

ATTACHMENT A – GENERAL QUESTIONNAIRE

- 1. Respondent Information:** Provide the following information regarding the Respondent.
(NOTE: Co-Respondents are two or more entities proposing as a team or joint venture with each signing the contract, if awarded. Subcontractors are not Co-Respondents and should not be identified here. If this proposal includes Co-Respondents, provide the required information in this Item #1 for each CO-Respondent by copying and inserting an additional block(s) before Item #2.)

Respondent Name: ZOLL Data Systems, Inc.

(NOTE: Give exact legal name as it will appear on the contract, if awarded.)

Principal Address:

11802 Ridge Pkwy #400

City: Broomfield State: Colorado Zip Code: 80021

Telephone No. 303-801-0000 Fax No. 303-801-0001

Federal Employer Identification Number:

65-0461124

Business Structure: Check the box that indicates the business structure of the Respondent.

- ☐ Individual or Sole Proprietorship If checked, list Assumed Name, if any:

- ☐ Partnership

- ☒ Corporation if checked, check one: ☒ For-Profit ☐ Nonprofit

Also, check one: ☒ Domestic ☐ Foreign

- ☐ Other if checked, list business structure: _____

Printed Name of Contract Signatory: Frederick Barnes

- 2. Contact Information:** List the one person who Pinellas County Government may contact concerning your proposal or setting dates for meetings.

Name: Kayleb Bowes
Address: 11802 Ridge Pkwy #400
City: Broomfield State: Colorado Zip Code: 80021
Telephone No. 832-267-1628 Fax No. Not Applicable
Email: kbowes@zoll.com

- 3.** Does Respondent anticipate any mergers, transfer of organization ownership, management reorganization, or departure of key personnel within the next twelve (12) months?

Yes ☐ No ☒

- 4.** Is Respondent authorized and/or licensed to do business in Florida?

Yes ☒ No ☐ If "Yes," list authorizations/licenses.

- 5.** Where is the Respondent's corporate headquarters located? Broomfield, CO

- 6. Local Operation:** Does the Respondent have an office located in the Tampa, Florida?

Yes ☐ No ☒ If "Yes," respond to a and b below:

- a. How long has the Respondent conducted business from its Florida office?

Years _____ Months _____

- b. State the number of full-time employees at the Florida office. _____

- 7. Surety Information:** Has the Respondent ever had a bond or surety canceled or forfeited?

Yes ☐ No ☒ If "Yes," state the name of the bonding company, date, amount of bond and reason for such cancellation or forfeiture.

8. Bankruptcy Information: Has the Respondent ever been declared bankrupt or filed for protection from creditors under state or federal proceedings?

Yes ☐ No ☒ If "Yes," state the date, court, jurisdiction, cause number, amount of liabilities and amount of assets.

9. Provide any other names under which Respondent has operated within the last 10 years.

Not Applicable.

REFERENCES – Provide three (3) current clients (within three years) using your billing software.

Reference No. 1: (Client)

Firm/Company Name: Community Ambulance Service

Contact name: Brad Gibson Title:

Address: 952 Linden Ave

City: Zanesville State: OH Zip Code: 43701

Telephone No: (740) 454-6800x 8869 Fax No:

Email: bgibson@genesishcs.org

Annual Claim Volume: 50,000

Emergency Transports: Yes ☒ No ☐ Non-emergency Transports: Yes ☐ No ☐

Reference No. 2: (Client)

Firm/Company Name: Community Ambulance, CA

Contact name: Brian Anderson Title: VP of Administration

Address: 91 Corporate Park Dr Suite 120

City: Henderson State: NV Zip Code: 89074

Telephone No: (702) 438-9100 Fax No:

Email: banderson@communityambulance.com

Annual Claim Volume: 100,000

Emergency Transports: Yes ☒ No ☐ Non-emergency Transports: Yes ☐ No ☐

Reference No. 3: (Client)

Firm/Company Name: Coastal Health Systems of Brevard, Inc.

