

Asahi**KASEI**

**Fiscal 2023 2nd Quarter  
Financial Results  
– Supplementary  
Financial Summary –**

November 7, 2023

Asahi Kasei Corporation

**Disclaimer**

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

## H1 2023 results

- Homes performed well but operating income decreased year-on-year with demand slowdown and lower market prices in Material, and increased costs and impact of an acquisition in the Health Care business category
- **Results exceeding August forecast in all segments**, especially Material and Homes, with enhanced marketing activity and cost reduction efforts bearing fruit

## FY 2023 forecast

- **Operating income increase year-on-year in all segments**; challenging operating environment forecasted in Material but improved performance through enhanced marketing centered on growth businesses, lower amortization of goodwill and other intangible assets due to Polypore impairment, and firm performance of Critical Care expected
- Ongoing efforts to enhance earnings structure by passing on increased feedstock costs, reducing manufacturing costs, and reducing inventories and SG&A. H2 SG&A to be suppressed through productivity enhancement project launched in July 2023
- Accelerating studies on structural transformation of business portfolio and advancing investment in growth businesses with more exacting scrutiny on profitability while reaping the fruits of past investments

## Shareholder returns

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

## Progress of MTP

- Decision to add coating lines for Hipore wet-process LIB separator in the U.S., Japan, and Korea

# 1. Consolidated results for H1 2023

# Financial results for H1 2023 (consolidated)

Although sales in Homes and Health Care were firm, consolidated net sales were flat year-on-year as Material had slower demand in China and lower market prices than expected; results in line with August forecast

Operating income in Homes was firm, but decreased year-on-year with demand slowdown and lower market prices in Material and with increased costs and impact of an acquisition in the Health Care business category; results exceeded August forecast

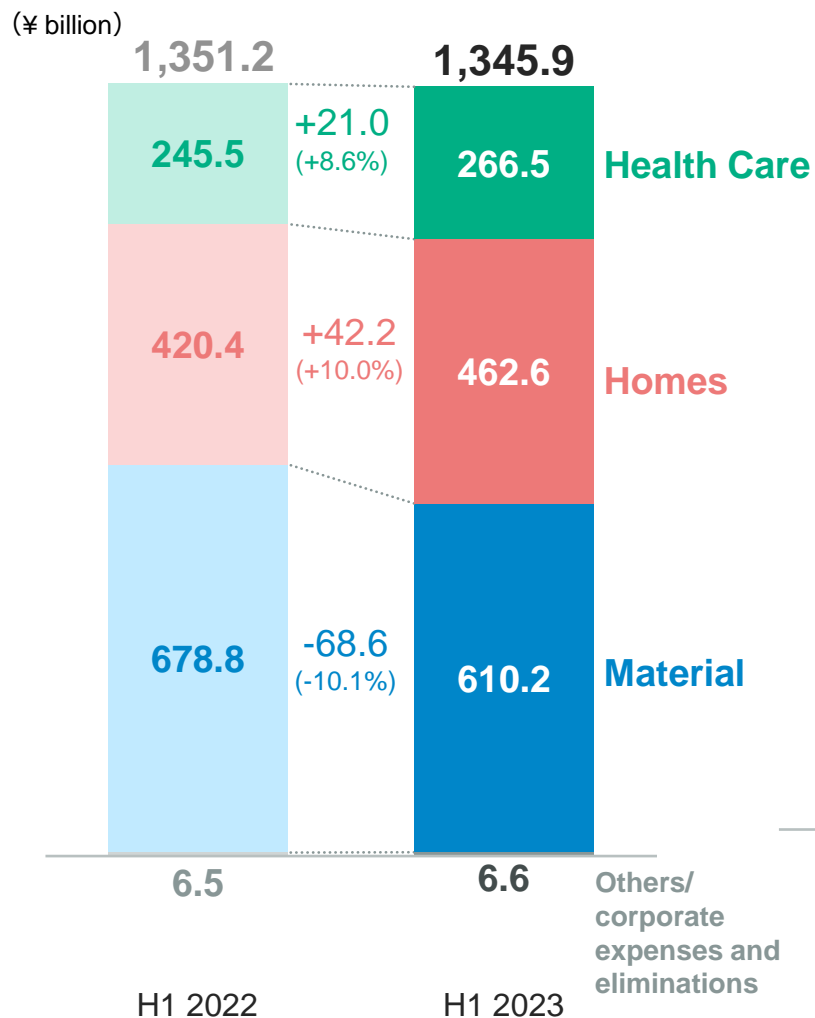
Net income decreased year-on-year with lower operating income and deterioration in equity in earnings/losses of affiliates

		H1 2022	H1 2023	Increase (decrease)	% change	H1 2023 forecast in Aug.	Increase (decrease)	% change
Net sales	(¥ billion)	1,351.2	1,345.9	(5.3)	-0.4%	1,345.0	0.9	0.1%
Operating income	(¥ billion)	85.8	55.9	(29.9)	-34.9%	46.0	9.9	21.5%
Operating margin		6.4%	4.2%			3.4%		
Operating income before goodwill amortization	(¥ billion)	103.9	70.3	(33.6)	-32.3%			
EBITDA	(¥ billion)	170.7	144.7	(26.0)	-15.3%			
EBITDA margin		12.6%	10.7%					
Net income attributable to owners of the parent	(¥ billion)	51.7	30.8	(20.9)	-40.4%	22.0	8.8	40.2%
¥/US\$ exchange rate (market average)		134	141			139		
¥/€ exchange rate (market average)		139	153			150		
Naphtha price (¥/kL, domestic)		83,800	65,600			63,800		
Dividends per share (¥)		18	18			18		

# Results by segment (year-on-year)

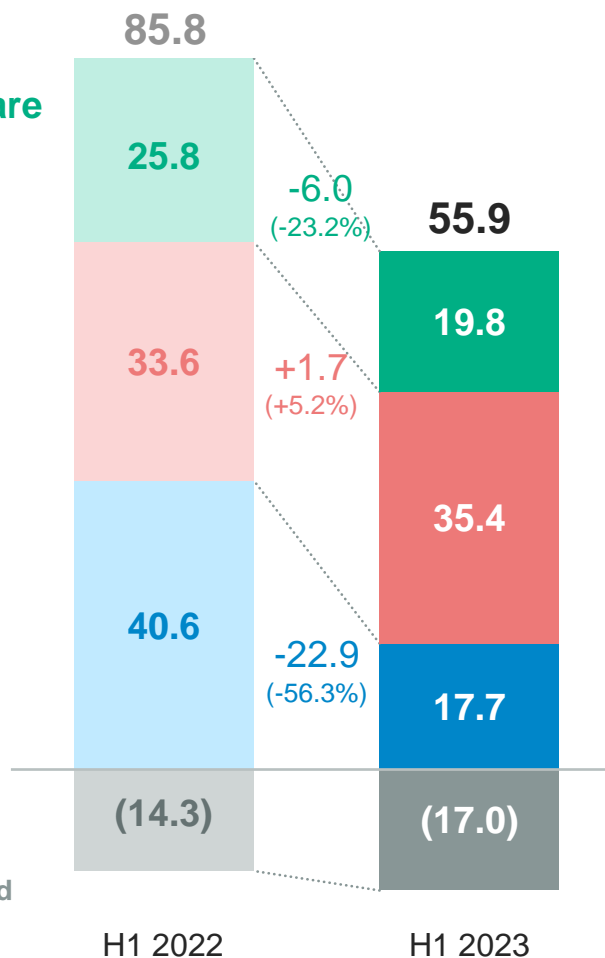
## Sales (YoY)

-¥5.3 billion (-0.4%)



## Operating income (YoY)

-¥29.9 billion (-34.9%)



### Health Care

Sales increase, but operating income decrease

- Decreased income in the Health Care business category with higher SG&A due to greater activity, and negative impact of Bionova consolidation
- Increased income in Critical Care with improved reimbursement conditions for LifeVest, higher sales price of defibrillators, and increased shipments of AEDs due to improvement of difficulty in parts procurement

### Homes

Sales and operating income increase

- Although income in order-built homes decreased with lower volume of work, income in the Homes business category was steady with favorable performance in real estate
- Increased income in Construction Materials with progress in passing on increased costs

### Material

Sales and operating income decrease

- Decreased income in Basic Materials with lower volumes due to demand slowdown, and impact of inventory valuation due to lower material prices
- Decreased income in Life Innovation with decreased sales volumes due to demand slowdown

# Results by segment (vs. H1 2023 forecast in Aug.)

**Sales**  
(vs. forecast in Aug.)  
+¥0.9 billion (+0.1%)

**Operating income**  
(vs. forecast in Aug.)  
+¥9.9 billion (+21.5%)

**Health Care** → Sales and operating income above forecast

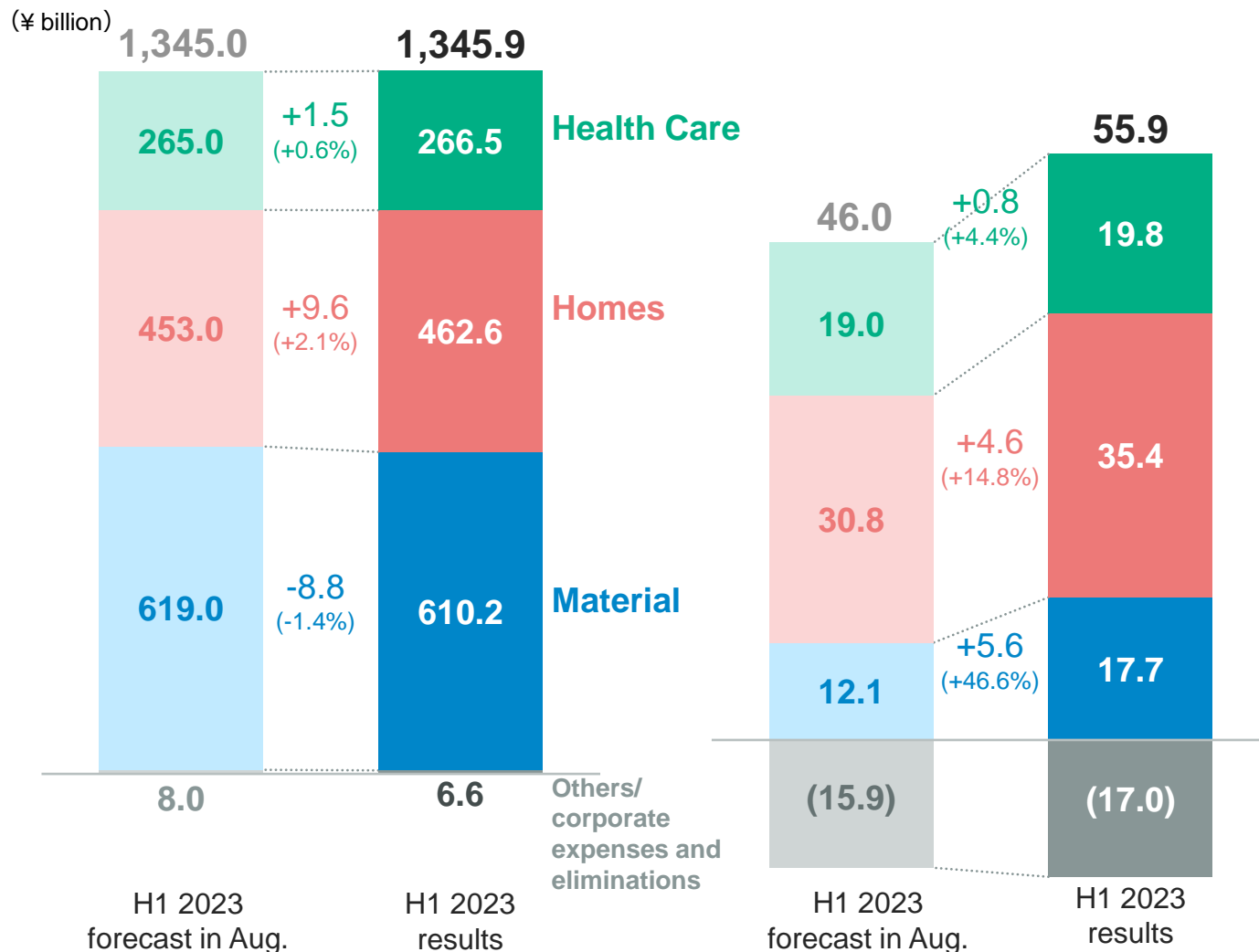
- Income exceeded forecast in Critical Care with firm performance of LifeVest and effect of exchange rate

**Homes** → Sales and operating income above forecast

- Income exceeded forecast in order-built homes with construction works progressing ahead of schedule and reduced fixed costs

