



# **Fiscal quarter ended June 2021**

## **– supplementary financial summary –**

August 6, 2021

Asahi Kasei Corporation

# Contents

## 1. Consolidated results for fiscal quarter ended June 2021

4	Summary of financial results
5	Sales and operating income by segment
6	Statements of income
7	Balance sheets
8	Cash flows

## 2. Forecast for first half fiscal 2021

10	Consolidated operating performance forecast
11	Sales and operating income forecast by segment

## 3. Appendix

13	Sales and operating income increase/decrease by segment
14-15	Sales and operating income increase/decrease by business category
16	Overseas sales
17	Extraordinary income and loss
18-19	Sales and operating income forecast by business category
20-26	Overview of results by segment
27-28	Quarterly sales and operating income

### 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.



# **1. Consolidated results for fiscal quarter ended June 2021**

# Summary of financial results

- Net sales, operating income, ordinary income, and net income each reached record highs for Q1
- Increased sales and operating income in all 3 segments, especially Material which was particularly impacted by COVID-19

(¥ billion)

	Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change
Net sales	455.2	583.4	128.3	+28.2%
Operating income	30.1	60.5	30.4	+101.0%
Ordinary income	30.2	65.2	34.9	+115.6%
Net income attributable to owners of the parent	13.6	46.4	32.8	+241.7%
¥/US\$ exchange rate (market average)	108	110	2	
¥/€ exchange rate (market average)	118	132	13	

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

# Sales and operating income by segment

- Material: Recovery of automobile-related markets, rapid rise of market prices for petrochemical products with demand recovery; considerably increased sales and income
- Homes: Consolidation of McDonald Jones, etc., firm performance of overseas businesses, change in method of revenue recognition for order-built homes; increased sales and income
- Health Care: Strong performance of mainstay defibrillators business in Critical Care, firm performance of pharmaceuticals and medical devices; increased sales and income

## Net sales

	Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change
Material	204.7	276.8	72.1	+35.2%
Homes <sup>2</sup>	150.9	197.6	46.7	+31.0%
Health Care	95.7	105.8	10.1	+10.5%
Others	3.9	3.2	(0.6)	-16.2%
Consolidated	455.2	583.4	128.3	+28.2%

## Operating income

Material	8.9	32.1	23.2	+261.4%
Homes <sup>2</sup>	10.8	15.2	4.4	+41.1%
Health Care	15.5	20.5	5.0	+32.1%
Others	0.7	0.3	(0.4)	-54.2%
Corporate expenses and eliminations	(5.8)	(7.6)	(1.8)	—
Consolidated	30.1	60.5	30.4	+101.0%

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021, the effect of which on Q1 consolidated results is as follows; sales decrease of ¥7,517 million and operating income decrease of ¥4 million in Material, sales increase of ¥7,871 million and operating income increase of ¥1,751 million in Homes, and sales decrease of ¥50 million and operating income increase of ¥22 million in Health Care.

<sup>2</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes segment from Q1 2021.

# Statements of income

- SG&A: Effect of newly consolidated companies such as McDonald Jones, increased expenses for R&D and logistics
- Non-operating income/expense: Improvement of equity in earnings/losses of affiliates with improved performance at PTT Asahi Chemical Company Limited
- Extraordinary income/loss<sup>1</sup>: Gain on sales of investment securities due to sales of strategic shareholdings, gain on step acquisitions related to McDonald Jones acquisition

	Q1 2020		Q1 2021 <sup>2</sup>		(¥ billion)	
		% of sales		% of sales	Increase (decrease)	% change
Net sales	455.2	100.0%	583.4	100.0%	128.3	+28.2%
Cost of sales	305.3	67.1%	388.1	66.5%	82.8	+27.1%
Gross profit	149.9	32.9%	195.4	33.5%	45.5	+30.4%
Selling, general and administrative expenses	119.8	26.3%	134.9	23.1%	15.1	+12.6%
Operating income	30.1	6.6%	60.5	10.4%	30.4	+101.0%
Net non-operating income (expenses)	0.1		4.7		4.5	
of which,						
net financing income (expense)	1.3		0.9		(0.4)	
net equity in earnings (losses) of affiliates	(0.1)		3.7		3.8	
foreign exchange gains (loss)	(0.4)		0.2		0.6	
Ordinary income	30.2	6.6%	65.2	11.2%	34.9	+115.6%
Net extraordinary income (loss)	(4.8)		3.2		8.0	
Income before income taxes	25.5	5.6%	68.4	11.7%	42.9	+168.7%
Income taxes	(11.2)		(21.6)		(10.5)	
Net income attributable to non-controlling interests	(0.7)		(0.4)		0.4	
Net income attributable to owners of the parent	13.6	3.0%	46.4	8.0%	32.8	+241.7%

<sup>1</sup> Refer to p. 17 for a breakdown.

