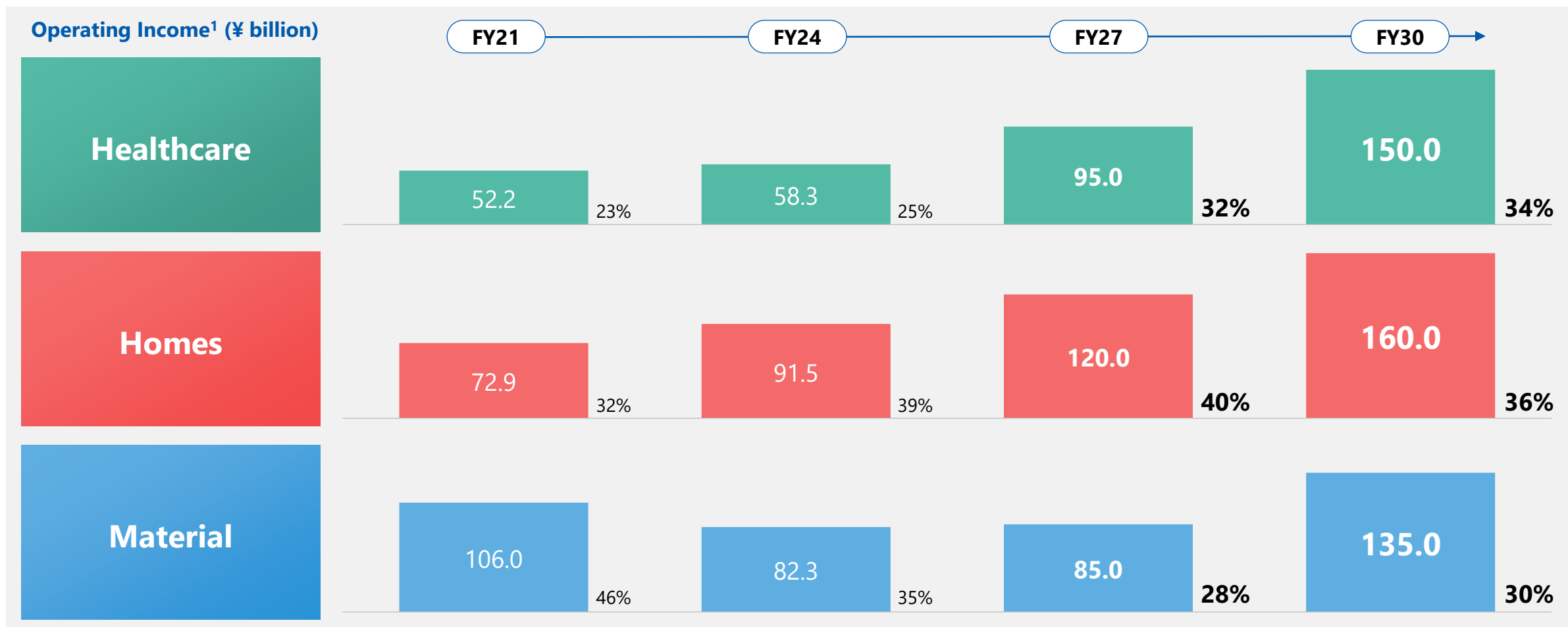
Profit growth by generating returns from investments

Improving capital efficiency through structural transformation and enhanced productivity

Evolution of "Diversity × Specialty"





















Evolution of "Diversity × Specialty"

Transitioning from an operating structure centered on Material to high-value-added businesses in diverse industries making high-level contribution to income



¹ Percentages by sector exclusive of "Others" category and corporate expenses and eliminations; figures for FY2024 are forecasts announced in February 2025

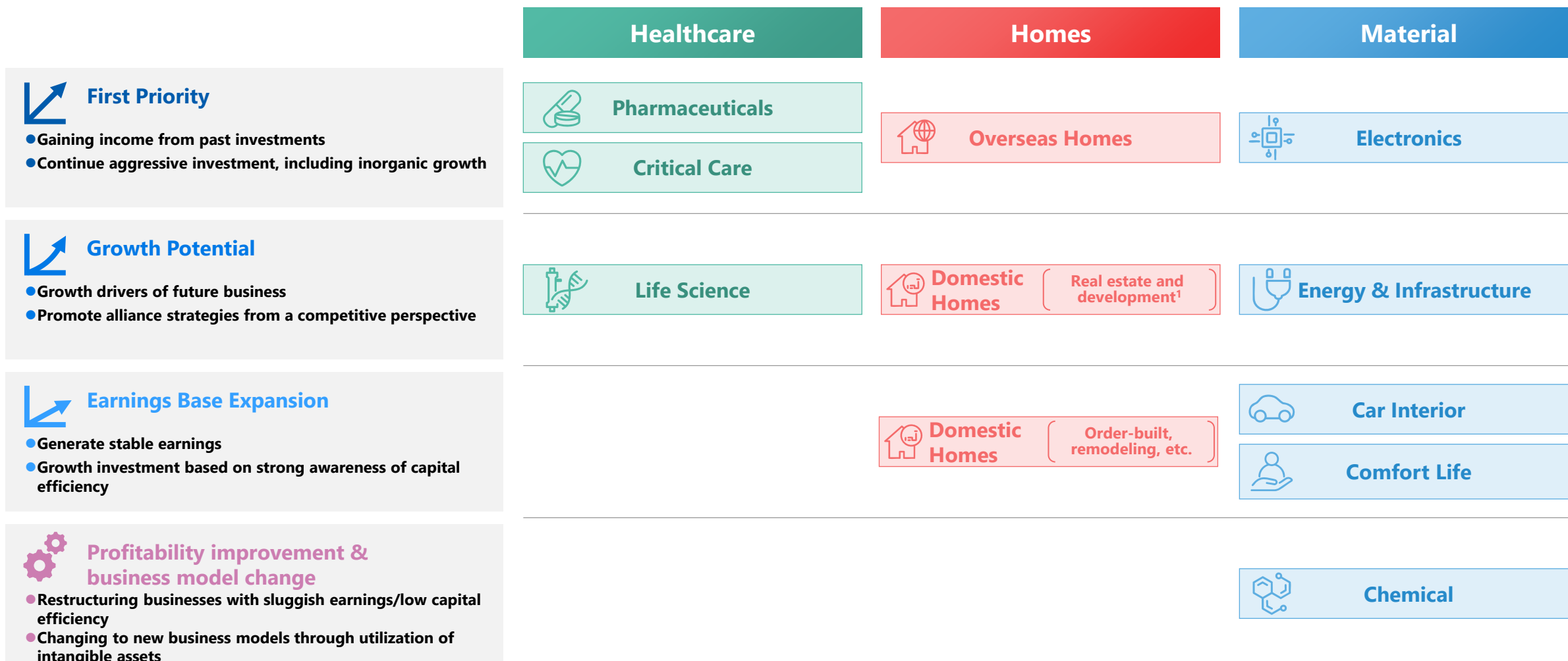
Overview and financial targets of each business

| | | Business field | Strategic positioning/basic orientation | | Operating profit (billion yen) | | | ROIC | |
|------------|--|--|---|--|--------------------------------|-----------|------------|---------------|-----------|
| | | | | | FY24 forecast | FY27 plan | Difference | FY24 forecast | FY27 plan |
| Healthcare |  Pharmaceuticals | <ul style="list-style-type: none"> Therapeutic areas of autoimmune, severe infection, transplantation, and kidneys |  First Priority | <ul style="list-style-type: none"> Focusing on disease areas with strengths Continuous M&A and in-licensing to reach sales of ¥300 billion | 20.3 | 40.0 | +19.7 | 3% | ➡ 5% |
| |  Life Science | <ul style="list-style-type: none"> Bioprocess |  Growth Potential | <ul style="list-style-type: none"> Continuous expansion of virus removal filter business Pursuing opportunities as a distinctive CDMO | | | | | |
| |  Critical Care | <ul style="list-style-type: none"> Wearable defibrillators Professional defibrillators, AEDs |  First Priority | <ul style="list-style-type: none"> Continued growth in North America Expansion of new businesses in peripheral areas | 38.0 | 55.0 | +17.0 | 7% | ➡ 13% |
| Homes |  Domestic Homes | <ul style="list-style-type: none"> Order-built homes Real estate Remodeling Construction materials |  Real estate and development¹ Growth Potential | <ul style="list-style-type: none"> Strengthening order-built homes by shifting to higher added value Exploring medium-term growth opportunities related to real estate and development | 79.3 | 87.0 | +7.7 | 42% | ➡ 39% |
| |  Overseas Homes | <ul style="list-style-type: none"> North American homes Australian homes |  Earnings Base Expansion First Priority | <ul style="list-style-type: none"> Expanding regional coverage and strengthening the business model through continuous investment Improving productivity by utilizing expertise of Asahi Kasei | 12.2 | 33.0 | +20.8 | 7% | ➡ 11% |
| Material |  Electronics | <ul style="list-style-type: none"> Electronic materials Electronic components |  First Priority | <ul style="list-style-type: none"> Expansion of semiconductor process materials using proprietary technologies | 24.0 | 30.0 | +6.0 | 16% | ➡ 14% |
| |  Car Interior | <ul style="list-style-type: none"> Car interior material Artificial suede |  Earnings Base Expansion | <ul style="list-style-type: none"> Providing value to automotive manufacturers as a platform with unique design and processing technologies | 11.5 | 14.7 | +3.2 | 4% | ➡ 6% |
| |  Energy & Infrastructure | <ul style="list-style-type: none"> Separator (Hipore, etc.) Ion-exchange membranes, water processing Hydrogen-related |  Growth Potential | <ul style="list-style-type: none"> Medium-term growth through development of Hipore in North America Expansion through collaboration between ion-exchange membrane and hydrogen businesses | 1.9 | 14.1 | +12.3 | 0% | ➡ 3% |
| |  Comfort Life | <ul style="list-style-type: none"> Fibers Consumables |  Earnings Base Expansion | <ul style="list-style-type: none"> Solidifying highly profitable niche positions, generating stable cash flow Growth through opportunities for expansion in additives, etc. | 21.4 | 19.2 | -2.2 | 8% | ➡ 6% |
| |  Chemical | <ul style="list-style-type: none"> Performance chemicals (Resin related) Essential chemicals (Petrochemical-related) |  Profitability improvement & business model change | <ul style="list-style-type: none"> Pursuing optimization in concert with other companies Changing to business models utilizing green technology, etc. | 28.8 | 17.5 | -11.3 | 6% | ➡ 3% |

¹ Development business in real-estate (excl. rental and brokerage business) and land purchase/use in order-built homes

Positioning of each business in portfolio

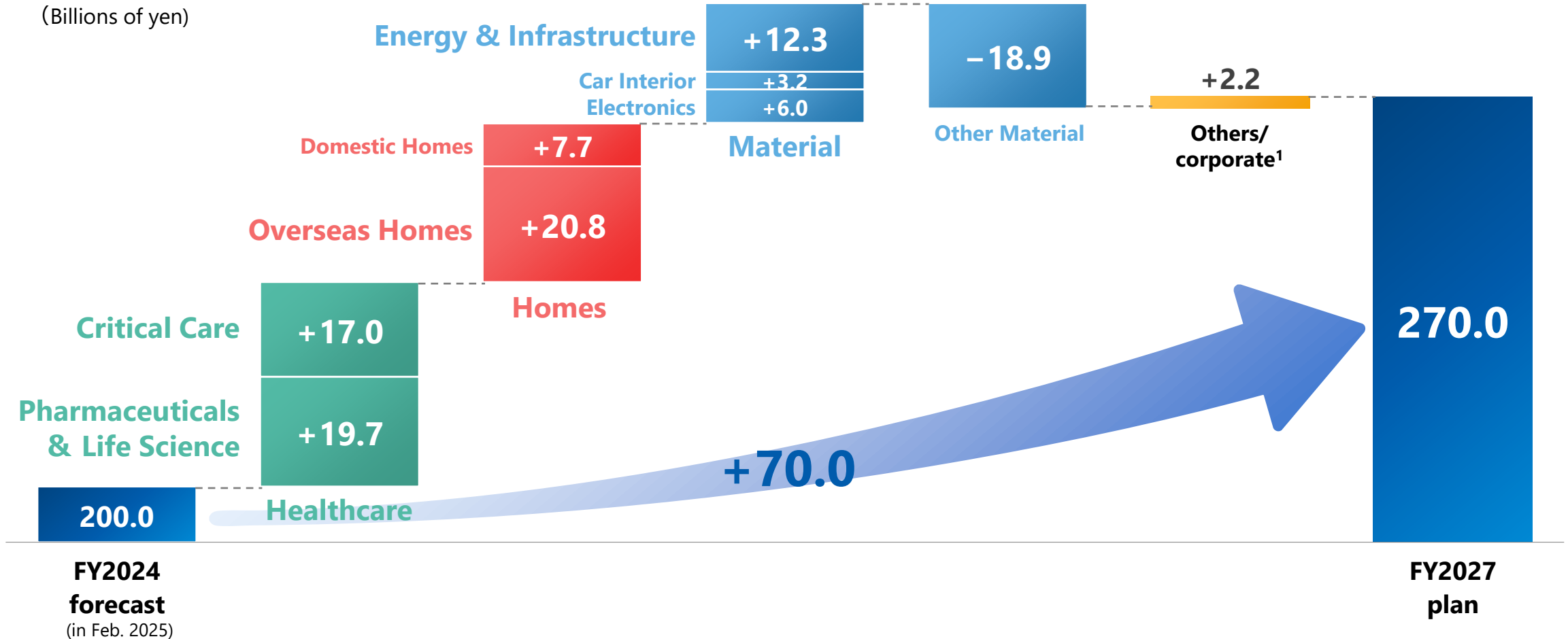
Continuing to invest in First Priority and Growth Potential businesses to achieve profit growth while advancing reforms of businesses for profitability improvement & business model change



