


04

Strengthening Our Foundation for Growth

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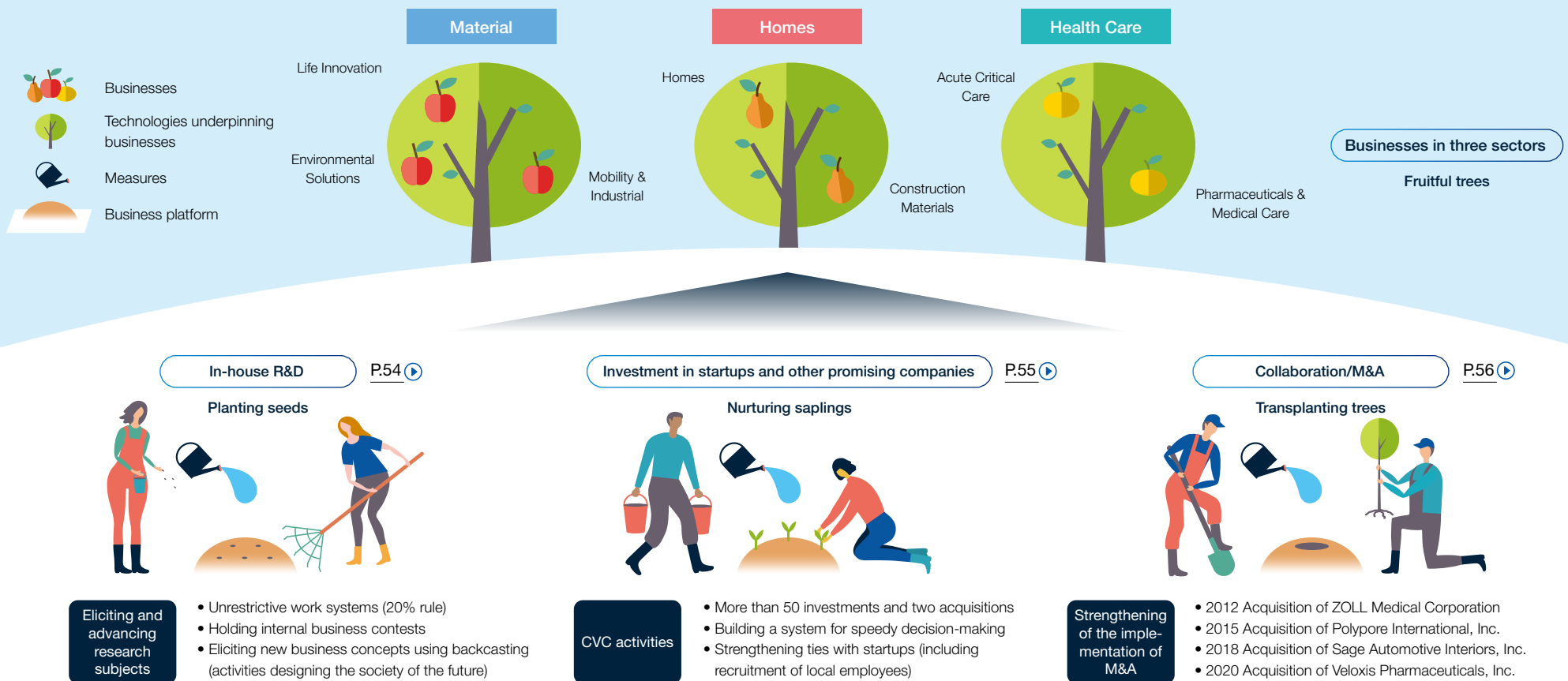
Name Dong Xiaolin
Company Asahi Kasei (China)
Country/region China

New Business Creation

New Business Creation Overview

The Asahi Kasei Group primarily adopts three approaches—in-house R&D, investment in startups and other promising companies, and collaboration/M&A—to the creation of new businesses. We take steps including eliciting and advancing research subjects, corporate venture capital (CVC) activities, and strengthening the implementation of M&A in order to promote and accelerate each of these approaches.

To strengthen the business platform underpinning these approaches to new business creation, we are focusing on green (G), digital (D), and people (P)—GDP—transformation and the full utilization of intangible assets.





In-House R&D

Corporate R&D Mission

Based on the degree of novelty of the field of business and the market growth potential, R&D at the Asahi Kasei Group, is divided into group-wide corporate R&D on medium- to long-term subjects and R&D focused on specific subjects for the enhancement of each existing businesses. The mission of Corporate Research and Development is to continually generate new value that leads to new business creation at the technological frontier of the Asahi Kasei Group, fulfilling the following three roles.

Mission of Corporate Research and Development

Evolution and acquisition of core technologies	Evolving core technologies, acquiring and cultivating external technologies to develop highly differentiated and superior products and services
New value creation	Creating new value with a future-oriented perspective that captures potential customer and social needs
Deepening and evolution of platform technology functions	Deepening and evolving platform technology functions that support the Asahi Kasei Group

Areas of Strategic Priority

In three strategic areas—carbon neutrality (decarbonization and use of hydrogen, energy storage and conservation), the circular economy (resource recycling), and health care—and we are prioritizing resource allocation on R&D subjects that contribute to the realization of a sustainable society. The main sustainability-related subjects are green hydrogen production, CO₂ separation and recovery, CO₂ chemistry, polyamide 66 using biomass-derived intermediate, and the development of polyamide recycling technology.

Strengthening Platform Technology Functions (Active Use of DX and Open Innovation)

In advancing R&D, we actively utilize digital technology and open innovation, aiming both to accelerate R&D and raise added value. Specifically, with regard to DX, we utilize materials informatics, IP landscaping, and digital platforms to raise the efficiency of R&D, while actively formulating technology strategies and anticipating market trends.

In open innovation, we aim to deepen our core technologies and acquire new technologies through future-oriented backcasting. To that end, we are engaged in multifaceted activities such as joint research with leading universities and research institutes both in Japan and overseas, collaboration with startups, and co-creation with new partners using external platforms.

Initiatives to Accelerate Commercialization

We use a stage-gate system for R&D project management and appropriate resource allocation. We refine business models, business strategies, and patent strategies by clarifying requirements at each stage of exploration, research, development, business development, and preparation for commercialization, while specifying the stage-based positioning of each project. In addition, as part of our R&D and commercialization efforts aimed at the three elements of speed, asset-light, and high value-added, we pursue business development with technology value in order to quickly and effectively maximize the value the intangible assets (intellectual intangible assets such as technology, know-how, and processes) of the Asahi Kasei Group and leverage them for business contribution. This initiative is a new co-creation strategy approach that aims to build a profit model different from the traditional product sales business and monetize projects at the development stage.

Aiming for World-Changing Innovations

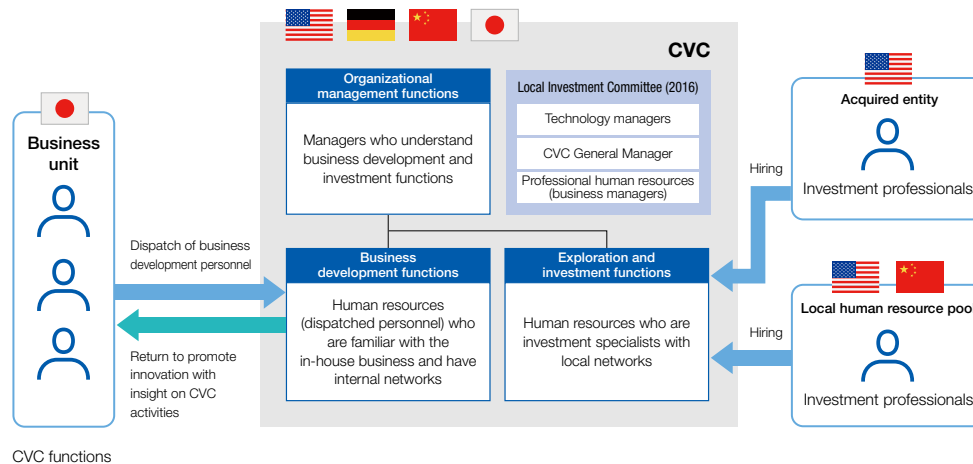
Guided by its slogan “Let’s create innovations that change the world,” Corporate Research & Development is working to build mechanisms and foster a corporate culture that encourages the spontaneous growth of highly specialized human resources. Specifically, we are implementing a variety of bottom-up measures, such as a system by which up to 20% of work assignments are decided at the individual’s discretion (20% rule), a poster presentation event aimed at providing opportunities for free and lively communication to create new businesses and core technologies (idea fest), and a registration system for those wishing to experience work at a startup or work on secondment outside the company for a limited time (cross-border learning). By effectively combining these with top-down measures, we aim to foster a culture that encourages growth and constantly taking on challenges, both as an organization and as individuals.



Investment in Startups and Other Promising Companies

Corporate Venture Capital (CVC) Activities

The Asahi Kasei Group established a CVC Office in 2008 to pursue new business creation. Since 2011, from bases in the U.S., we have taken measures to evolve our business portfolio by acquiring cutting-edge technologies and businesses through investment and collaboration with startup companies. Currently, in addition to Silicon Valley and Boston in the U.S., we have expanded the scope of our global activities by adding bases in Germany in 2019, China in 2020, and Japan in 2023. At each base, dispatched personnel and local employees select investment targets according to the regional characteristics of each startup, with further dedicated personnel in Japan to enhance internal collaboration.



In the U.S., where the “outside-in” approach of incorporating other companies’ technology and business is widespread among major corporations, different players handle the three stages of research, development, and business. At the research stage, research institutions such as universities develop technologies, and at the development stage, startup companies develop products from those technologies and verify business models. At the business stage, major corporations acquire promising targets from among a large number of startups and deploy their businesses. In addition to undertaking all three stages ourselves through in-house development and conducting the final business stage through M&A, we are

also pursuing CVC activities as an option to be involved from the development stage. Collaborating with startup companies at the development stage allows us to deepen our understanding of new markets and technologies, and to gain corporate knowledge on the appropriate timing of decisions to proceed to the next step. Additionally, investing in startup companies enables us to secure future potential acquisition candidates and build up a pipeline for new business creation.

To advance these activities, Corporate Venture Capital seeks out startup companies that are compatible with the Asahi Kasei Group, disseminates information to related departments, conducts investment-related operations, and supports investee companies to promote commercialization. We operate a system that enables speedy decision-making and investment-related procedures suited to local business customs. We have allocated \$90 million for investment over the three years through fiscal 2024, and the investment committee is given discretion to make decisions regarding investments up to \$5 million per company. To date, we have invested in more than 50 startup companies in the U.S., Europe, China, Japan, and other countries in various fields among the Asahi Kasei Group’s three business sectors. We have played a role in creating new innovations, including the acquisition of two companies, Crystal IS, Inc., and Senseair AB.

In April 2023, we established a “Care for Earth” investment framework as a new initiative to achieve carbon neutrality. Over the five-year period through fiscal 2027, we have allocated \$100 million globally to invest in startup companies working to solve environmental issues in areas such as hydrogen, batteries, carbon management, and biochemicals. In addition to direct investment, we will also engage in indirect

Original CVC investment framework

Care for People

Scope

DX, Health Care sector, Homes sector

Objectives

Aiming to create new businesses, partnerships, and acquisitions based on corporate and division strategies

Time frame

Aiming for commercialization within 5 years

Newly CVC investment framework

Care for Earth

Scope

Areas related to decarbonization centered on hydrogen, carbon management, biochemicals, and batteries

Objectives

- (1) Reduction of GHG emissions for Asahi Kasei and society
- (2) Creation of new businesses related to decarbonization
- (3) Participation in sustainable ecosystem

Time frame

Aiming for commercialization within 5–10 years



investment through venture capital (VC) firms, which specialize in the management of funds collected from investors. By utilizing a portion of our investment budget to include external professionals and expand access to deal sources (sources of information on investment projects), we can also obtain information regarding regulations. Aiming toward carbon neutrality in 2050, the “Care for Earth” framework has different time frames and different decision criteria compared to conventional investments. By allocating an

investment framework dedicated to this area, we aim not only to create new businesses but also to reduce our own GHG emissions and the GHG emissions of society. Additionally, through participation in the ecosystem of carbon neutrality, this investment framework also serves as a starting point for portfolio transformation in the Material sector.

Collaboration/M&A



■ M&A Target Fields

Since acquiring ZOLL Medical Corporation in 2012, the Asahi Kasei Group has actively pursued business expansion through full-fledged M&A. In our current MTP, we are promoting M&A to accelerate growth and achieve results, mainly in the growth fields of GG10. In the Health Care sector, we have positioned M&A as a means of strategic growth in the critical care and bioprocess fields, and are expanding existing businesses and entering new fields. In the Homes sector, we have positioned the overseas housing business as a new pillar of earnings and are conducting M&A in the U.S. and Australia. Regarding our future M&A trajectory, we will continue to use it as a means of strategic growth in the Health Care sector, while in the Material sector, we will position it as an important means of expanding our business in future mainstay fields such as Digital Solutions.

■ M&A Selection Criteria

Criteria we emphasize when selecting candidates for M&A include compatibility with our growth strategies. With limited management resources in terms of both finances and human resources, we are concentrating on M&A in GG10 and other growth areas. Based on our experience with several successful cases of M&A, we have positioned the following four points as keys to success, and conduct thorough checks when selecting companies to invest in, and this has given us a solid track record.

- Strong business foundation and clear business strategy
- Management that runs operations with full command over the business
- Management that understands and accepts Asahi Kasei Group philosophy, management policies, and business operations
- Trust cultivated through business activities prior to acquisition

■ Post-Merger Integration

From the initial M&A consideration stage, we conduct due diligence in anticipation of the following three points with a view to post-merger integration (PMI).