<sup>2</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

# Balance sheets

- Total assets: Goodwill, etc. recorded on acquisition of Respicardia and others, increased PPE with capital expenditure, increased contract assets and decreased inventories due to application of the Accounting Standard for Revenue Recognition
- Liabilities: Interest-bearing debt increased by ¥40.9 billion
- Net assets: Increased retained earnings with recording of net income
- D/E ratio of 0.47 within targeted range of around 0.5

	At end of Mar. 2021	At end of Jun. 2021	Increase (decrease)		At end of Mar. 2021	At end of Jun. 2021	Increase (decrease)
Current assets	1,136.8	1,138.4	1.6	Liabilities	1,424.4	1,451.7	27.3
Cash and deposits	221.8	221.1	(0.6)	Current liabilities	703.2	738.5	35.3
Notes and accounts receivable– trade, and contract assets	338.6	371.7	33.0	Noncurrent liabilities	721.2	713.3	(8.0)
Inventories	481.5	453.9	(27.5)	Net assets	1,494.5	1,524.0	29.5
Other current assets	94.9	91.7	(3.2)	Shareholders' equity	1,335.9	1,367.5	31.6
Noncurrent assets	1,782.2	1,837.3	55.2	Capital stock	103.4	103.4	–
Property, plant and equipment	717.3	737.8	20.6	Capital surplus	79.6	79.6	(0.1)
Intangible assets	694.4	728.7	34.3	Retained earnings	1,158.8	1,190.5	31.7
Investments and other assets	370.5	370.8	0.3	Treasury stock	(5.9)	(5.9)	(0.0)
				Accumulated other comprehensive income	131.6	128.4	(3.2)
				Non-controlling interests	27.1	28.1	1.1
<b>Total assets</b>	<b>2,918.9</b>	<b>2,975.7</b>	<b>56.8</b>	<b>Total liabilities and net assets</b>	<b>2,918.9</b>	<b>2,975.7</b>	<b>56.8</b>
Goodwill	351.9	375.8	23.9				
Interest-bearing debt <sup>1</sup>	659.0	699.9	40.9				
D/E ratio	0.45	0.47	0.02				

<sup>1</sup> Excluding lease obligations.

# Cash flows

- Operating: Increased income before income taxes, but decrease in cash provided as working capital such as accounts receivable increased with sales recovery
- Investing: Increase in cash used due to acquisitions of Respicardia and McDonald Jones
- Financing: Cash provided even after dividends payment due to fundraising

(¥ billion)

	Q1 2020	Q1 2021
a. Net cash provided by (used in) operating activities	50.1	30.2
b. Net cash provided by (used in) investing activities	(32.8)	(39.7)
c. Free cash flows [a+b]	17.3	(9.5)
d. Net cash provided by (used in) financing activities	(16.4)	11.6
e. Effect of exchange rate change on cash and cash equivalents	(0.5)	0.3
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	0.3	2.4
g. Cash and cash equivalents at beginning of period	204.8	216.2
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	1.7	1.1
i. Cash and cash equivalents at end of period [f+g+h]	206.8	219.7





## **2. Forecast for first half fiscal 2021**

# Consolidated operating performance forecast

- H1 net sales and operating income forecasted to reach record highs, exceeding H1 FY19 pre-pandemic level  
vs. H1 FY20: Sales and income growth with recovery in Material  
vs. May forecast: Upward revision of net sales and operating income in all 3 segments with strong Q1 performance especially in Material
- Downward revision of net income with rescheduling of tax effect from reconfiguration of Veloxis organizations from H1 to H2
- Dividends of ¥17 per share forecasted

(¥ billion, unless otherwise specified)