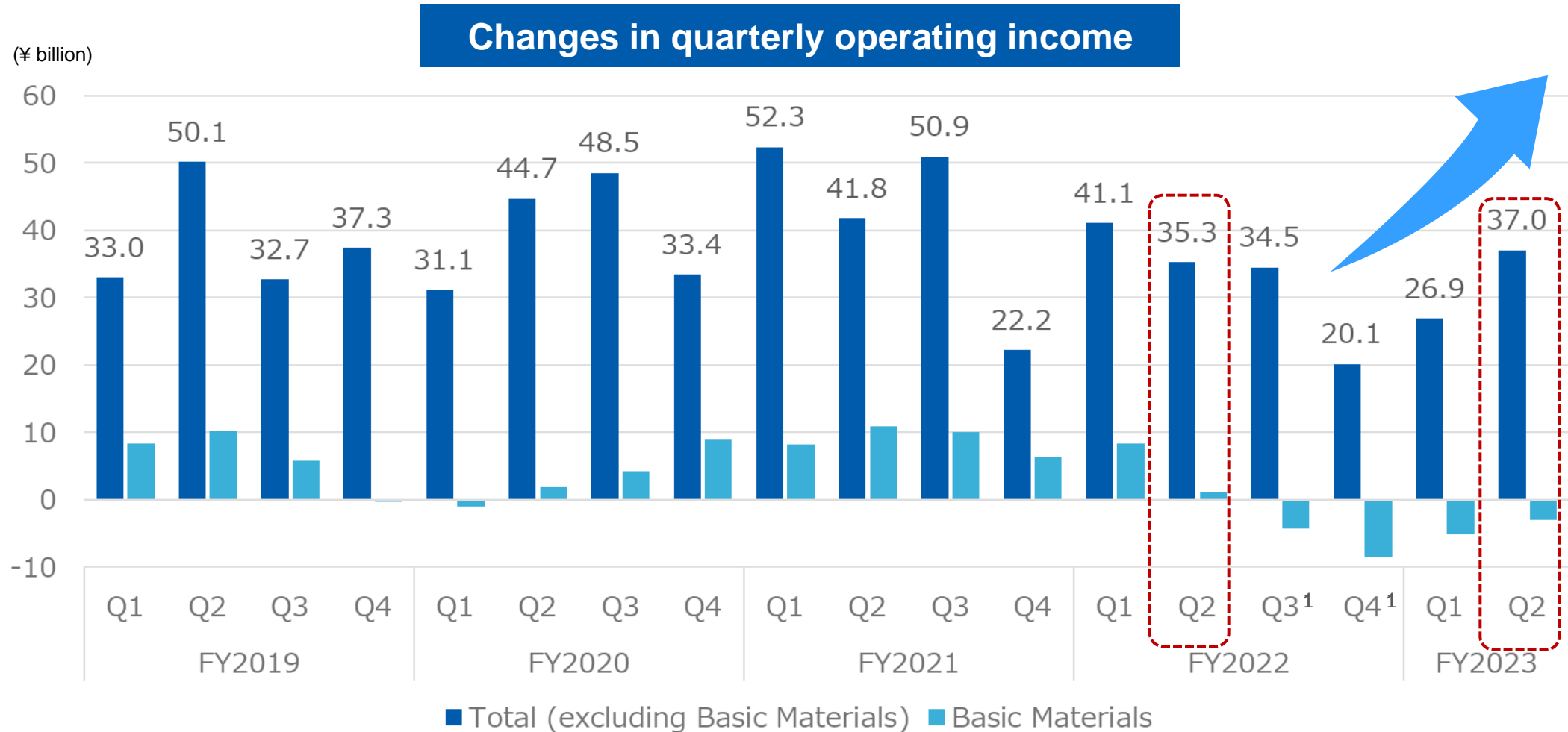
**Material** → Sales below, operating income above forecast

- Income exceeded forecast in Mobility & Industrial with better than expected shipments of car interior material and engineering plastics and improved terms of trade
- Income exceeded forecast in Basic Materials with positive effect of inventory valuation as market prices improved



Enhanced marketing activities and cost reductions bearing fruit, recovery of income since bottoming out in Q4 FY 2022

Excluding Basic Materials whose operating climate remains challenging, Q2 operating income increased year-on-year



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

**Year-on-year variations**

**SG&A**

Increased value of overseas expenses due to weaker yen, impact of new consolidations, etc.

**Non-operating income/expense**

Decreased equity in earnings of affiliates due to deteriorated earnings at PTT Asahi Chemical, etc.

**Extraordinary income/loss**

Transition from loss to income with loss on fire recorded in previous year and transfer of pellicles business in current year

(¥ billion)

	H1 2022		H1 2023		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	1,351.2	100.0%	1,345.9	100.0%	(5.3)	-0.4%
Cost of sales	948.4	70.2%	956.7	71.1%	8.3	+0.9%
Gross profit	402.8	29.8%	389.2	28.9%	(13.6)	-3.4%
Selling, general and administrative expenses	317.0	23.5%	333.3	24.8%	16.3	+5.2%
Operating income	85.8	6.4%	55.9	4.2%	(29.9)	-34.9%
Net non-operating income (expenses)	0.6		(3.8)		(4.4)	
of which, net equity in earnings (losses) of affiliates	2.3		(0.0)		(2.3)	
Ordinary income	86.4	6.4%	52.0	3.9%	(34.3)	-39.8%
Net extraordinary income (loss)	(5.7)		1.9		7.6	
Income before income taxes	80.7	6.0%	54.0	4.0%	(26.8)	-33.1%
Income taxes	(28.3)		(21.6)		6.7	
Net income attributable to non-controlling interests	(0.7)		(1.5)		(0.8)	
Net income attributable to owners of the parent	51.7	3.8%	30.8	2.3%	(20.9)	-40.4%



Transition from loss to income with loss on fire recorded in previous year and transfer of pellicles business in current year

	(¥ billion)		
	H1 2022	H1 2023	Increase (decrease)
Gain on sales of investment securities	2.2	3.9	1.7
Gain on sales of noncurrent assets	1.0	0.2	(0.8)
Insurance income	1.8	2.0	0.2
Gain on business transfer	—	3.0	3.0
<b>Total extraordinary income</b>	<b>5.0</b>	<b>9.0</b>	<b>4.0</b>
Loss on valuation of investment securities	1.4	0.5	(1.0)
Loss on disposal of noncurrent assets	3.3	3.1	(0.2)
Impairment loss	0.0	0.0	(0.0)
Loss on fire at plant facilities	4.1	—	(4.1)
Business structure improvement expenses	1.9	3.6	1.7
<b>Total extraordinary loss</b>	<b>10.7</b>	<b>7.1</b>	<b>(3.6)</b>
<b>Net extraordinary income (loss)</b>	<b>(5.7)</b>	<b>1.9</b>	<b>7.6</b>

## Total assets

Increased value of overseas assets due to weaker yen

## Liabilities

Increased value of overseas liabilities due to weaker yen

## Net assets

Increased accumulated other comprehensive income due to weaker yen

	At end of Mar. 2023	At end of Sep. 2023	Increase (decrease)
Current assets	1,488.2	1,539.3	51.1
Cash and deposits	251.2	279.3	28.1
Notes, accounts receivable– trade, and contract assets	442.7	476.8	34.1
Inventories	642.6	664.3	21.7
Other current assets	151.8	119.1	(32.7)
Noncurrent assets	1,965.7	2,079.1	113.4
Property, plant and equipment	871.7	917.4	45.7
Intangible assets <sup>1</sup>	736.2	780.9	44.7
Investments and other assets	357.8	380.8	23.0
<b>Total assets</b>	<b>3,453.9</b>	<b>3,618.4</b>	<b>164.5</b>
Goodwill <sup>1</sup>	348.6	374.7	26.2
Interest-bearing debt <sup>2</sup>	939.5	932.3	(7.2)
D/E ratio	0.57	0.51	(0.05)

	At end of Mar. 2023	At end of Sep. 2023	Increase (decrease)
Liabilities	1,758.5	1,770.8	12.3
Current liabilities	912.2	895.8	(16.3)
Notes and accounts payable–trade	180.6	197.7	17.1
Other current liabilities	731.6	698.1	(33.5)
Noncurrent liabilities	846.4	875.0	28.6
Net assets	1,695.4	1,847.6	152.2
Shareholders' equity	1,317.5	1,323.9	6.4
Capital stock	103.4	103.4	–
Capital surplus	79.8	80.3	0.4
Retained earnings <sup>1</sup>	1,141.7	1,147.5	5.9
Treasury stock	(7.4)	(7.3)	0.1
Accumulated other comprehensive income	342.8	487.1	144.3
Non-controlling interests	35.1	36.6	1.5
<b>Total liabilities and net assets</b>	<b>3,453.9</b>	<b>3,618.4</b>	<b>164.5</b>

(¥ billion)

<sup>1</sup> Figures at the end of March 2023 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

<sup>2</sup> Excluding lease obligations

## Operating

Flow turned positive with reduced demand for working capital due to efforts to curtail inventories, etc. and decreased income tax payment, although income before income taxes decreased

## Investing

Less cash used compared to previous year with impact of Bionova acquisition

## Financing

Flow turned negative with repayment of interest-bearing debt

(¥ billion)

	H1 2022	H1 2023	Increase (decrease)
a. Net cash provided by (used in) operating activities	(3.7)	133.9	137.6
b. Net cash provided by (used in) investing activities	(131.2)	(87.6)	43.7
Outlays for capital expenditure	(86.1)	(93.5)	(7.3)
Outlays for M&A	(42.4)	–	42.4
Others	(2.8)	5.9	8.7
c. Free cash flows [a+b]	(134.9)	46.4	181.3
d. Net cash provided by (used in) financing activities	106.3	(43.1)	(149.4)
e. Effect of exchange rate change on cash and cash equivalents	26.8	24.4	(2.4)
Net increase (decrease) in cash and cash equivalents [c+d+e]	(1.8)	27.7	29.5

## 2. Forecast for FY 2023

# FY 2023 operating performance forecast (consolidated)

Operating income increase year-on-year in all segments; challenging operating environment forecasted in Material but improved performance through enhanced marketing centered on growth businesses, lower amortization of goodwill and other intangible assets due to Polypore impairment, and firm performance of Critical Care expected

Net income significantly recovering from net loss due to impairment on Polypore in the previous fiscal year

							FY 2023 forecast	Increase (decrease)	% change	FY 2023 forecast in May
		H1	H2 <sup>1</sup>	FY 2022 <sup>1</sup>	H1	H2 forecast				
Net sales	(¥ billion)	1,351.2	1,375.3	2,726.5	1,345.9	1,476.1	2,822.0	95.5	+3.5%	2,865.0
Operating income	(¥ billion)	85.8	41.9	127.7	55.9	84.1	140.0	12.3	+9.6%	160.0
Operating margin		6.4%	3.0%	4.7%	4.2%	5.7%	5.0%			5.6%
Operating income before goodwill amortization	(¥ billion)	103.9	61.5	165.4	70.3	98.7	169.0	3.6	+2.2%	188.0
EBITDA	(¥ billion)	170.7	134.3	305.0	144.7	176.3	321.0	16.0	+5.2%	337.0
EBITDA margin		12.6%	9.8%	11.2%	10.7%	11.9%	11.4%			11.8%
Net income attributable to owners of the parent	(¥ billion)	51.7	(143.7)	(91.9)	30.8	54.2	85.0	176.9		100.0
EPS	(¥)	37.28	(103.58)	(66.30)	22.25	39.07	61.32	127.62		72.15
EPS before goodwill amortization	(¥)	50.33	(89.44)	(39.12)	32.68	49.57	82.24	121.36		92.35
¥/US\$ exchange rate (market average)		134	137	135	141	145	143			130
¥/€ exchange rate (market average)		139	143	141	153	155	154			135
Naphtha price (¥/kL, domestic)		83,800	69,500	76,700	65,600	74,000	69,800			68,000
Dividends per share (¥)		18	18	36	18	18	36			36
						(forecast)	(forecast)			(forecast)