¹ Development business in real-estate (excl. rental and brokerage business) and land purchase/use in order-built homes

Changes in operating income by business

Pharmaceuticals & Life Science, Critical Care, and Overseas Homes to be the main drivers of operating income growth up to fiscal 2027



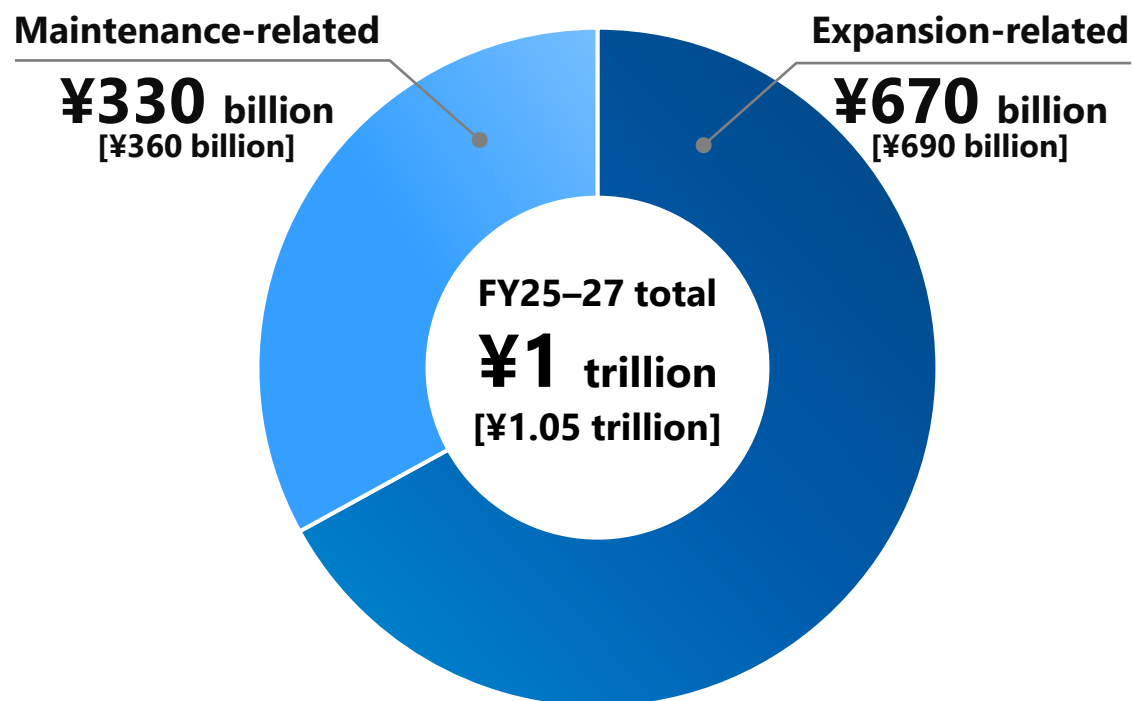
¹ Including increased allocation to each sector, transfer of organizations, buffer, etc.

Long-term investment plan

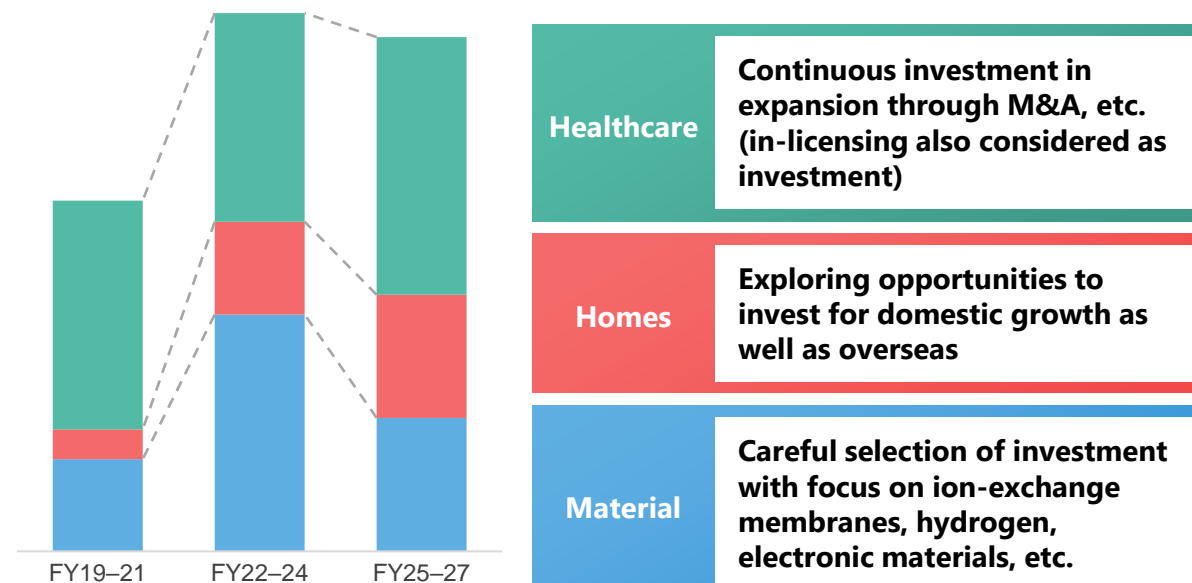
Investment of ¥1 trillion is expected under the new medium-term management plan, roughly equivalent to the amount under the previous plan; expansion-related investment of ¥670 billion is expected to include Homes for both domestic and overseas growth in addition to Healthcare which will continue to expand mainly through M&A

Total value of investments based on adoption of decisions during the 3-year period

[Figures for previous MTP shown in brackets]

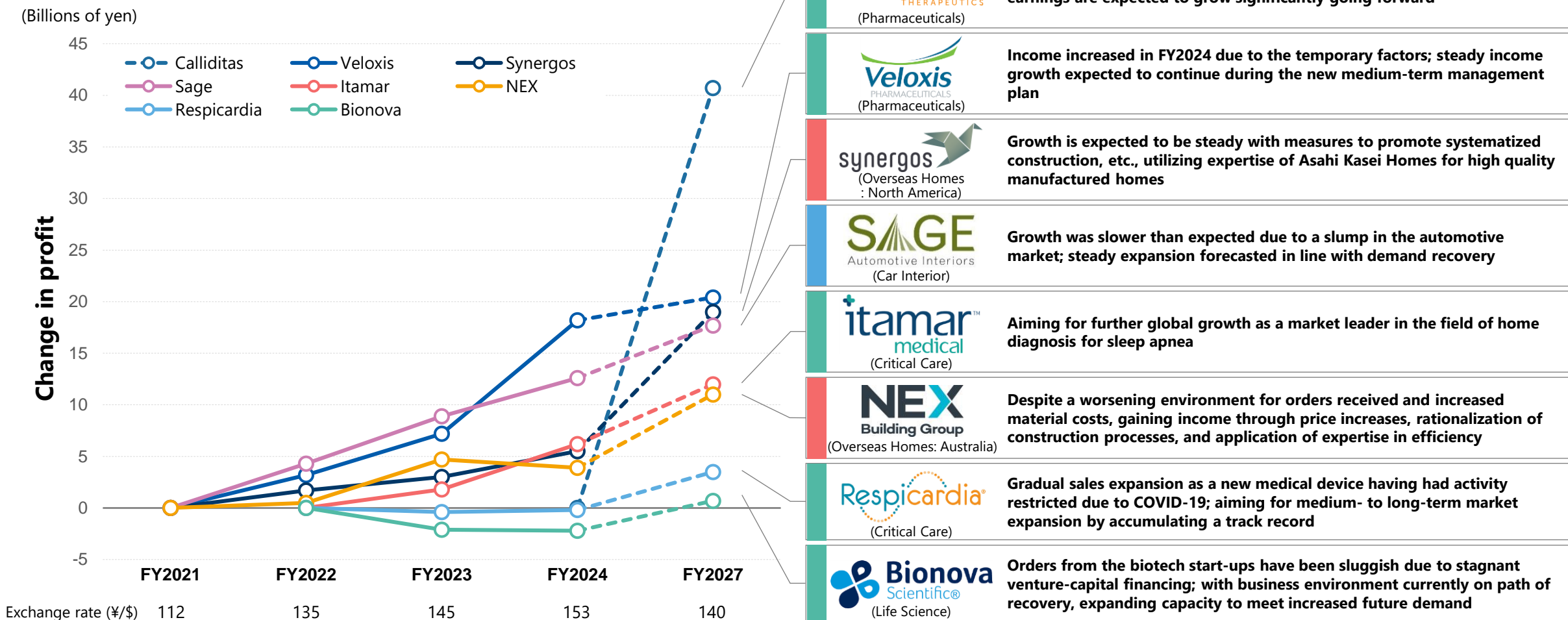


Expansion-related investment by sector



Progress of M&A

Profit growth from major recent M&A¹

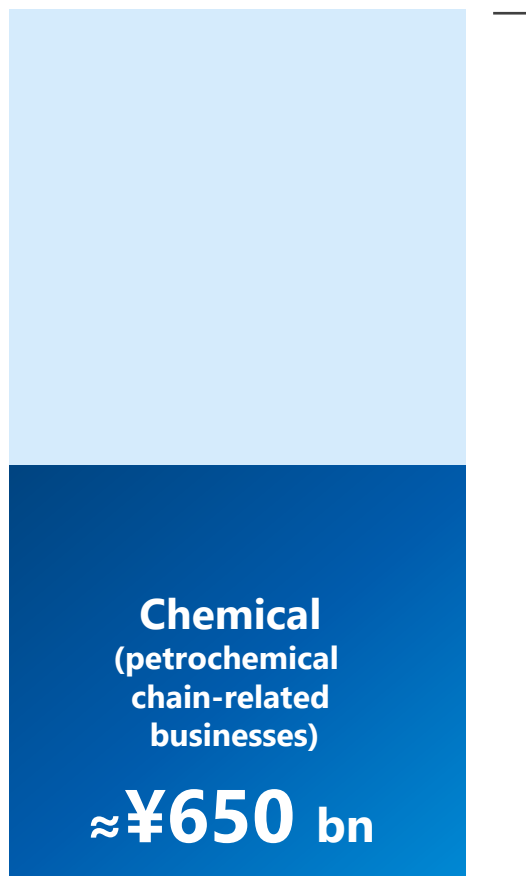


¹ Changes in operating income plus PPA amortization from FY2021, except Bionova, Itamar, and Respicardia from FY2022, and Calliditas from FY2024; forecasts from FY2024

Structural transformation of the Material sector

Material sector
FY24 sales forecast

¥1,365 billion



Businesses accounting for **approximately 20%** of Material sales are subject to structural transformation during the new MTP; **half** of which is in the **Chemical** business

Restructuring the Chemical business (petrochemical chain-related businesses)

Advancing three approaches: 1) Structural reform from best-owner perspective, 2) Optimization/reinforcement in concert with other companies, and 3) Autonomous structural transformation

Structural reform from best-owner perspective

- Several projects had advanced toward adopting a decision during FY24, but not completed on schedule; progress continuing in order to execute reforms during the new MTP

Optimization/reinforcement in concert with other companies

- Advancing discussions with Mitsubishi Chemical Corporation and Mitsui Chemicals, Inc. on three-company collaboration regarding naphtha cracker
- Considering capital alliances with other companies, including minority stakes, for multiple businesses