	H1 2020			H1 2021 forecast <sup>1</sup>			Increase (decrease)	% change	H1 2021 forecast in May	Increase (decrease)
	Q1	Q2	Total a	Q1	Q2 forecast	Total b				
Net sales	455.2	534.2	989.4	583.4	614.5	1,198.0	208.6	+21.1%	1,149.0	49.0
Operating income	30.1	46.7	76.8	60.5	45.5	106.0	29.2	+38.1%	88.5	17.5
Ordinary income	30.2	47.3	77.5	65.2	44.8	110.0	32.5	+42.0%	91.5	18.5
Net income attributable to owners of the parent	13.6	33.2	46.8	46.4	25.6	72.0	25.2	+53.9%	87.0	(15.0)
¥/US\$ exchange rate (market average)	108	106	107	110	110	110	3		105	5
¥/€ exchange rate (market average)	118	124	121	132	130	131	10		120	11
Dividends per share (¥)			17			17 (forecast)				

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

# Sales and operating income forecast by segment

## Compared to May forecast

- Material: Upward revision with strong performance in Q1, market price rise for petrochemical products exceeding expectations, firm sales of lithium-ion battery (LIB) separator forecasted
- Homes: Upward revision with firm performance of overseas businesses forecasted
- Health Care: Upward revision with firm performance of mainstay businesses in Critical Care such as conventional defibrillators and LifeVest wearable defibrillator

### Net sales

(¥ billion)

	H1 2020			H1 2021 forecast <sup>1</sup>			Increase (decrease) b-a	% change	H1 2021 forecast in May c	Increase (decrease) b-c
	Q1	Q2	Total a	Q1	Q2 forecast	Total b				
Material	204.7	233.7	438.4	276.8	308.2	585.0	146.6	+33.5%	556.0	29.0
Homes <sup>2</sup>	150.9	187.8	338.7	197.6	202.4	400.0	61.3	+18.1%	387.0	13.0
Health Care	95.7	109.2	204.9	105.8	100.2	206.0	1.1	+0.6%	199.0	7.0
Others	3.9	3.6	7.5	3.2	3.8	7.0	(0.4)	-5.6%	7.0	–
Consolidated	455.2	534.2	989.4	583.4	614.5	1,198.0	208.6	+21.1%	1,149.0	49.0

### Operating income

Material	8.9	12.0	20.8	32.1	26.9	59.0	38.2	+183.2%	46.5	12.5
Homes <sup>2</sup>	10.8	20.9	31.7	15.2	15.8	31.0	(0.7)	-2.2%	30.0	1.0
Health Care	15.5	19.9	35.4	20.5	11.5	32.0	(3.4)	-9.6%	28.0	4.0
Others	0.7	1.0	1.7	0.3	0.7	1.0	(0.7)	-41.9%	1.0	–
Corporate expenses and eliminations	(5.8)	(7.1)	(12.9)	(7.6)	(9.4)	(17.0)	(4.1)	–	(17.0)	–
Consolidated	30.1	46.7	76.8	60.5	45.5	106.0	29.2	+38.1%	88.5	17.5

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>2</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes segment from Q1 2021.



# 3. Appendix

# Sales and operating income increase/decrease by segment

(¥ billion)

		Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others <sup>1</sup>
Material	Sales	204.7	276.8	72.1	+35.2%	51.9	[2] 17.8	3.1	2.4
	Operating income	8.9	32.1	23.2	+261.4%	[1] 16.3			[3] (10.9)
Homes <sup>2</sup>	Sales	150.9	197.6	46.7	+31.0%	6.7	[4] 3.6	–	36.5
	Operating income	10.8	15.2	4.4	+41.1%	(1.3)			[5] 2.1
Health Care	Sales	95.7	105.8	10.1	+10.5%	8.5	(0.8)	0.5	2.4
	Operating income	15.5	20.5	5.0	+32.1%	[6] 6.5			(0.7)
Others	Sales	3.9	3.2	(0.6)	-16.2%	(0.6)	–	–	–
	Operating income	0.7	0.3	(0.4)	-54.2%	(0.1)			(0.3)
Corporate expenses and eliminations	Operating income	(5.8)	(7.6)	(1.8)	–	–	–	–	(1.8)
Consolidated	Sales	455.2	583.4	128.3	+28.2%	66.4	20.6	3.6	41.3
	Operating income	30.1	60.5	30.4	+101.0%	21.4			(11.6)

## Major factors affecting operating income

[1] Increased shipments of automobile-related products and apparel-related products

[2] Increased market prices for petrochemicals with demand recovery

[3] Higher feedstock prices

[4] Higher average unit prices due to increased deliveries of larger order-built homes

[5] Impact of application of the Accounting Standard for Revenue Recognition, and of consolidation of McDonald Jones Homes, etc.