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

# FY 2023 operating performance forecast by segment (year-on-year)

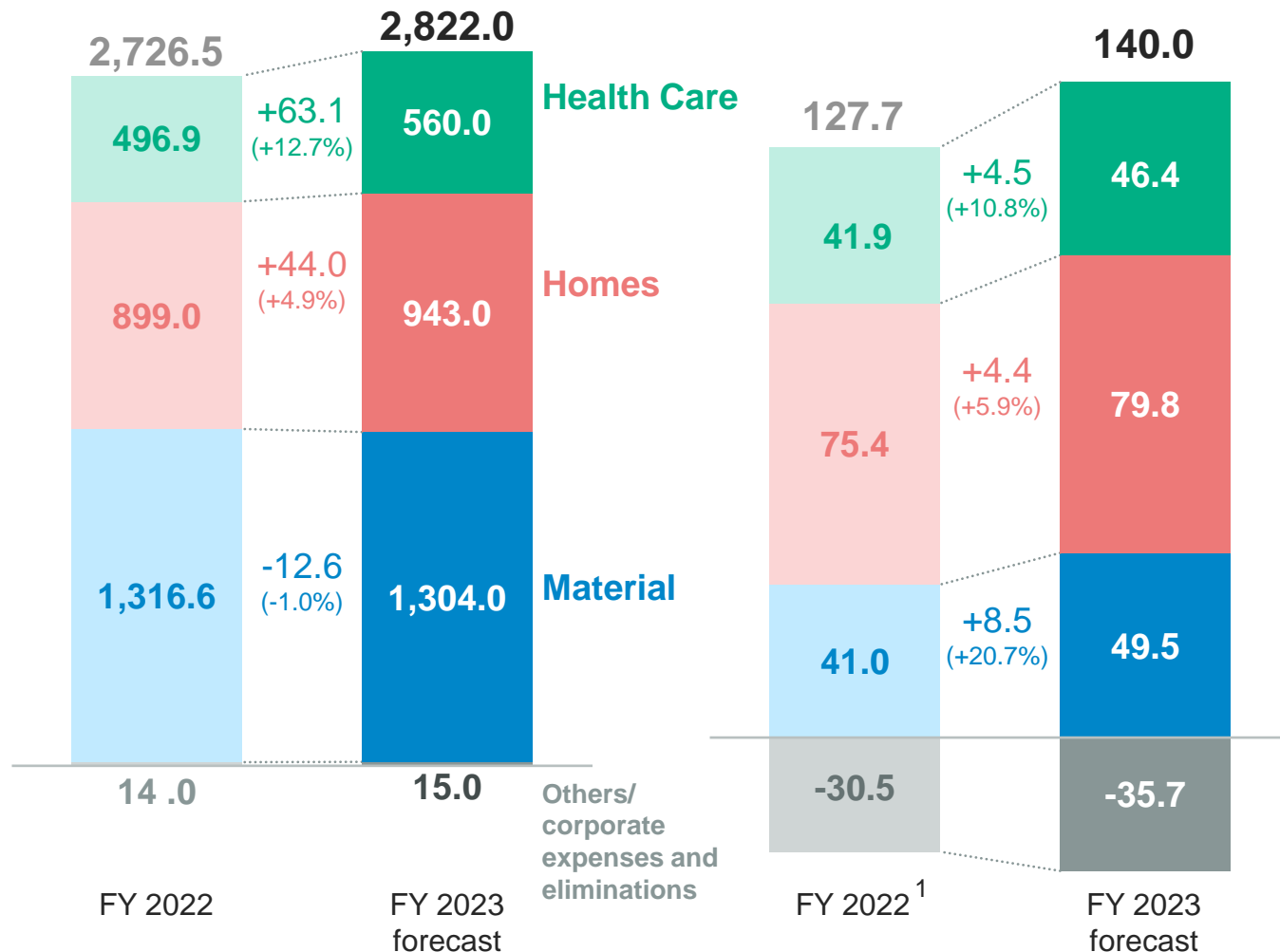
## Sales (YoY)

+¥95.5 billion (+3.5%)

## Operating income (YoY)

+¥12.3 billion (+9.6%)

(¥ billion)



### Health Care

Sales and operating income increase

- Decreased income in the Health Care business category with increased SG&A, decreased licensing income, and increased feedstock and fuel costs
- Increased income in Critical Care with improved reimbursement conditions for LifeVest, higher sales price of defibrillators, and increased shipments of AEDs due to improvement of difficulty in parts procurement

### Homes

Sales and operating income increase

- Impact of lower volume of work and higher material costs for order-built homes, but increased income with firm performance of real estate and overseas operations
- Increased income in Construction Materials with progress in passing on increased costs

### Material

Sales decrease, but operating income increase

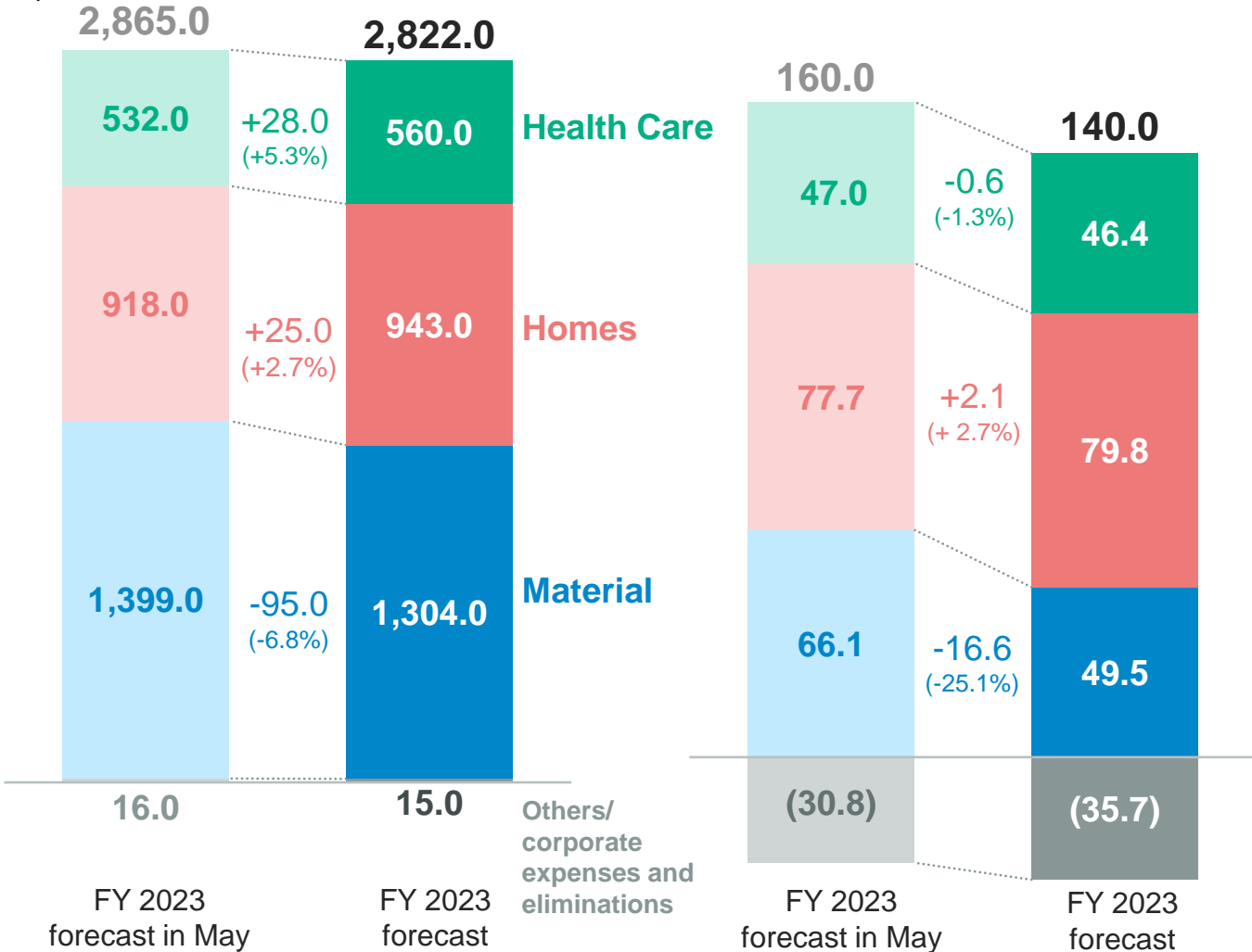
- Increased income in Environmental Solutions with increased shipments of separators and decreased amortization of goodwill and other intangible assets due to impairment on Polypore in previous fiscal year
- Increased income in Digital Solutions with improved demand in H2 and expanded adoption in new products for both electronic devices and electronic materials

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

**Sales**  
(vs. forecast in May)  
-¥43.0 billion (-1.5%)

**Operating income**  
(vs. forecast in May)  
-¥20.0 billion (-12.5%)

(¥ billion)



**Health Care** Sales revised upward, operating income as expected

- Income forecast revised downward in Medical with project delays at customers of Bionova
- Income forecast revised upward in Critical Care with better than expected improvement in parts procurement difficulty and firm shipments of AEDs

**Homes** Sales and operating income revised upward

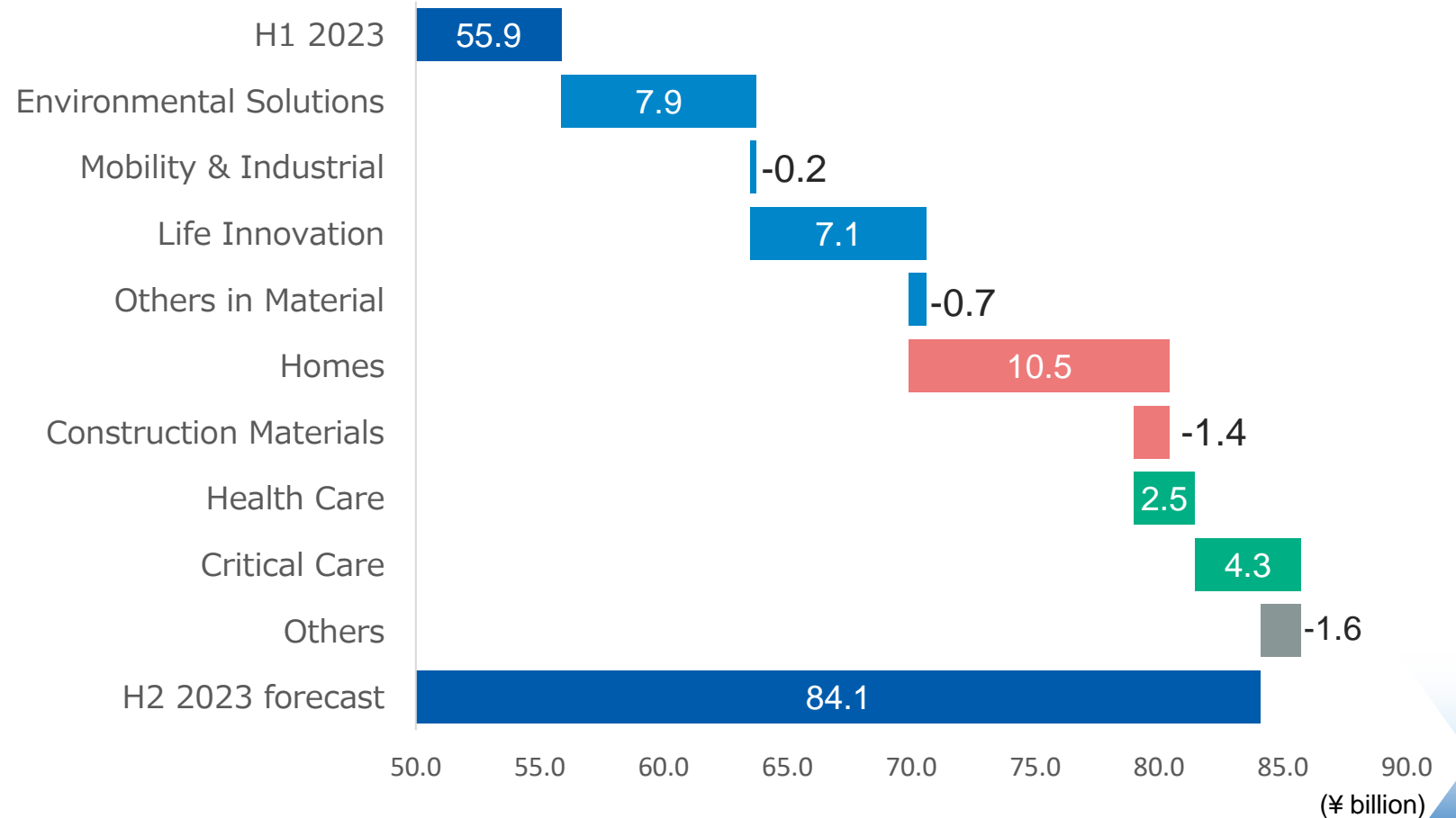
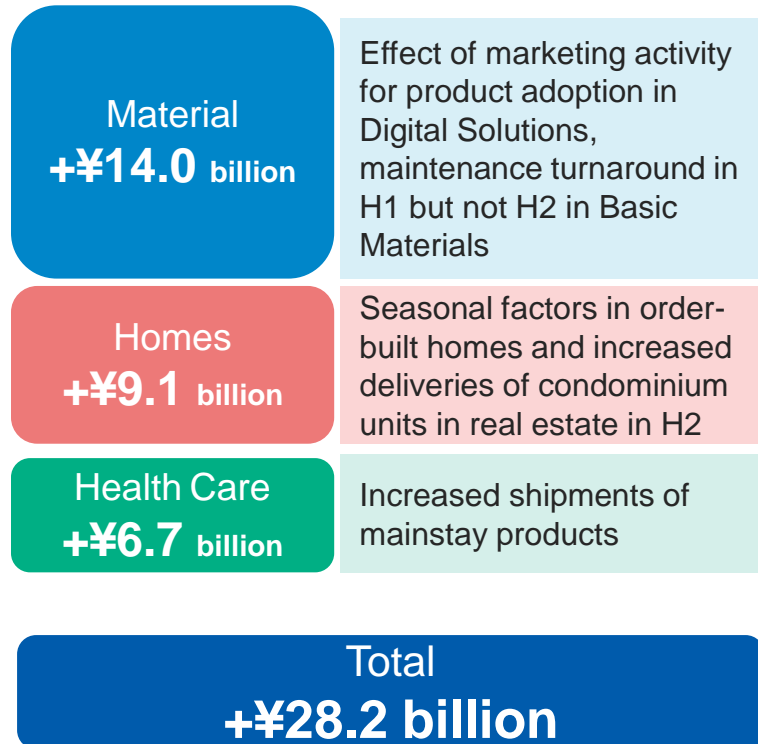
- Lower performance in order-built homes, but income forecast revised upward in the Homes business category with firm performance of real estate
- Income forecast revised upward in Construction Materials with progress in passing on increased costs