Contact name: Brooke Taylor Title: Chief

Address: 486 Gus Hipp Blvd

City: Rockledge State: FL Zip Code: 32955

Telephone No: (321) 633-7050 Fax No:

Email: broocket@coastalhealth.org

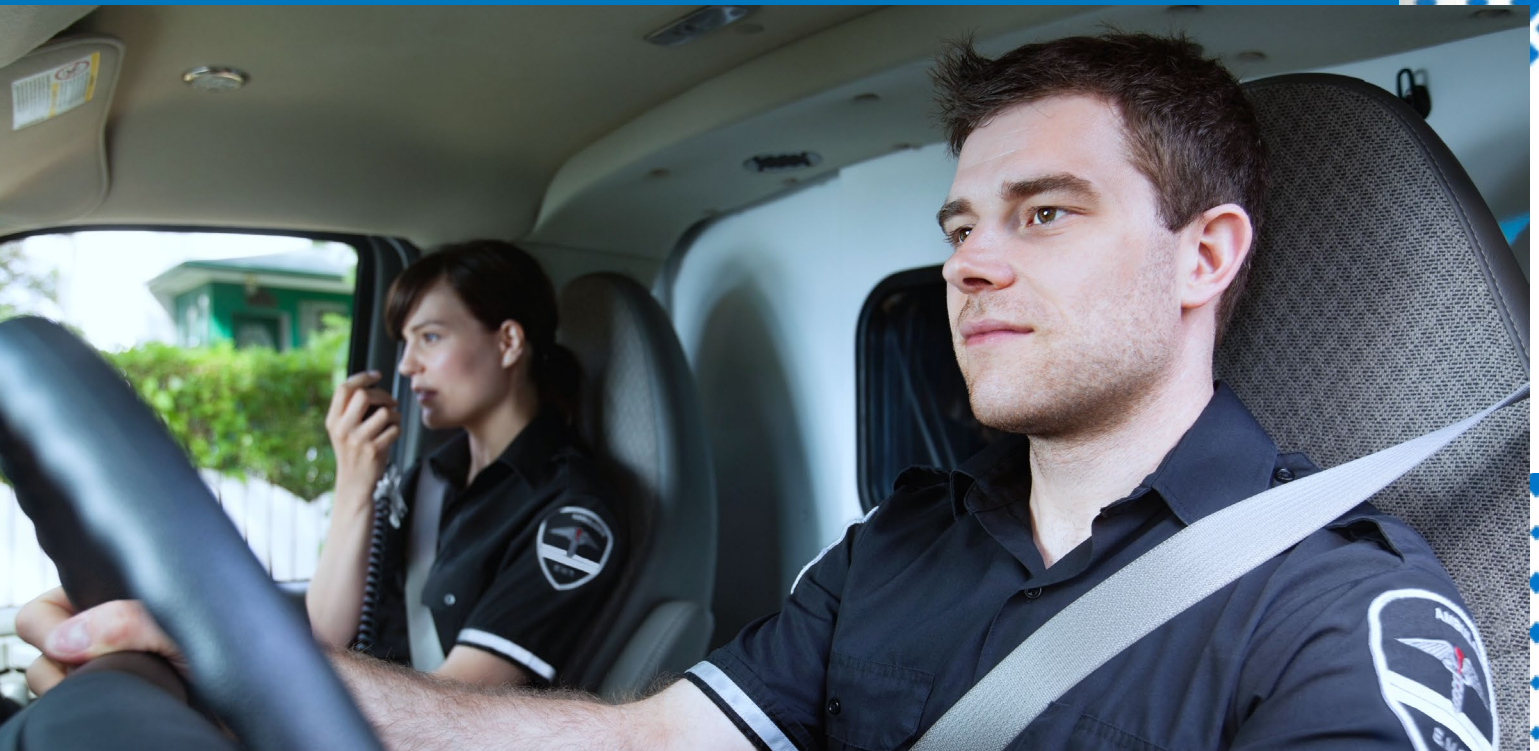
Annual Claim Volume: 24,000

Emergency Transports: Yes ☒ No ☐ Non-emergency Transports: Yes ☐ No ☐

ZOLL Billing

Implementation and Training

Overview and Sample Timeline
Prepared for Pinellas County



ZOLL | DATA SYSTEMS

Overview

Your designated Senior Project Manager¹, Brandon Biggs, will guide Pinellas County through the entire implementation process from project kickoff, through training and project go-live, and beyond. After implementation of ZOLL Billing is complete, Brandon will introduce you to our helpful team of Support representatives as well as your designated Senior Account Manager, who will ensure your continued success with ZOLL Billing.

ZOLL will use the following high-level approach:

- Conduct Kick-Off Call with Pinellas County
- Setup Pinellas County's ZOLL Online Account
- Setup Clearinghouse Account
- Setup/test NEMSIS Data Import
- Train on ZOLL Billing Software

Customer support is available throughout implementation and beyond. Post go-live training is provided through the ZOLL Customer Community.

ZOLL® Data Systems Customer Community

The ZOLL Data Systems Customer Community is an online resource where customers can access the support knowledge base, review technical documentation, watch troubleshooting videos, submit and view cases (trouble tickets), network with other users and ZOLL product experts, and submit and comment on ideas to help shape future enhancements to our solutions.

¹ Team assignments are dependent on project load and team availability and are subject to change.

Training & Implementation Timeline

- **Day 1:** Contract execution and kick-off call
 - ZOLL begins account setup
 - Customer works with Clearinghouse on payer enrollments
- **Day 40:** Admin training (remote)
 - Covers ZOLL Billing admin functions
- **Day 45:** Go-live & onsite training
 - A ZOLL onboarding specialist provides eight hours of training over two days
 - Focuses on claims creation