[6] Increased shipments of defibrillators and Teribone osteoporosis drug

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021, the effect of which on Q1 consolidated results is as follows and included in “Others”; sales decrease of ¥7,517 million and operating income decrease of ¥4 million in Material, sales increase of ¥7,871 million and operating income increase of ¥1,751 million in Homes, and sales decrease of ¥50 million and operating income increase of ¥22 million in Health Care.

<sup>2</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes segment from Q1 2021.

# Sales and operating income increase/decrease by business category<sup>1</sup> (i)

(¥ billion)

		Q1 2020	Q1 2021 <sup>2</sup>	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others <sup>2</sup>
Basic Materials	Sales	57.5	79.1	21.6	+37.6%	12.5	11.2	0.1	(2.1)
	Operating income	(1.7)	10.1	11.8	–	2.3			(1.8)
Performance Products	Sales	68.2	110.3	42.1	+61.8%	29.5	5.6	1.7	7.0
	Operating income	1.4	10.6	9.3	–	11.1			(7.5)
Specialty Solutions	Sales	70.0	78.2	8.2	+11.7%	8.6	0.9	1.3	(1.4)
	Operating income	7.8	12.9	5.1	+65.2%	2.9			1.2
Others in Material	Sales	9.0	9.2	0.2	+2.0%	1.2	–	–	(1.0)
	Operating income	1.4	(1.5)	(2.9)	–	(0.0)			(2.9)
Homes <sup>3</sup>	Sales	139.1	187.2	48.1	+34.6%	7.7	3.6	–	36.9
	Operating income	9.8	14.7	4.9	+50.4%	(0.5)			1.8
Construction Materials	Sales	11.9	10.4	(1.4)	-12.1%	(1.0)	(0.0)	–	(0.4)
	Operating income	1.1	0.4	(0.6)	-59.8%	(0.8)			0.2

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021, the effect of which is included in “Others”.

<sup>3</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes business category from Q1 2021.

# Sales and operating income increase/decrease by business category<sup>1</sup> (ii)

(¥ billion)

		Q1 2020	Q1 2021 <sup>2</sup>	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others <sup>2</sup>
Health Care	Sales	36.5	42.8	6.2	+17.1%	4.9	(0.9)	0.0	2.2
	Operating income	5.7	7.6	1.9	+32.8%	3.4			(0.7)
Critical Care	Sales	59.2	63.0	3.8	+6.5%	3.6	0.1	0.5	0.1
	Operating income	9.8	12.9	3.1	+31.7%	3.1			(0.0)
Others	Sales	3.9	3.2	(0.6)	-16.2%	(0.6)	-	-	-
	Operating income	0.7	0.3	(0.4)	-54.2%	(0.1)			(0.3)
Corporate expenses and eliminations	Operating income	(5.8)	(7.6)	(1.8)	-	-	-	-	(1.8)
Consolidated	Sales	455.2	583.4	128.3	+28.2%	66.4	20.6	3.6	41.3
	Operating income	30.1	60.5	30.4	+101.0%	21.4			(11.6)

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021, the effect of which is included in "Others".

# Overseas sales

(¥ billion)

	Q1 2020			Q1 2021 <sup>1</sup>			Increase (decrease)	% change
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		
<b>Material segment</b>	204.7	107.6	52.6%	276.8	174.3	63.0%	66.7	+62.0%
Basic Materials	57.5	25.3	44.0%	79.1	43.8	55.4%	18.5	+73.2%
Performance Products	68.2	34.5	50.6%	110.3	73.8	66.9%	39.3	+114.0%
Specialty Solutions	70.0	47.5	67.9%	78.2	55.9	71.6%	8.4	+17.7%
Others	9.0	0.3	3.2%	9.2	0.8	8.6%	0.5	+175.6%
<b>Homes segment</b>	150.9	4.1	2.7%	197.6	36.7	18.6%	32.6	—
Homes <sup>2</sup>	139.1	4.1	3.0%	187.2	36.7	19.6%	32.6	—
Construction Materials	11.9	—	—	10.4	0.0	0.0%	0.0	—
<b>Health Care segment</b>	95.7	74.3	77.6%	105.8	81.6	77.1%	7.3	+9.9%
Health Care	36.5	15.5	42.4%	42.8	19.1	44.7%	3.6	+23.3%
Critical Care	59.2	58.8	99.3%	63.0	62.5	99.1%	3.7	+6.3%
<b>Others</b>	3.9	0.4	10.8%	3.2	0.4	11.7%	(0.0)	-9.4%
<b>Total</b>	455.2	186.4	41.0%	583.4	293.0	50.2%	106.6	+57.2%