**Material** Sales and operating income revised downward

- Income forecast revised downward in Basic Materials due to decreased shipments with lower than expected demand, and deteriorated terms of trade with reduced market prices
- Income forecast revised upward in Mobility & Industrial with greater than expected shipments of car interior material

Earnings improvement foreseen with enhanced marketing activities centered on growth businesses (see 3. Results by segment)

## Changes in operating income from H1 to H2

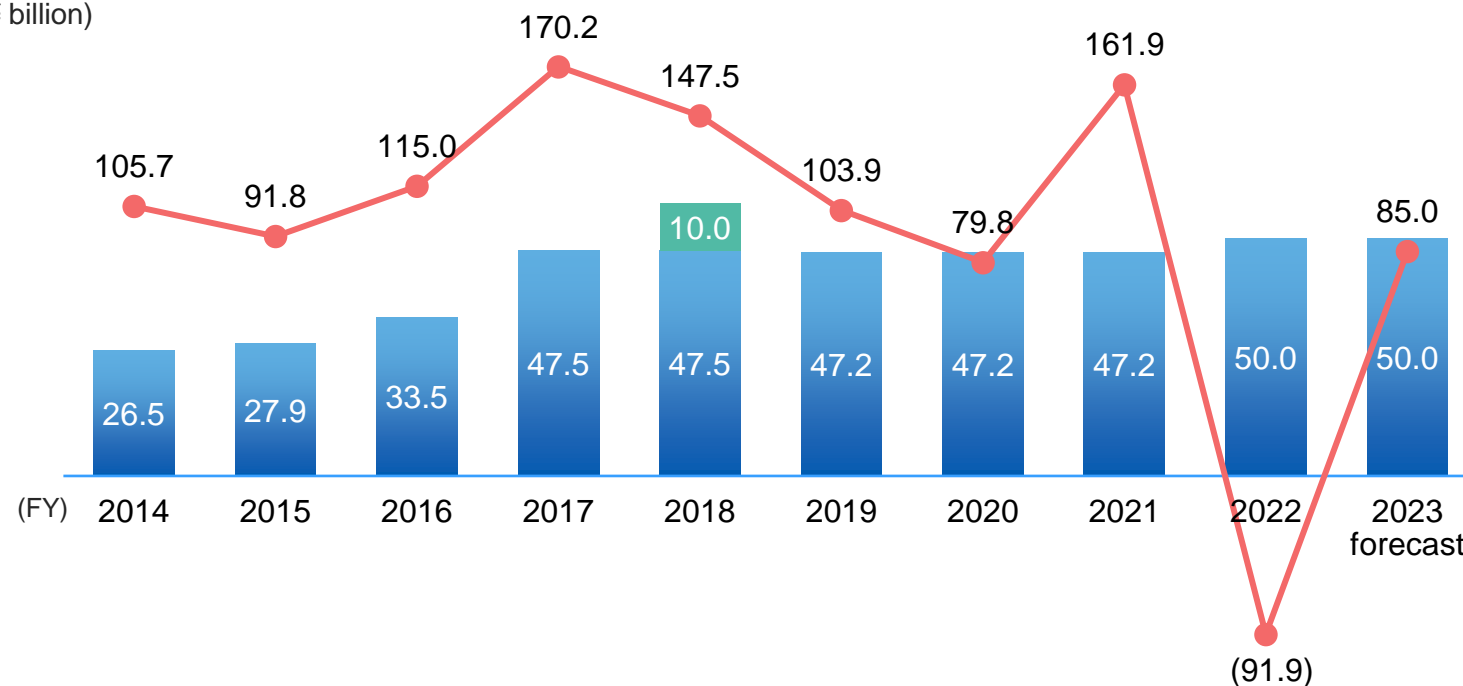




Interim dividend of ¥18 per share, full-year dividend forecast of ¥36 per share (no change from the previous forecast) based on shareholder returns policy

Share repurchase Dividends Net income (loss)

(¥ billion)



## Shareholder returns policy

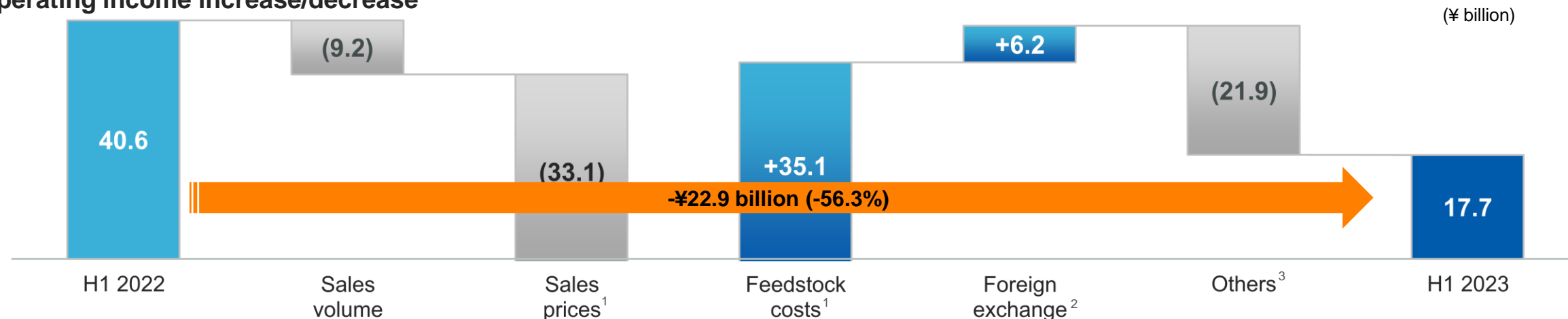
- 1 Determining level of shareholder returns based on medium-term FCF outlook
- 2 Shareholder returns basically by dividends, aiming to maintain or increase dividends per share
- 3 With payout ratio of around 30–40% (3-year total), aiming to steadily increase level of shareholder returns
- 4 Share repurchases as appropriate based on comprehensive consideration of optimal debt/equity level, investment items, and share price

Payout ratio	25.1%	30.4%	29.1%	27.9%	32.2%	45.4%	59.1%	29.1%	—	58.7%
Dividend per share (¥)	19	20	24	34	34	34	34	34	36	36

### 3. Results by segment

Terms of trade improved as negative impact of sales prices was offset by reduced feedstock costs and positive impact of foreign exchange, but operating income decreased with lower sales volume due to demand slowdown and negative impact of others (inventory valuation, operating rates, etc.)

## Operating income increase/decrease



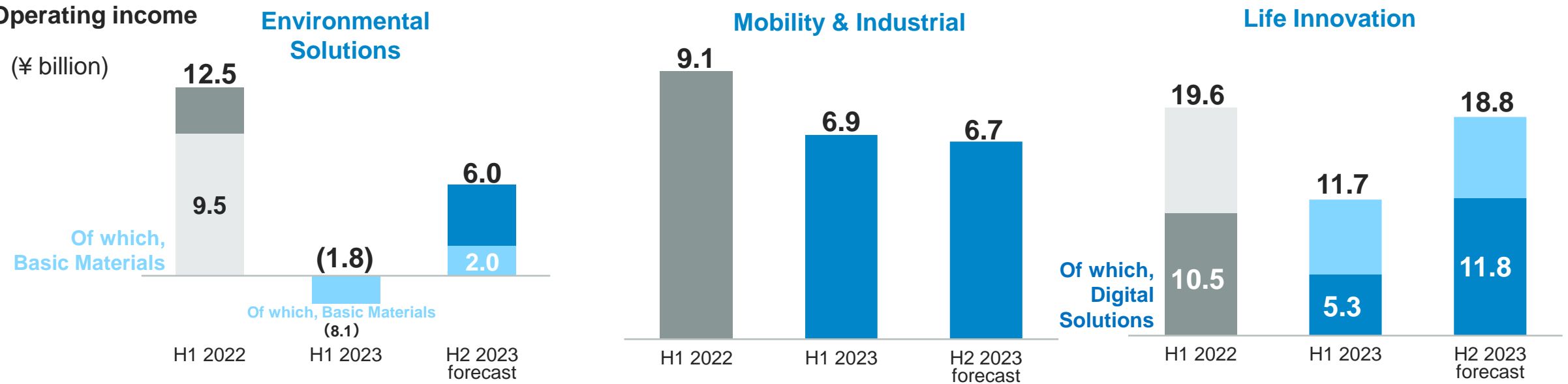
Material Segment	Sales				Operating income									
	H1 2022	H1 2023	Increase (decrease)	% change	H1 2022	H1 2023	Increase (decrease)	% change	Increase (decrease) due to:					
									Sales Volume	Sales prices <sup>1</sup>	Feedstock cost <sup>1</sup>	Foreign exchange <sup>2</sup>	Others <sup>3</sup>	
<b>Material Segment</b>	678.8	<b>610.2</b>	(68.6)	-10.1%	40.6	<b>17.7</b>	(22.9)	-56.3%	(9.2)	(33.1)	35.1	6.2	(21.9)	
Environmental Solutions	291.3	<b>234.7</b>	(56.5)	-19.4%	12.5	<b>(1.8)</b>	(14.3)	-	(4.4)	(28.1)	19.4	2.0	(3.2) <sup>4</sup>	
of which, Basic Materials	187.4	<b>138.3</b>	(49.0)	-26.2%	9.5	<b>(8.1)</b>	(17.5)	-	/	/	/	/	/	
Mobility & Industrial	192.1	<b>187.7</b>	(4.4)	-2.3%	9.1	<b>6.9</b>	(2.2)	-23.7%	2.0	(8.8)	8.6	2.2	(6.2)	
Life Innovation	195.2	<b>187.5</b>	(7.6)	-3.9%	19.6	<b>11.7</b>	(7.9)	-40.3%	(6.8)	3.8	(0.9)	2.0	(6.0)	
of which, Digital Solutions	66.5	<b>61.0</b>	(5.5)	-8.2%	10.5	<b>5.3</b>	(5.3)	-50.1%	/	/	/	/	/	
Others in Material	0.3	<b>0.3</b>	(0.1)	-17.8%	(0.6)	<b>1.0</b>	1.5	-	-	-	8.0 <sup>4</sup>	-	(6.5)	

<sup>1</sup> Excluding effect of foreign exchange. <sup>2</sup> Effect of foreign exchange associated with sales prices and feedstock costs. <sup>3</sup> Foreign currency translation adjustment, fixed costs, inventory valuation, etc.

<sup>4</sup> "Others" in operating income of Environmental Solutions includes increase/decrease related to internal sales price which correlates with "Feedstock cost" for the segment; to compensate, corresponding positive and negative figures are shown as "Feedstock cost" and "Others" of Others in Material.

## Operating income

(¥ billion)



Main businesses		H1 2023 vs H1 2022 (YoY)		H2 2023 forecast vs H1 2023	
Environmental Solutions	Separators		Impact of reduced operating rates, but operating income increase with increased shipments for automotive applications and decreased amortization of goodwill and other intangible assets due to impairment on Polypore in previous fiscal year		Increased shipments in automotive applications with adoption in new vehicle models, but unchanged operating income forecasted with inventory valuation and prices declining over time
	Basic Materials		Operating income decrease with reduced shipments due to sluggish demand, impact of inventory valuation, and maintenance turnaround		Operating income increase forecasted with increased shipments and measures to improve margins in H2, and maintenance turnaround in H1 but not H2
Mobility & Industrial	Car interior material		Operating income increase with greater sales volume due to recovery from impact of reduced vehicle production and effect of increased capacity, and improved terms of trade		Operating income decrease forecasted as H1 was particularly firm and with impacts of low-demand period in H2 and auto workers' union strikes in North America
	Engineering plastics & others		Sales volume steady with firm shipments in automotive applications, but operating income decrease with impact of inventory valuation and lower operating rates due to production adjustments.		Operating income increase forecasted with increased shipments in automotive and solar power applications
Life Innovation	Digital Solutions		Decreased operating income with fewer shipments due to lower demand in electronics and semiconductor markets		Operating income increase forecasted with increased shipments due to higher demand in electronics and semiconductor markets, and adoption in new products

(¥ billion)