- Post-acquisition governance (management structure, approval authority at acquired company)
- Post-acquisition operational framework (method for providing services to customers)
- Acquisition scenario to accomplish envisioned operations

By incorporating the results into a concrete PMI plan, we are able to implement PMI that maximizes post-M&A synergistic effects.

In addition, to maximize synergistic effects, we appoint a suitable person responsible for PMI implementation, and thoroughly monitor the status of synergy creation both quantitatively and qualitatively.

■ Approach to Future M&A

We regularly review previous M&A cases and accumulate knowledge in the form of an M&A Management Book, including cases of failure, which is used to educate personnel involved in M&A projects. In addition, by reporting reviews of M&A to the Board of Directors, the Management Council, and business unit leaders, we receive diverse opinions and take steps to increase the probability of successful M&A, thereby contributing to inorganic growth going forward.

Green Transformation (GX)

Overview of GX for Realizing Two Mutually Reinforcing Aspects of Sustainability

Guided by its Group Mission and Group Vision, the Asahi Kasei Group seeks to improve corporate value through optimal business portfolio management. Specifically, this entails achieving sustainable growth of corporate value by contributing to a sustainable society from the perspective of life and living for people around the world, having these two aspects of sustainability be mutually reinforcing rather than advancing independently. To this end, we are promoting GX as a priority theme under our MTP focused on the theme "Be a Trailblazer."

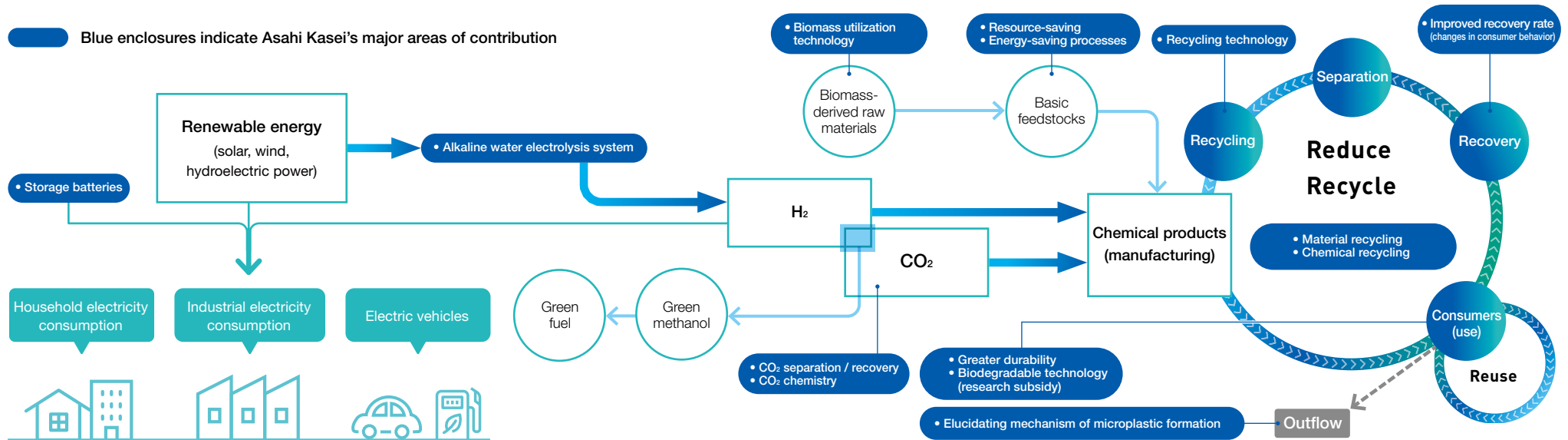
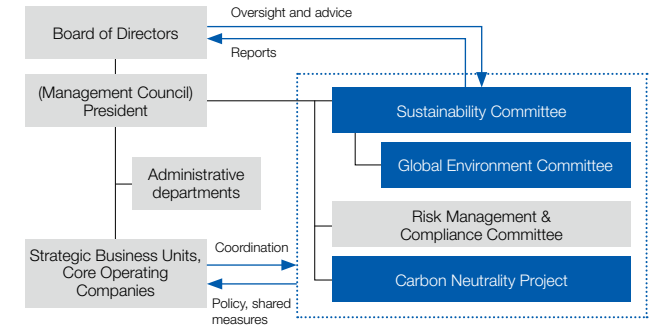
Asahi Kasei understands that issues in relation to climate change have a particularly significant impact on entire social systems. We are therefore promoting initiatives aimed at creating a carbon-neutral society by 2050 while transforming our business portfolio and improving productivity. At the same time, we are steadily reducing our GHG emissions (Scope 1 and Scope 2) and proactively working to reduce GHG emissions throughout our supply chain, including Scope 3.

The Board of Directors deliberates and decides on matters of the highest priority, such as sustainability policy and targets for reducing GHG emissions, and the Management Council does so on individual measures and other efforts.

The Sustainability Committee, chaired by the President, communicates these decisions to the heads of sectors and other bodies to ensure promotion on a group-wide basis. In addition, the Global Environment Committee, a subcommittee of the Sustainability Committee, facilitates promotion at the

business level through discussions focused on the environment by the heads of businesses. The Sustainability Committee reports the results of its discussions to the Board of Directors, receiving advice from it as appropriate.

We are also working on a specific scenario for achieving our GHG emission reduction targets through the Carbon Neutrality Project and creating new businesses focused on realizing carbon neutrality in strategic business units and core operating companies to accelerate our contribution to reducing society's GHG emissions.



Reducing GHG Emissions from Business Activities

Asahi Kasei is reducing GHG emissions in its business activities to address climate risks. Under the MTP, we are working on reductions primarily through our established technologies, positioning the period up to 2030 as a first step in the road map to achieve carbon neutrality by 2050. In fiscal 2023, we are working on reducing GHG emissions using two approaches: group-wide activities to achieve carbon neutrality, and activities by individual product, such as calculating the carbon footprint of products (CFP).

Progress Toward Achieving Our Targets

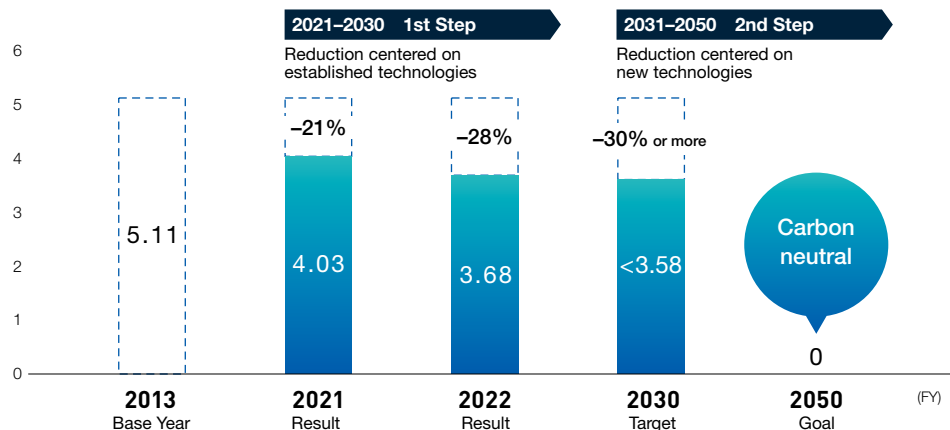
For Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions from the use of electricity, heat, and steam supplied by other companies), we have adopted targets to reduce GHG emissions by 30% or more by 2030 compared with fiscal 2013 and achieve carbon neutrality (net-zero emissions) by 2050.

In fiscal 2021, our GHG emissions were 21% lower than in fiscal 2013, and in fiscal 2022 they were 28% lower owing to measures including the low-carbonization of energy. We established a Carbon Neutrality Project in fiscal 2022 to strengthen initiatives for reducing group-wide GHG emissions. Under the guidance of the responsible Executive Officer, the project examines specific emission reduction measures and scenarios for achieving the 2030 and 2050 targets. The project will continue to examine measures and scenarios and proactively promote initiatives to achieve the targets.

Targets and results

GHG emissions (Scopes 1 and 2)

(Million tons CO₂ equivalent)



Note: Preliminary figures shown for fiscal 2022; subject to revision as a result of third-party verification.

Activities for Achieving Carbon Neutrality

Achieving carbon neutrality by 2050 is a major challenge for the Asahi Kasei Group. We recognize that fundamental technological innovation, business model change, and other large-scale endeavors, as well as steady energy-saving activities and continued efforts to reduce GHG emissions, are integral to achieving carbon neutrality.

In fiscal 2023, we are continuing to identify every possible reduction measure, examining specific measures and reduction scenarios from a variety of perspectives, such as the low-carbonization and decarbonization of energy, and improved efficiency and innovation of production processes. We are also considering structural transformation of petrochemical chain-related businesses that takes into account investments and costs for achieving carbon neutrality going forward.


Investment framework for CVC focused on the environment

The Asahi Kasei Group performs corporate venture capital (CVC) activity to acquire innovative technologies and create new businesses. In April 2023 we established a “Care for Earth” investment framework with up to \$100 million allocated over the five-year period to fiscal 2027 targeting early-stage startups working to solve issues in the field of the environment.

Systematizing calculations of the carbon footprint of products

Asahi Kasei works to calculate CFP as an approach to address customer needs and achieve carbon neutrality. With more than half of the business units in the Material sector already conducting calculations, our efforts to calculate CFP are proceeding steadily. In fiscal 2023, we will promote further calculations using a newly developed group-standard CFP calculation system, which we also plan to use in considering GHG emission reduction measures.

Contributing to Reductions in Society's GHG Emissions

The Asahi Kasei Group believes that its diverse technologies and businesses have the potential to contribute to reduced GHG emissions in society. Viewing this potential as a business opportunity, we focus on developing products that contribute to GHG emission reductions throughout the value chain. Designating products certified internally for their contribution to improving the environment or reducing the impact on the environment across the entire life cycle of the product or service as **Environmental Contribution Products** , we have established targets and work to balance business growth with environmental contribution. Meanwhile, most GG10 businesses will create business opportunities through both climate change adaptation and mitigation. We have therefore decided to focus our allocation of resources on GG10, including investment of approximately ¥600 billion over the three-year period from fiscal 2022 to fiscal 2024.

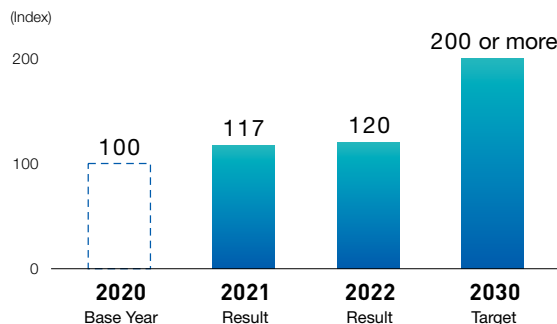
Progress Toward Achieving Our Targets

Regarding Environmental Contribution Products which we internally certify, we have fiscal 2030 targets of at least doubling the volume of their contributions to GHG emission reduction from the fiscal 2020 level, and increasing the proportion of their sales relative to our total net sales excluding the Health Care sector.

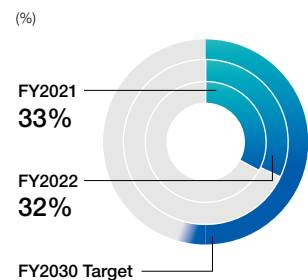
A total of 23 products have been certified as Environmental Contribution Products as of fiscal 2023, and their contribution to reduced GHG emissions rose to 1.2 times the fiscal 2020 level, and their sales were 32% of the total. In certifying Environmental Contribution Products, we confirm the rationality by receiving advice from outside experts on the method of calculating environmental contribution and on the suitability of our approach.

Targets and results

GHG reduction by Environmental Contribution Products



Sales proportion of Environmental Contribution Products

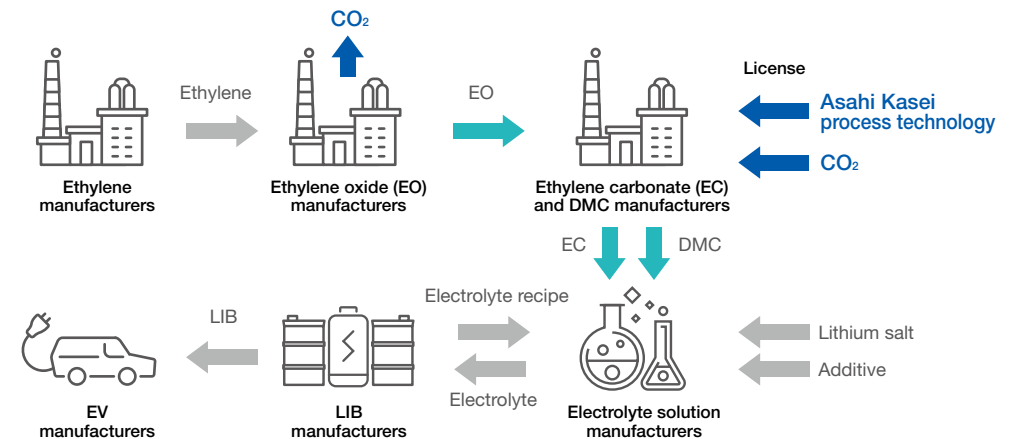


Note: Percentage of total net sales excluding the Health Care sector

Examples of Environmental Contribution Products

Process for manufacturing dimethyl carbonate using CO₂ as feedstock

Demand for dimethyl carbonate (DMC) is increasing sharply as a feedstock for polycarbonate and as a component of lithium-ion battery (LIB) electrolyte. Asahi Kasei licenses technology for a process to manufacture DMC using CO₂ for half of the feedstock. This not only utilizes CO₂ that would be released into the atmosphere from other plants, it further reduce CO₂ emissions by also being an energy-saving process.