- **Day 55:** Reports training (90 minutes, remote)
 - Covers reporting functions in ZOLL Billing
- **Day 62:** Payment posting training (2 hours, remote)
- **Day 70:** Follow-up training (90 minutes, remote)
 - Covers working denials, secondary claims, and other billing processes
- **Days 70-75:** System monitoring
 - ZOLL monitors performance before transitioning to support
- **Day 75:** Transition to support
 - Customer is handed off from the implementation team to the support team and customer success manager



Detailed Training & Implementation Timeline

Key Milestones

Date	
May 1, 2025	Project Kickoff
July 6, 2025	On-Site Training
July 20, 2025	Transition to Support

Initiation (May 1-May 8)

Week	Date	Setup Actions
Week 1	5/1/2025	Project Kickoff Pre-Commencement Meeting
	5/7/2025	- Welcome Emails and Implementation Forms are sent to Pinellas County - Project Kickoff

Infrastructure Configuration (ZOLL Online)

May 8-May 12

Week	Date	Configuration Tasks
Week 2	5/8/2025	ZOLL Online Account Form is Completed
	5/6-5/8/2025	Pinellas County ZOLL Online account is set up

Solution Implementation (ZOLL Billing)

May 12-July 20

Week	Date	Implementation Activities
Week 2	5/12/2025	ZOLL Billing Onboarding Start • ZOLL Billing Project Kickoff Call/PowerPoint ◦ ZOLL Sends Pinellas Kickoff notes and forms • Waystar Enrollment Kickoff Call ◦ Waystar Account form completed and sent • ZOLL Billing AR Boost Setup
Week 3-4	5/18-5/20/2025	ZOLL Billing Software Implementation • ZOLL Billing Software setup begins ◦ ZOLL Online is updated with vendor integrations • Waystar Setup begins
Week 5	05/28/2025	System Admin Training for Pinellas County • Training reminder email sent to Pinellas County • Readiness Call with Pinellas County Admin Training topics include: ✓ Website and basic navigation ✓ Adding and editing user accounts ✓ Reviewing company profile (logo, NPI, addresses) ✓ Adding gross charges and charge categories ✓ Adding diagnosis code favorites ✓ Adding frequent notes ✓ Designating level of service favorites ✓ Deductible monitoring settings ✓ Adding and editing facilities and facility contracts ✓ Adding profit center(s) ✓ Adding and editing insurance payors