Asia		84.6	18.6%		127.2	21.8%	42.6	+50.3%
of which, sales to China		44.6	9.8%		57.8	9.9%	13.3	+29.8%
The Americas		69.2	15.2%		95.3	16.3%	26.0	+37.6%
Europe		26.4	5.8%		39.1	6.7%	12.8	+48.4%
Other countries		6.2	1.4%		31.5	5.4%	25.2	—

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>2</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes business category from Q1 2021.



# Extraordinary income and loss

(¥ billion)

	Q1 2020	Q1 2021	Increase (decrease)
Gain on sales of investment securities	0.0	5.6	5.6
Gain on sales of noncurrent assets	0.1	0.3	0.2
Gain on step acquisitions	—	1.7	1.7
<b>Total extraordinary income</b>	<b>0.1</b>	<b>7.6</b>	<b>7.5</b>
Loss on valuation of investment securities	0.0	—	(0.0)
Loss on disposal of noncurrent assets	1.7	1.5	(0.1)
Impairment loss	0.0	0.0	(0.0)
Business structure improvement expenses	3.1	2.8	(0.3)
<b>Total extraordinary loss</b>	<b>4.8</b>	<b>4.4</b>	<b>(0.4)</b>
<b>Net extraordinary income (loss)</b>	<b>(4.8)</b>	<b>3.2</b>	<b>8.0</b>

# Sales forecast by business category

(¥ billion)

	H1 2020			H1 2021 forecast <sup>1</sup>			Increase (decrease) b-a	% change	H1 2021 forecast in May c	Increase (decrease) b-c
	Q1	Q2	Total a	Q1	Q2 forecast	Total b				
Basic Materials	57.5	59.2	116.7	79.1	91.9	171.0	54.3	+46.6%	154.0	17.0
Performance Products	68.2	90.7	158.9	110.3	119.7	230.0	71.1	+44.7%	228.0	2.0
Specialty Solutions	70.0	74.6	144.6	78.2	87.8	166.0	21.4	+14.8%	157.0	9.0
Others in Material	9.0	9.2	18.2	9.2	8.8	18.0	(0.2)	-1.2%	17.0	1.0
Homes <sup>2</sup>	139.1	175.3	314.4	187.2	190.8	378.0	63.6	+20.2%	363.0	15.0
Construction Materials	11.9	12.5	24.3	10.4	11.6	22.0	(2.3)	-9.6%	24.0	(2.0)
Health Care	36.5	37.8	74.3	42.8	43.2	86.0	11.7	+15.7%	87.0	(1.0)
Critical Care	59.2	71.4	130.6	63.0	57.0	120.0	(10.6)	-8.1%	112.0	8.0
Others	3.9	3.6	7.5	3.2	3.8	7.0	(0.4)	-5.6%	7.0	—
Consolidated	455.2	534.2	989.4	583.4	614.5	1,198.0	208.6	+21.1%	1,149.0	49.0

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>2</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes business category from Q1 2021.

# Operating income forecast by business category<sup>1</sup>

(¥ billion)

	H1 2020			H1 2021 forecast <sup>2</sup>			Increase (decrease) b-a	% change	H1 2021 forecast in May c	Increase (decrease) b-c
	Q1	Q2	Total a	Q1	Q2 forecast	Total b				
Basic Materials	(1.7)	1.8	0.1	10.1	8.9	19.0	18.9	–	12.0	7.0
Performance Products	1.4	3.4	4.8	10.6	8.4	19.0	14.2	+296.1%	17.5	1.5
Specialty Solutions	7.8	7.4	15.2	12.9	10.1	23.0	7.8	+51.2%	18.0	5.0
Others in Material	1.4	(0.7)	0.7	(1.5)	(0.5)	(2.0)	(2.7)	–	(1.0)	(1.0)
Homes <sup>3</sup>	9.8	19.6	29.4	14.7	15.3	30.0	0.6	+2.1%	28.5	1.5
Construction Materials	1.1	1.3	2.4	0.4	0.6	1.0	(1.4)	-58.4%	1.5	(0.5)
Health Care	5.7	5.1	10.8	7.6	4.4	12.0	1.2	+10.8%	12.0	–
Critical Care	9.8	14.8	24.6	12.9	7.1	20.0	(4.6)	-18.6%	16.0	4.0
Others	0.7	1.0	1.7	0.3	0.7	1.0	(0.7)	-41.9%	1.0	–
Corporate expenses and eliminations	(5.8)	(7.1)	(13.0)	(7.6)	(9.4)	(17.0)	(4.0)	–	(17.0)	–
Consolidated	30.1	46.7	76.8	60.5	45.5	106.0	29.2	+38.1%	88.5	17.5