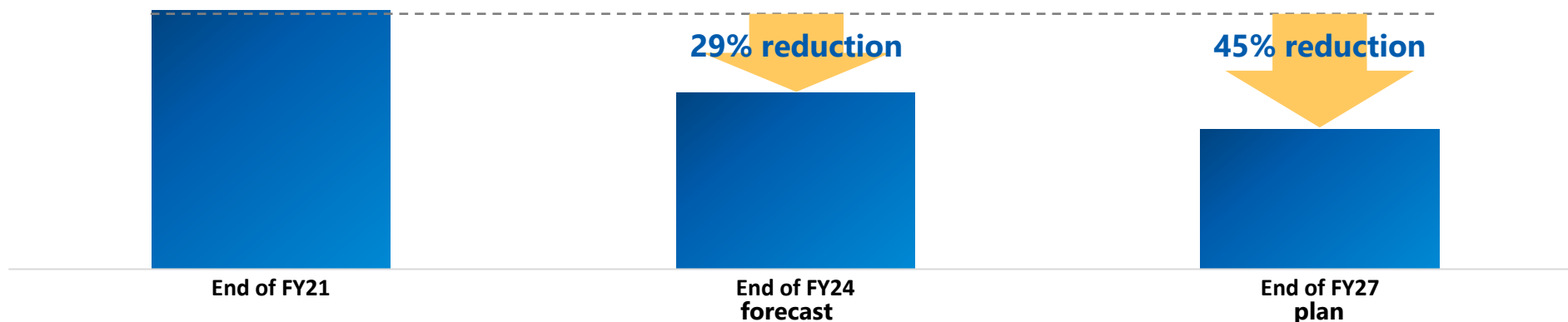
Autonomous structural transformation

- Decided to discontinue business of PTTAC
- Advancing actions to restructure businesses with low profitability and low capital efficiency, including downsizing and discontinuation

Reducing invested capital in general-purpose chemicals (former Basic Materials¹)

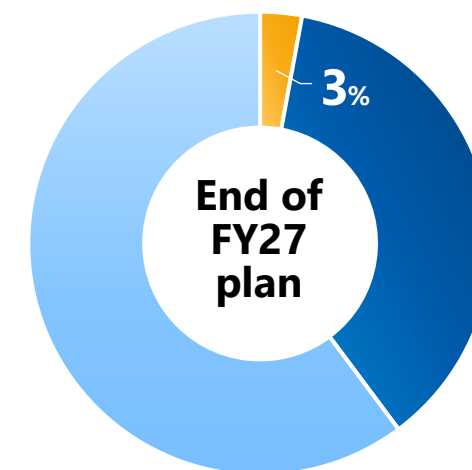
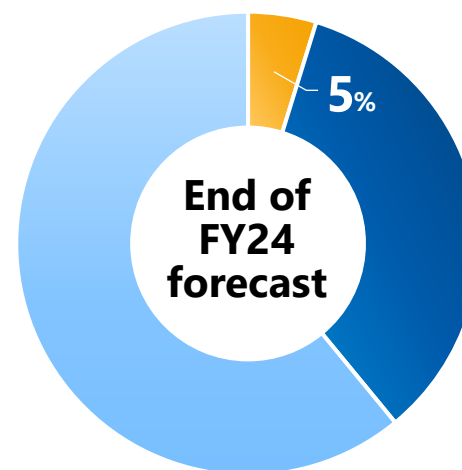
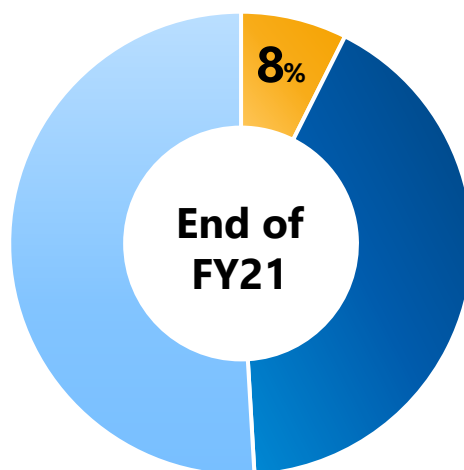
Invested capital in general-purpose chemicals (former Basic Materials) within the Material sector, has continued to decline due to structural transformation, etc., falling to around 5% of the total in 2024; further structural transformation is ongoing

**Invested capital in
general-purpose
chemicals
(former Basic Materials)**



**Composition of
Invested Capital**

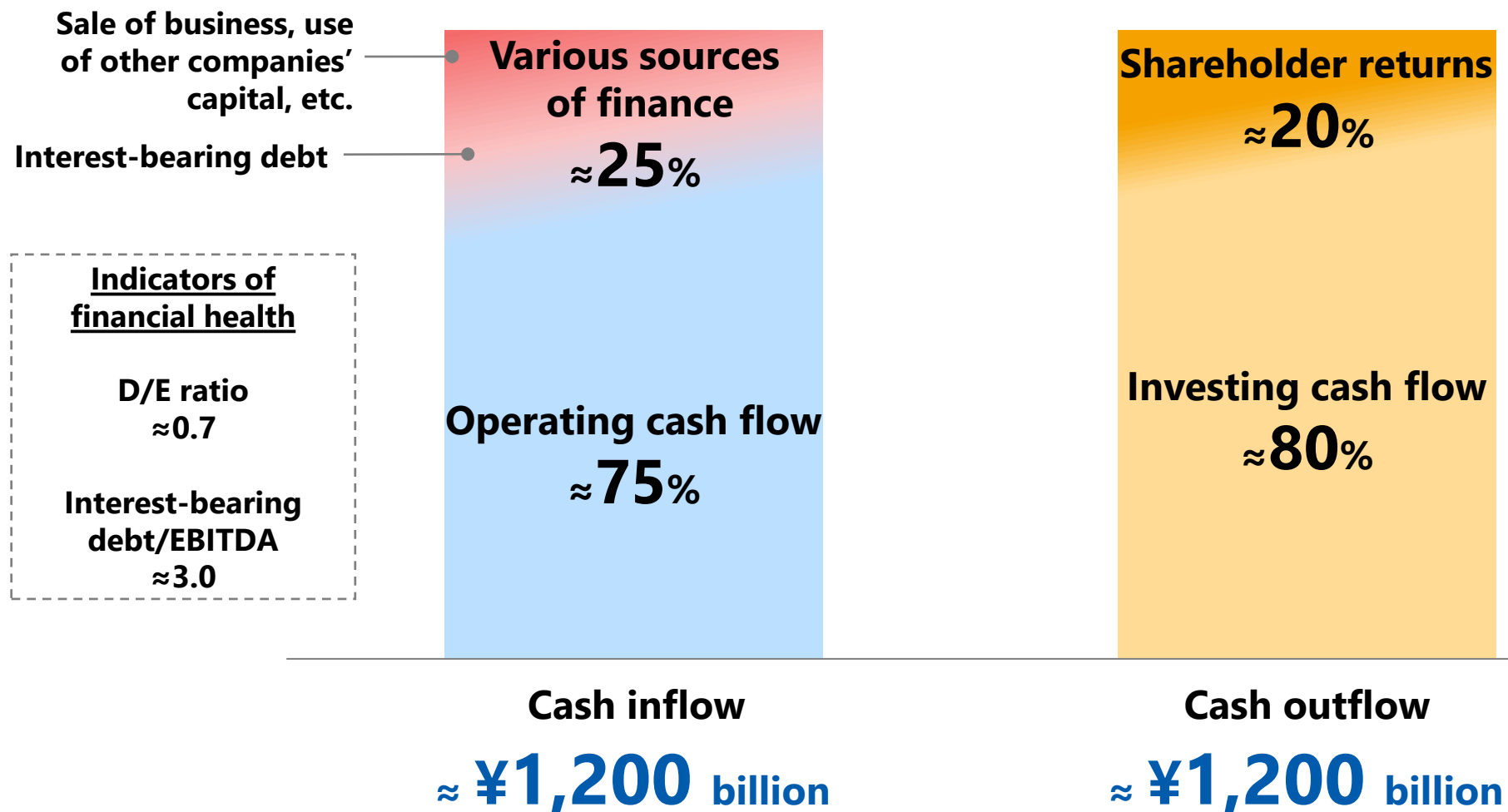
- General-purpose chemicals (former Basic Materials)
- Material sector (excl. former Basic Materials)
- Homes sector, Healthcare sector, and Others



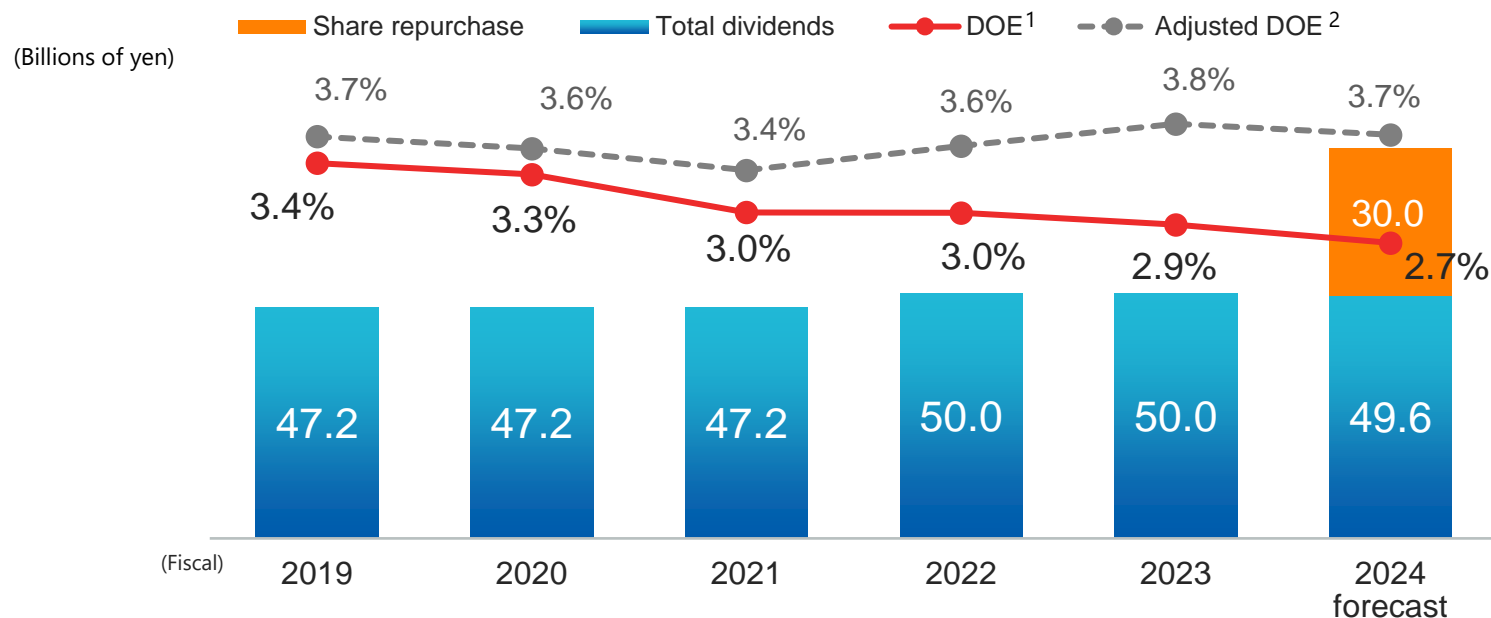
¹ Excluding the Energy Division, which supplies in-house power

Capital allocation (3 year total for FY25-27)

Emphasis on balance between investment for growth and shareholder returns; actively selling businesses and utilizing other companies' capital as sources of finance in addition to interest-bearing debt



Shareholder returns



Shareholder returns policy

1 Determining level of shareholder returns based on medium-term FCF outlook

2 Aiming for medium- to long-term progressive dividends with **DOE of 3% as a benchmark**

3 Share repurchase is decided by comprehensively considering optimal capital structure, investment projects, cash flow, and share price conditions

| | | | | | | |
|----------------------------------|---------|---------|---------|---------|---------|---------|
| Dividends per share (¥) | 34 | 34 | 34 | 36 | 36 | ≥36 |
| Dividend payout ratio | 45.4% | 59.1% | 29.1% | - | 113.9% | ≥45.1% |
| Net worth (¥ billion) | 1,359.3 | 1,467.5 | 1,687.4 | 1,660.3 | 1,813.4 | 1,845.7 |
| Shareholders' equity (¥ billion) | 1,302.8 | 1,335.9 | 1,459.4 | 1,317.5 | 1,311.9 | 1,367.0 |

Emphasis on progressive dividends to continuously improve the level of returns

¹ DOE (dividends on equity) = total dividends ÷ net worth ² Adjusted DOE = total dividends ÷ shareholders' equity

Management indicators

| (Billions of yen) | | FY2021 | FY2024 forecast (in Feb. 2025) | FY2027 plan | FY24-27 annual growth rate | FY2030 outlook | F27-30 annual growth rate |
|-----------------------|---|---------|-----------------------------------|----------------|----------------------------------|-------------------|---------------------------------|
| | Net sales | 2,461.3 | 3,044.0 | 3,180.0 | | | |
| Profitability | Operating income | 202.6 | 200.0 | 270.0 | 10.5% | 380.0 | 12.1% |
| | Operating margin | 8.2% | 6.6% | 8.5% | | | |
| | Operating income before amortization of goodwill | 231.0 | 234.0 | 306.0 | | | |
| | EBITDA ¹ | 350.8 | 386.0 | 496.0 | | | |
| | EBITDA margin | 14.3% | 12.7% | 15.6% | | | |
| | Net income attributable to owners of the parent | 161.9 | 110.0 | 174.0 | | | |
| | EPS (yen) | 116.7 | 79.5 | 127.4 | | | |
| Capital efficiency | ROIC ² | 6.6% | 4.9% | 6.0% | | ≥8.0% | |
| | ROE | 10.3% | 6.0% | 9.0% | | ≥12.0% | |
| Financial health | D/E ratio | 0.45 | 0.51 | ≈0.7 | | | |
| | Interest-bearing debt/EBITDA | 2.2 | 3.1 | ≈3.0 | | | |
| | Equity ratio | 50.4% | 49.5% | | | | |
| | Exchange rate (yen/\$) | 112 | 153 | 140 | | | |