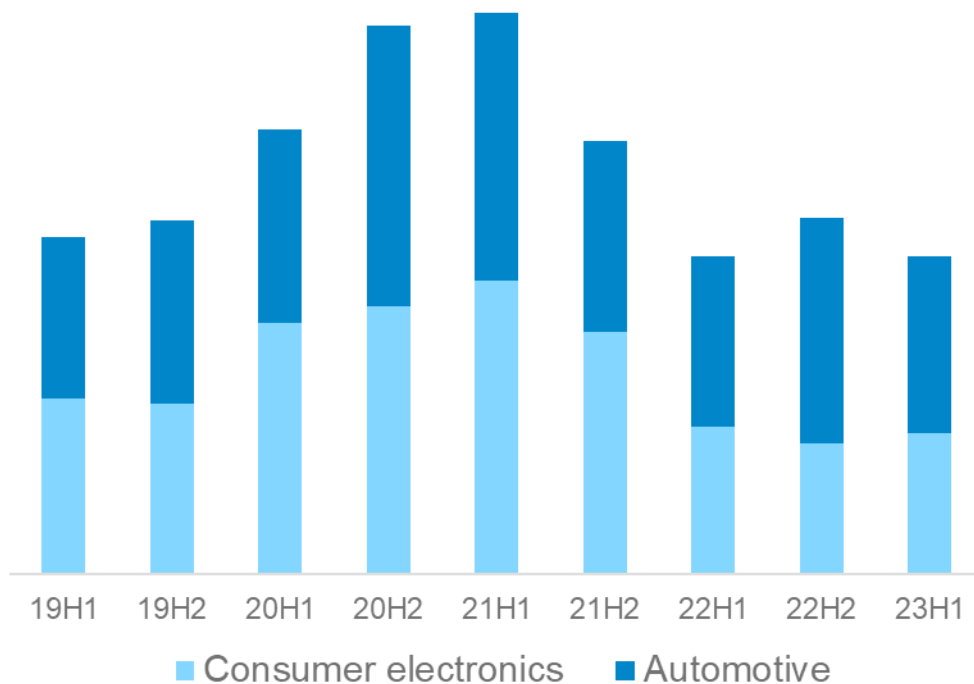
Sales	FY 2022			FY 2023 forecast		FY 2023 forecast	Increase (decrease)	% change	H2 2023 forecast vs H1 2023	FY 2023 forecast in May
	H1	H2	FY 2022	H1	H2 forecast					
<b>Material Segment</b>	<b>678.8</b>	<b>637.8</b>	<b>1,316.6</b>	<b>610.2</b>	<b>693.8</b>	<b>1,304.0</b>	<b>(12.6)</b>	<b>-1.0%</b>	<b>83.6</b>	<b>1,399.0</b>
Environmental Solutions	291.3	268.6	559.8	234.7	287.3	522.0	(37.8)	-6.8%	52.6	613.0
of which, Basic Materials	187.4	174.5	361.9	138.3	175.7	314.0	(47.9)	-13.2%	37.3	398.0
Mobility & Industrial	192.1	186.3	378.4	187.7	197.3	385.0	6.6	+1.7%	9.5	379.0
Life Innovation	195.2	182.6	377.7	187.5	208.5	396.0	18.3	+4.8%	21.0	407.0
of which, Digital Solutions	66.5	56.0	122.5	61.0	75.0	136.0	13.5	+11.1%	13.9	139.0
Others in Material	0.3	0.4	0.7	0.3	0.7	1.0	0.3	+50.0%	0.5	-

Operating Income	FY 2022			FY 2023 forecast		FY 2023 forecast	Increase (decrease)	% change	H2 2023 forecast vs H1 2023	FY 2023 forecast in May
	H1	H2	FY 2022	H1	H2 forecast					
<b>Material Segment</b>	<b>40.6</b>	<b>0.4</b>	<b>41.0</b>	<b>17.7</b>	<b>31.8</b>	<b>49.5</b>	<b>8.5</b>	<b>+20.7%</b>	<b>14.0</b>	<b>66.1</b>
Environmental Solutions	12.5	(14.8)	(2.3)	(1.8)	6.0	4.2	6.5	-	7.9	16.4
of which, Basic Materials	9.5	(12.7)	(3.2)	(8.1)	2.0	(6.1)	(2.9)	-	10.0	3.1
Mobility & Industrial	9.1	1.7	10.8	6.9	6.7	13.6	2.8	+25.8%	(0.2)	12.3
Life Innovation	19.6	8.2	27.8	11.7	18.8	30.5	2.7	+9.6%	7.1	30.5
of which, Digital Solutions	10.5	3.7	14.2	5.3	11.8	17.1	2.9	+20.2%	6.6	19.8
Others in Material	(0.6)	5.2	4.6	1.0	0.2	1.2	(3.4)	-74.1%	(0.7)	6.9

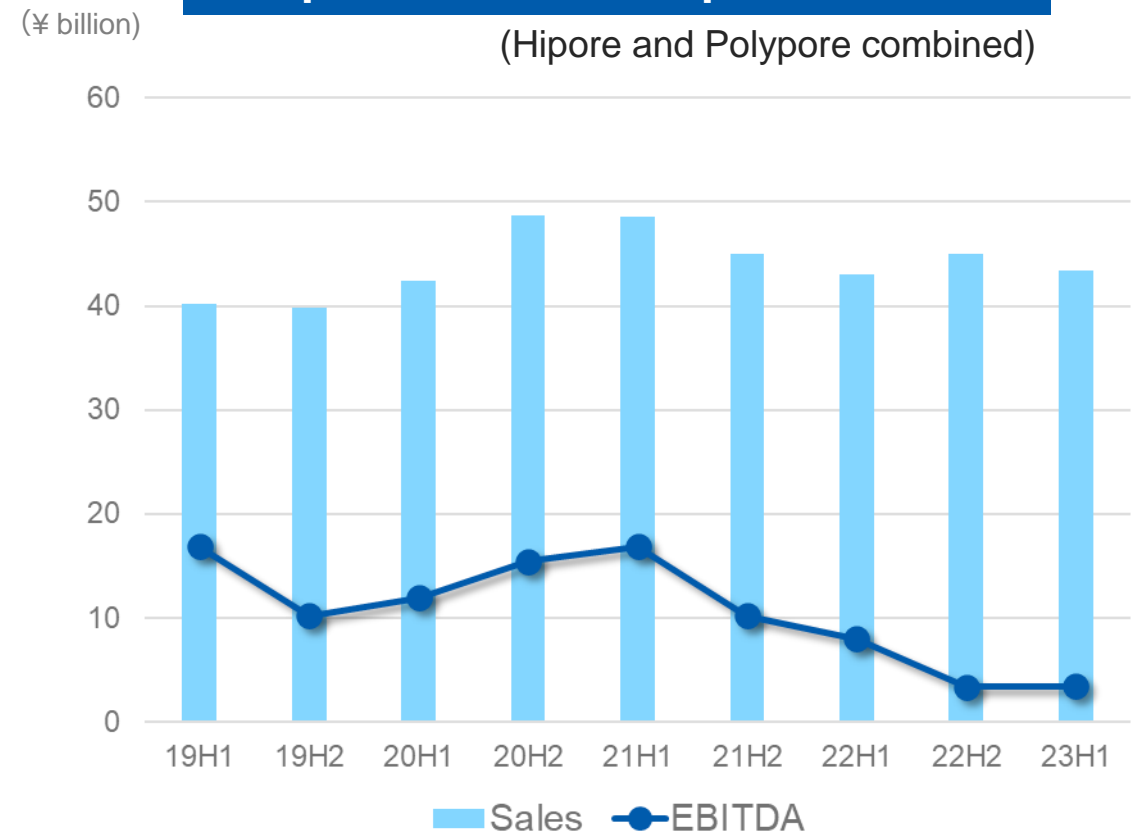
Hipore wet-process LIB separator expanded along with market growth, but volume decreased in H2 FY 2021 with automotive applications impacted by reduced vehicle production and consumer electronics applications impacted by economic slowdown in China; demand recovery forecasted in FY 2023

EBITDA declined with lower volumes and decreased operating rates; improvement expected from FY 2023 with higher volumes and increased operating rates

### Hipore sales volume



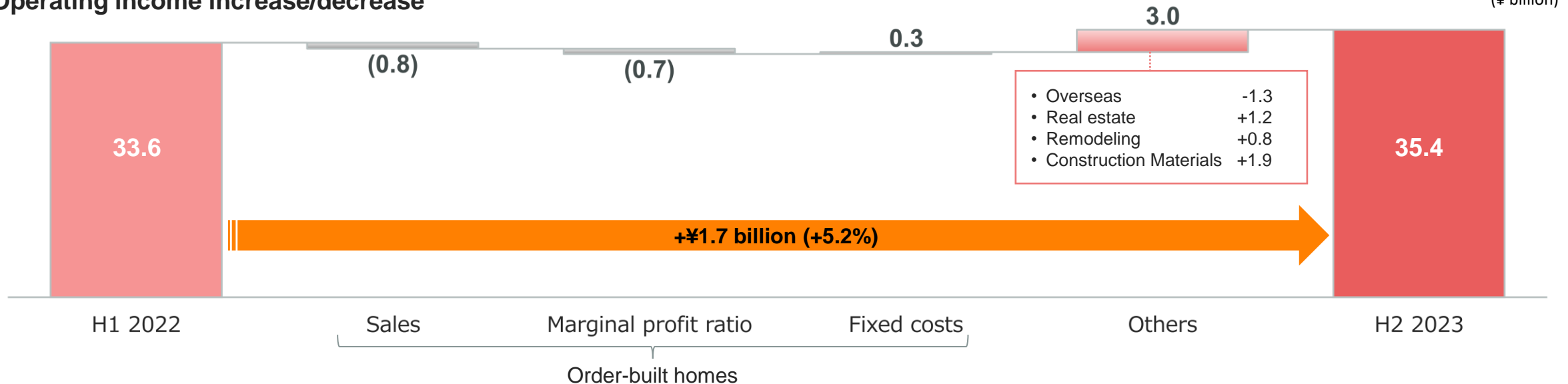
### Separator business performance



Negative impacts in sales factor due to reduced volume of work and in marginal profit ratio factor due to increased material costs in order-built homes, but increased operating income with firm performance in real estate and remodeling

## Operating income increase/decrease

(¥ billion)

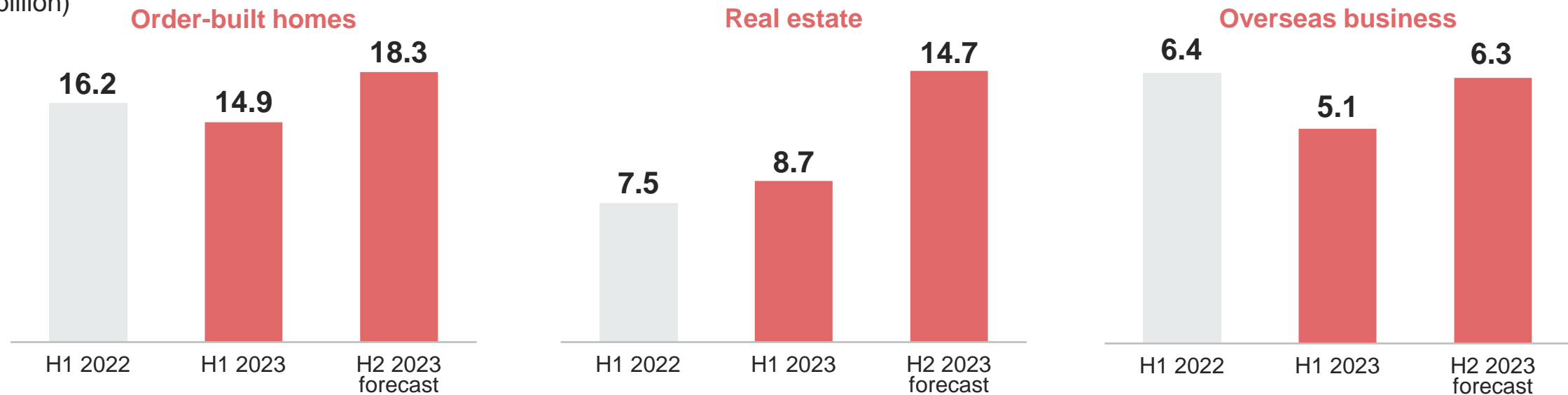


	Sales				Operating income							
	H1 2022	H1 2023	Increase (decrease)	% change	H1 2022	H1 2023	Increase (decrease)	% change	Increase (decrease) due to:			
									Order-built homes			Others
Sales	Marginal profit ratio	Fixed costs										
<b>Homes segment</b>	420.4	462.6	42.2	+10.0%	33.6	35.4	1.7	+5.2%	(0.8)	(0.7)	0.3	3.0
Homes	401.0	440.6	39.6	+9.9%	32.9	32.7	(0.2)	-0.5%	(0.8)	(0.7)	0.3	1.1 <sup>1</sup>
Construction Materials	19.4	22.0	2.6	+13.2%	0.7	2.6	1.9	+262.1%	-	-	-	1.9

<sup>1</sup> Real estate, Remodeling, Overseas, etc.