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>3</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes business category from Q1 2021.

# Material segment (i)

(¥ billion)

	Sales			
	Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change
<b>Material segment</b>	204.7	276.8	72.1	+35.2%
Basic Materials	57.5	79.1	21.6	+37.6%
Performance Products	68.2	110.3	42.1	+61.8%
Specialty Solutions	70.0	78.2	8.2	+11.7%
Others	9.0	9.2	0.2	+2.0%

	Operating income <sup>2</sup>			
	Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change
<b>Material segment</b>	8.9	32.1	23.2	+261.4%
Basic Materials	(1.7)	10.1	11.8	—
Performance Products	1.4	10.6	9.3	—
Specialty Solutions	7.8	12.9	5.1	+65.2%
Others	1.4	(1.5)	(2.9)	—

## Basic Materials

### Operating income increase:

- (+) Inventory valuation gain by the gross average method due to increased feedstock prices

### Highlights

- July, announcement of license agreement for a technology package to manufacture high-purity ethylene carbonate and dimethyl carbonate using CO<sub>2</sub> as main feedstock

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>2</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

# Material segment (ii)

## Performance Products

### Operating income increase:

- (+) Increased shipments of automobile-related products
- (+) Increased shipments of fiber products for apparel applications
- (+) Inventory valuation gain by the gross average method due to increased feedstock prices

### Highlights

- August, decision to optimize the global strategy of ROICA spandex business; discontinuation of production and sales at a German subsidiary

## Specialty Solutions

### Operating income increase:

- (+) Increased shipments of LIB separator

### Highlights

- May, announcement of discontinuation of acrylic latex and photocatalyst coating businesses and closure of Wakayama Plant

# Homes segment (i)

(¥ billion)

	Net sales			
	Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change
<b>Homes segment</b>	150.9	197.6	46.7	+31.0%
Homes	139.1	187.2	48.1	+34.6%
Order-built homes, etc.	80.7	91.2	10.5	+13.0%
Real estate	41.5	45.9	4.4	+10.6%
Remodeling	12.0	13.0	0.9	+7.5%
Overseas business, etc. <sup>2</sup>	4.8	37.2	32.4	—
Construction Materials	11.9	10.4	(1.4)	-12.1%

	Operating income <sup>3</sup>			
	Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change
<b>Homes segment</b>	10.8	15.2	4.4	+41.1%
Homes	9.8	14.7	4.9	+50.4%
Order-built homes, etc.	3.6	5.7	2.1	+57.7%
Real estate	5.2	5.6	0.4	+8.2%
Remodeling	1.0	1.1	0.0	+4.3%
Overseas business, etc. <sup>2</sup>	0.0	2.4	2.4	—
Construction Materials	1.1	0.4	(0.6)	-59.8%

## Operating income increase:

- (+) Higher average unit prices due to increased deliveries of larger order-built homes
- (+) Effect of application of the Accounting Standard for Revenue Recognition
- (+) Consolidation of McDonald Jones, etc.

## Home order trend

- Year-on-year 91.5% increase in value of new orders for order-built homes with recovery from the significant impact of COVID-19

## Highlights

- April, agreement to acquire controlling interest in McDonald Jones in Australia; consolidation in June

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>2</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included from Q1 2021.