¹ EBITDA = operating income + depreciation and amortization (tangible, intangible, and goodwill)

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

Contents

1. Review of previous MTP
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 - 3-1 Basic policy and targets
 - 3-2 Business strategy by sector**
 - 3-3 Strengthening the business platform

Healthcare

Business outlook

- Driving the Group's profit growth by ensuring results from the past investments centered on pharmaceuticals
- Continue to invest in expansion in each business to achieve sustainable high growth from a medium-term perspective

Important business conditions

Number of patients with the target disease/
Guidelines for treatment

Market condition for plasma and
biopharmaceutical products

U.S. economic situation/
Trends in insurers

Outline

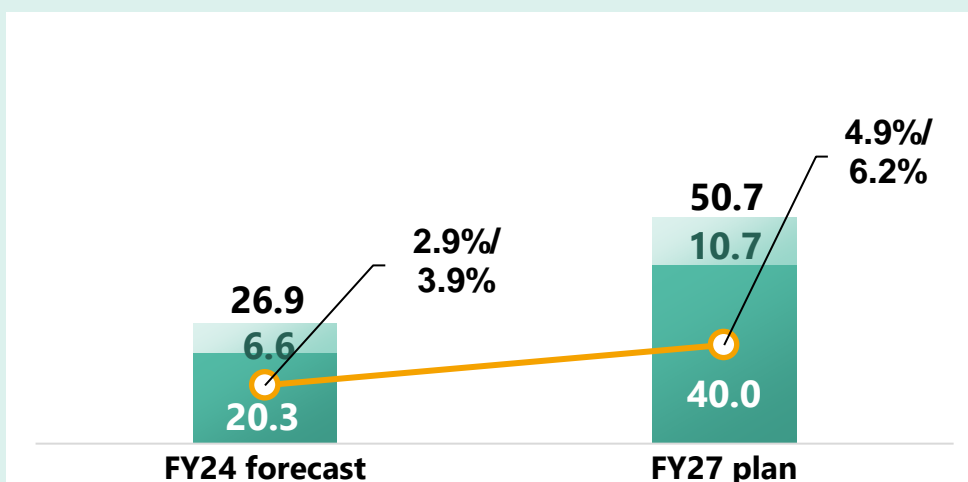
Operating Income (¥ billion)/ROIC¹

Pharmaceuticals

- Grow income of Envarsus XR, Tarpeyo, and mainstay domestic products
- Continue growth investment (additional M&A, in-licensing)

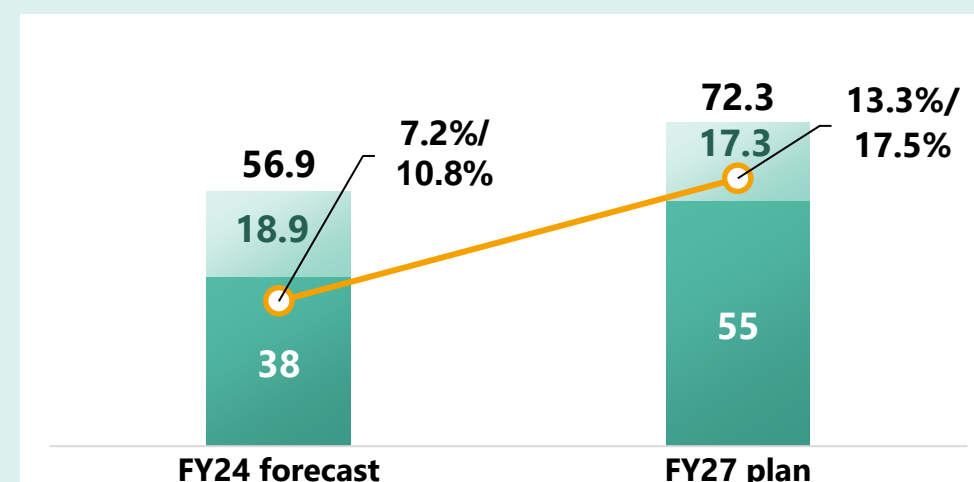
Life Science

- Grow sales of Planova (virus removal filters)
- Expand orders in Bionova (CDMO business)



Critical Care

- Grow by raising market share for professional defibrillators, AEDs, etc., and expanding market penetration for LifeVest
- Create and expand demand for new devices such as those of Itamar and Respicardia



¹ Bar graphs: white figures are operating income after amortization of goodwill, green figures are amount of goodwill amortization;
line graphs: ROIC after goodwill amortization/ROIC before goodwill amortization

Pharmaceuticals

Evolution into global specialty pharma focused on therapeutic areas of immunology and transplantation Aiming for net sales of ≥¥300 billion in FY2030

Niche disease areas

Focus on specialties such as immunology/transplantation, kidney disease, and severe infections (immunocompromised patients)

Main drug products

Autoimmune disease



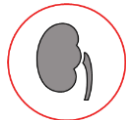
Kevzara
Plaquenil
Bredinin

Transplantation



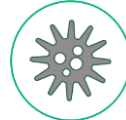
Envarsus XR

Kidney disease



Tarpeyo
Bredinin

Severe infection



Cresemba
Recomodulin

Business model

- Avoid direct competition with major pharmaceutical companies
- **Avoid risk of excessive development**
(small-scale, low-cost clinical development)
- **Profit structure that enables continuous investment in development**
(small sales force for large hospitals)

Global business expansion

Implement additional M&A and licensing to strengthen business foundation and pipeline



- **Expand Envarsus XR sales**
(U.S. sales CAGR 25% since 2020 acquisition)
- Progress in developing VEL-101 (planning Phase 2 trials)

calliditas
THERAPEUTICS (Acquired in September 2024)

- **Expand Tarpeyo sales**
(peak sales expected to exceed \$500 million after FY2030)
- **Additional M&A**
- **In-licensing** (planning ¥30 billion over 3 years)



Global management system

Transition to
"One AK Pharma"



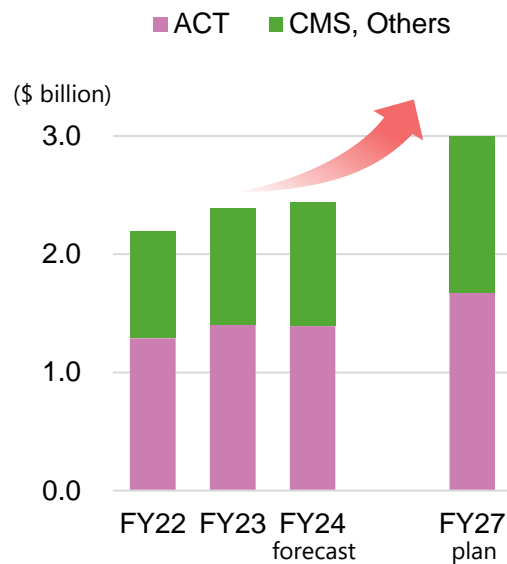
- **Integrate three pharmaceutical companies in Japan and the U.S. by the end of fiscal 2025**
- **Concentrate and optimally allocate resources for the pharmaceuticals business under a single global strategy**

Critical care

Pursue further growth in the field of serious cardiopulmonary diseases

(organic growth of existing businesses, ensuring results from past investments, acquisition of new business opportunities)

Net sales



CMS (Cardiac Management Solutions), Others

Wearable defibrillators, heart disease diagnosis and management, sleep apnea diagnosis and treatment, etc.

ACT (Acute Care Technology)

Professional defibrillators, AEDs, CPR-related, temperature management, software solutions, etc.

FY24-27 CAGR: 8%

Develop potential markets with innovative medical devices and pursue high growth & profit margins

Image of market expansion

Realization of potential markets

- Create demand from undiagnosed & untreated patients
- Expand home & telemedicine needs etc.



LifeVest wearable defibrillator



Home testing and diagnostic solutions for sleep apnea

- Expand market penetration by **strengthening relationships with cardiologists and promoting clinical value**
- Established as standard therapy
- Maintain and expand **global leadership position** in the home testing market
- **Create demand from undiagnosed patients (particularly patients with concomitant heart diseases in collaboration with LifeVest teams)**

FY24-27 CAGR: 6%

Steadily grow and contribute to earnings as a market leader

Image of market expansion

Further expansion of mature markets

- **More sophisticated customer needs and high value products (defibrillators)**
- **Social penetration of primary lifesaving support (AEDs) etc.**



Professional defibrillators, AEDs, CPR-related, etc.

- **Introduce new products** with market competitiveness
- **Expand product lineup** to meet diverse customer needs (Acquired Vyair's ventilator business in October 2024)
- **Further increase awareness of ZOLL brands**
- **Expand global sales** outside North America

Homes

Business outlook

- Strengthen earnings base by shifting to higher value-added products in domestic homes and exploring growth opportunities in real estate development
- Sustainable profit growth through overseas expansion with a unique business model

Important business conditions

Domestic housing and real estate-related market conditions

Effect of economic situation and interest rate policies on U.S. and Australian housing demand

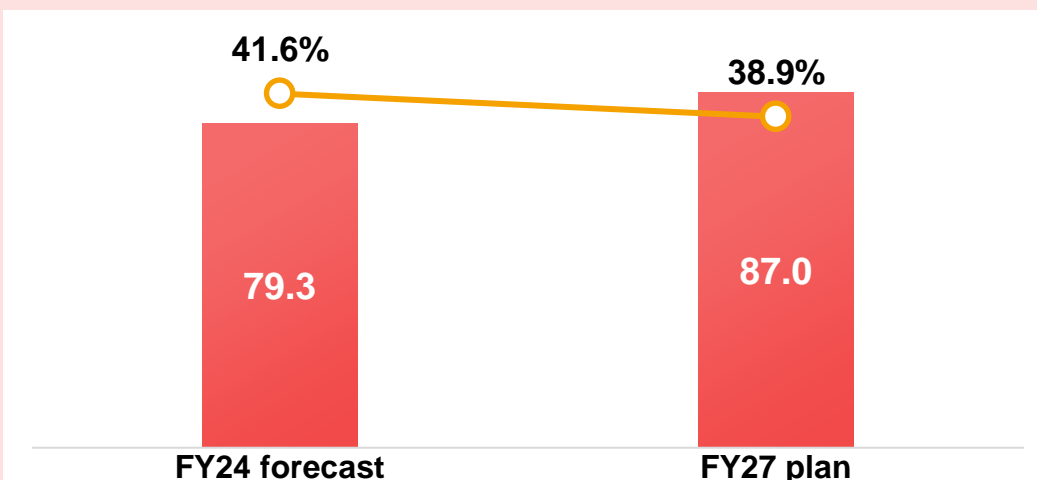
Securing workforce in the U.S., tariffs on imports to the U.S.