UVC LEDs

UVC LEDs are small devices that sterilize water, air, and surfaces by emitting ultraviolet (UV) light that deactivates viruses and bacteria. UVC LEDs have been incorporated into a wide range of products, including water purification systems, medical devices, and air purifiers.

Unlike mercury lamps (UV lamps) which have been used in UV disinfection, UVC LEDs contribute to energy-saving as they emit the necessary light as soon as they are switched on. Another advantage of UVC LEDs is that they do not use mercury, which is an environmentally harmful substance.



Building a Circular Economy

The Asahi Kasei Group regards transitioning to a circular economy as a priority for creating a sustainable society from perspectives including sustainable use of finite resources, reduction of GHG emissions, and mitigation of the impact on the global environment and ecosystem caused by product disposal.

Accordingly, we develop technology and promote businesses in relation to recycling used plastics, using biomass materials, extending the service life of products, enhancing recyclability, and other environmental benefits.

Working to Achieve the Practical Application of Biomass Feedstock

The Asahi Kasei Group is developing technology to create basic feedstocks, such as ethylene and propylene, from bioethanol. Creating multiple basic feedstocks at a similar rate to when a traditional petrochemical feedstock (naphtha) is used, this technology enables the use of existing petrochemical complexes and manufacturing processes while reducing GHG emissions in the manufacturing process. Although there are many issues to be addressed before it can be commercialized, we are focusing efforts on developing this technology in light of its potential to make sustainable, through the use of biomass-based feedstocks, a variety of chemical products in people's daily lives.

In fiscal 2022, we obtained ISCC PLUS certification—a global system operated by International Sustainability and Carbon Certification (ISCC) to certify sustainable products—for several products as part of our efforts to promote the expansion of products using biomass feedstocks. ISCC PLUS is a certification system that tracks and ensures that biomass-based and renewable feedstocks and products are sustainable and deforestation-free in supply chains. Under this system, a third-party institution verifies and certifies that biomass and recycled feedstocks are managed properly using the mass balance approach¹ across the supply chain, including product manufacturing.

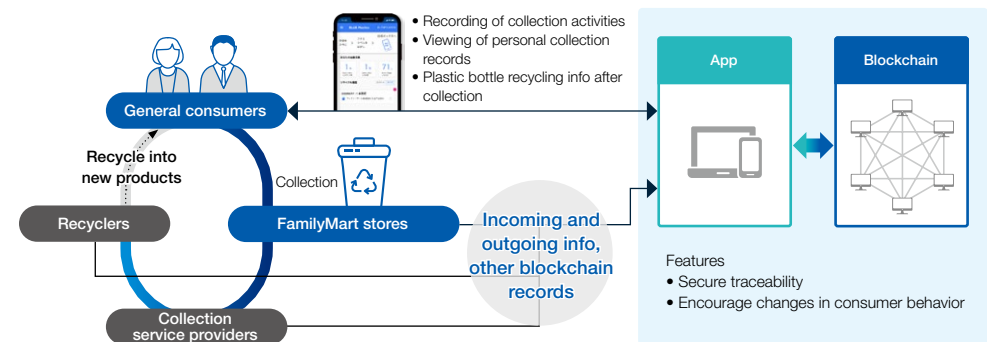
¹ A control method attributing biomass-based feedstock characteristics to a portion of the production volume of a product according to the ratio of such feedstock introduced when blending biomass-based feedstocks and petrochemical-based feedstocks to manufacture a product.

Recycling plastic as a resource

With the aim of achieving practical implementation at an early stage, PS Japan Corporation, an Asahi Kasei Group company, has entered the final planning phase to verify the chemical recycling of post-use polystyrene back to styrene monomer by thermal decomposition.

At the same time, Asahi Kasei has promoted the development of recycling technology for post-use polyethylene in cooperation with parties involved in the supply chain—including consumer goods manufacturers, molded parts manufacturers, and recycling operators—and universities. However, society-wide efforts, including by consumers, are crucial to ensuring that post-use plastics are utilized as a resource instead of discarded. To this end, the Asahi Kasei Group is developing a platform visualizing the resource loop of recycled plastics to promote consumer understanding and change behavior by displaying the ratio of recycled content in recycled plastic products and to visualize the companies involved in the recycling

chain. In September 2022, in partnership with FamilyMart Co., Ltd., ITOCHU Corporation, and ITOCHU Plastics Inc., we conducted a demonstration trial of a service utilizing a bin for collecting post-use plastic bottles at a FamilyMart store in Tokyo. The service allowed consumers using a smartphone app to track the process of plastic bottles from collection to final recycled material. Going forward, we will make use of the platform to promote further resource recycling of plastics.



Biodiversity

The Asahi Kasei Group maintains a policy of mitigating its impact on biodiversity in its business activities and endeavoring to make sustainable use of natural resources.

In April 2022, we joined the 30by30 Alliance for Biodiversity, a coalition established by government agencies including the Ministry of the Environment, companies, non-profit organizations, and other bodies, to preserve biodiversity. As part of these efforts, we are advancing preparations to apply for the Asahi Woods of Life, where we have conducted activities and research aimed at preserving biodiversity since 2007, to be recognized as an OECM² area.

² Abbreviation for "other effective area-based conservative measures" applicable to areas, other than protected areas such as national parks, that contribute to the preservation of biodiversity.




Disclosure Based on the TCFD¹ Recommendations


Awareness of Climate Change

The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, published in March 2023, stated that the world will not achieve the Paris Agreement target of limiting temperature rises to 1.5°C compared with pre-industrial revolution levels during the 21st century, even if every country meets its GHG emission reduction targets. In addition, the G7 Ministers' Meeting on Climate, Energy and Environment, held in April 2023, emphasized the steadfast commitment of G7 countries to taking immediate, short-term, and medium-term actions over the coming critical decade. As the sense of urgency regarding continuous global warming increases throughout the world, the Asahi Kasei Group recognizes that government policies and initiatives for adapting to and mitigating global warming are accelerating.

Our Stance

Over the century since its founding, the Asahi Kasei Group has tackled social issues that change with the times, promoting its business activities while continuously transforming itself. In a major transitional period, when climate change is an issue for the entire social system, we conduct initiatives for achieving a carbon neutral society by 2050 while transforming our business portfolio and raising productivity through our [MTP](#) . We are also steadily reducing our own GHG emissions (Scope 1 and Scope 2) and working to reduce GHG emissions throughout our supply chain, including Scope 3.

Corporate Governance

The Asahi Kasei Group works to achieve Green Transformation (GX), which is regarded as an important management task and positioned as one of the core themes of management strategy (please see [page 57](#)  for a diagram and details on GX).

Strategy

Basis of analysis

We examined the impact on our current businesses and the new opportunities leading up to 2050 based on a +1.5°C scenario in which CO₂ emissions have been significantly curbed in order to rein in temperature rises (WEO, Net Zero Emissions by 2050 Scenario (NZE)²) and a +4°C scenario in which global warming countermeasures have not adequately progressed (IPCC, SSP3-7.0³).

Note: Our analysis is based on a variety of assumptions. Changes to these assumptions may result in actual risks and opportunities differing significantly from the analysis.

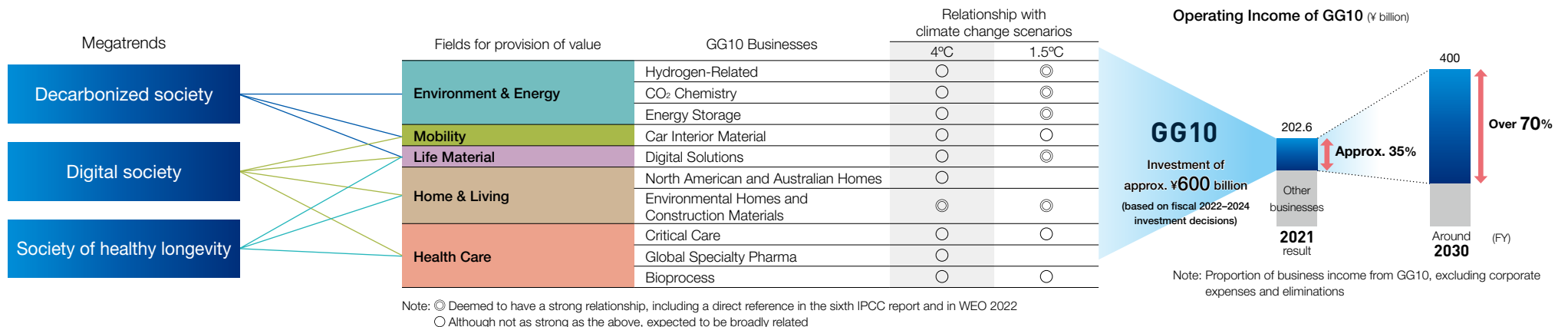
Opportunities

The Asahi Kasei Group transforms its business portfolio with a view to the transition to a carbon neutral society and other megatrends. Specifically, our MTP established "10 Growth Gears" (GG10) that are growth-driving businesses in which we will focus investments. Over the three years of the plan, we will target investments in GG10 of approximately ¥600 billion. The plan also set targets of at least doubling the volume of GHG emission reduction contributions from [Environmental Contribution Products](#)  (products and services that contribute to a reduction in GHG emissions in society) by 2030 compared with fiscal 2020 while increasing their sales ratio. We believe that the direction of our business promotion can provide various products and services as business opportunities for mitigating and adapting to climate change.

¹ TCFD: Task Force on Climate-related Financial Disclosures. The TCFD was established and its recommendations were officially announced by the Financial Services Board in 2017.

² One of the scenarios in World Energy Outlook (WEO) 2022, prepared by the International Energy Agency (IEA). NZE is a scenario for achieving global net-zero emissions by 2050 in order to limit temperature rises to 1.5°C by 2100.

³ A scenario outlined in the IPCC Sixth Assessment Report. The Shared Socio-economic Pathway (SSP) 3-7.0 assumes a scenario whereby measures to address climate change are not adopted and temperatures rise 4°C in 2100 under development marked by regional rivalries.



Opportunities	Important Changes	Main Opportunities	Major Initiatives
+1.5°C scenario	Transition to a carbon neutral society	<ul style="list-style-type: none"> Promotion of the spread of ZEH¹ and ZEH-M¹ through government policies Expansion of demand for renewable energy Increase in need for energy saving Expansion in demand for carbon-free products 	<ul style="list-style-type: none"> Decarbonization of homes and urban environments through the expansion of ZEH-compliant Hebel Haus™ and Hebel Maison™ Transition to carbon neutral energy Chemicals made with CO₂ as material Promotion of carbon neutrality and improvement of product competitiveness through measurement of carbon footprints² Energy saving and process innovation Expanded use of biomass-based raw materials Expansion of Environmental Contribution Products
	Spread of electric vehicles (EVs)	<ul style="list-style-type: none"> Increase in EV-related demand (battery components, materials for reducing vehicle weight) 	<ul style="list-style-type: none"> Development of materials for next-generation mobility Strengthening of collaboration with automobile and battery manufacturers
	Advent of a hydrogen society	<ul style="list-style-type: none"> Increase in demand for water electrolysis using renewable energy 	<ul style="list-style-type: none"> Development of system to manufacture green hydrogen and promotion of its commercialization
	Transition to a circular economy	<ul style="list-style-type: none"> Expansion in demand for materials and infrastructure compatible with a circular economy 	<ul style="list-style-type: none"> Development of material and chemical recycling technologies and promotion of their practical application Adoption of biomass feedstock Provision of long-life homes
	Expansion of the digital market	<ul style="list-style-type: none"> Growth in demand for decarbonization-related digital solutions (industry and society) 	<ul style="list-style-type: none"> Promotion of electronic components, such as current sensors and CO₂ sensors, and semiconductor- and substrate-related electronic materials businesses
+4°C scenario	Serious storm and flood damage	<ul style="list-style-type: none"> Increase in need for disaster-resilient housing 	<ul style="list-style-type: none"> Greater emphasis on resilience in home construction and urban development, such as expansion of Hebel Haus™ and Hebel Maison™
	Rise in temperature	<ul style="list-style-type: none"> Increase in need for insulation performance 	<ul style="list-style-type: none"> Provision of insulation material and homes with superior insulation performance
	Increase in heatstroke and infectious diseases	<ul style="list-style-type: none"> Expansion in demand for existing and new pharmaceuticals and acute critical care products 	<ul style="list-style-type: none"> Provision of related pharmaceuticals and medical devices

Risks

Under the +1.5°C scenario, in addition to tightened regulations through carbon pricing and other government policies primarily aimed at achieving decarbonization, we anticipate a shift in demand to materials suitable for decarbonization as a risk. We also anticipate market structure changes resulting from an acceleration in the transition to a circular economy and the emergence of innovative technologies designed to create a decarbonized society as risks.

Under the +4°C scenario, we primarily anticipate physical risks, such as intense heat, heavy rain, and flooding. In particular, we perceive damage to production sites caused by the effects of increasingly severe storms and floods and the resultant cost of such damage to be a risk for our major sites in Japan and overseas.

While the degree of these risks varies, we are advancing risk mitigation initiatives based on the view that all may manifest as the climate changes going forward.