<sup>3</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

# Homes segment (ii)

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

		Value of new orders during the term	Sales of order-built homes, etc.				Sales of real estate				Sales of remodeling	Other sales <sup>2,3</sup>	Consolidated	Order backlog
			Unit homes	Multi-dwelling homes	Other <sup>1</sup>	Total	Pre-built homes	Rental housing	Other	Total				
FY17	H1	193.1 (-6.5%)	143.2	36.7	2.7	182.7	12.0	45.3	1.6	59.0	26.8	1.1	269.6	528.9
	H2	212.5 (+9.4%)	161.7	58.8	3.6	224.1	14.7	47.8	2.5	65.1	28.4	1.1	318.7	520.9
	annual	405.6 (+1.2%)	304.9	95.6	6.3	406.8	26.8	93.2	4.2	124.1	55.2	2.2	588.3	
FY18	H1	210.1 (+8.8%)	136.4	36.8	2.3	175.5	16.8	49.7	1.6	68.1	27.2	1.0	271.8	557.8
	H2	241.5 (+13.6%)	162.8	61.4	4.0	228.2	13.2	52.1	2.1	67.4	31.2	6.1	332.9	575.0
	annual	451.6 (+11.3%)	299.3	98.1	6.3	403.7	29.9	101.8	3.7	135.4	58.4	7.1	604.7	
FY19	H1	201.9 (-3.9%)	144.0	43.9	9.4	197.3	7.6	54.4	2.3	64.3	32.0	11.3	304.9	589.0
	H2	198.4 (-17.8%)	146.9	62.3	9.2	218.4	28.0	56.8	2.8	87.6	29.4	9.0	344.4	578.2
	annual	400.3 (-11.3%)	290.9	106.2	18.6	415.7	35.5	111.2	5.1	151.9	61.3	20.4	649.3	
FY20	H1	145.3 (-28.1%)	132.8	46.9	8.1	187.8	30.9	58.1	2.1	91.0	25.8	9.8	314.4	543.8
	H2	181.3 (-8.6%)	136.6	61.1	9.2	206.9	11.1	60.8	7.1	79.0	27.2	17.4	330.4	527.5
	annual	326.6 (-18.4%)	269.3	108.0	17.4	394.7	42.0	118.9	9.1	170.1	52.9	27.2	644.8	
FY21 <sup>4</sup>	Q1	91.2 (+91.5%)	61.2	24.8	5.1	91.2	13.3	31.0	1.6	45.9	13.0	37.2	187.2	540.9
	Q2 forecast	110.7 (+13.4%)				100.8	6.7	31.5	1.9	40.1	14.0	35.8	190.8	558.4
	H1 forecast	201.9 (+39.0%)				192.0	20.0	62.5	3.5	86.0	27.0	73.0	378.0	

<sup>1</sup> Income from maintenance service which was previously included in SG&A is included in sales beginning with FY 2019.

<sup>2</sup> Results of Erickson Framing Operations LLC and its consolidated subsidiaries are included from Q4 2018.

<sup>3</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included from Q1 2021.

<sup>4</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021. Order backlog shown above remains based on the previous method.

# Health Care segment (i)

(¥ billion)

	Sales			
	Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change
<b>Health Care segment</b>	95.7	105.8	10.1	+10.5%
Health Care	36.5	42.8	6.2	+17.1%
Critical Care	59.2	63.0	3.8	+6.5%

	Operating income <sup>2</sup>			
	Q1 2020	Q1 2021 <sup>1</sup>	Increase (decrease)	% change
<b>Health Care segment</b>	15.5	20.5	5.0	+32.1%
Health Care	5.7	7.6	1.9	+32.8%
Critical Care	9.8	12.9	3.1	+31.7%

## Operating income increase:

- (+) Gain on accounting treatments associated with acquisition of Respicardia
- (+) Increased shipments of defibrillators
- (+) Increased shipments of Teribone osteoporosis drug

## Highlights

- April, acquisition of Respicardia in the US by ZOLL
- April, global license agreement by Veloxis for FR104, a CD28 antagonist monoclonal antibody fragment, for all transplant indications
- July, decision to double production capacity for Planova BioEX virus removal filters by Asahi Kasei Medical
- July, license agreement by Asahi Kasei Pharma for marketing in Japan of Plaquenil Tablets 200 mg, an immunomodulator

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>2</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.