## Operating income

(¥ billion)



Main businesses		H1 2023 vs H1 2022 (YoY)		H2 2023 forecast vs H1 2023	
Homes	Order-built homes	↓	Increased average unit prices with larger and higher value-added units, but operating income decrease with higher material costs and decreased volume	↗	Operating income increase forecasted with increased work due to seasonal factors
	Real estate	↗	Operating income increase with firm trend of number of units in rental management business and earnings differential among condominium units delivered	↗	Operating income increase forecasted with firm performance of rental management business and increased deliveries of condominium units as large projects go on sale in H2
	Overseas	↓	Increased operating income in Australian business with increased volume of work and progress in passing on higher material costs; decreased operating income in North American business with reduced volume of work and deteriorated profitability compared to year-ago period when selling prices were maintained while lumber prices declined	↗	Operating income increase in North American business forecasted with recovery of volume expected in H2 compared to H1 when construction start delays remained



Sales			FY 2022			FY 2023 forecast	Increase (decrease)	% change	H2 2023 forecast vs H1 2023	H1 2023 forecast in May	
	H1	H2		H1	H2 forecast					(¥ billion)	
<b>Homes Segment</b>	<b>420.4</b>	<b>478.5</b>	<b>899.0</b>	<b>462.6</b>	<b>480.4</b>	<b>943.0</b>	<b>44.0</b>	<b>+4.9%</b>	<b>17.7</b>		<b>918.0</b>
Homes	401.0	458.2	859.2	440.6	459.4	900.0	40.8	+4.7%	18.7		875.0
Order-built homes	196.6	214.1	410.7	195.6	204.4	400.0	(10.7)	-2.6%	8.8		404.0
Real estate	81.1	108.4	189.5	87.1	112.9	200.0	10.5	+5.5%	25.9		200.0
Remodeling	26.1	28.3	54.4	27.9	29.1	57.0	2.6	+4.8%	1.1		59.0
Overseas business	96.8	106.6	203.4	129.4	110.6	240.0	36.6	+18.0%	(18.9)		210.0
Others	0.4	0.8	1.2	0.6	2.4	3.0	1.8	+155.6%	1.8		2.0
Construction Materials	19.4	20.3	39.7	22.0	21.0	43.0	3.3	+8.2%	(1.0)		43.0

Operating income			FY 2022 <sup>1</sup>			FY 2023 forecast	Increase (decrease)	% change	H2 2023 forecast vs H1 2023	H1 2023 forecast in May	
	H1	H2 <sup>1</sup>		H1	H2 forecast						
<b>Homes Segment</b>	<b>33.6</b>	<b>41.8</b>	<b>75.4</b>	<b>35.4</b>	<b>44.4</b>	<b>79.8</b>	<b>4.4</b>	<b>+5.9%</b>	<b>9.1</b>		<b>77.7</b>
Homes	32.9	41.0	73.9	32.7	43.3	76.0	2.1	+2.8%	10.5		75.5
Order-built homes	16.2	20.8	37.0	14.9	18.3	33.2	(3.8)	-10.2%	3.4		34.1
Real estate	7.5	14.2	21.7	8.7	14.7	23.4	1.7	+8.0%	5.9		22.8
Remodeling	2.5	3.3	5.8	3.2	3.4	6.6	0.8	+14.4%	0.1		6.6
Overseas business	6.4	2.1	8.6	5.1	6.3	11.4	2.8	+33.1%	1.2		11.4
Others	0.3	0.6	0.9	0.8	0.6	1.4	0.5	+51.6%	(0.1)		0.6
Construction Materials	0.7	0.7	1.5	2.6	1.2	3.8	2.3	+158.8%	(1.4)		2.2

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

Orders for order-built homes decreased year-on-year in Q1 but improved in Q2 with a new marketing initiatives; progress to larger and higher added-value units continuing in H2, annual order increase of 5% targeted

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

	Order-built homes							Real estate		
	Orders			Sales				Sales <sup>1</sup>		
	Value of new orders during the term		Order backlog	Unit homes	Multi-dwelling homes	Other	Total	Development	Rental/brokerage	Total
FY 2021 H1	206.3	(+42.0%)	563.5	127.4	51.0	10.6	189.0	21.8	64.2	86.0
H2	178.0	(-1.8%)	533.3	142.3	60.6	11.6	214.5	29.5	67.0	96.5
<b>annual</b>	<b>384.3</b>	<b>(+17.7%)</b>		<b>269.7</b>	<b>111.6</b>	<b>22.2</b>	<b>403.5</b>	<b>51.3</b>	<b>131.2</b>	<b>182.5</b>
FY 2022 Q1	92.4	(+1.3%)	546.8	63.0	27.1	4.9	95.1	7.8	34.0	41.7
Q2	98.8	(-14.2%)	548.1	67.9	28.4	5.2	101.5	3.9	35.5	39.4
H1	191.2	(-7.3%)		130.9	55.5	10.2	196.6	11.7	69.4	81.1
H2	164.4	(-7.6%)	503.0	134.9	65.5	13.7	214.1	35.2	73.2	108.4
<b>annual</b>	<b>355.6</b>	<b>(-7.5%)</b>		<b>265.8</b>	<b>121.0</b>	<b>23.9</b>	<b>410.7</b>	<b>46.9</b>	<b>142.6</b>	<b>189.5</b>
FY 2023 Q1	77.2	(-16.4%)	509.0	55.1	32.4	6.6	94.2	3.6	36.7	40.3
Q2	109.3	(+10.7%)	525.0	58.6	36.9	5.9	101.4	9.1	37.7	46.8
H1	186.5	(-2.4%)		113.7	69.3	12.5	195.6	12.7	74.4	87.1
H2 forecast	186.8	(+13.6%)	499.8				204.4	32.3	80.6	112.9
<b>annual forecast</b>	<b>373.3</b>	<b>(5.0%)</b>					<b>400.0</b>	<b>45.0</b>	<b>155.0</b>	<b>200.0</b>

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

## H1 2023 Results

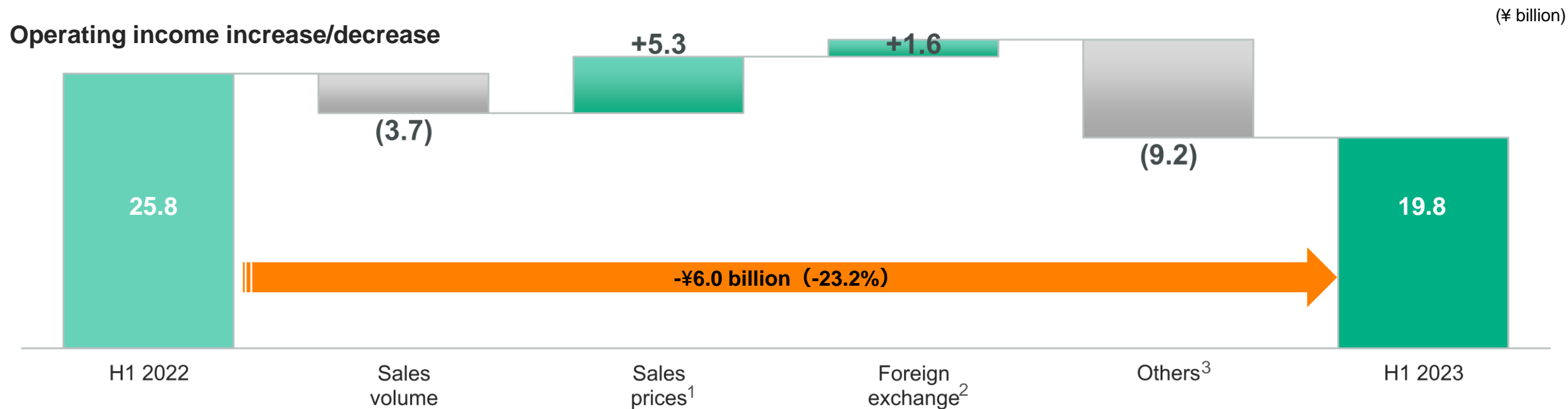
	Orders received				Number of units delivered	
	(¥ billion)	(% change)	(units)	(% change)	(units)	(% change)
Unit homes	115.7	-5.0%	2,523	-11.1%	2,777	-17.8%
Multi-dwelling homes	70.8	+2.2%	2,728	-8.4%	2,880	-4.3%
Other	–	–	–	–	16	+33.3%
<b>Order-built homes total</b>	<b>186.5</b>	<b>-2.4%</b>	<b>5,251</b>	<b>-9.7%</b>	<b>5,673</b>	<b>-11.3%</b>

## FY 2023 Forecast

	Orders received				Number of units delivered	
	(¥ billion)	(% change)	(units)	(% change)	(units)	(% change)
Unit homes	223.3	-0.6%	4,820	-7.4%	5,990	-18.3%
Multi-dwelling homes	150.0	+14.6%	5,730	+6.6%	6,840	+2.9%
Other	–	–	–	–	40	+21.2%
<b>Order-built homes total</b>	<b>373.3</b>	<b>+5.0%</b>	<b>10,550</b>	<b>-0.3%</b>	<b>12,870</b>	<b>-8.2%</b>

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

In Critical Care, positive sales prices factor with progress in passing on higher costs to defibrillator prices, but negative sales volume factor due to defibrillator product mix; in the Health Care business category, negative others factor due to consolidation of Bionova and increased SG&A



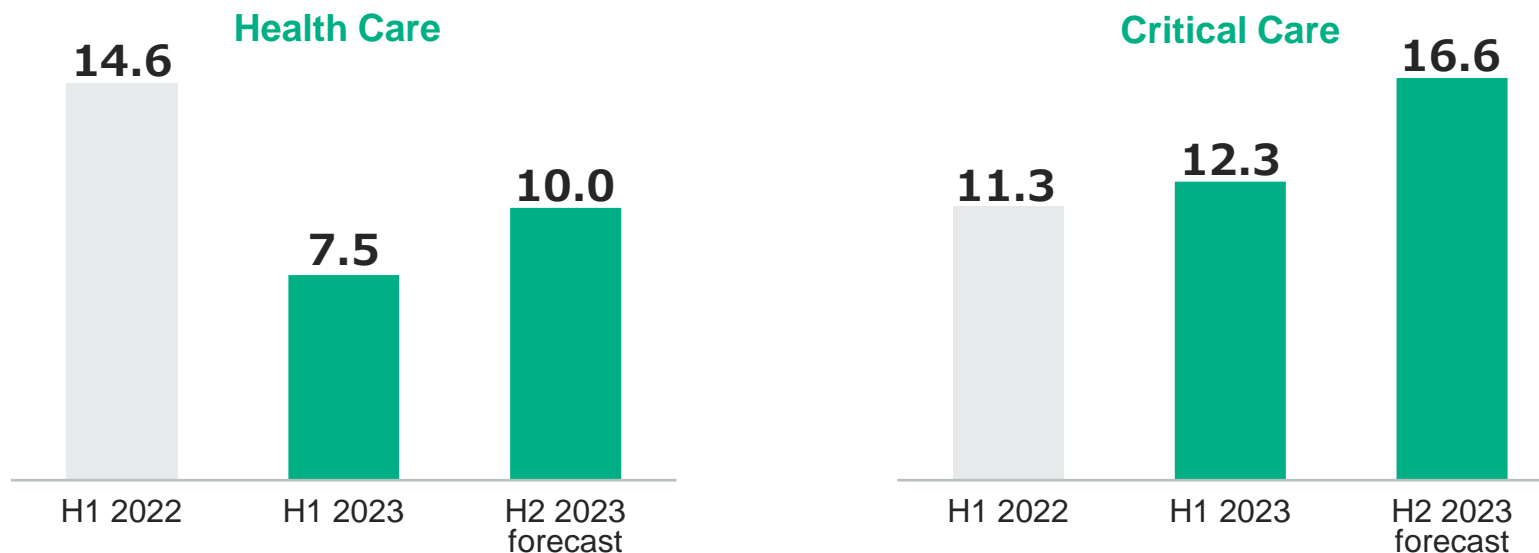
	Sales				Operating income							
	H1 2022	H1 2023	Increase (decrease)	% change	H1 2022	H1 2023	Increase (decrease)	% change	Increase (decrease) due to:			
									Sales volume	Sales prices <sup>1</sup>	Foreign exchange <sup>2</sup>	Others <sup>3</sup>
<b>Health Care Segment</b>	245.5	<b>266.5</b>	21.0	+8.6%	25.8	<b>19.8</b>	(6.0)	-23.2%	(3.7)	5.3	1.6	(9.2)
Health Care	98.9	<b>100.9</b>	1.9	+2.0%	14.6	<b>7.5</b>	(7.0)	-48.3%	(0.6)	0.1	0.1	(6.6)
Critical Care	146.6	<b>165.7</b>	19.1	+13.0%	11.3	<b>12.3</b>	1.0	+9.1%	(3.1)	5.2	1.5	(2.5)

<sup>1</sup> Excluding effect of foreign exchange. <sup>2</sup> Effect of foreign exchange associated with sales prices.

<sup>3</sup> Including foreign currency translation adjustment, fixed cost variance, and nonrecurring income/expense related to licensing, new consolidations, etc.