Risks	Important Changes	Main Risks	Major Initiatives
+1.5°C scenario	Transition to a carbon neutral society	<ul style="list-style-type: none"> Rise in costs due to stricter regulations (manufacturing and raw material costs) Estimate: Current GHG emissions (Scope 1 and Scope 2) × Carbon costs = Increase of approx. ¥55 billion per year³ Changes in materials needs (decarbonization requirements, necessary specifications) 	<ul style="list-style-type: none"> Expansion in utilization of renewable energy, etc. More efficient energy use; development and commercialization of industrial processes for decarbonization Expanded use of biomass raw materials Acceleration of product decarbonization by ascertaining carbon footprint Revision of management resource allocation (including business portfolio transformation)
	Changes in market structure	<ul style="list-style-type: none"> Contraction of existing markets due to the transition to a circular economy Contraction of existing markets due to the advance of replacement technologies 	<ul style="list-style-type: none"> Development of material and chemical recycling technologies and promotion of their practical application Adoption of biomass feedstock Revision of management resource allocation (including business portfolio transformation)
+4°C scenario	Serious storm and flood damage	<ul style="list-style-type: none"> "Physical" production risks Impact on production from damage to plants or suppliers 	<ul style="list-style-type: none"> Continuous revision of BCP and reinforcement of preemptive response (review of inventory levels, study of multiple suppliers/sites, etc.)
	Rise in temperature	<ul style="list-style-type: none"> "Human" production risks Deterioration of working environment and productivity at construction sites 	<ul style="list-style-type: none"> Promotion of heatstroke countermeasures at construction sites Promotion of industrialization and utilization of IT in housing construction

¹ Net Zero Energy House (ZEH) and Net Zero Energy House Mansion (ZEH-M): Houses and apartment buildings with a net energy consumption of zero or less through advanced insulation and energy saving combined with power generation such as solar

² GHG emissions of a product from material extraction to production

³ In fiscal 2022, the Group's GHG emissions (Scope 1 and Scope 2) came to 3.68 million t-CO₂e (preliminary figure). Referencing the 2030 CO₂ price level and other criteria in WEO2022's NZE scenario, we expect a rise in costs of approximately ¥55 billion per year in the case of carbon costs of ¥15,000 per ton of CO₂ emissions.

Risk Management

The Asahi Kasei Group prioritizes the management of climate change risks, which it positions as one of its Material Group Risks.

The Asahi Kasei Group implements independently assured tracking of its GHG emissions on an annual basis. The Sustainability Committee and its subcommittee, the Global Environment Committee, share information on the tracking results and the level of progress toward achieving targets, and discuss and verify future initiatives.

The committees also verify initiatives and other efforts for reducing GHG emissions during the formulation and annual review of the MTP, linking the results to business strategies and measures. In addition, the committees monitor related matters on a quarterly and monthly basis.

For capital expenditures, we assess profitability and make decisions in light of internal carbon pricing. In July 2023, we raised our internal carbon price per ton of CO₂ emissions from ¥10,000 to ¥15,000 in order to promote further action for achieving carbon neutrality.

Metrics and Targets

The Asahi Kasei Group has positioned the following metrics as being relevant to climate change risks and opportunities.

	Target	Significance of Metric
GHG emissions*	2030: Reduce by 30% or more (compared with fiscal 2013) 2050: Achieve carbon neutrality	
GHG emissions*/operating income	(Fiscal 2022 result: 2,900 t-CO ₂ e/100 million yen)	Decline signifies reduction of carbon tax risk
ROIC	Around 2030: Achieve ROIC of 10% or more (Fiscal 2022: 4.0%)	Increase indicates progress toward becoming high earnings enterprise capable of adapting to change
Operating income of GG10	Around 2030: 70% or more of total operating income (Fiscal 2021: 35%)	Signifies growth of related businesses capable of contributing to addressing climate change

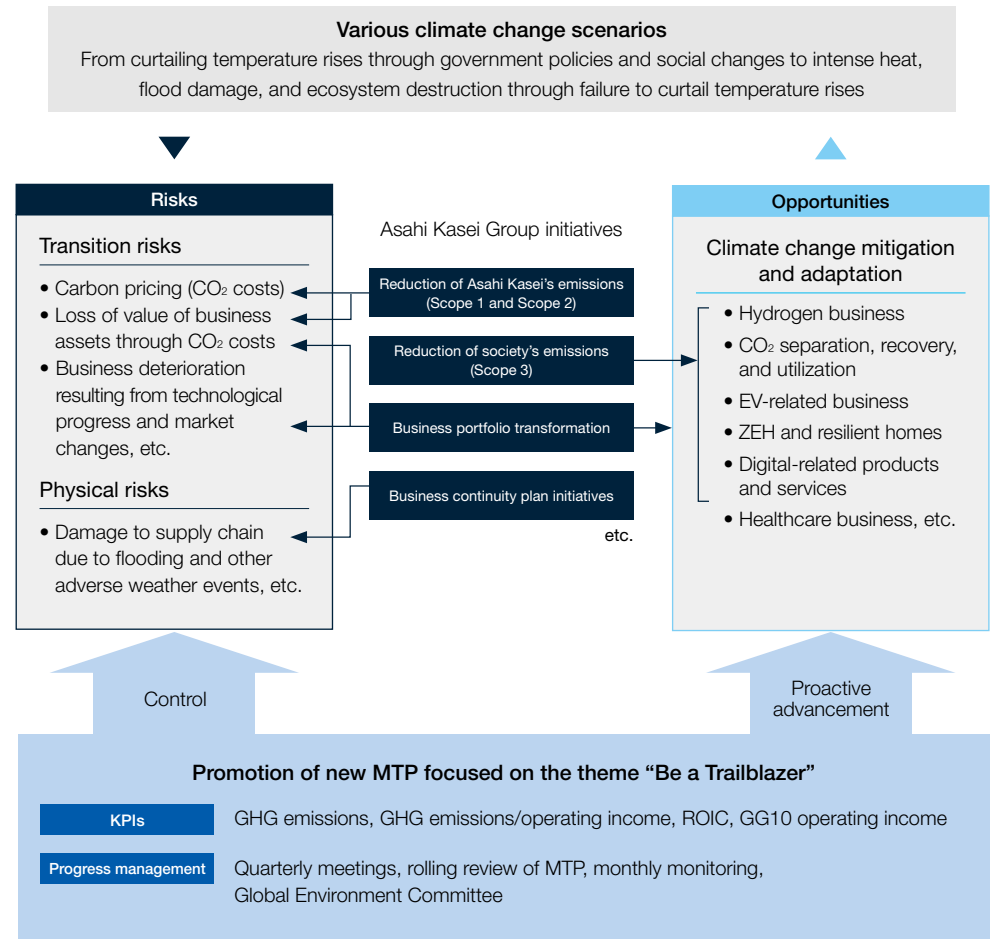
Others

Internal carbon pricing (ICP)	Make investment decisions based on ¥15,000/t-CO ₂ e and utilize in awards program
Reflection of climate change issues in executive remuneration	Reflect the level of achievement of sustainability promotion, including initiatives related to climate change, in performance-linked remuneration

Global greenhouse gas emissions by segment (ESG data) [▶](#)

* Direct GHG emissions from business activities as indicated by Scope 1 (direct GHG emissions) and Scope 2 (indirect GHG emissions from use of electricity, heat, and steam supplied by other companies)

Overview of the Asahi Kasei Group's Response to Climate Change



For more details, please see ["Disclosure based on TCFD Recommendations."](#) [▶](#)

Digital Transformation

Asahi Kasei DX Vision 2030

Co-creating “healthy living” and “a future world full of smiles” through borderless connections enhanced by digital innovation



In accordance with the Asahi Kasei DX Vision 2030, we promote digital transformation (DX) of all aspects of business activities, including development, manufacturing, and marketing.

Digital technology is merely a means to an end; I believe that people, data, and organizational culture are the three factors that hold the key to achieving transformation. In fiscal 2023, the second year of our Digital Creation Period, we will sharpen our focus on these three factors for success to accelerate transformation. In addition, we will aim to create an even stronger company-wide business platform by fully utilizing intangible assets spanning our three sectors to create new businesses and strengthen existing ones.

With transformation extending beyond the Asahi Kasei Group to include the supply chain, competitors, and other entities, we continuously promote initiatives with a focus on collaboration with external parties. Moreover, we offer digital education support for students, who will lead the future of industry, and community members.

We look forward to further transcending organizational, corporate, and national boundaries to co-create value with our partners using digital technology.

Kazushi Kuse

Director, Primary Executive Officer, Oversight for Digital Transformation (DX)
Senior General Manager, Digital Value Co-Creation

Toward Achieving the Asahi Kasei DX Vision 2030

The Asahi Kasei Group proactively promotes the utilization of digital technology as a means of leveraging its diverse intangible assets to transform business models and drive value creation. In promoting the utilization of digital technology, we formulated a digital transformation road map. Designating the period beginning in fiscal 2022 as the Digital Creation Period—which followed the Digital Introduction Period and the Digital Deployment Period—we are currently advancing initiatives to realize management innovation through DX in accordance with this road map. We will then transition to the Digital Normal Period, in which all employees utilize digital technology as a matter of course. The company's initiatives to date have received a strong reception. Asahi Kasei has been selected as a DX Stock for three consecutive years—2021, 2022, and 2023—a selection that the Ministry of Economy, Trade and Industry (METI) makes jointly with Tokyo Stock Exchange, Inc. and the Information-technology Promotion Agency, Japan (IPA). Our DX initiatives were also featured in the 2023 Monozukuri White Paper, which is produced jointly by the METI, the Ministry of Health, Labour and Welfare, and the Ministry of Education, Culture, Sports, Science and Technology.



Strengthening the DX Framework

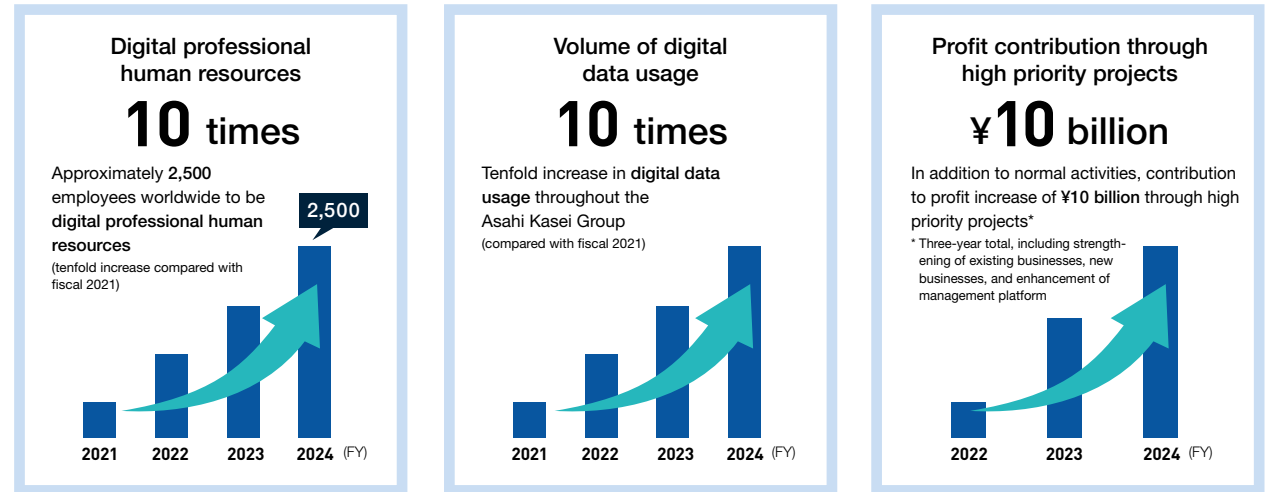
We have worked continuously to strengthen our framework to accelerate the promotion of DX across the Asahi Kasei Group as a whole. In April 2021, we consolidated DX promotion and IT-related organizations in R&D, production, and manufacturing to establish Digital Value Co-Creation. In April 2022, we overhauled DX promotion organizations in sales and marketing and for cultivating digital human resources on a company-wide basis, enhancing management, and achieving business transformation. We are implementing company-wide activities matched to the operational challenges faced in our business sectors. In addition, we established an independent organization for cultivating digital human resources in January 2023. This organization is accelerating initiatives designed to reinforce digital foundations, such as managing the curriculum for cultivating human resources, including the plan to train all employees as digital human resources and the DX Open Badge program.

Digital Creation Period

In our Digital Creation Period which began in fiscal 2022, we aim to realize management innovation through DX based on three pillars: reinforcing digital foundations, enhancing management, and achieving business transformation. On the basis of our reinforced digital foundations, we will enhance management and achieve business transformation as we enter the phase for reaping the benefits of our efforts from fiscal 2023.

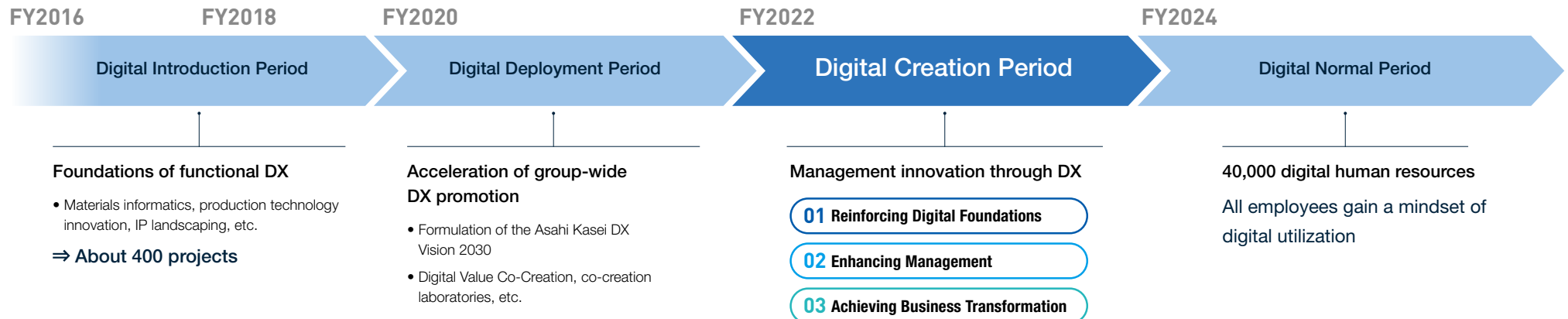
We established “DX-Challenge 10-10-10” as KPIs targeting fiscal 2024, and we are making good progress on each indicator. In terms of specific initiatives, we aim to achieve a tenfold rise in the number of digital professional human resources compared with fiscal 2021 (approximately 2,500 employees worldwide), a tenfold increase in the volume of digital data usage compared with fiscal 2021, and an increase in the profit contribution through high priority projects of ¥10 billion (cumulative total over three years up to fiscal 2024), in addition to profit contribution through the utilization of DX in normal activities. As of March 31, 2023, the number of digital professional human resources stood at 1,206 employees, the volume of digital data usage had increased 2.6 times, and profit contribution amounted to ¥2.8 billion.