Domestic business

Outline

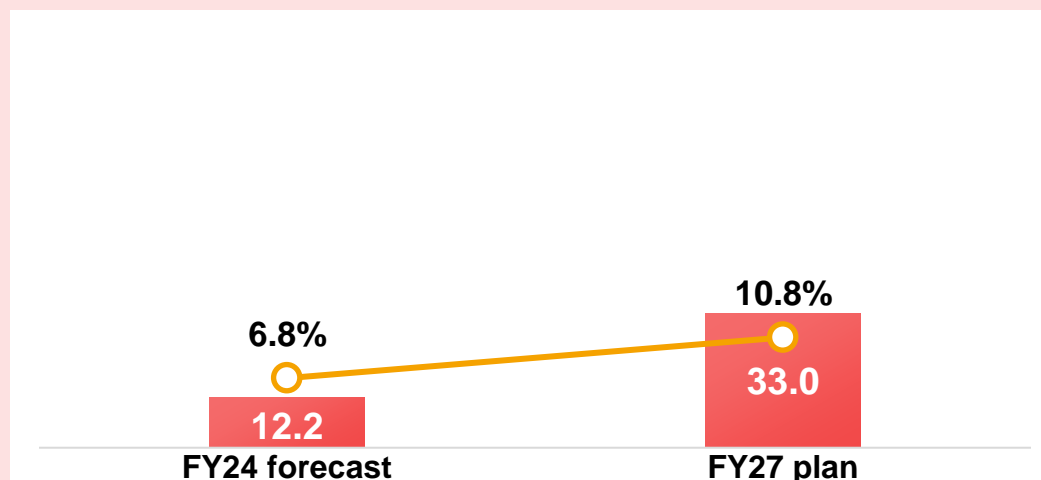
- Strengthen profitability with higher added value in the order-built homes business and expanding apartment building business
- Promote domestic growth strategy focused on real estate and development business

Operating Income (¥ billion)/ROIC¹



Overseas business

- Sustainable growth in the U.S. by reinforcing the Synergos model and expanding regional coverage
- Expand market share in Australia and improve profitability and capital efficiency by reforming operational processes



¹ Bar graphs: operating income; line graphs: ROIC

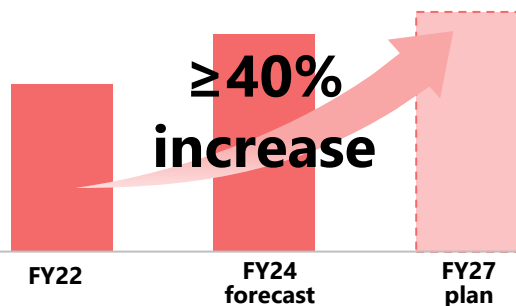
Domestic Homes

Pursue medium- to long-term growth opportunities in real estate and development as well as shifting to larger and higher value-added order-built homes

Order-built homes

Further evolving into a high-income business by promoting larger and higher value-added units

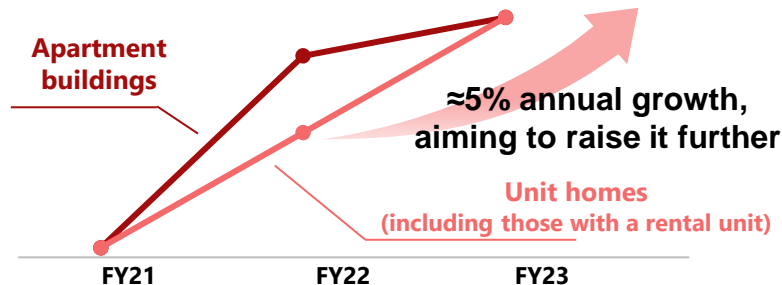
Average unit price



Hebel Haus unit homes



Average floor space per building



Hebel Maison apartment buildings



Value-added apartments

Apartments for living with pets
かわい+にゃん

Apartments for raising children
BORIKI (ぼりき)

Apartments for seniors
ヘーベルVillage

Apartments with enhanced security
New Safole

Real estate and development

Examining proactive investment opportunities to enhance profitability of domestic businesses from a medium-term perspective

Reinforce land purchasing and expand business utilizing the land

- Reinforce land purchasing focused on urban areas
- Strengthen sales of buildings and land together

Atlas condominiums



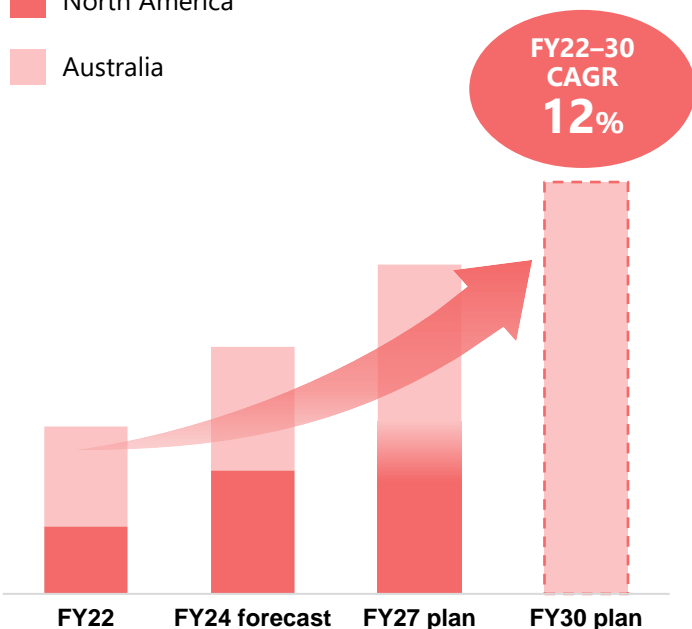
Overseas Homes

Providing homes suited to local needs with greater efficiency and higher productivity through systematization

Net sales

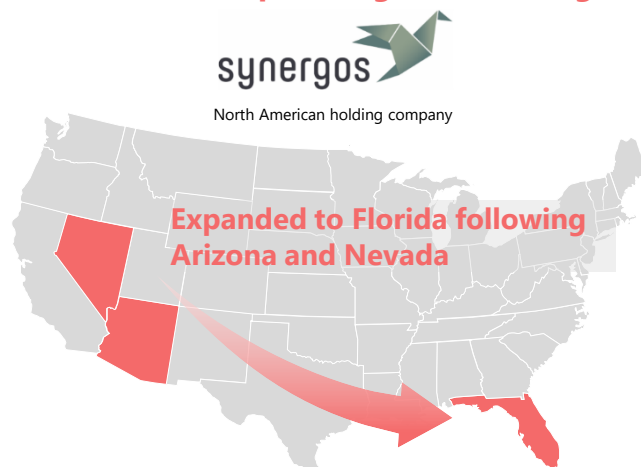
Steady expansion of overseas business, aiming for FY2030 sales of ¥500 billion

■ North America
■ Australia



North American business

Proactive M&A to strengthen Synergos model and expand regional coverage

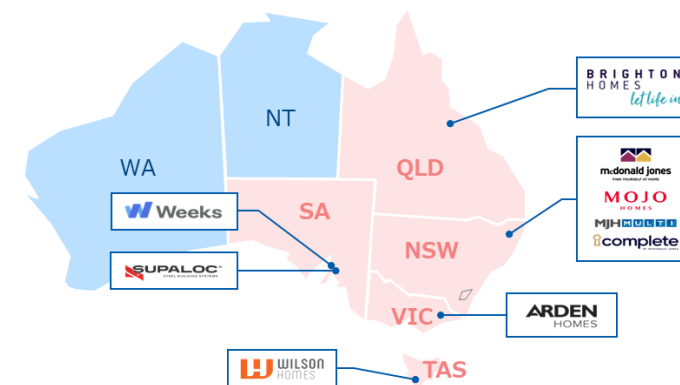


- Achieved revolutionary business model (Synergos model) by horizontally integrating suppliers and shortening construction periods
Promote industrialized construction by integrating the main steps (plumbing, concrete, framing, electrical, and HVAC) in the construction process
- Expanded to Florida through acquisition of ODC in 2024
- Planning to expand into Texas in 2026

Australian business

- Enhancing work processes to raise productivity and profitability
- Expanding sales to increase market share in each region

NEX
Building Group
Holdings Company in Australia



Material

Business outlook

- Sustainable growth through expansion of customer-oriented businesses and solution businesses
- Maximize business value by collaborating with business partners and utilizing external resources

Important business conditions

Growth of semiconductor market supporting DX and AI technology

Trends among U.S. and European automotive OEMs

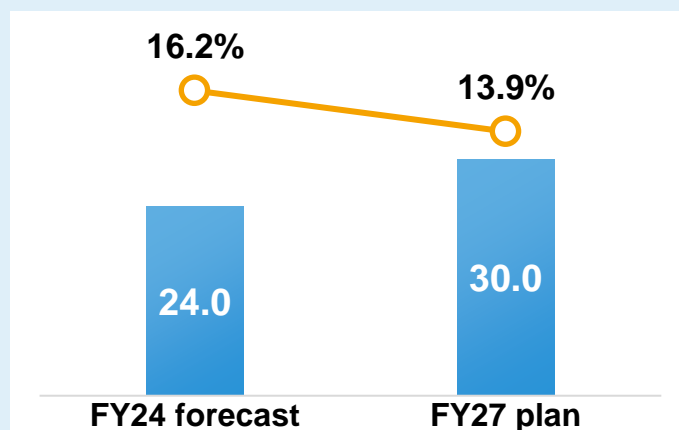
Global EV market trends

Electronics

- Expand production capacity for Pimel as semiconductor buffer coat/interlayer dielectric
- Development and commercialization of new electronic materials

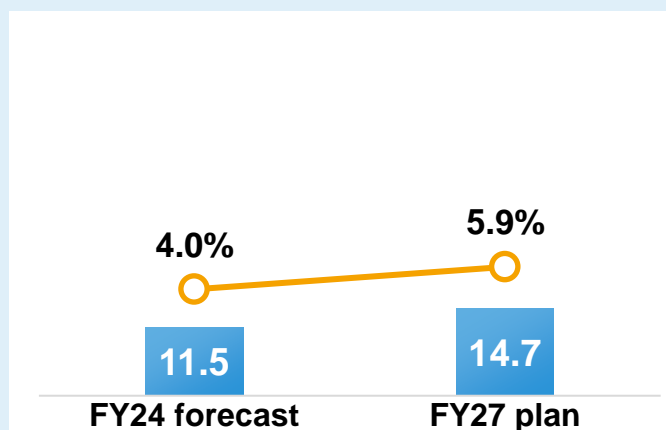
Outline

Operating Income (¥ billion)/ROIC¹



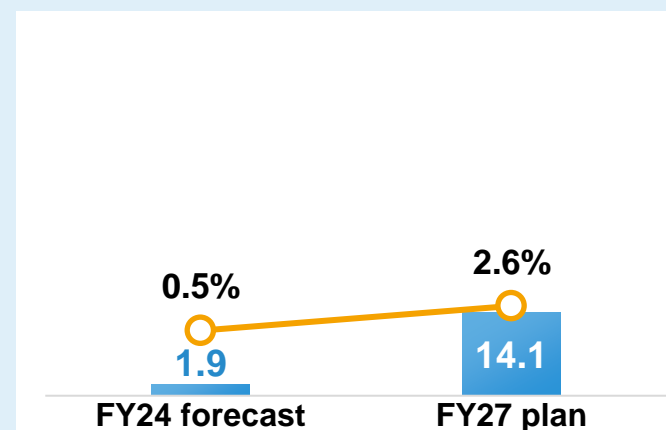
Car Interior

- Steady income growth by leveraging strengths of product lineup matching customer needs



Energy & Infrastructure

- Improve earnings through recovery in demand for Hipore (early stages of operation of North American plant)
- Enhance capacity for expansion of the ion-exchange membrane process chlor-alkali business



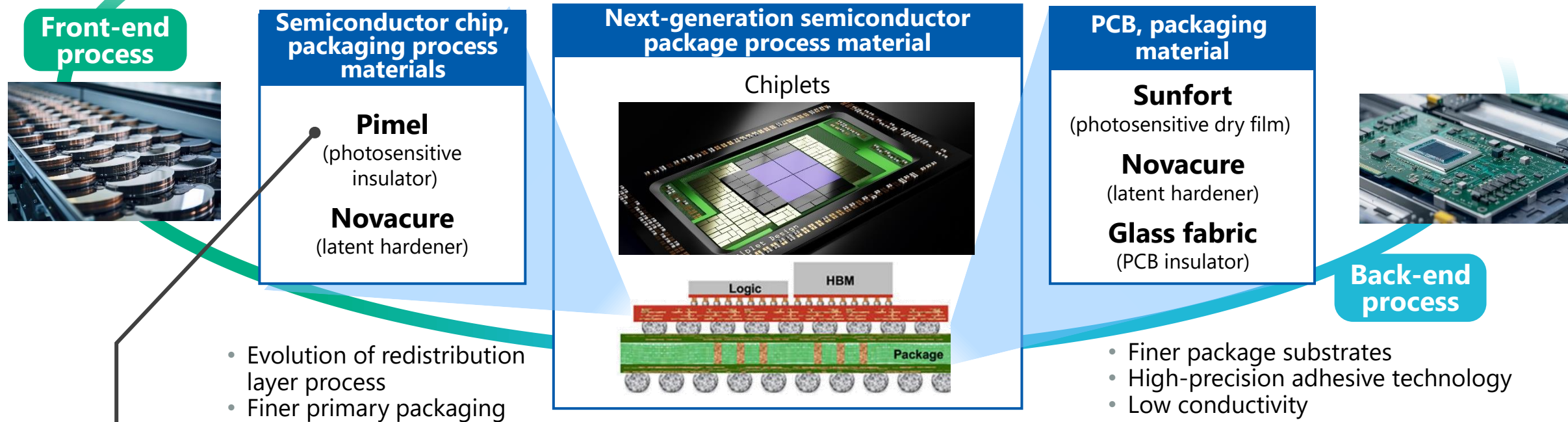
¹ Bar graphs: operating income; line graphs: ROIC

Electronics: Electronic Materials – customer-oriented business

Propose optimal materials for the advanced semiconductor package market based on our experience in semiconductor chips and materials for substrates and packaging processes

- A market leader with photosensitive material that supports finer processing of leading-edge semiconductors
- Providing high-quality, high-performance materials while coordinating with customers

Diversification of packaging, **expansion of new value chain** with merger of front-end and back-end processes



Pimel growth strategy

- Highly evaluated in the growing field of **cutting-edge semiconductors for AI servers**
- Contributing to the development of innovative packages through **close collaboration with customers**



- Received **2024 TSMC Excellent Performance Award**
- **Proactive capital investment** planned in the new MTP in line with strong demand
- Aiming to **double sales** from FY24 to FY30