Week 6

06/10/2025

- ✓ Accessing the help menu
- ✓ Searching the **ZOLL Billing Help Guide**

On-Site Training Begins

Go live and Training Day 1

- Your designated **Project Manager**, Brandon Biggs, along with your specialized implementation team, will be **on-site** to guide you through the training process.
- Your designated Implementation Specialist², Amanda Lee, will be on-site

Training Day 1 Topics include:

- ✓ Dashboard overview
 - ✓ NEMSIS file upload settings & importing run numbers
 - ✓ Completing imported claims
 - ✓ Manually completing claims
 - ✓ Canceling claims
 - ✓ Assigning claims & using the inbox
 - ✓ Adding notes, frequent notes, and attachments
 - ✓ Reviewing patient demographics
 - ✓ Reviewing level of service, transport details, signatures, and diagnosis codes
 - ✓ Searching for and manually adding insurance to a claim
 - ✓ Reviewing charges tab (modifiers and total charges)
 - ✓ Changing claim status
- Searching the **ZOLL Billing Help Guide**

6/11/2025

Training Day 2 Topics include:

- ✓ Quick and advanced search
- ✓ Navigating completed claims tabs
- ✓ Test printing CMS 1500 report
- ✓ Editing and resubmitting claims
- ✓ Toolbar review

² Team assignments are dependent on project load and team availability and are subject to change.

Week 7

6/17/2025

- ✓ Generating facility invoices
- ✓ Navigating patient account tabs
- ✓ Adding guarantors
- ✓ Adding payment plans
- ✓ Merging patients
- ✓ Reviewing **Waystar website** (claims, rejections, payor name matching)
- ✓ Reviewing imported claims reports
- ✓ Enabling **Waystar provider pay-to address and name matching** (if needed)
- ✓ Searching the **ZOLL Billing Help Guide**

Patient Billing and Reports Training

- Topics include:
 - ✓ Reviewing all reports under **Analytics > Reports**
 - ✓ Understanding report functions (pages, exporting as CSV, printing)
 - ✓ Reviewing **Insights**
 - ✓ Reviewing all available **CSV downloads**

 - ✓ Understanding **accounting periods**
 - ✓ Using the **patient billing module**
 - ✓ Managing **payment plans**
 - ✓ Sending accounts to collections
 - ✓ Configuring **Patient Billing Settings** (rounding, schedule, invoice, or suspend by default)
 - ✓ Configuring **statement settings** (messages, payment options, hours, Payground URLs)
 - ✓ Searching the **ZOLL Billing Help Guide**
- Pinellas County is enrolled in the **ZOLL Customer Community**
 - This is an online resource where you can access the support knowledge base, review technical documentation, and network with other users and ZOLL product experts. In the Customer Community, you have access to a library of training videos, tutorials, and product documentation. New feature training is also available in the Customer Community.

Week 8

6/24/2025

Payment and Denial Posting Session 1

		✓ Manually posting payments (patient, collections, facilities) ✓ Converting adjustment reason codes to standard format ✓ Completing imported 835 payment files ✓ Requesting Waystar rep to enable auto-download for remits (if preferred) ✓ Printing deposit slips and credit posting reports ✓ Adding adjustments ✓ Downloading EOBs and 835 files from Waystar ✓ Monitoring denials from Dashboard and managing resubmissions ✓ Using the Finish Later button (ignored amounts & deleting line items) ✓ Handling manual takebacks & provider adjustments ✓ Searching the ZOLL Billing Help Guide
Week 9	7/1/2025	Payment and Denial Posting Session 2 (see above)
Week 10	7/8/2025	Acceptance Form and Review Session ✓ Reviewing the Dashboard ✓ Reviewing the Denials report ✓ Reviewing "Follow-up Un-Adjudicated" & "Denial Unresolved" statuses ✓ Quick review of aging reports for facilities & patient statements ✓ Registering for Customer Community ✓ Overview of Customer Community (submitting a case, submitting ideas) ✓ Signing the Acceptance Form
Week 12	07/20/2025	Onboarding Complete Transition to Support ○ A call is scheduled to transfer Pinellas County from the Implementation Team to the Support Team and their assigned Customer Success Manager.