Fiscal 2024 KPI: DX-Challenge 10-10-10



Note: • Total DX-related investment of approximately ¥30 billion planned (IT investments and cloud usage fees for digital transformation)
• Graphs are for illustrative purposes only.

Digital Transformation Road Map



01 Reinforcing Digital Foundations

We will reinforce digital foundations, such as accelerating the cultivation and recruitment of digital human resources, instilling agile development, and promoting data utilization in preparation for the Digital Normal Period, when all Group employees will use digital technology as a matter of course.

Accelerating the Cultivation and Recruitment of Digital Human Resources

Cultivation of all employees as digital-utilizing personnel

In fiscal 2021, we launched the Asahi Kasei DX Open Badge program, which comprises five levels (Level 1 to Level 5), as a measure to train and develop 40,000 personnel as digital human resources. On completing each level, employees are issued a blockchain-managed digital badge, which they can use in their email signatures and on social media. As of March 31, 2023, a total of 16,000 employees of the Asahi Kasei Group in Japan have acquired the Level 3 badge verifying that they understand the importance of and can utilize digital technology and data. We are also building frameworks conducive to a culture of digital transformation throughout the Group, awarding the Asahi Kasei DX Open Badge Level 3 “9 Mastered” badge to employees who complete all nine courses in Level 3, and holding events for dialogue between corporate officers and “9 Mastered” badge holders.

Overseas, more than 4,000 employees have acquired Level 1 and 2 badges, the courses for which are available in several languages. We are also accelerating the development of external activities, such as providing instruction of the Asahi Kasei DX Open Badge program at a senior high school in Miyazaki Prefecture, as we continue to promote next-generation digital education activities transcending organizational, corporate, and national boundaries.



Cultivating digital professional human resources on the front lines

We are accelerating the cultivation and recruitment of digital professional human resources capable of utilizing advanced digital technology and data to address issues and create models with business applications. In addition to materials informatics personnel in the R&D domain and personnel utilizing data (power users) in production and manufacturing domains, we have recognized employees who have completed Level 4 and 5 of the newly established Asahi Kasei DX Open Badge program as digital professional human resources. We will further promote their individual growth to bring their number to 2,500 by the end of fiscal 2024. In the business sectors, we are seeing the emergence of communities centered on experienced digital professionals, which is leading to further development of personnel and already generating solutions to many frontline issues and delivering results for initiatives aimed at improving business process value.

Instilling Agile Development

We implement Asahi Kasei Garage, a method of approaching and a program for supporting the spurring of innovation and the achievement of digital transformation. As a combination of design thinking, which incorporates new user experiences from a customer perspective, and agile development, which forms concepts by using digital technology to quickly implement various ideas, the program promotes activities creating new value and services through co-creation on the subjects of enhancing management and spurring business model innovation, based on products and expertise across Asahi Kasei's diverse business domains.

Promoting Data Utilization

We established the data exploration and exchange pipeline (DEEP), a data management platform for employees to easily search, link, and utilize the Asahi Kasei Group's shared data assets. The platform was fully launched in April 2022. DEEP reduces the lead time required to utilize data, increases efficiency, and raises productivity by visualizing internal data. It will also enhance data governance and foster a data utilization culture within the Asahi Kasei Group. We are already advancing efforts that include consolidating the sales data of automotive-related businesses, visualizing the carbon footprint of our products, and providing data to customers through initiatives using DEEP. In addition, we are establishing a digital platform (DPF) that can continuously consolidate and utilize information gained through R&D activities as data. Going forward, we will coordinate DEEP and the DPF to promote further data utilization. With the increasing implementation of information sharing on examples of data utilization on the front lines and of internal community activities, we are gradually fostering a culture to underpin the Digital Normal Period.

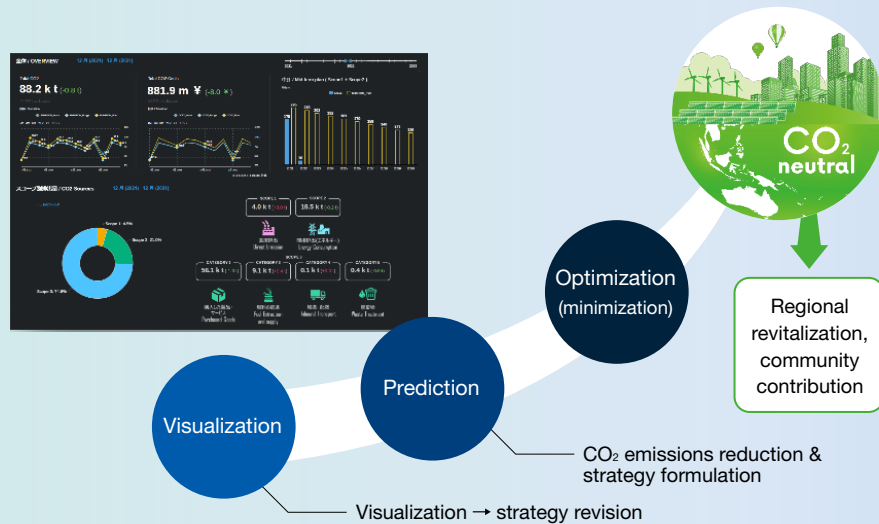
02 Enhancing Management

Asahi Kasei will increase the speed of management decision-making and improve development efficiency in various ways, such as pursuing data-based management, visualizing the carbon footprint of products (CFP) to realize sustainability management, transforming R&D, and converting to smart factories.

DX Case Studies

Promoting the Development of a CFP Calculation System

Asahi Kasei is promoting the development of a CFP calculation system for visualizing CO₂ emissions to achieve carbon neutrality by 2050. As a first step, we are calculating the CFP of each mainstay product in the Material sector. We also began providing information to a portion of our customers to realize decarbonization in the supply chain. In fiscal 2023, we will develop a company-wide standard CFP calculation system, using the information gained through the visualization of emissions as the basis for formulating strategies.



03 Achieving Business Transformation

Business innovation through DX, such as business model innovation and new business creation, will contribute to the growth of businesses, including GG10, which are positioned as the drivers of future growth in the MTP.

DX Case Studies

Cross-Industry Resource Recycling Project: Launching Demonstration Trials of Plastic Recycling

We are advancing a project using blockchain technology to develop a platform to manage and visualize the resource loop of recycled plastics. The project is developing an open digital platform for use not only by a wide variety of companies involved in the recycling chain, but also by consumers to realize a circular economy. Demonstration trials were launched in fiscal 2022 to verify changes in consumer attitude and behavior with a view to practical application of the platform. In fiscal 2023, the number of corporate partners has increased and verification is continuing through comprehensive demonstration trials ranging from the collection of plastic bottles to the manufacturer of the final product.

Asahi Kasei will continue to promote further recycling of plastics by confirming the value of traceability using digital platforms through a series of initiatives.



Transformation of HR



Developing platforms that support
the autonomous growth of employees
and facilitate contributions from a
diverse range of individuals

Satoshi Nishikawa

Lead Executive Officer

Executive Officer for Human Resources,

Deputy Oversight for Health & Productivity Management

all employees and executives as a guideline for our human resources, to ensure that they relish taking on challenges. I am convinced that these elements can further refine and fully leverage our intangible assets, such as our Group Values of sincerity, challenge, and creativity, and our diversity and open and dynamic corporate culture, all of which we have cultivated over a century. We must reawaken the A-Spirit and promote the cultivation of human resources who boldly embrace change and continuously take on challenges and enhance our organizational strength if we are to further advance transformation. To this end, the MTP promotes human resource strategies focused on lifelong growth and co-creativity to cultivate individuals and enhance organizational strength.

Lifelong growth is that which all employees autonomously envision their own careers and continuously learn, take on challenges, and achieve growth. The ability of leaders to draw out individual

In the period between its founding in 1922 and the celebration of its centennial in 2022, the Asahi Kasei Group has grown continuously while transforming its business portfolio. Realizing the two mutually reinforcing aspects of sustainability of “contributing to sustainable society” and “the sustainable growth of corporate value” will require us to promote further transformation.

To support such transformation, Asahi Kasei set up a human resource strategy project headed by the President in fiscal 2021, and began formulating human resource strategies linked to the MTP in fiscal 2022. Our Executive Officer with Oversight of General Affairs and Human Resources serves as a Board Director to ensure that such strategies are constantly in alignment with management and business strategies. In addition, monthly meetings with the President and regular meetings with the heads of business units are held, which I attend in my capacity as Executive Officer for Human Resources. We are pursuing both shared company-wide measures and measures by business unit to enable us to address a wide variety of issues unique to each business while incorporating matters of management, including our business portfolio transformation, into those relating to human resources.

In the MTP, we adopted the term “A-Spirit”—derived from the first letter of Asahi Kasei—to express the attitude we expect from employees. With a strong emphasis on its four elements of ambitious motivation, a healthy sense of urgency, quick decisions, and a spirit of advancement, we are instilling A-Spirit in

and team capabilities to their fullest extent is vital to achieving such lifelong growth, and to that end we are focusing on measures to enhance management capabilities. Co-creativity entails leveraging the diversity of the Asahi Kasei Group to promote collaboration. We believe that we can create unique value by organically connecting our diverse technologies, businesses, and human resources. Based on this belief, we will examine and promote measures from the two perspectives of expanding and connecting diversity.

Asahi Kasei has adopted three KPIs pertaining to human resources. The first is the number of Group Masters. Group Masters are human resources who play a proactive role in creating new businesses and strengthening existing ones through highly specialized industry-leading skills. As cultivating advanced specialists in a diverse range of businesses helps advance both lifelong growth and co-creativity, we are focusing efforts on the cultivation of Group Masters. The second is the Asahi Kasei Group’s original growth behavior index. We use this index, which indicates the extent to which employees are pursuing efforts to enable growth and take on challenges, for its suitability in gaining an overview of the state of lifelong growth. The third index is the proportion of women working as managers and Group Masters, particularly in leadership positions. We have adopted a target of 10% for the whole Asahi Kasei Group by fiscal 2030, as a KPI to measure the active participation of our diverse human resources. We aim to create value by enabling not only women but a diverse array of human resources to actively participate and realize co-creativity.

Overview of Measures Based on Human Resource Strategies

The Asahi Kasei Group promotes measures enhancing both lifelong growth and co-creativity based on its human resource strategies to cultivate human resources who contribute to value creation. Regarding lifelong growth, we pursue a number of initiatives—such as operating an open position posting system and providing various career guidance programs—to encourage employees to take on challenges in new environments and develop their careers autonomously. In fiscal 2022, we introduced Co-Learning Adventure Place (CLAP), an online learning platform, to support employees taking on challenges of their own accord and reskilling in response to business portfolio transformation. CLAP supports upskilling for all employees—of all ages—through a system allowing them to study from a library of more than 10,000 internal and external items. Particularly in regard to senior personnel, to whom the concept of lifelong growth also applies, we support taking on challenges and achieving growth even beyond the age of 60, and accordingly in fiscal 2023 extended the option of retirement through age 65. As we also emphasize the enhancement of management capabilities, we have put in place a foundation for line managers to work on improving their own organizations by visualizing the vitality and growth behavior of workplaces through KSA surveys, a measure we developed to improve engagement. Meanwhile, we are taking steps to facilitate the lifelong growth of management executives, such as advancing initiatives for managers to enhance their own management capabilities by assigning coaches, and arranging for selected next-generation leader candidates to participate in special development programs. In fiscal 2022, we promoted efforts to visualize our human resources by introducing Career Management Place (CaMP), a

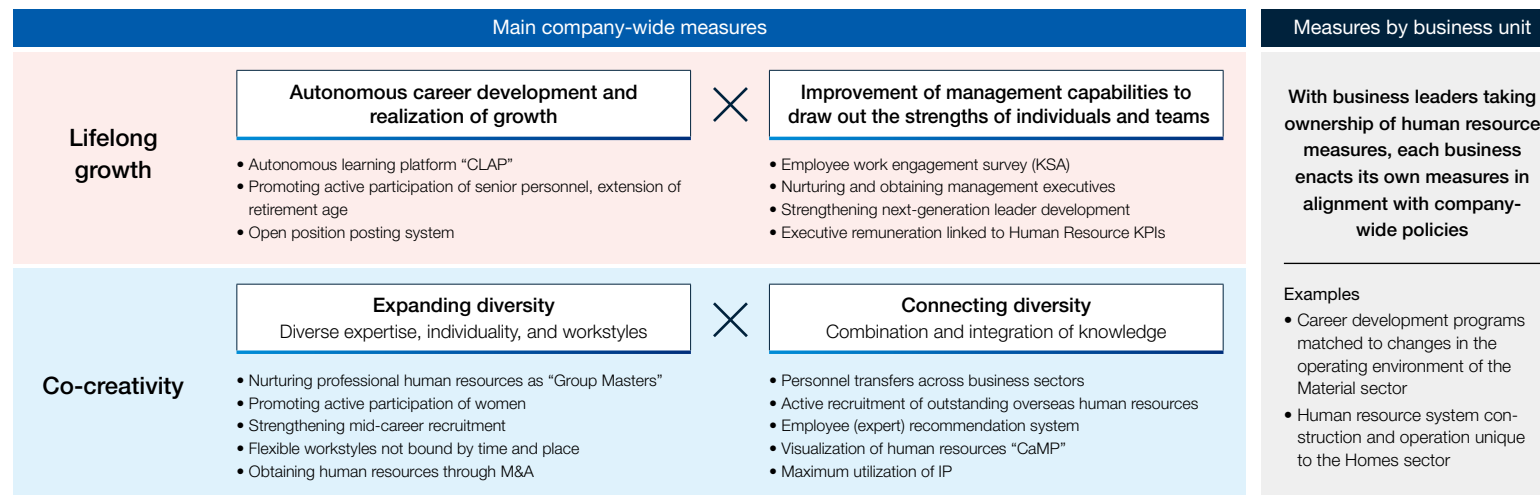
system that centrally manages information on employees, which line managers have begun utilizing as a tool to improve their organizations.