Energy & Infrastructure: Ion-exchange membrane process chlor-alkali electrolysis – solution business

Expand value provision through solutions based on business foundations built over 50 years

Product technology

Core technologies for electrolysis and membranes, production technology

- Technology for broad product lineup to provide total solutions for issues at customers

Operational expertise

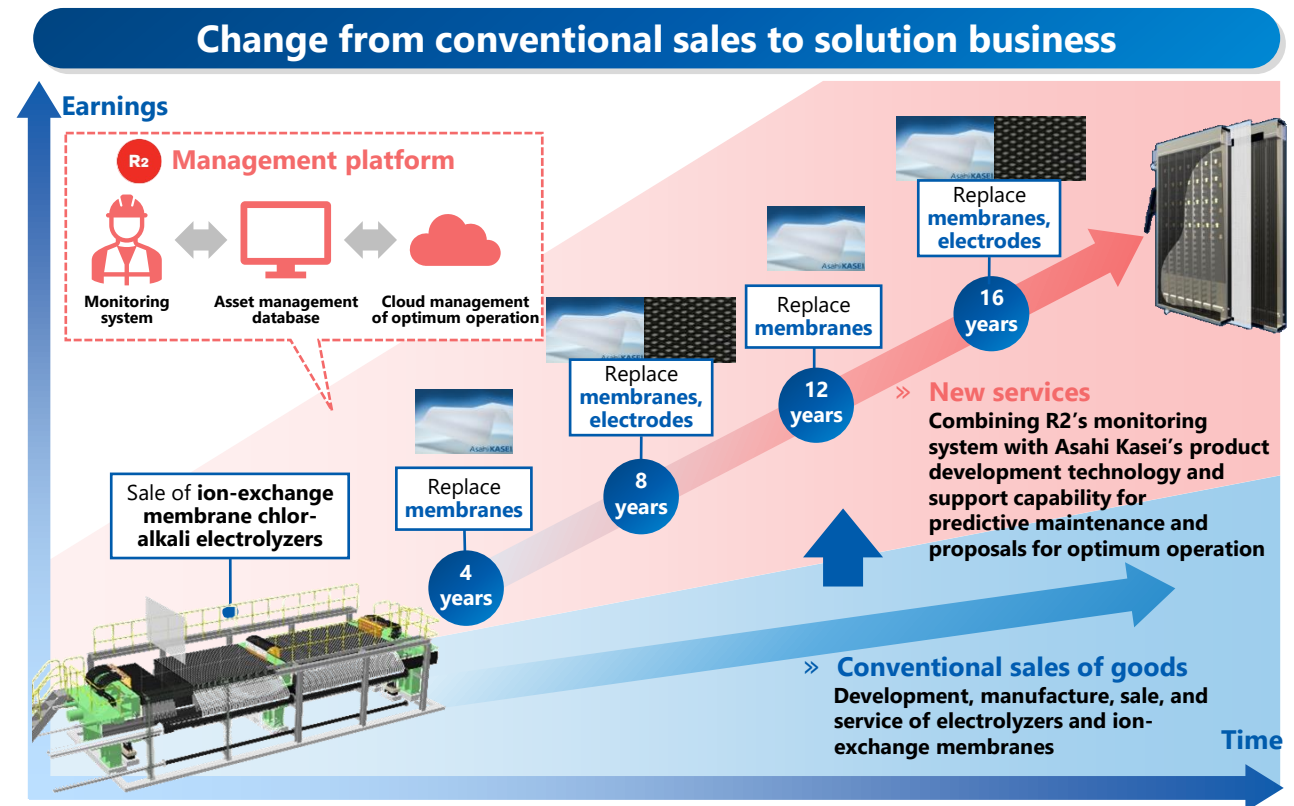
Knowledge and expertise to deal with unexpected changes in electrolyzer operation

- Sales and technical support teams located at several sites worldwide
- Operational expertise and product technology to identify causes of problems during operation and implement solutions

Customer base

Long-standing relationships of trust with customers

- Knowledge and experience built through 50 years of customer support
- People and teamwork for customer-focused problem solving
- Adopted at over 150 plants in 30 countries; maintaining high market share



- Leveraging the accumulated customer base, technologies, and service platform for alkaline water electrolysis hydrogen production systems
- Planning to start manufacturing facilities in fiscal 2028 capable of supplying products for both green hydrogen and chlor-alkali processes (adopted by METI as "GX Supply Chain Construction Support Project")

Energy & Infrastructure: Separator – Hipore

Medium-term growth by leveraging the potential of integrated plant for base film manufacturing and coating in North America

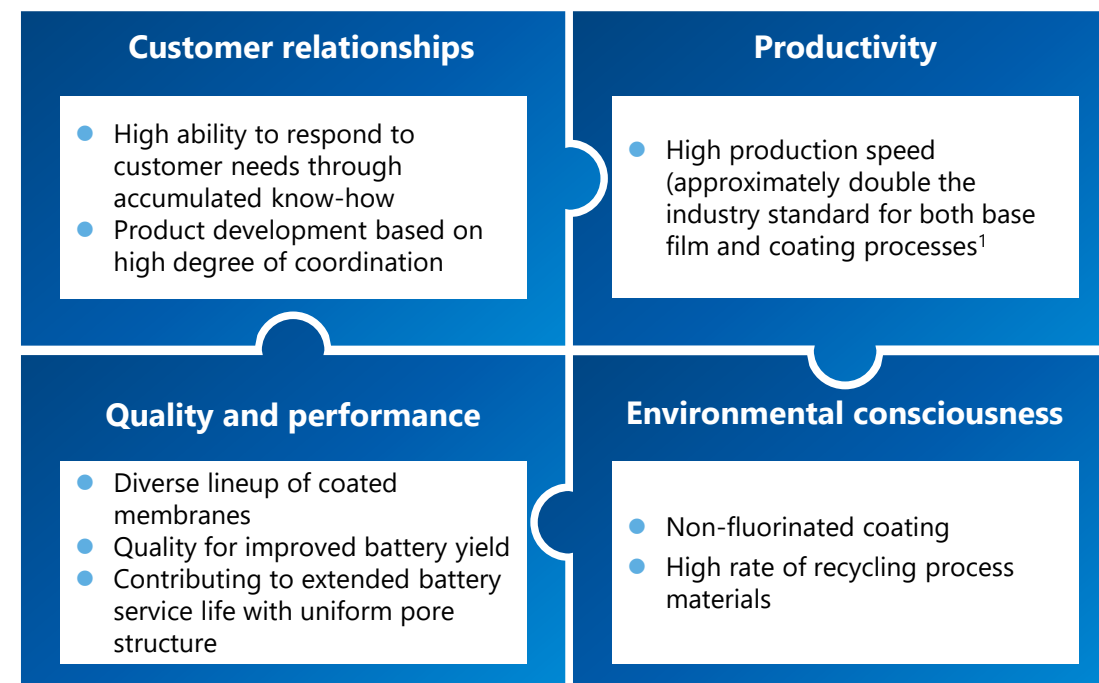
Hipore initiatives

| | |
|------------------|--|
| Feb. 2024 | <ul style="list-style-type: none"> Decision to separate Hipore business to new company Asahi Kasei Battery Separator Corp. (AKBSC) launched in Oct. 2024 |
| Apr. 2024 | <ul style="list-style-type: none"> Decision on Phase 1 investment in North America (appx. ¥180 billion) [financial support from federal government of Canada and provincial government of Ontario] |
| Oct. 2024 | <ul style="list-style-type: none"> Issuance of preferred stock to Development Bank of Japan Inc. (¥28 billion) |
| Nov. 2024 | <ul style="list-style-type: none"> Shareholders' agreement with Honda Motor Co., Ltd. for 25% investment in Canadian manufacturing company Groundbreaking ceremony in Port Colborne, Ontario, Canada |

Medium- to long-term outlook for Hipore

- Phase 1 construction in North America progressing on schedule, and sales plan in North America remains unchanged from initial forecast
- For Phase 2 and beyond, flexibly respond by closely monitoring future changes in business conditions related to xEVs
- Currently scrutinizing the near-term sales outlook considering the impact of U.S. policy changes
- Aiming for medium-term operating margin of $\geq 20\%$

Strengths of Asahi Kasei



Key points for North American business

Thorough low-cost production

Vertical and horizontal alliances based on technological superiority

¹ Asahi Kasei estimate

Chemical business

Outlook of the Chemical business

Initiatives in the MTP

- Promoting structural transformation
- Developing green technologies/
promoting green initiatives
- Strengthening competitiveness, including
collaboration with other companies

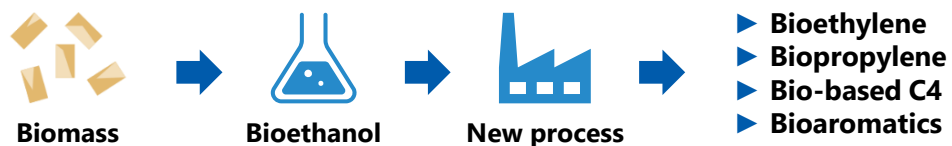
Achieving carbon neutrality and optimizing the
production system for ethylene production
facilities through three-company cooperation
with Mitsubishi Chemical and Mitsui Chemicals

Medium-term vision

- Providing green materials and solutions
- Business structure with high profitability and
capital efficiency
 - Focus on high-value-added products in the supply chain
 - Optimized capacity and high competitiveness through
collaboration with other companies

Examples of green materials and solutions

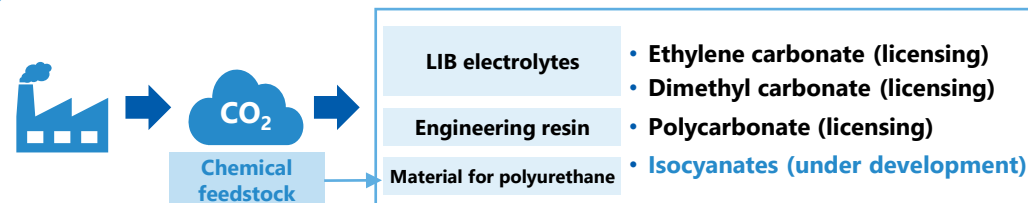
Biochemical production from bioethanol



- Connection to and integration with naphtha cracker refining system
Minimal capital investment, application of biomass balance approach
- JV, licensing, and other forms of development

**Key technology for petrochemical realignment
that can contribute to carbon neutrality**

CO₂ chemistry (functional chemicals and plastics)

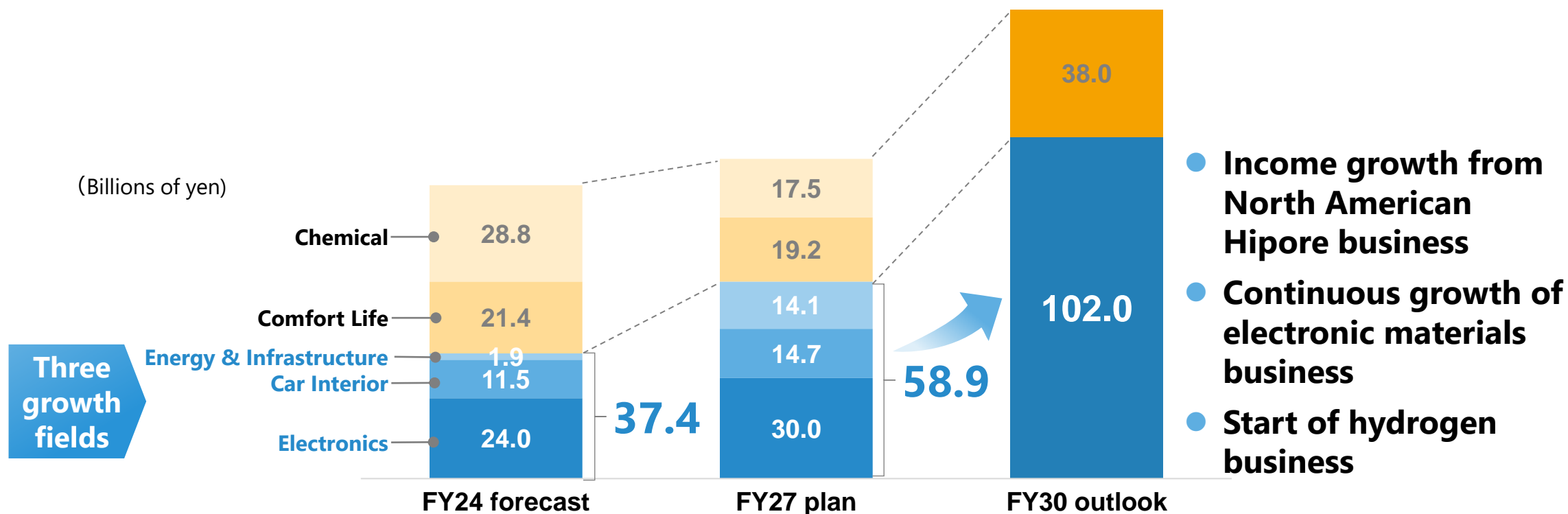


- Based on process technology using CO₂ as feedstock, also
licensing technology and know-how for stable operation