AMANDA LEE

Senior Implementation Consultant

Amanda Lee is an Implementation Consultant with ZOLL Data Systems. She joined the ZOLL team in 2021 and brought many years of billing experience, working for one of the major hospital systems in North Carolina and billing for 8 of their hospitals. She obtained her CAC (Certified Ambulance Coder) and CADS (Certified Ambulance Documentation Specialist) certifications since beginning her career here at ZOLL. She also holds a Certificate in Medical billing, Coding, and Insurance, as well as a bachelor's degree in psychology from the University of North Carolina at Greensboro.



Lindsey Kelley: Sr. Manager Customer Implementation

About Me:

I have been with the ZOLL organization, serving in a variety of roles, since 2004. My passion has always been to serve as a customer advocate, ensuring the best customer journey experience possible. I look forward to working with you to see your project through to success!

Education:

MA, English – Professional Writing

Slippery Rock University

BA, Biology

Slippery Rock University

Physical Location:

Pittsburgh, PA (Eastern Time Zone)

Experience:

- 10+ years managing software implementation projects
- Managed over 50 software implementation projects
- EMT Certified (2005 – 2015)



Lindsey Kelley

*Sr. Manager Customer
Implementation*

Email: lkelly@zoll.com

Phone: 303-225-1421

Robert Simpson: Senior Project Manager

About Me:

I have been with the ZOLL organization since 2021. I started out in health care being an advocate for positive patient outcomes. That passion, by extension, has been transferred to implementations. I am now well-positioned to help an even larger number of patients by providing high quality implementation outcomes using my diverse background. I look forward to working with you to see your project through to success!

Education:

BA, General Education

Marietta College

AD, Registered Nursing

West Virginia University at Parkersburg

Physical Location:

High Point, NC (Eastern Time Zone)

Experience:

- 20+ years managing software implementation projects
- PMP Certification August 2017
- 12 years Critical Care Nurse/Flight Nurse (RN license 2010 – present)
- Paramedic Certified (1984 – 1994)



Robert Simpson

*Sr. Project Manager
Implementation*

Email rsimpson@zoll.com

Phone: 303-225-1430

Dana Spencer: Senior Project Manager

About Me:

PMP certified, successful, results driven Project Manager experienced in streamlining operations & maintaining project schedules to maximize customer satisfaction and business revenue. Well organized and goal-oriented with over 10 years of experience in project management with a strong customer focus.

Education:

MBA, Business Administration

University of Arizona-Global Campus

B.S., Administration of Justice

University of Maine, Augusta

Physical Location:

Raleigh, NC (Eastern Time Zone)

Experience:

- PMP Certification – PMI.org
 - *PMI certification ##2794434*
- 22+ Years of Healthcare Experience
 - *(Duke University Healthcare, Eli Lilly, LabCorp, Allscripts, Omnicell)*
- Enterprise level project management & implementation responsibilities across multiple software platforms and healthcare verticals.



Dana Spencer

Senior Project Manager

Email: dspencer@zoll.com

Phone: 303-225-1480

Brandon Biggs: Senior Project Manager

About Me:

I started with ZOLL Data Systems in September of 2021 after managing and implementing projects of various size for a large corporation in the banking software industry for 6 years. I'm happy to come home to healthcare and emergency medicine where my heart and passion lies. I am intimately familiar with EMS as a practicing EMT for the last 11 years and managing a small 911 volunteer agency in rural Nebraska for the last 4 years. I look forward to working with your team to implement ZOLL's industry leading software for your agency that across time has been proven to improve operational efficiencies.