With respect to co-creativity, Asahi Kasei operates the Group Masters program to cultivate human resources with a variety of specialized skills, and implements measures to promote the active participation of women to expand diversity. At the same time, we are developing an environment enabling diverse workstyles tailored to work duties and individual circumstances by allowing for remote work from home or satellite offices. We are also bolstering our recruitment of richly experienced mid-career human resources to ensure that we maintain the talent necessary to strengthen our businesses and transform our business portfolio. In fiscal 2022, 328 mid-career recruits and 267 new graduates joined Asahi Kasei, with the former accounting for more than half of all new recruits. Moreover, we promote to executive positions those who have joined the Asahi Kasei Group through overseas M&A activities. In terms of connecting diversity, we transfer human resources across business sectors to combine and integrate knowledge. In addition, we are working to build our own system to accurately identify the human resources that the Asahi Kasei Group needs. In this way, we are promoting efforts enabling human resources with knowledge of various technologies and businesses to interact with each other.

The Asahi Kasei Group's business sectors are wide-ranging. Mindful of this, we promote human resource measures headed by business leaders to ensure that such measures are aligned with issues faced by each business. In particular, Homes takes many measures unique to the sector incorporating industry-standard approaches.

Further transformation will be indispensable to improving the Asahi Kasei Group's corporate value. A wide range of measures are being applied to accelerate this transformation. High-priority measures among them are introduced on the following pages.

Outline of Human Resource Strategies



Measures to Strengthen Lifelong Growth

■ KSA: Measure to Enhance Engagement

KSA, an engagement survey assessing employee empowerment and growth, is an initiative that effectively runs a plan-do-check-act (PDCA) cycle by visualizing the state of individuals and organizations to encourage employee work engagement and behavior conducive to taking on challenges and achieving growth. Asahi Kasei conducts KSA surveys on an annual basis and shares each organization's results with line managers. Based on these results, each organization takes the lead in working to address issues. While gauging three indicators—supervisor–subordinate relationships and workplace environments; employee empowerment; and a growth behavior index—KSA surveys focus on the growth behavior index as a KPI. The score for this KPI is steadily rising, having stood at 3.65 in fiscal 2020 when we launched this initiative, and 3.71 in fiscal 2022, and we will continue to increase it further (on a five-point scale from 1 to 5).

Items Gauged through KSA Engagement Surveys

1 Supervisor–subordinate relationships, workplace environments	2 Employee empowerment	3 Growth behavior index
<ul style="list-style-type: none"> • Support from supervisors • Interpersonal relationships supporting work • Encouragement of ingenuity • Respect for diversity • Workplace openness (psychological safety) 	<ul style="list-style-type: none"> • Ability to maintain a positive stance (individual capabilities) <ul style="list-style-type: none"> - Confidence, feeling of self-efficacy - Strength to overcome adversity - Capacity for plotting course toward achieving goals - Optimism • Motivation toward work (work engagement) 	<ul style="list-style-type: none"> • Experience-based learning • Contributions to organization • Problem-solving/improvement efforts • Job crafting



Comments from Employees Who Utilized the KSA Survey

“ I reviewed the order of work priorities to reduce total labor hours. As a result, each employee's workload decreased and overtime hours were clearly reduced. ”

“ I addressed issues raised at discussion meetings with supervisors. First, we raised the headcount on three shifts and increased personnel with mid-career hires to alleviate the burden on each worker. Second, we are devolving some authority to supervisors, a position that line workers can aspire to, as part of the effort to foster a culture in which employees proactively aim to advance their careers. ”

“ Reflecting input from organization members, we reclassified business unit meeting participants from general manager or above to assistant manager or above. We created opportunities for young employees to make presentations at the meeting every two months, which we plan to use to increase their sense of participation and improve their skills. ”

“ The survey helped unite our department, deepening our understanding of our own organization and inspiring us to maintain our current positive workplace culture. ”

■ CLAP: Measure to Support Reskilling

Co-Learning Adventure Place (CLAP), the Asahi Kasei Group's own learning platform, is a system that freely allows employees to learn using materials needed to improve their own specialist skills or career development from a library of more than 10,000 internal and external e-learning items. Using this system, each organization support employees in learning essential skills and reskilling in response to operating environment changes and business portfolio transformation. In the period between its introduction in December 2022 and March 31, 2023, 15,500 out of 19,000 eligible employees used CLAP, equivalent to 81%. With 12,300 users completing one or more of the e-learning items, a significant number of employees are engaging in autonomous learning.

Through CLAP, we incorporate the concept of learning together, developing activities that allow employees to learn from in-house specialists or connect with each other through learning, in addition to enabling continuous learning by employees to develop their own careers and learn autonomously.



Not a Lesson. An Adventure. Welcome to CLAP.

Co-Learning Adventure Place

The name is inspired by the idea of taking enjoyment in learning together as if going on an adventure. CLAP offers an extensive library of learning items and ways to connect with a variety of colleagues.

The real joy of adventure is learning about an unknown world.

But what you discover after that is up to you.

Find your own ways to learn and connect with others.

Step outside your comfort zone when your curiosity is excited, even just a little bit.

Don't worry if it doesn't work out—having the courage to try is what matters.

Praise others if you think they're having a great adventure.

Reach out and make a connection to those you aspire to emulate.

Asahi Kasei has many amazing people you haven't met.

CLAP belongs to you. Success depends on enjoying it.

The CLAP Concept



Comment from an Employee Using CLAP

“ The Osaka Sales Department of Asahi Kasei Construction Materials began activities using CLAP in June 2023. Members recommend to one another the videos they like from the CLAP video menu. Using Microsoft Teams, we take turns every Monday to recommend videos, and those who watched them then give their feedback. We hope this activity will lead to autonomous learning as well as learning together. ”



Makoto Kai

Osaka Sales Department
Asahi Kasei Construction Materials

■ Energizing Senior Personnel in Response to Extending the Retirement Age

In fiscal 2023, Asahi Kasei raised the retirement age in Japan from 60 to 65 to support the lifelong growth of employees. Analyzing afresh the framework of expectations for what they will, can, and must achieve, we match employees reaching the age of 60 to work assignments in accordance with analysis results to further draw out the capabilities of senior personnel who still seek to refine their specialist skills and continuously take on new challenges matched to a changing environment. Asahi Kasei expects that assigning senior personnel to environments where they can tackle their work enthusiastically and demonstrate their full capabilities will enhance their job satisfaction while stimulating younger employees.

■ Using the Open Position Posting System to Realize Autonomous Career Development

In fiscal 2003, the Asahi Kasei Group adopted an open position posting system, through which dozens of human resources each year transfer of their own accord to different departments to take on challenges in new environments. The number of personnel transferring to other departments through the open position posting system has been trending upward in recent years, at 53 in fiscal 2021 and 67 in fiscal 2022. We will continue striving to improve the system—which supports employees in developing their careers autonomously to realize lifelong growth—in various ways, such as expanding the scope of concurrent assignments to allow employees to experience work in departments other than their own for set periods of time.

■ Cultivating Managers to Enhance Management Capabilities

Asahi Kasei is working to improve training programs targeting general managers, who hold the key to organizational management. The program comprises a variety of elements, including group training and e-learning on management as well as 360-degree feedback evaluating their behavior from multiple perspectives, a one-on-one course to improve their skills for communicating on an individual basis with subordinates, and a course for using KSA surveys. In addition, we began incorporating an individual coaching program in fiscal 2020, which approximately 200 out of 680 applicable personnel had completed as of February 2023.

We are also focusing efforts on cultivating and recruiting management executives. To this end, we have introduced coaching with the aim of facilitating the growth next-generation leader candidates and operate programs to improve leadership and teamwork. Selected from among General Managers and Senior General Managers, certain candidates each year are promoted to the position of Group Executives¹ through the program. As of April 2023, there were 36 Group Executives and 76 candidates to become Group Executives. We will continue aiming to secure candidates and further raise the quality of human resources.

¹ Group Executives are appointed by resolution of the Board of Directors from among Executive Officers as individuals with responsibility and authority for improving the corporate value of the Asahi Kasei Group as a whole. Specifically, Group Executives include Lead Executive Officers and above at Asahi Kasei Corporation and Executive Officers at equivalent positions in core operating companies.

External Recognition and Awards Related to the Asahi Kasei Group's Human Resources

Examples of Human Resource Initiatives Included in the Ito Report

The Asahi Kasei Group's human resource strategies were included as useful examples when considering policies on human capital management in the Ito Report on Human Capital Management 2.0, which was published by the Ministry of Economy, Trade and Industry in May 2022. The report highlighted our original measures for enhancing engagement (the KSA survey) and the Group Masters program.

Excellence Award at HRX of The Year 2022

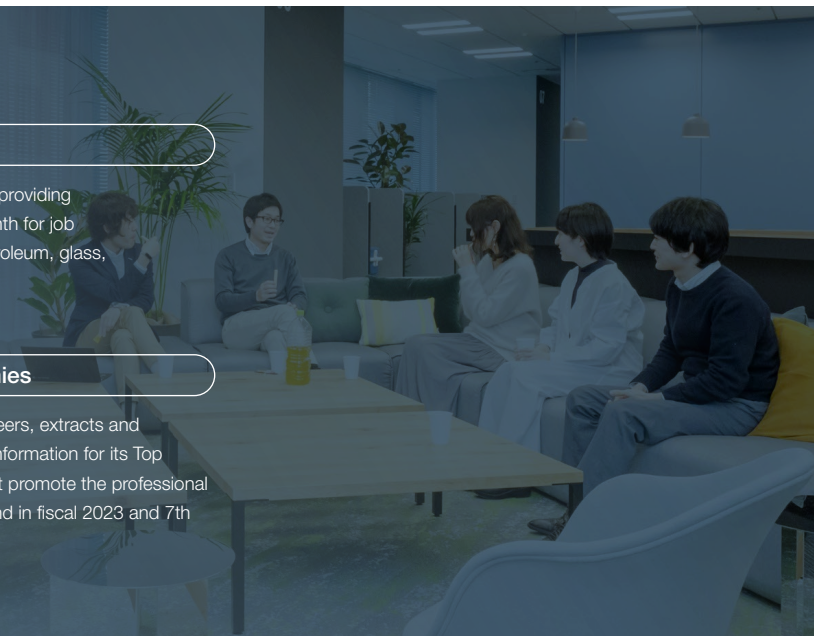
Organized by the HR Executive Consortium to promote human resource transformation (HRX) among Japanese companies, HRX of The Year recognizes companies conducting innovative initiatives in the field of human resources. In December 2022, at the inaugural awards, the Asahi Kasei Group's system for cultivating digital human resources received the Excellence Award.

OpenWork: Workplace Review Site

In rankings compiled independently by OpenWork, a website providing employee reviews of companies, Asahi Kasei was ranked eighth for job satisfaction in fiscal 2021 and first overall in the chemical, petroleum, glass, and ceramic industries in fiscal 2022.

Ranked in the Top 25 in LinkedIn Top Companies

LinkedIn, a U.S.-based social media platform focusing on careers, extracts and independently analyzes data based on collected user profile information for its Top Companies list, ranking the most attractive 25 companies that promote the professional growth of employees. The Asahi Kasei Group was ranked 22nd in fiscal 2023 and 7th among Japanese companies.



Measures to Strengthen Co-Creativity

Cultivating Professional Human Resources through Expansion of the Group Masters Program

Asahi Kasei needs to draw on the diverse capabilities of its human resources, including in technology, marketing, sales, manufacturing, environmental safety, and intellectual property, to accelerate the creation of new businesses and the reinforcement of existing ones, while cultivating and recruiting many specialists in various fields, which is essential for improving corporate value. The Group Masters program is a system that allows Asahi Kasei to secure industry-leading, highly specialized human resources, cultivating and rewarding those expected to proactively take part in and contribute to such business creation and reinforcement. Tasked with the development of the next generation, among other roles, Group Masters help improve Asahi Kasei's organizational strength, as well as enhancing and demonstrating their own specialized skills. We track the number of Group Masters as a KPI. There were 90 when we revised the program in fiscal 2016, and this has steadily increased to 294 as of fiscal 2022. Our MTP, which began in fiscal 2022, set a target of 300 Group Masters by fiscal 2024. However, given the pace of increase, we have raised that target to 360. In all our businesses, including the 10 Growth Gears (GG10) we have designated as drivers of future growth, Group Masters will not only propel technological development but also contribute to business expansion and the creation of new businesses by taking the lead in enhancing the Asahi Kasei Group's abundant intellectual property and co-creating human resources.