**Contributing to carbon neutrality by licensing to
chemical manufacturers around the world**

Outlook of operating income for Material sector in FY2030¹

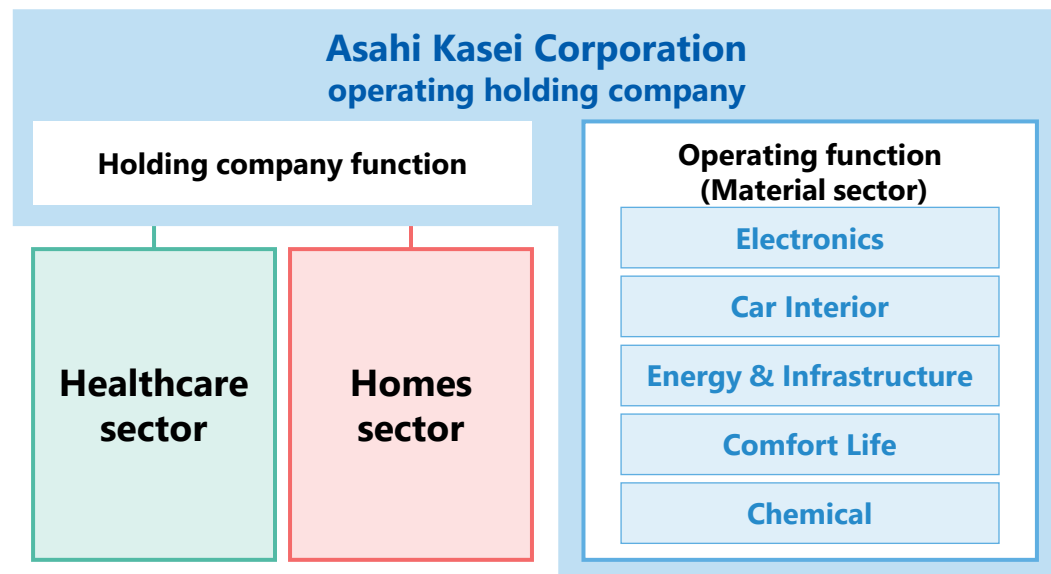
From FY2028 onward, the three growth fields will see significant income growth due to factors such as start of the North American Hipore business



¹ Due to shared expenses in "Other," sums of the categories do not equal totals for the sectors.

Strengthening the structure of the Material sector and corporate functions

In April 2025, the Material sector was changed from a configuration of three SBUs into a unified organization; working to strengthen the structure by accelerating structural transformation and streamlining shared functions



- Changing the Material sector from a configuration of **three SBUs into a unified organization**
- Concurrently, **repositioning a portion of the holding company function's R&D and DX related organizations within the Material sector**
- Accordingly, costs of **approximately ¥10 billion¹ were transferred to Material**
- Working to **improve productivity and reduce costs** by streamlining organizations and **continuously promoting DX including proactive use of generative AI**

Advancing structural transformation

- Advancing by three approaches; "Structural reform from best-owner perspective", "Optimization/reinforcement in concert with other companies", "Autonomous structural transformation"

Thorough control of cash flow and capital expenditure

- Scrutinize maintenance investment
- Manage working capital with a focus on inventory optimization
- Carefully consider which assets should be held internally

Fixed cost reduction

- Streamlining duplicate functions
- Narrower focus of Initiatives to strengthen the business platform and create new businesses

Aiming to generate cash of approximately ¥30 billion (three-year total)

¹ Including higher allocated costs from the holding company function

Financial targets by sector¹

| | (¥ billion) | FY2024 forecast | FY2027 plan | FY2030 outlook |
|------------|--|--------------------|----------------|-------------------|
| Healthcare | Net sales | 620.0 | 760.0 | 150.0 |
| | Operating income | 58.3 | 95.0 | |
| | Operating margin | 9.4% | 12.5% | |
| | Operating income before amortization of goodwill | 83.8 | 123.0 | |
| | ROIC | 4.8% | 7.7% | |
| | ROIC before amortization of goodwill ² | 6.9% | 10.0% | |
| Homes | Net sales | 1,043.0 | 1,250.0 | 160.0 |
| | Operating income | 91.5 | 120.0 | |
| | Operating margin | 8.8% | 9.6% | |
| | Operating income before amortization of goodwill | 93.9 | 123.5 | |
| | ROIC | 24.7% | 22.7% | |
| | ROIC before amortization of goodwill ² | 25.4% | 23.4% | |
| Material | Net sales | 1,365.0 | 1,160.0 | 135.0 |
| | Operating income | 82.3 | 85.0 | |
| | Operating margin | 6.0% | 7.3% | |
| | Operating income before amortization of goodwill | 87.7 | 90.0 | |
| | ROIC | 4.8% | 4.2% | |
| | ROIC before amortization of goodwill ² | 5.2% | 4.5% | |

¹ As figures in this table are forecasts and plans for each sector, their sums do not equal the total consolidated figures

² ROIC before amortization of goodwill = (operating income + goodwill amortization) × (1 - tax rate) ÷ (fixed assets + working capital etc.)

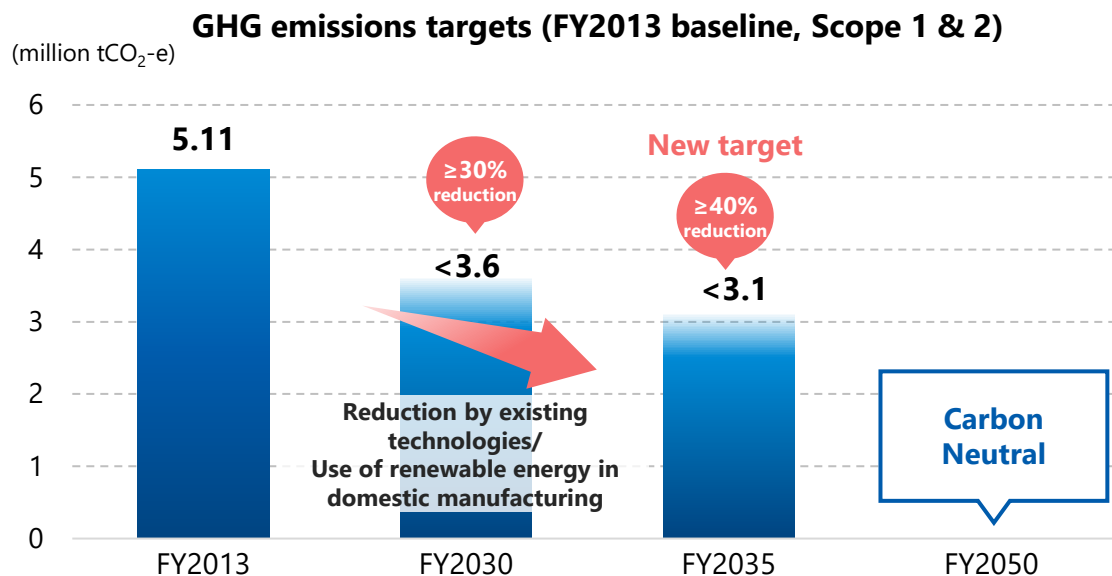
Contents

1. Review of previous MTP
2. What we aim for
- 3. “Trailblaze Together” MTP for FY2025–27**
 - 3-1 Basic policy and targets
 - 3-2 Business strategy by sector
 - 3-3 Strengthening the business platform**

Green transformation (reducing GHG emissions)

Reducing our own GHG emissions

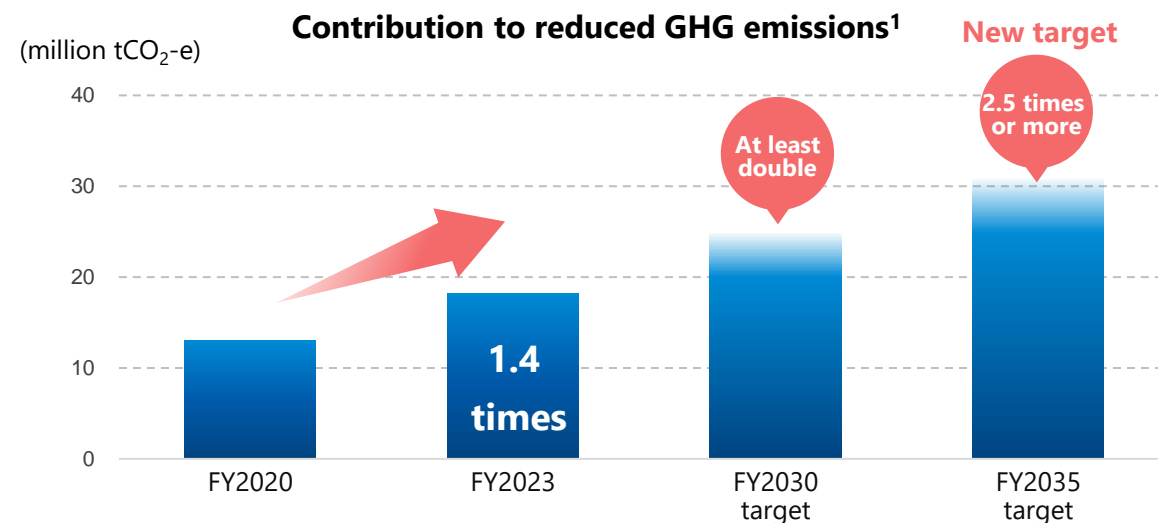
FY2030 ≥30% reduction (46% domestic reduction) } Compared to FY2013
FY2035 ≥40% reduction (60% domestic reduction) } to FY2013
FY2050 Carbon neutral



- **Low-carbon energy**
 (renewal and utilization of hydropower plants, use of renewable energy, etc.)
- **Development of mechanisms for reducing GHG emissions**
 (application of internal carbon pricing, systematizing CFP calculation, etc.)
- **Transformation of product and business portfolio**

Reducing the world's GHG emissions (expanding Environmental Contribution Products)

FY2030 At least double the contribution to reduced GHG emissions } Compared to FY2020
FY2035 At least 2.5 times the contribution to reduced GHG emissions }



Ion-exchange membrane process chlor-alkali electrolysis
 Reducing power consumption in electrolysis



LIB separator
 Reducing GHG emissions from driving as electric vehicles using LIBs become widespread



Hebel Haus unit homes



Hebel Maison apartment buildings

Providing long service life to reduce GHG emissions from component manufacture and construction

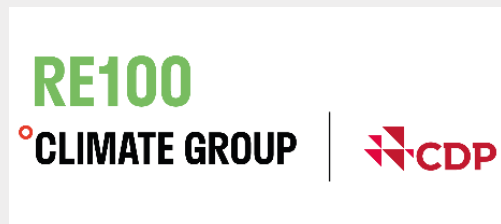
¹ The contribution to reduced GHG emissions is calculated independently from the viewpoint of LCA based on the opinions of external experts.

Green transformation (Homes)

**Aiming to be a leading company in the housing industry
in contributing to the environment together with customers**

Initiatives and evaluations related to the creation of environmental value

- Achieved RE100 (the first home builder in Japan¹)
- Minister of Economy, Trade and Industry Award for resource circulation technology and systems
- GX initiative declaration
- Certified as an "Eco-First Company" by the Ministry of the Environment
- Acquired SBT certification



Innovative efforts for transition to renewable energy

**Asahi Kasei Homes is the first company in Japan
to receive the RE100 Enterprising Leader award**



Surplus power from solar panels installed on customers' homes purchased by Asahi Kasei Homes after expiration of FIT subsidies and used to achieve RE100



¹ Among domestic home builders participating in RE100, based on research by Asahi Kasei Homes as of July 31, 2024

Human resources strategy



"People are our most valuable assets, everything starts from people"

Discovering the future through **lifelong growth**
and **co-creativity** of diverse individuals



Promoting challenge and growth
Lifelong growth

Improving management
capabilities to draw out
the strengths of
individuals and teams

Leveraging diversity
Co-creativity

Virtuous cycle between
awareness of autonomous
career advancement
and organizational growth

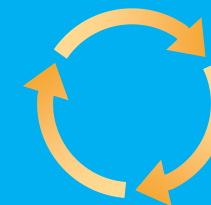
Active participation of
diverse personnel

The basis of all: **Physical & mental health, free & open communication**

Reinforcing
the culture of
taking challenges
Transition to new HR system

Fair + **Open**

Enhancing employee
vitality and work
engagement



Sustainable growth
of the Asahi Kasei
Group

Main KPIs

Growth behavior index

Index of behavior that leads to growth (5-point scale)
in annual engagement survey

| FY22 | FY23 | FY24 | FY27 |
|------|------|------|-------------------------|
| 3.71 | 3.72 | 3.73 | Further increase |

