

Asahi Kasei Corp.
August 4, 2017

Verdict of a jury trial for damages related to a consolidated subsidiary

A verdict was issued today in a jury trial of the United States District Court for the District of Massachusetts in litigation instigated by Koninklijke Philips Electronics N.V. and Philips Electronics North America Corporation (hereinafter collectively "Philips") against Asahi Kasei's consolidated subsidiary ZOLL Medical Corporation (hereinafter "ZOLL") on June 18, 2010.

1. Content of the litigation and course leading to the verdict

On June 18, 2010, Philips sued ZOLL in the United States District Court for the District of Massachusetts, alleging that several patents owned by Philips are infringed by certain ZOLL defibrillator products (not including the LifeVest™ wearable defibrillator). On July 12, 2010, ZOLL sued Philips in the same court alleging that several ZOLL patents are infringed by certain Philips defibrillator products. The two cases were consolidated and bifurcated into an initial liability portion and a later damages portion. The liability portion was tried to a jury in December 2013, and the court entered an interlocutory judgment that ZOLL and Philips each infringe certain of the other's patent rights. Following the conclusion of the appeal process relating to the interlocutory judgment, the United States District Court for the District of Massachusetts began a jury trial for the damages portion on July 24, 2017, and a verdict regarding damages of both parties was issued on August 3, 2017 (US Eastern time).

2. Content of verdict and value of damages

- (1) Damages to be paid to ZOLL by Philips US\$3.3 million
 - (2) Damages to be paid to Philips by ZOLL US\$10.4 million
- Philips had been seeking damages of US\$217 million in this lawsuit.

3. Actions moving forward

Asahi Kasei and ZOLL believe that the jury has been fair in awarding reasonable damages, indicating that ZOLL's arguments were recognized.

As the patents of Philips subject to this litigation are already expired, there is no injunction against the manufacture or sale of ZOLL products and will be no royalty payments related to future sales. The verdict therefore has no impact on the future financial results of ZOLL.

4. Impact on Asahi Kasei results

Asahi Kasei had previously recorded a reserve for possible damages related to this litigation. The impact of the verdict on financial results is immaterial.

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