Group Master Ranks and Roles

Ranks		Roles
<p>Executive Fellow (Status Equivalent to Executive Officer) Person who newly developed or considerably expanded a field of technology</p>	<p>Senior Fellow (Status Equivalent to Managing Executive, Senior Managing Executive, or Executive Officer) Person whose term as Executive Fellow or Principal Expert expires after retirement age but who is expected to continue the roles shown at right</p>	<p>1. Actively participating in and contributing to new business creation and strengthening operations by cultivating and enhancing their skills and abilities as a leading specialist</p> <p>2. Fostering younger personnel in the relevant areas</p>
<p>Principal Expert (Status Equivalent to Managing Executive or Senior Managing Executive) Person who takes the lead in a field of technology</p>		
<p>Lead Expert Person ranked below Principal Expert (candidate to be Principal Expert)</p>		<p>Actively participating in and contributing to new business creation and strengthening operations by cultivating and enhancing their skills and abilities</p>
<p>Expert Person ranked below Lead Expert (candidate to be Lead Expert)</p>		



Comments from Group Masters



“ I am determined to contribute to the growth of Global Specialty Pharma through alliances with partners in Japan and overseas based on my specialization in pharmaceutical licensing alliances. ”

Kazuko Yokota

Principal Expert
Business Development and Licensing Pharmaceutical R&D, Business and Strategy Division
Asahi Kasei Pharma

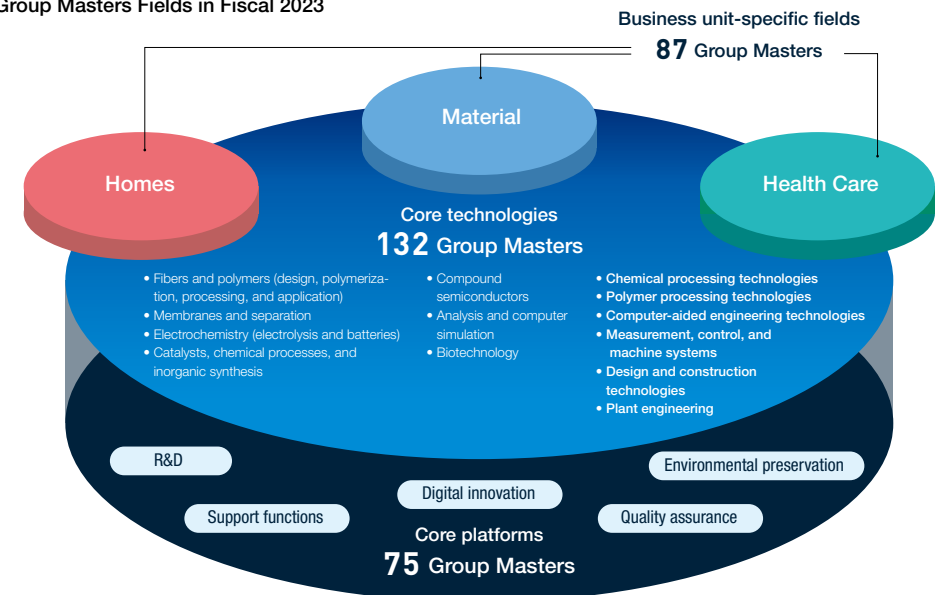
“ I will drive the development of innovative technologies in relation to hydrogen with a focus on water electrolysis to contribute to the creation of a carbon-neutral society and the sustainable improvement of corporate value. ”

Yosuke Uchino, Ph.D.

Lead Expert
Clean Energy Project and Green Solution Project, Environmental Solutions SBU



Group Masters Fields in Fiscal 2023



Note: Fields in bold were revised in fiscal 2023

■ Diversity, Equity, and Inclusion

Co-creativity that capitalizes on the diversity of human resources to co-create businesses is indispensable to addressing dramatic changes in the operating environment and continuously creating new value. Positioning diversity, equity, and inclusion (DE&I) as one of its management strategies, the Asahi Kasei Group establishes and expands systems and provides support to realize rewarding work environments friendly to a diverse range of human resources.

Promoting the active participation of women


Along with seminars on preparing for childcare leave and returning from leave to support the active participation of female employees through events in their personal lives, including childbirth and childcare, Asahi Kasei has conducted a variety of initiatives, such as a mentoring program to support the career development of female managers. As a result of these efforts, the number of female managers increased from three in 1994 to 309 as of June 1, 2023. In addition, women account for two Directors, one Audit & Supervisory Board Member, and two Executive Officers among senior management.

In fiscal 2022, we adopted as a KPI a target to increase the percentage of female managers, particularly in leadership positions (managers and Group Masters), to 10% by fiscal 2030 (the figure in fiscal 2022 was 3.8%). Targeting 5% in fiscal 2024, we have also linked achievement of the percentage to executive remuneration.

Senior management, the Diversity Promotion Office—the organization promoting diversity—and business units are acting as one, implementing concrete initiatives tailored to issues in each business unit to achieve this target. We are also enhancing our system to tackle the company-wide issues of long working hours for managers and the gap in experience between men and women in core positions, while the commitment and leadership of senior management is providing strong support for activities on the front lines.

Creating an environment supporting the active participation of all motivated human resources

The Asahi Kasei Group promotes extensive support measures to create an environment accommodating the individual circumstances of employees, thereby allowing all human resources to properly demonstrate their talents and play an active role. For example, we are working to create an inclusive environment by introducing a variety of systems. These include a work rehabilitation system supporting a seamless return to work after receiving medical treatment, a system ensuring time for outpatient medical care to balance treatment and work, and a system allowing a leave of absence to employees whose spouses have been transferred overseas.

In its corporate governance report, Asahi Kasei has stated its commitment to promoting women, non-Japanese, and mid-career recruits to key positions. For information on initiatives and various data pertaining to the recruitment of people with disabilities, please refer to our [sustainability report](#) .

■ Promoting Co-Creation by Transferring Human Resources Across Business Sectors and Visualizing Human Resources

The Asahi Kasei Group cultivates human resources with broad viewpoints and elevated perspectives by proactively implementing transfers across business sectors to give people experience in a diverse range of businesses. The overseas expansion of the Homes business is a prime example of the cultivation of human resources with experience of a variety of businesses leading to business expansion. The Homes business swiftly expanded overseas by making use of human resources with extensive experience in overseas expansion and M&A know-how from the Health Care sector. The growth of its overseas business has improved the performance of the Homes business, raising its ability to generate cash. Transferring human resources across business sectors truly enables us to maximize our abundant intangible assets, such as diverse businesses and technologies, which are strengths of the Asahi Kasei Group. We will further promote this measure going forward.

In fiscal 2022, we introduced Career Management Place (CaMP) to promote the visualization of human resources. This system digitalizes and centrally manages a range of information, such as the career approaches, specializations, and experience of employees. We will accelerate co-creativity by consolidating necessary human resource information to support growth effectively, such as the appropriate allocation of human resources, and their cultivation.

Promoting Overseas Human Resources

As the proportion of overseas sales has risen, the percentage of overseas employees increased to over 40% as of March 31, 2023. We are expanding the promotion of non-Japanese and locally hired human resources to major positions at overseas sites and cultivating the most talented individuals into human resources who contribute not only to their respective businesses but also the Asahi Kasei Group as a whole. As one example, we arranged for discussions on the Asahi Kasei Group's vision for 2030 between the next generation of leaders from the U.S., Europe, China, and Japan when considering the MTP to begin in fiscal 2022. An opinion offered during the discussions became the basis for “Be a Trailblazer,” the concept for the MTP. We are also proactively promoting talented human resources who became Asahi Kasei Group employees through overseas M&A to the position of Executive Officer, advancing their participation in group-wide management. As of March 31, 2023, Asahi Kasei Corporation had seven non-Japanese Executive Officers.



Comments from an Overseas Employee

“ My transfer from Crystal IS (which joined the Asahi Kasei Group in fiscal 2011) to Corporate Venture Capital symbolizes the bold spirit of Asahi Kasei. I am committed to using the expertise I have developed and the Group's network to contribute to the transformation of Asahi Kasei's business portfolio and the achievement of “Be A Trailblazer.” ”



Jeff Chen

Corporate Venture Capital, Asahi Kasei America, Inc.

Health and Productivity Management



The Asahi Kasei Group works to develop dynamic human resources and workplaces based on the well being of employees and their families

Masatsugu Kawase

Director, Senior Executive Officer
Chief Health and Productivity Officer

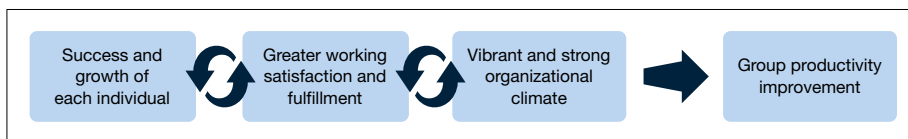
In fiscal 2020, the Asahi Kasei Group issued a Statement on Management for Health, indicating its conviction that maintaining and promoting the physical and mental health of employees and their families is an important management task. In fiscal 2021, we began developing a framework to facilitate the integrated group-wide promotion of health and productivity management to create an environment that empowers employees to play an active role in good mental and physical health.

Today, amid rapidly changing work conditions, including the rise of telecommuting, the number of people on leave of absence for mental health purposes is increasing in society as a whole. Asahi Kasei views measures to improve mental health as a priority task in health and productivity management. Based on this view, we have established the percentage of employees on leave of absence for mental health purposes as one factor in determining Director remuneration. Maintaining and improving the physical and mental health of employees raises productivity and invigorates our organizations, which leads to improved corporate value.

Human resources are everything when it comes to the sustainable improvement of corporate value. With this in mind, we will strengthen our support for not only our employees but also their families, to alleviate any anxieties and burdens in relation to their well-being or in their personal lives, with the aim of creating an environment that allows all employees to work enthusiastically in good physical and mental health.

Overview of Health and Productivity Management Initiatives

Contributing to sustainable society and sustainable growth of corporate value



Maintaining and promoting the physical and mental health of employees and their families

Selected as a “White 500” Enterprise

The Asahi Kasei Group proactively promotes various measures and activities focused on mental health, serious lifestyle-related illnesses, cancer, smoking, and sleep to support the success and growth of each individual, foster greater working satisfaction and fulfillment, and create a vibrant and strong organizational climate.

In recognition of such initiatives, in fiscal 2022 Asahi Kasei was selected as a “White 500”¹ enterprise for the first time under the 2023 Certified Health & Productivity Management Outstanding Organization Recognition Program.

¹ The Certified Health & Productivity Management Outstanding Organization Recognition Program honors companies and other organizations practicing exceptional health and productivity management based on their initiatives addressing community health-related issues and efforts implementing the health promotion efforts of the Nippon Kenko Kaigi. The top 500 companies in the large enterprise category are selected as “White 500” enterprises.



Health and Productivity Management Targets

Asahi Kasei revitalizes individuals and organizations while striving to reduce the number of employee absence days. Efforts to increase the quality and quantity of sleep—cited as an important indicator from the perspective of raising productivity—are a distinctive feature of our targets.

Company-wide KPIs and Targets

KPIs	Results				Targets	
	2019	2020	2021	2022	2023	2024
Percentage of employees on leave of absence for mental health purposes	0.91	0.98	1.00	1.07	0.80	0.64
Percentage of employees with serious lifestyle-related illnesses	11.0	11.0	10.7	10.7	8.9	7.7
Percentage of employees affected by metabolic syndrome	11.1	11.4	11.1	10.7	8.9	7.8
Number of days absent by employees due to cancer-related illnesses	79.2	68.1	87.5	88.6	67.3	67.3
Percentage of employees affected by smoking habits	25.8	24.7	23.5	22.5	18.5	15.5
Percentage of employees affected by insufficient rest from sleep	32.4	28.5	27.2	28.0	24.2	22.7

Priority Measures

Measures to improve mental health

In addition to care by line managers as has long been implemented, Asahi Kasei conducts and strengthens training in relation to mental health to promote understanding of strategies for coping with stress and mental health issues. In May 2023, we conducted mental health self-care education for all employees to enable them to quickly identify and address personal concerns regarding stress and mental health.

In fiscal 2020, the Asahi Kasei Group began conducting KSA surveys (engagement surveys assessing employee empowerment and growth), which allow for the analysis and visualization of work engagement among employees in terms of enthusiasm, immersion, and vitality. We conduct surveys each July in conjunction with stress checks. Currently, we are working to improve work engagement in various ways to further revitalize individuals and organizations. These include ensuring that each workplace comprehensively uses the analysis results of both surveys to promote communication among employees.

Measures to address lifestyle-related illnesses

Specific health guidance and the Slim Up Challenge

Asahi Kasei promotes measures to prevent and address lifestyle-related illnesses among its employees. Since fiscal 2022, we have stipulated that employees diagnosed with metabolic syndrome must, as a general rule, undergo specific health guidance. We also offer the Slim Up Challenge as a program for those at risk of metabolic syndrome.



Yoga class for employees

Creating opportunities for exercise

In addition to walking events and other activities, each manufacturing site hosts meetings to help assess the physical stamina of employees and arranges events to monitor changes over the years. Asahi Kasei also creates fitness opportunities by posting videos to its employee website with exercises that can be practiced in any location by anyone.