## Operating income

(¥ billion)

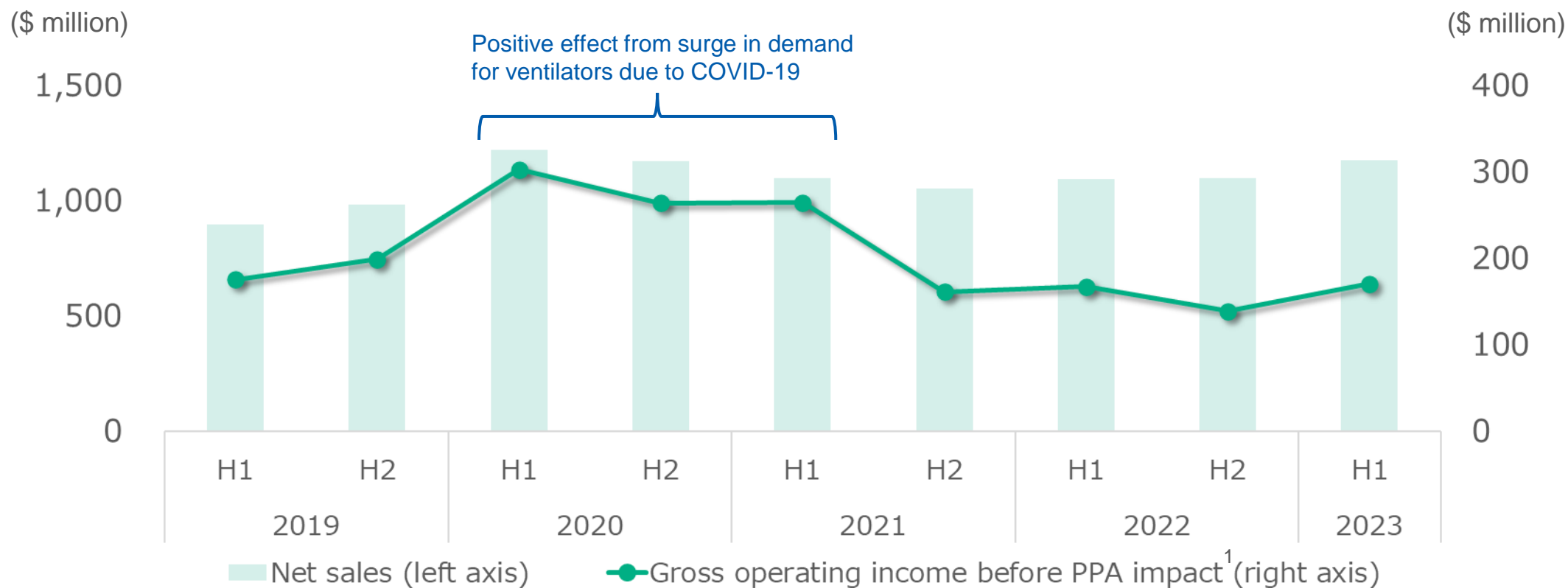


Main businesses		H1 2023 vs H1 2022 (YoY)		H2 2023 forecast vs H1 2023	
Health Care	Pharmaceuticals		Favorable sales trend for Envarsus XR, but operating income decrease with increased costs associated with new product launch and increased R&D expenses		Operating income increase forecasted with steady expansion of Envarsus XR and other mainstay products
	Medical		Operating income decrease with consolidation of Bionova and decreased shipments of Planova due to inventory adjustments by customers.		Operating income increase forecasted with recovery of shipments of Planova, etc.
Critical Care	LifeVest		Operating income increase with improved reimbursement status, etc.		Increased revenue forecasted toward H2 with increased salesforce, but slight operating income decrease forecasted due to increased SG&A
	Defibrillators		Operating income increase with progress in passing on increased costs and increased shipments of AEDs along with recovery from difficulty in parts procurement		Increased operating income forecasted with increased shipments on AEDs

(¥ billion)

Sales			FY 2022			FY 2023 forecast	Increase (decrease)	% change	H2 2023 forecast vs H1 2023	FY 2023 forecast in May
	H1	H2		H1	H2 forecast					
<b>Health Care Segment</b>	<b>245.5</b>	<b>251.4</b>	<b>496.9</b>	<b>266.5</b>	<b>293.5</b>	<b>560.0</b>	<b>63.1</b>	<b>+12.7%</b>	<b>27.0</b>	<b>532.0</b>
Health Care	98.9	101.3	200.2	100.9	112.1	213.0	12.8	+6.4%	11.3	218.0
Pharmaceuticals	53.6	56.4	110.0	56.3	61.7	118.0	8.0	+7.3%	5.4	117.5
Medical	45.3	44.9	90.2	44.5	50.5	95.0	4.8	+5.3%	5.9	100.5
Critical Care	146.6	150.1	296.7	165.7	181.3	347.0	50.3	+17.0%	15.7	314.0
Operating income			FY 2022			FY 2023 forecast	Increase (decrease)	% change	H2 2023 forecast vs H1 2023	FY 2023 forecast in May
	H1	H2		H1	H2 forecast					
<b>Health Care Segment</b>	<b>25.8</b>	<b>16.0</b>	<b>41.9</b>	<b>19.8</b>	<b>26.6</b>	<b>46.4</b>	<b>4.5</b>	<b>+10.8%</b>	<b>6.7</b>	<b>47.0</b>
Health Care	14.6	8.4	22.9	7.5	10.0	17.5	(5.4)	-23.6%	2.5	21.1
Critical Care	11.3	7.7	18.9	12.3	16.6	28.9	10.0	+52.6%	4.3	25.9
EBITDA			FY 2022			FY 2023 forecast	Increase (decrease)	% change	H2 2023 forecast vs H1 2023	FY 2023 forecast in May
	H1	H2		H1	H2 forecast					
<b>Health Care Segment</b>	<b>57.2</b>	<b>49.2</b>	<b>106.4</b>	<b>54.0</b>	<b>60.3</b>	<b>114.3</b>	<b>7.9</b>	<b>+7.4%</b>	<b>6.3</b>	<b>111.5</b>
Health Care	27.2	22.2	49.4	21.7	24.4	46.1	(3.3)	-6.6%	2.7	48.9
Critical Care	30.0	27.0	57.0	32.3	35.8	68.1	11.2	+19.6%	3.6	62.6

Operating income declined with decreased shipments of defibrillators due to difficulty in parts procurement, increased procurement costs, etc., since H2 FY 2021, and decreased orders for defibrillators for professional use mainly in North America due to economic slowdown in Q3 FY 2022; improvement from Q4 FY 2022 onward and firm performance in H1 FY 2023



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

(Sales region, monetary unit)	FY 2022		FY 2023	H1 2023 vs H1 2022	
	H1		H1	Increase (decrease)	% change
Asahi Kasei Pharma					
Teribone (Japan, ¥ billion)	20.7	39.9	19.4	(1.3)	-6.4%
Recomodulin (Japan, ¥ billion)	4.2	8.4	4.1	(0.1)	-1.8%
Kevzara (Japan, ¥ billion)	4.5	9.3	5.4	0.9	+19.8%
Reclast (Japan, ¥ billion)	0.7	1.4	0.6	(0.0)	-2.7%
Plaquenil (Japan, ¥ billion)	2.7	5.4	2.9	0.2	+7.9%
Veloxis Pharmaceuticals					
Envarsus XR (US, \$ million)	88	186	107	19	+21.1%

	Generic name	Classification	Indication	Formulation
Teribone	Teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis with high risk of fracture	Injection
Reclast	Zoledronic acid	Osteoporosis drug	Osteoporosis	Injection
Recomodulin	Recombinant thrombomodulin alfa	Anticoagulant	Disseminated intravascular coagulation	Injection
Kevzara	Sarilumab (rDNA origin)	Interleukin-6 inhibitor	Rheumatoid arthritis not responding well to conventional treatments	Injection
Plaquenil	Hydroxychloroquine sulfate	Immunomodulator	Cutaneous lupus erythematosus, systemic lupus erythematosus	Tablet
Envarsus XR	Tacrolimus extended-release tablets	Immunosuppressant drug	Kidney transplantation	Tablet



Development stage	Code name, generic name	Indication	Origin	Development	Region/remarks
Market launch (Q1 FY 2023)	AK1820, isavuconazonium sulfate	Aspergillosis, mucormycosis and cryptococcosis	Licenced	In-house	Brand name: Cresemba
Filed					Additional formulation
Phase III	TA799, apraglutide	Short bowel syndrome	Licensed	Licensor	Phase I in Japan was conducted by Asahi Kasei Pharma
Phase II	ART-123, recombinant thrombomodulin alfa	Chemotherapy-induced peripheral neuropathy (CIPN)	In-house	In-house	Additional indication Joint U.S.-Japan Phase I study in progress
Phase II	AK1830	Pain associated with osteoarthritis	Licensed	In-house	
Phase II		Chronic low back pain			
Phase III (overseas)	ART-123, recombinant thrombomodulin alfa	Severe sepsis with coagulopathy	In-house	In-house	United States, Europe, etc.
Phase I (overseas)	ART-123, recombinant thrombomodulin alfa	Chemotherapy-induced peripheral neuropathy (CIPN)	In-house	In-house	United States
Phase I (overseas)	AK1320	Spinal fusion surgery	In-house	In-house	North America
Phase I (overseas)	VEL-101	SOT (solid organ transplant)	Licensed	In-house	United States, etc.
Phase II (licensed out)	LY3857210	Chronic pain	Co-development	Licensee	Global (Asahi Kasei Pharma has promotion rights in Japan and China)

## 4. Appendix

(¥ billion)

	H1 2022		H1 2023		Increase (decrease)	% change
	Overseas sales	% of total	Overseas sales	% of total		
<b>Material Segment</b>	<b>402.1</b>	<b>59.2%</b>	<b>372.7</b>	<b>61.1%</b>	<b>(29.5)</b>	<b>-7.3%</b>
Environmental Solutions	158.6	54.5%	137.6	58.6%	(21.1)	-13.3%
Mobility & Industrial	156.2	81.3%	150.9	80.4%	(5.3)	-3.4%
Life Innovation	86.9	44.5%	83.9	44.7%	(3.0)	-3.5%
Others in Material	0.3	100.0%	0.3	98.4%	(0.1)	-19.1%
<b>Homes Segment</b>	<b>96.8</b>	<b>23.0%</b>	<b>129.4</b>	<b>28.0%</b>	<b>32.6</b>	<b>+33.7%</b>
Homes	96.8	24.1%	129.4	29.4%	32.6	+33.7%
Construction Materials	-	-	-	-	-	-
<b>Health Care Segment</b>	<b>191.0</b>	<b>77.8%</b>	<b>212.7</b>	<b>79.8%</b>	<b>21.7</b>	<b>+11.4%</b>
Health Care	46.5	47.0%	49.4	49.0%	3.0	+6.4%
Critical Care	144.5	98.6%	163.3	98.5%	18.7	+13.0%
<b>Others</b>	<b>0.5</b>	<b>8.1%</b>	<b>0.6</b>	<b>9.7%</b>	<b>0.1</b>	<b>+21.4%</b>
<b>Consolidated</b>	<b>690.4</b>	<b>51.1%</b>	<b>715.4</b>	<b>53.2%</b>	<b>25.0</b>	<b>+3.6%</b>
<b>Overseas sales by region</b>						
Asia	276.9	20.5%	247.1	18.4%	(29.7)	-10.7%
of which, sales to China	128.1	9.5%	121.6	9.0%	(6.5)	-5.1%
The Americas	254.6	18.8%	280.8	20.9%	26.1	+10.3%
Europe	84.8	6.3%	92.5	6.9%	7.6	+9.0%
Other countries	74.1	5.5%	95.0	7.1%	20.9	+28.3%

# Capex, depreciation/amortization, R&D

(¥ billion)

	Capital expenditures			Depreciation and amortization <sup>1</sup>			R&D expenditures		
	FY 2022	H1 2023	FY 2023 forecast	FY 2022 <sup>2</sup>	H1 2023	FY 2023 forecast	FY 2022	H1 2023	FY 2023 forecast
<b>Material segment</b>	<b>106.5</b>	<b>55.0</b>	<b>130.0</b>	<b>72.1</b>	<b>35.1</b>		<b>41.8</b>	<b>21.3</b>	
Environmental Solutions	50.5	27.5		34.5	15.4		10.5	6.1	
Mobility & Industrial	18.4	13.2		16.6	9.1		11.2	5.7	
Life Innovation	37.4	14.3		20.8	10.6		19.1	9.2	
Others in Material	0.2	0.0		0.1	0.0		1.0	0.3	
<b>Homes segment</b>	<b>25.7</b>	<b>13.4</b>	<b>22.0</b>	<b>17.2</b>	<b>9.7</b>		<b>3.9</b>	<b>1.7</b>	
Homes	23.2	12.0		14.8	8.5		3.3	1.4	
Construction Materials	2.5	1.3		2.4	1.1		0.6	0.2	
<b>Health Care segment</b>	<b>25.1</b>	<b>12.4</b>	<b>45.0</b>	<b>43.4</b>	<b>23.0</b>		<b>46.6</b>	<b>23.8</b>	
Health Care	13.0	5.5		22.2	11.7		20.1	10.3	
Critical Care	12.1	6.8		21.2	11.2		26.5	13.5	
Others	0.6	0.6	1.0	0.8	0.5		0.1	0.1	
Corporate expenses and eliminations	16.9	4.9	19.0	6.5	6.2		12.6	5.4	
<b>Total</b>	<b>174.9</b>	<b>86.3</b>	<b>217.0</b>	<b>140.0</b>	<b>74.3</b>	<b>152.0</b>	<b>105.0</b>	<b>52.2</b>	<b>113.0</b>

Amortization of goodwill	
37.3	14.5

<sup>1</sup> Amortization of goodwill is excluded and shown separately below the table.