# Health Care segment (ii)

## Sales of Health Care business category

(¥ billion)

	FY 2020		FY 2021
	Q1	H1	Q1
Pharmaceuticals	18.0	37.9	22.7
Medical devices	18.5	36.4	20.1
Total	36.5	74.3	42.8

## Main pharmaceuticals sales

(Sales region, monetary unit)	FY 2020		FY 2021
	Q1	H1	Q1
Asahi Kasei Pharma			
Teribone (Japan, ¥ billion)	6.6	14.3	9.0
Recomodulin (Japan, ¥ billion)	2.4	4.8	2.2
Kevzara (Japan, ¥ billion)	1.2	2.4	1.6
Reclast (Japan, ¥ billion)	0.3	0.6	0.3
Veloxis Pharmaceuticals			
Envarsus XR (US, \$ million)	27	60	34

# Health Care segment (iii)

## Main pharmaceuticals products

	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
Envarsus XR	Tacrolimus extended-release tablets	Immunosuppressant drug	Kidney transplantation	Tablet

## Pharmaceutical pipeline

Development stage	Code name, form, generic name	Classification	Indication	Region	Origin	Remarks
Phase III	AK1820, injection/capsule, isavuconazole	Antifungal agent	Invasive fungal infections	Japan	Licensed	
Phase II	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Chemotherapy-induced peripheral neuropathy (CIPN)	Japan	In-house	Additional indication
Phase II	AK1830, oral	Analgesic	Pain associated with osteoarthritis	Japan	Licensed	
Phase II			Chronic low back pain			
Pending approval (overseas)	HE-69, tablet, mizoribine	Immunosuppressant	Lupus nephritis, nephrotic syndrome	China	In-house	Additional indication
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Severe sepsis with coagulopathy	United States, Europe, etc.	In-house	

# Quarterly sales

(¥ billion)

	FY 2020				FY 2021 <sup>1</sup>	FY 2021 <sup>1</sup>
	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Material segment	204.7	233.7	267.2	285.6	276.8	308.2
Basic Materials	57.5	59.2	69.0	83.2	79.1	91.9
Performance Products	68.2	90.7	107.5	109.2	110.3	119.7
Specialty Solutions	70.0	74.6	80.4	82.1	78.2	87.8
Others	9.0	9.2	10.3	11.1	9.2	8.8
Homes segment	150.9	187.8	173.6	180.3	197.6	202.4
Homes <sup>2</sup>	139.1	175.3	161.0	169.4	187.2	190.8
Construction Materials	11.9	12.5	12.6	10.9	10.4	11.6
Health Care segment	95.7	109.2	103.0	100.0	105.8	100.2
Health Care	36.5	37.8	40.7	39.4	42.8	43.2
Critical Care	59.2	71.4	62.3	60.6	63.0	57.0
Others	3.9	3.6	3.4	3.4	3.2	3.8
Consolidated	455.2	534.2	547.3	569.4	583.4	614.5

<sup>1</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>2</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes business category from Q1 2021.

# Quarterly operating income<sup>1</sup>

	FY 2020				FY 2021 <sup>2</sup>	(¥ billion) FY 2021 <sup>2</sup>
	Q1	Q2	Q3	Q4	Q1	Q2 forecast
<b>Material segment</b>	8.9	12.0	21.9	23.7	32.1	26.9
Basic Materials	(1.7)	1.8	4.1	9.8	10.1	8.9
Performance Products	1.4	3.4	7.9	6.0	10.6	8.4
Specialty Solutions	7.8	7.4	10.1	9.5	12.9	10.1
Others	1.4	(0.7)	(0.1)	(1.6)	(1.5)	(0.5)
<b>Homes segment</b>	10.8	20.9	16.5	15.4	15.2	15.8
Homes <sup>3</sup>	9.8	19.6	15.5	14.8	14.7	15.3
Construction Materials	1.1	1.3	1.2	0.1	0.4	0.6
<b>Health Care segment</b>	15.5	19.9	20.4	11.8	20.5	11.5
Health Care	5.7	5.1	8.8	3.4	7.6	4.4
Critical Care	9.8	14.8	11.7	8.4	12.9	7.1
<b>Others</b>	0.7	1.0	0.7	1.4	0.3	0.7
<b>Corporate expenses and eliminations</b>	(5.8)	(7.1)	(6.8)	(10.0)	(7.6)	(9.4)
<b>Consolidated</b>	30.1	46.7	52.7	42.3	60.5	45.5

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> The Accounting Standard for Revenue Recognition is applied beginning with FY 2021.

<sup>3</sup> Results of Australian company McDonald Jones Homes Pty Ltd and its consolidated subsidiaries are included in the Homes business category from Q1 2021.

# AsahiKASEI

## *Creating for Tomorrow*

### THE COMMITMENT OF THE ASAHI KASEI GROUP:

To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.

Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.

This is what we mean by “Creating for Tomorrow.”