Cancer

Conducting company-wide e-learning on cancer prevention and support for work-treatment balance

Asahi Kasei holds company-wide, simultaneous e-learning to encourage employees to acquire a correct understanding of cancer, improve their lifestyles to prevent cancer, and increase the cancer screening rate to facilitate early detection and early treatment.

Encouraging employees to undergo cancer screening

We offer financial assistance to encourage employees to undergo cancer screening in regular medical checkups and health screening. Aside from this assistance, we have a program providing support for treatment when employees develop cancer and an internal program to help them on their return to work. Awareness of these programs among employees is promoted.

In recognition of such initiatives, in fiscal 2022 Asahi Kasei received the Silver Award in the Cancer Ally Awards 2022.



Smoking

Group no-smoking policy

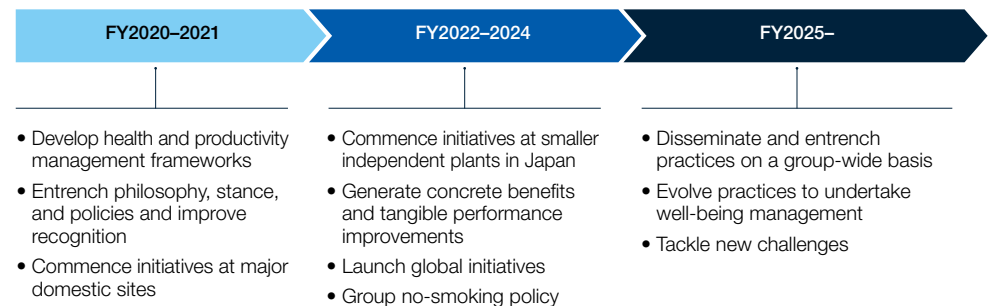
The Asahi Kasei Group has set forth a basic approach of supporting efforts to quit smoking habits and protecting employees from unwanted exposure to secondhand smoke. Under this basic approach, we will gradually transition from a total ban on smoking during work hours (working toward a target to remove indoor smoking areas) in April 2024 to a total ban on smoking within company premises and during banquets in April 2025. In addition to traditional no-smoking challenge projects arranged by our health insurance association, we hold seminars and other events on quitting smoking habits and support the efforts of employees to stop smoking.

Sleep

We conducted a questionnaire on sleep with the goal of improving sleep quality and raising the productivity level of work and daily life. Following the questionnaire, we identified employees with severe insomnia and held a trial sleep improvement program for those who wished to take part. In light of the high level of satisfaction among participants and its effectiveness in improving sleep quality to a certain degree, we will operate the program on a group-wide basis going forward. In addition, we hold online seminars to increase literacy on sleep.

We are also studying the establishment of sub-KPIs that gauge the effectiveness of such measures for achieving the KPIs to verify whether they are functioning effectively.

Medium- to Long-Term Approach for Fiscal 2025 and Beyond

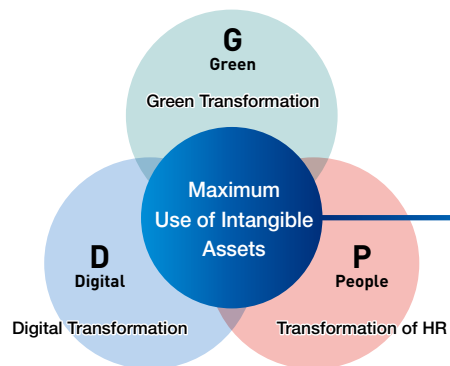


Maximum Use of Intangible Assets

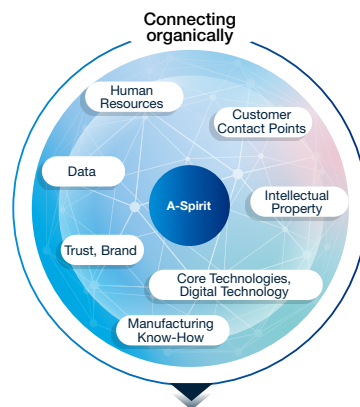
Guiding Principle for Use of Intangible Assets

In its MTP, Asahi Kasei adopted the maximum use of intangible assets as one of its key areas for transformation to strengthen its business platform. We aim to improve our corporate value by organically connecting our intangible assets, which we view as a vital management resource.

Four Key Areas for Transformation to Strengthen Our Business Platform



Overview of Intangible Assets



Improving corporate value through value creation

Using Rights to Maximize the Value of Intellectual Property and Intangible Assets

The Asahi Kasei Group leverages intellectual property rights from both a rights-focused perspective and an informational perspective to maximize the value of its intangible assets. In terms of the former, we protect our businesses from imitation by other companies and grant intellectual property licenses to other companies to earn royalty income by obtaining patents and leveraging them to secure exclusive rights. For the latter, we gain insights on industrial trends and the intellectual properties and business strategies of other companies by analyzing publicly available intellectual property information, and utilize these insights to develop our business and management strategies.

1 Rights-focused perspective

Patent rights bestow the enforceable right of exclusivity (Creates barriers to entry, allows monetization through licensing, etc.)

Use of Rights

2 Informational perspective

Patents represent the largest available source of technological information, enabling access to information on the strategies of other companies

Use of Information (IP landscaping)

1 Rights-focused perspective

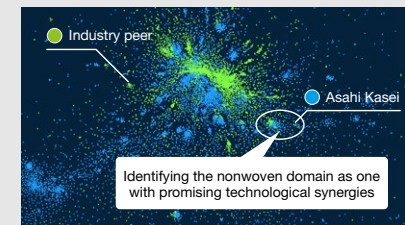
Extending the Exclusive Marketing Period for Teribone™ (Freeze-Dried Preparation)

With the conclusion of the patent reexamination period for Teribone™ (freeze-dried preparation) in 2017, the entrance of generic drugs was expected to lead to a sharp decline in sales. In response to this risk, Asahi Kasei Pharma launched the Teribone™ subcutaneous autoinjector, which enables self-administered injection at home, and has endeavored to protect Teribone™ businesses through a set of patents. Specifically, we have succeeded in maintaining sales by effectively extending the exclusive marketing period of Teribone™ (freeze-dried preparation)—as a result of efforts to ensure multifaceted protection through dosage and administration patents prescribing the drug's distinctive feature, namely, its use for patients at high risk of bone fracture, and patents emphasizing its features for enhancing quality. Furthermore, in September 2023, a provisional injunction was issued preventing the manufacture, sale, or application for sale of a generic version of Teribone™ (freeze-dried preparation) in a provisional injunction against infringement of patent rights based on Asahi Kasei Pharma's manufacturing process patent.

2 Informational perspective

Investigating the Possibility of Combining Nonwoven Business with that of Industry Peer

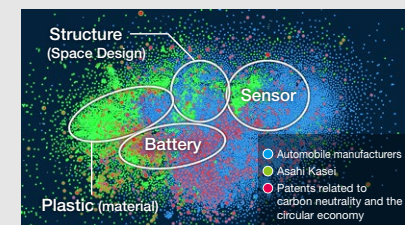
The Asahi Kasei Group uses its intangible assets to strengthen established businesses and achieve structural transformation as well as to create new businesses. When deciding to establish a joint venture for our spunbond nonwoven business, we used IP landscaping. The map on the right provides an overview of the patents of both the Asahi Kasei Group and an industry peer. In addition to objectively demonstrating the existence of technological synergies between the two companies through this overview, we conducted a simulation of advantages over other companies in the event of combining forces, thereby identifying a path to success. We made a strategic decision using this approach, which achieved structural transformation that enables the growth of the nonwoven business.



2 Informational perspective

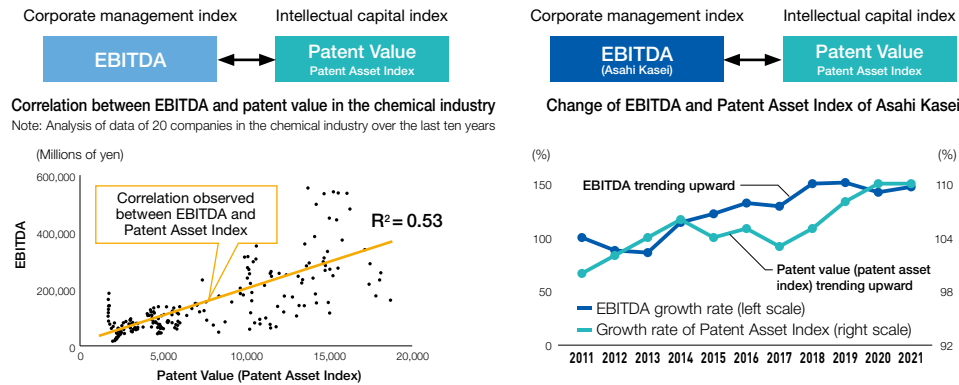
Strengthening Communication with Automobile Manufacturers

In the automotive domain, the Asahi Kasei Group fosters business communication with automobile manufacturers by using IP landscaping to visualize relationships between our technologies and those of automobile manufacturers. Using IP landscaping to objectively identify common domains with manufacturers and potential for co-creation to realize sustainability, we gain opportunities to introduce our products in business negotiations.



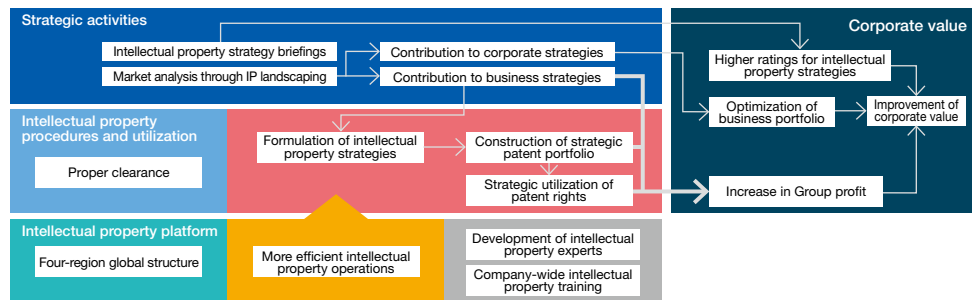
Constructing a Corporate Value Improvement Narrative through IP Activities

In fiscal 2022, the Asahi Kasei Group analyzed the correlation between indices of management and indices of intellectual property and intangible assets as an initiative to visualize the corporate and business contribution of IP activities. Results of a review of the correlation between several indices of management (such as net sales, profit, operating margin, and ROIC) and various indices of intellectual property and intangible assets (such as numbers of patents, overseas patent applications, and forward patent citations, and a variety of patent scores), confirmed a correlative relationship between EBITDA and patent value in the chemical industry.



In fiscal 2023, we examined the possibility of creating a specific road map (corporate value improvement narrative) for reflecting intellectual property measures in corporate value based on the assumption of a correlation between intellectual property measures (investment and utilization) and management indices.

In the examination, we organized our intellectual property measures into strategic activities and intellectual property procedures and utilization. The examination led us to a narrative in which strategic activities and intellectual property procedures and utilization supported by our intellectual property platform improve corporate value in ways that include optimizing our business portfolio and increasing Group profit. Asahi Kasei's *Intellectual Property Report 2023* reports on the corporate value improvement narrative pertaining to the Asahi Kasei Group's three business sectors.



The Cabinet Office's *Intellectual Property/Assets/Capital and Other Intangible Assets Governance Guidelines ver. 2.0* calls on companies to clarify how they link investment in and utilization of intellectual property and intangible assets to management indices at the corporate level, and how this contributes to improving corporate value. The Asahi Kasei Group's corporate value improvement narrative meets the requirements set out in the guidelines.

Verifying the Appropriateness of Corporate Value Improvement Narrative

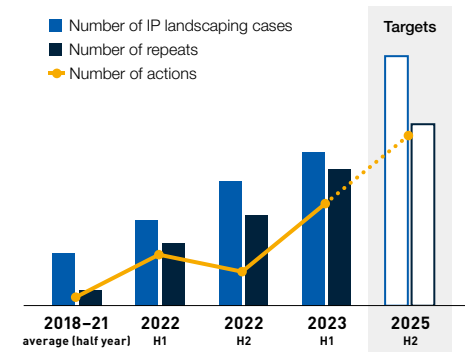
With the cooperation of external experts, we are working on objective and qualitative verification of the correlation between the elements constituting the corporate value improvement narrative described on the left. In one business, we identified a significant correlation between intellectual property procedures and utilization (patent score) and net sales of the business, thereby verifying the probability of the narrative.

Examples of KPIs Based on the Corporate Value Improvement Narrative

Asahi Kasei improves corporate value by promoting intellectual property activities aligned with its corporate value improvement narrative. We have established KPIs as a way to verify the extent to which promotion of intellectual property activities fuels contributions to management and business. The KPIs focus in particular on IP activities with a close connection to financial indicators. We will continue to pursue further corporate value improvement by promoting IP activities while regularly optimizing the KPI and confirming our progress toward achieving it.

Level of contribution to management and business strategies of IP landscaping

We established a KPI on the contribution to management and business strategies of IP landscaping, an IP activity closely connected to the improvement of corporate value. The KPI measures the contribution level of IP landscaping with a focus on the three essential elements of quantity, quality, and productivity. Specifically, quantity demonstrates the number of IP landscaping cases, quality is assessed in terms of the percentage of repeats¹ and actions², and productivity is calculated using the number of IP landscaping cases conducted per person. Incorporating the perspective of quality makes for an indicator that more accurately expresses the level of contribution to business activities and, in turn, corporate activities. By fiscal 2025, we aim to more than double the level of contribution compared with fiscal 2022. We aim to improve corporate value by meeting this KPI target.



¹ IP landscaping requests from the same organization

² Cases where the outcome of IP landscaping has led to decision or action on the management, business, or development side of the requesting organization