<sup>2</sup> Figures for fiscal 2022 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022.

Segment	Business category	Project	Completion of construction/ Start-up	Capacity	Location
Material	Environmental Solutions	Renovation of hydroelectric power plants (Suigasaki power plant)	H1 2025	—	Nishiusuki-gun, Miyazaki, Japan
		Capacity increase for Hipore LIB separator	H1 2024	350 million m <sup>2</sup> /y	Hyuga-shi, Miyazaki, Japan
		Capacity increase for Celgard LIB separator	FY 2024 or later	150 million m <sup>2</sup> /y	North Carolina, the U.S.
Health Care	Health Care	Construction of new assembly plant for Planova virus removal filters	FY 2023	—	Nobeoka-shi, Miyazaki, Japan
		Capacity increase at biologics CDMO Bionova	FY 2025	—	California, the U.S.

Note: Projects completed or under construction during H1 2023 shown

Segment	Business category	Company	Operations	Consolidation on statements of income	Cost	Goodwill
Homes	Homes	Focus Companies (Focus Plumbing LLC and 5 other companies)	Residential construction work in North America	Nov.1, 2022	¥36.2 billion	¥12.8 billion
Health Care	Health Care	Bionova Holdings, Inc.	Biopharmaceutical manufacturing process development, GMP-compliant manufacturing of current and next-generation antibody drugs	Jul. 1, 2022	¥42.9 billion	¥35.5 billion

(¥ billion)

	FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022				FY 2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
<b>Material Segment</b>	<b>208.0</b>	<b>236.8</b>	<b>271.0</b>	<b>289.0</b>	<b>279.6</b>	<b>296.3</b>	<b>315.2</b>	<b>318.9</b>	<b>339.4</b>	<b>339.4</b>	<b>327.0</b>	<b>310.8</b>	<b>296.8</b>	<b>313.4</b>	<b>693.8</b>
Environmental Solutions	89.0	95.1	106.5	123.7	119.1	129.0	137.3	137.2	149.9	141.4	136.8	131.8	114.6	120.1	287.3
of which, Basic Materials	53.7	55.9	64.4	77.1	72.4	82.3	90.2	90.0	100.1	87.3	88.7	85.9	66.2	72.1	175.7
Mobility & Industrial	39.1	55.6	71.6	76.8	75.4	76.5	80.7	89.6	92.5	99.7	94.0	92.3	91.8	96.0	197.3
Life Innovation	79.9	85.9	92.7	88.3	85.0	90.5	97.1	91.9	96.9	98.3	96.0	86.5	90.3	97.3	208.5
of which, Digital Solutions	28.0	28.1	30.7	27.5	28.6	30.6	31.3	30.9	34.2	32.3	29.9	26.1	29.4	31.7	75.0
Others in Material	(0.0)	0.3	0.2	0.2	0.0	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.7
<b>Homes Segment</b>	<b>147.8</b>	<b>184.8</b>	<b>170.2</b>	<b>177.1</b>	<b>195.1</b>	<b>197.9</b>	<b>218.3</b>	<b>211.2</b>	<b>206.6</b>	<b>213.8</b>	<b>230.1</b>	<b>248.4</b>	<b>221.1</b>	<b>241.6</b>	<b>480.4</b>
Homes	139.1	175.3	161.0	169.4	187.2	188.6	208.5	202.2	197.5	203.5	219.5	238.8	210.5	230.2	459.4
Construction Materials	8.8	9.5	9.2	7.6	7.9	9.3	9.8	9.0	9.2	10.3	10.7	9.6	10.6	11.4	21.0
<b>Health Care Segment</b>	<b>95.7</b>	<b>109.2</b>	<b>103.0</b>	<b>100.0</b>	<b>105.8</b>	<b>100.1</b>	<b>107.0</b>	<b>103.0</b>	<b>121.4</b>	<b>124.1</b>	<b>128.6</b>	<b>122.8</b>	<b>129.4</b>	<b>137.1</b>	<b>293.5</b>
Health Care	36.5	37.8	40.7	39.4	42.8	42.6	46.8	42.1	50.5	48.5	54.5	46.8	51.1	49.8	112.1
Critical Care	59.2	71.4	62.3	60.6	63.0	57.5	60.3	60.9	71.0	75.6	74.1	76.0	78.3	87.3	181.3
Others	3.6	3.5	3.0	3.3	3.0	3.3	3.2	3.5	3.0	3.5	3.4	4.1	3.4	3.1	8.4
<b>Consolidated</b>	<b>455.2</b>	<b>534.2</b>	<b>547.3</b>	<b>569.4</b>	<b>583.4</b>	<b>597.6</b>	<b>643.7</b>	<b>636.6</b>	<b>670.4</b>	<b>680.8</b>	<b>689.2</b>	<b>686.1</b>	<b>650.7</b>	<b>695.2</b>	<b>1,476.1</b>

# Quarterly operating income

AsahiKASEI

(¥ billion)

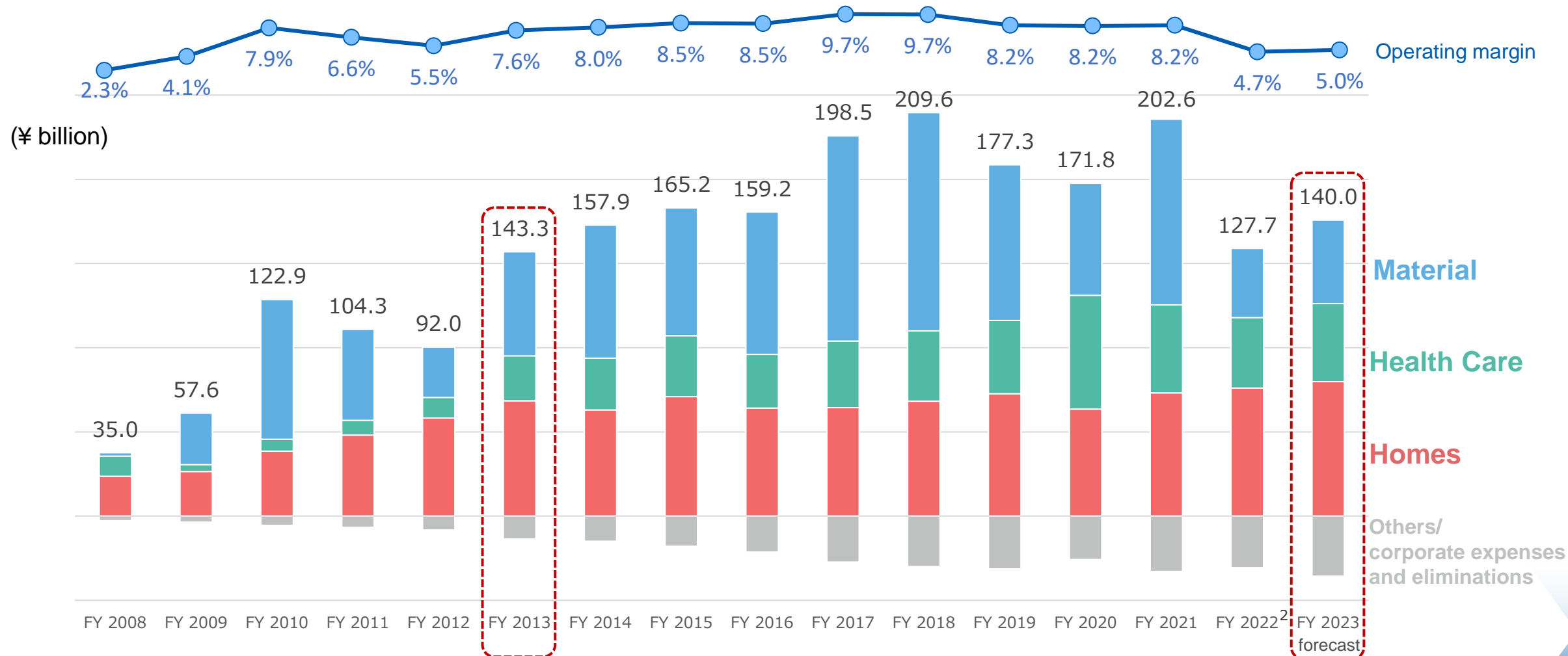
	FY 2020 (recalculated)				FY 2021 (recalculated)				FY 2022				FY 2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 <sup>1</sup>	Q4 <sup>1</sup>	Q1	Q2	H2 forecast
<b>Material Segment</b>	<b>8.0</b>	<b>11.0</b>	<b>20.9</b>	<b>23.0</b>	<b>31.1</b>	<b>27.5</b>	<b>29.8</b>	<b>17.6</b>	<b>26.8</b>	<b>13.9</b>	<b>8.1</b>	<b>(7.7)</b>	<b>7.6</b>	<b>10.1</b>	<b>31.8</b>
Environmental Solutions	1.9	4.4	8.2	13.0	14.3	14.5	13.8	6.2	10.2	2.4	(2.6)	(12.2)	(0.7)	(1.1)	6.0
of which, Basic Materials	(1.0)	2.0	4.2	8.9	8.2	10.8	10.0	6.4	8.3	1.2	(4.2)	(8.5)	(5.1)	(2.9)	2.0
Mobility & Industrial	(3.3)	0.8	3.9	6.3	8.2	5.0	5.4	7.1	5.2	3.9	0.5	1.2	3.0	3.9	6.7
Life Innovation	8.2	6.6	9.0	5.5	10.2	8.9	10.8	4.9	12.1	7.5	7.7	0.6	4.5	7.2	18.8
of which, Digital Solutions	3.1	2.8	3.8	3.6	4.3	4.6	4.6	3.4	6.7	3.8	3.2	0.5	2.0	3.3	11.8
Others in Material	1.2	(0.8)	(0.3)	(1.8)	(1.6)	(1.1)	(0.2)	(0.6)	(0.6)	0.1	2.5	2.7	0.8	0.2	0.2
<b>Homes Segment</b>	<b>10.6</b>	<b>20.9</b>	<b>16.4</b>	<b>15.2</b>	<b>15.1</b>	<b>18.1</b>	<b>22.3</b>	<b>17.3</b>	<b>15.3</b>	<b>18.3</b>	<b>18.5</b>	<b>23.3</b>	<b>13.4</b>	<b>21.9</b>	<b>44.4</b>
Homes	9.8	19.6	15.5	14.8	14.7	17.3	21.3	17.3	15.0	17.9	17.9	23.1	12.5	20.2	43.3
Construction Materials	1.0	1.3	1.1	0.0	0.4	0.8	1.0	0.0	0.3	0.4	0.6	0.1	0.9	1.7	1.2
<b>Health Care Segment</b>	<b>15.5</b>	<b>19.9</b>	<b>20.4</b>	<b>11.8</b>	<b>20.5</b>	<b>13.8</b>	<b>15.9</b>	<b>2.0</b>	<b>14.8</b>	<b>11.0</b>	<b>11.4</b>	<b>4.6</b>	<b>9.6</b>	<b>10.3</b>	<b>26.6</b>
Health Care	5.7	5.1	8.8	3.4	7.6	5.9	9.0	(0.7)	10.0	4.5	7.9	0.5	5.1	2.4	10.0
Critical Care	9.8	14.8	11.7	8.4	12.9	7.8	6.9	2.7	4.8	6.5	3.5	4.1	4.5	7.9	16.6
Others	0.8	1.0	0.9	1.5	0.5	1.2	0.9	1.5	0.6	1.2	0.8	1.7	0.6	1.0	0.9
Corporate expenses and eliminations	(4.8)	(6.1)	(5.8)	(9.2)	(6.7)	(7.9)	(8.0)	(9.8)	(8.1)	(7.9)	(8.6)	(10.2)	(9.4)	(9.2)	(19.6)
<b>Consolidated</b>	<b>30.1</b>	<b>46.7</b>	<b>52.7</b>	<b>42.3</b>	<b>60.5</b>	<b>52.6</b>	<b>60.9</b>	<b>28.6</b>	<b>49.4</b>	<b>36.4</b>	<b>30.3</b>	<b>11.7</b>	<b>21.8</b>	<b>34.1</b>	<b>84.1</b>

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



# Operating income trend<sup>1</sup>

With steady income growth in Homes and income expanding in Health Care, overall income structure in FY 2023 is more resilient than in FY 2013 when a similar level of total operating income was recorded; profitability in Material is the issue for income growth moving forward



<sup>1</sup> Results of past fiscal years are reclassified to the current disclosure segments with simplified calculation for reference

<sup>2</sup> Figures for fiscal 2022 retroactively revised to reflect result of PPA (purchase price allocation) completed in Q1 2023 related to Focus Companies acquired on October 31, 2022

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

- For comparison purposes, results of past fiscal years are recalculated in accordance with the new classifications from FY 2022
- The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.
- Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.
- EBITDA = operating income, depreciation, and amortization (tangible, intangible, and goodwill)

**Schedule for announcement  
of financial results for  
3rd quarter fiscal 2023**

**February 7, 2024 (JST)**