Empowerment of diverse personnel

Percentage of women among
managers and Group Masters

| FY24 | FY27 | FY30 |
|------|-------------|--------------|
| 4.9% | 8.0% | 10.0% |

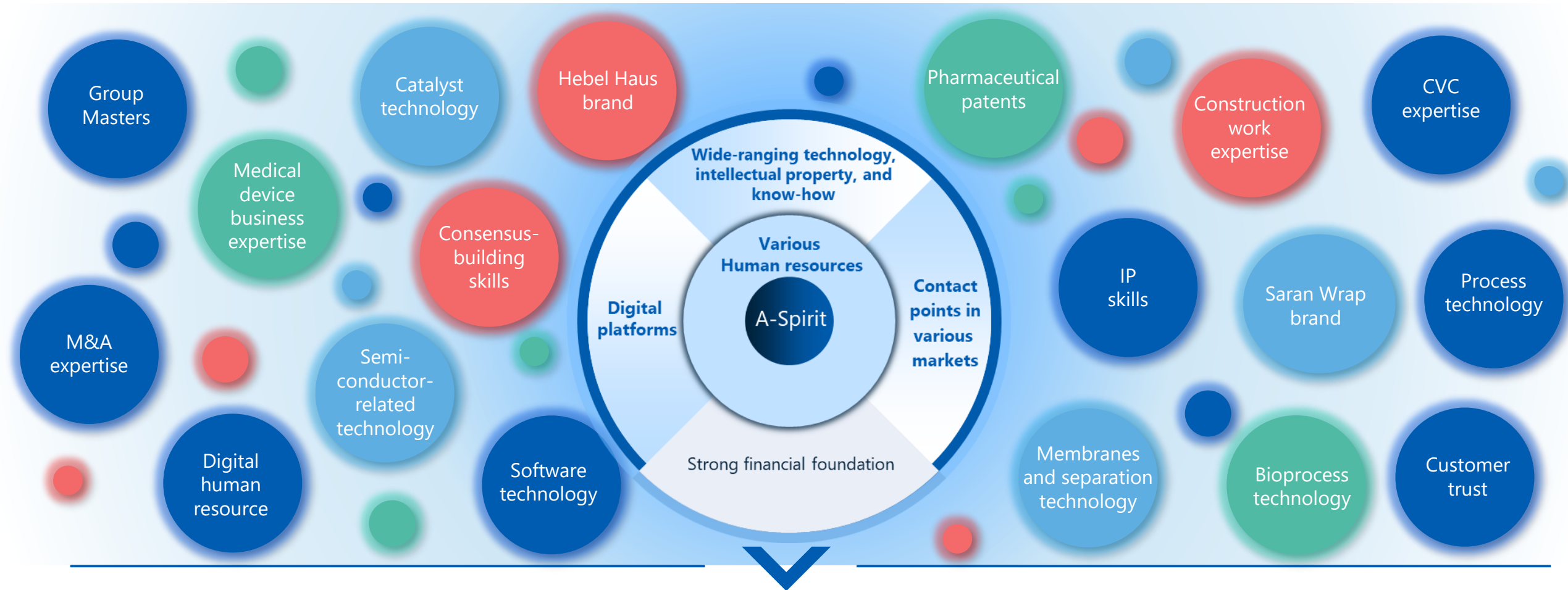
Employee vitality

Percentage of employees reporting favorable
vitality (≥3.5 on 5-point scale) in annual
engagement survey

| FY22 | FY23 | FY24 | FY27 |
|-------|-------|-------|--------------|
| 55.6% | 56.2% | 57.3% | 60.0% |

Utilization of intangible assets

Pursuing value provision with business models with value centered on intangible assets



Strengthening **solution businesses** and **licensing businesses** in addition to conventional products and services

Aiming for 10 new license agreements¹ (3-year total for FY25-27) with ≥¥10 billion cumulative profit contribution by FY30

¹ Centered on TBC (Technology value Business Creation) initiative to generate value from intangible assets

Efforts to raise corporate value

Measures for sustainable increase in corporate value centered on accelerating business portfolio transformation and enhancing profitability

Measures to raise corporate value

Accelerating business portfolio transformation

- Steadily reap fruits of investments in priority growth businesses such as Healthcare, while accelerating structural transformation of low capital efficiency businesses in Material with ROIC persistently below WACC

Enhancing profitability

- In addition to company-wide cost reduction activities, working to improve profitability through measures such as appropriate price increases and decreased sales of general-purpose products

Enhancing investment management

- Strengthening the management of hurdle rates and other factors to enhance investment decisions on growth investments; thoroughly monitoring and following up on investments

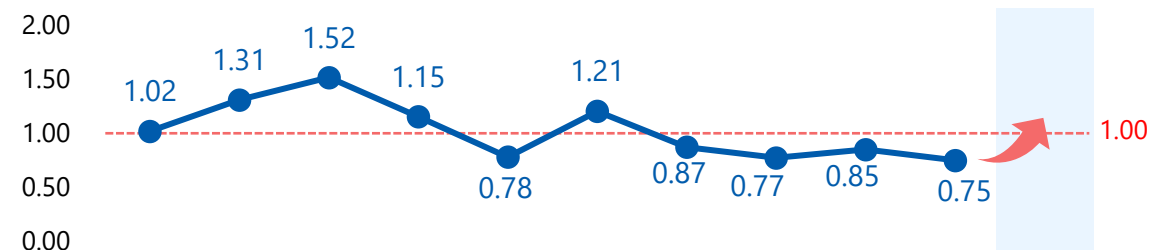
Optimizing capital policy

- Strengthening shareholder returns from the perspective of appropriate capital levels, and continuous reduction of strategic shareholdings (~70% reduction of stocks, >¥150 billion reduction of holdings over the past 5 years)

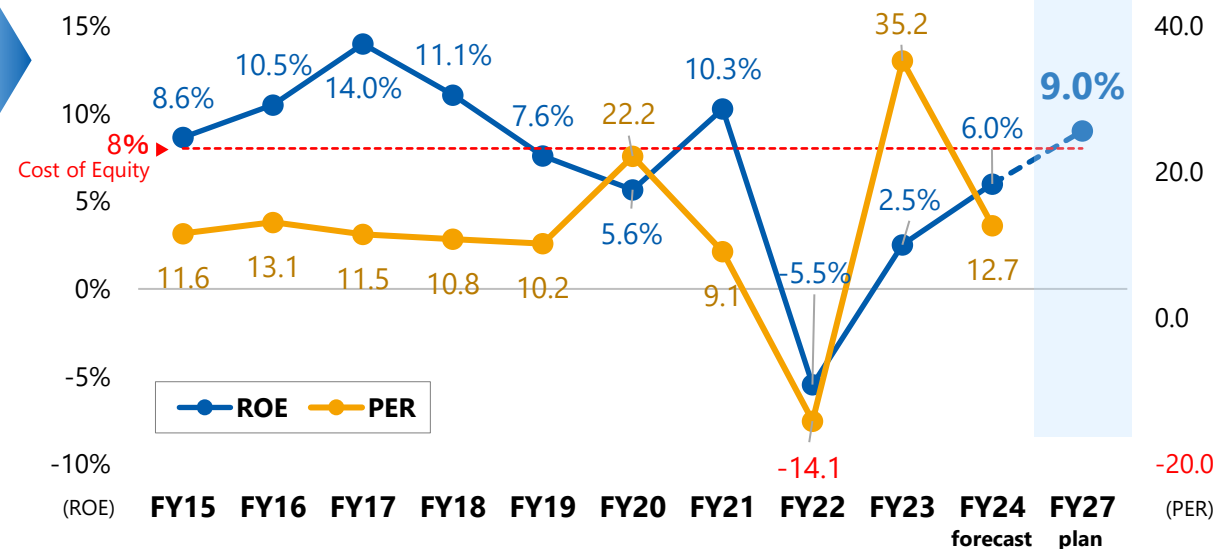
Reducing the cost of capital

- Disclosure of strategies for acquisitions, large-scale investments, etc., and initiatives to strengthen management foundations, as well as ongoing enrichment of dialogue with investors

PBR (price to book value ratio)



ROE and PER (price to earnings ratio)



Trailblaze Together

- The whole Asahi Kasei Group not only **combines its strengths as a single team**, but it also **works together with various stakeholders, including customers, other companies, and investors, to pioneer new frontiers**
- Transition to high-value-added businesses in diverse industries making high-level contribution to income through **the evolution of Diversity × Specialty**
- Each business aims to achieve **sustainable growth of corporate value** by sharing and flexibly utilizing its management platform with other businesses

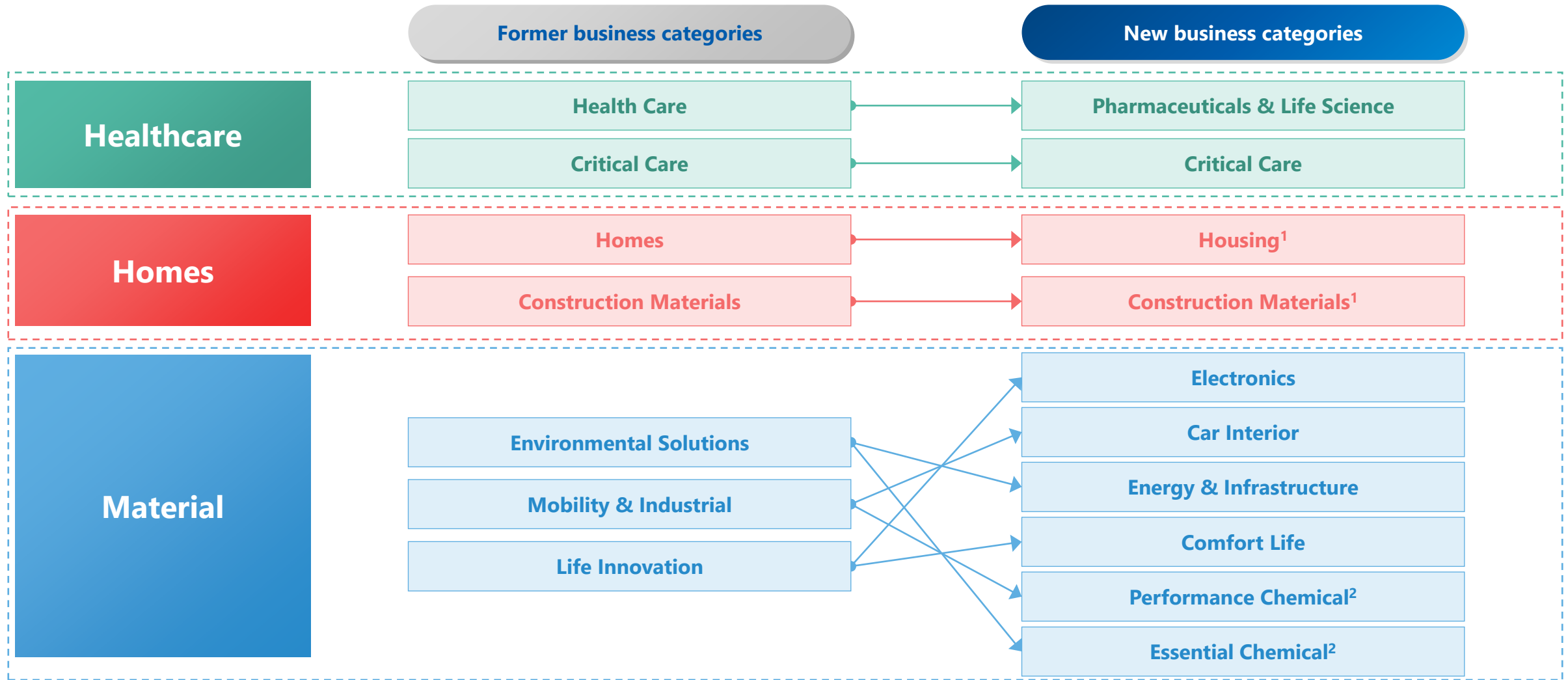
Disclaimer

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

AsahiKASEI

Creating for Tomorrow

Business categories



¹ In this document, the domestic Housing business (order-built homes, real estate, and remodeling) and the construction materials business are disclosed as "Domestic Homes" and the overseas Housing business is disclosed as "Overseas Homes."

² In this document, the Performance Chemical business and the Essential Chemical business are combined and disclosed as the Chemical business.

Major financial and non-financial KPIs

Financial KPIs

Operating income

| FY27 | FY30 |
|---------------------|---------------------|
| ¥270 billion | ¥380 billion |

ROE

| FY27 | FY30 |
|-----------|-------------|
| 9% | ≥12% |

ROIC

| FY27 | FY30 |
|-----------|------------|
| 6% | ≥8% |

Our own GHG emissions reduction

| FY30 | FY35 |
|-------------|-------------|
| ≥30% | ≥40% |

(vs FY13)

GHG reduction by Environmental Contribution Products

| FY30 | FY35 |
|-------------------|---------------------|
| 2× or more | 2.5× or more |

(vs FY20)

Number of new license agreements

| FY25–27 | ≥10 |
|---------|------------|
|---------|------------|

Employee engagement survey Vitality index (favorable respondents)

| FY27 | 60% |
|------|------------|
|------|------------|

Non-financial KPIs