Education:

Business Administration, Information Technology

NECC

Emergency Medical Technician

SECC

Physical Location:

Omaha, NE (Central Time Zone)

Experience:

- 7 years managing software implementation projects.
- Successfully managed and implemented over 200 software projects.
- Nebraska EMT Certified (2012 – current)
- Project Management Professional (PMP)



Brandon Biggs

Sr. Project Manager, Customer Implementation

Email: bbiggs@zoll.com

Phone: 402-380-6153

Ryan Kish: Senior Project Manager

About Me:

I have been with the ZOLL organization since 2023. I have over 8+ years of PM experience working in a variety of fields including software, analytics, healthcare, & data centers. Working as a Sr. PM at ZOLL combines my PM skillset & educational background to help implement ZOLL software projects across the healthcare industry for a variety of clients. I look forward to working with you to see your project implemented to great success.

Education:

MA, Exercise Science

Concordia University-Chicago

BA, Exercise Science & Biology

Baldwin Wallace University

Physical Location:

Littleton, CO (Mountain Time Zone)

Experience:

- 8+ years managing a wide range of technical projects
- Have worked w/ many large clients on implementation projects including Amazon, Verizon, Lumen, & IBM
- PMP & Google Data Analytics Certified



Ryan Kish

Sr. Project Manager-Customer Implementation

Email: ryan.kish@zoll.com

Phone: 440.225.1120

Anthony Sansonetti: Senior Project Manager

About Me:

Before I joined ZOLL Data Systems in 2021, I spent what seems like a lifetime working within the 4 walls of a hospital for one of the largest Healthcare Providers in Western Pennsylvania. My passion has always been getting cutting edge technology into the hands of the caregivers. These project activities directly contribute to the delivery of world class patient care.

Education:

Certified: MCSE, MCP

Pittsburgh Technical College

PMP Training “A Practical Approach to Planning and Controlling IT Projects”

Duquesne University

Certified: NIMS (ICS100, ICS200)

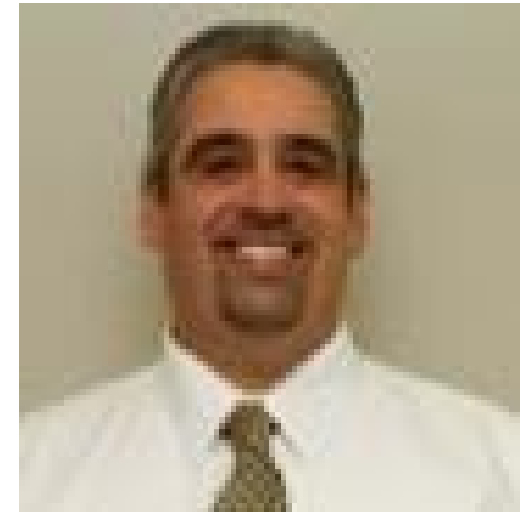
FEMA

Physical Location:

Pittsburgh, PA (Eastern Time Zone)

Experience:

- 20+ Years experience in Healthcare IT leadership positions.
- Successfully managed over 150 technical implementation IT Projects.
- Experience managing multiple teams including Desktop Support, Data Communications as well as System and Project Analysts.



Anthony Sansonetti

Sr. Project Manager, ZOLL Care Exchange

Email: asansonetti@ZOLL.com

Phone: 412-258-5117

Matthew Lacanilao: Project Manager

About Me:

I have been Project Manager with ZOLL Data Systems since 2021 with a focus on the SaaS billing products, AR Boost and ZOLL Billing. I bring 26 years of healthcare experience including nursing, provider relations, business development, and revenue cycle management.

Education:

Nursing

Kettering College of Medical Arts

Organizational Management

Wilberforce University

Physical Location:

Miamisburg, OH (Eastern Time Zone)

Experience:

- 26+ Years experience in healthcare
- Successfully managed over 150 technical implementation IT Projects.
- Experience in nursing, provider relations, business development, and revenue cycle management.



Matthew Lacanilao

Project Manager

Email: mlacanilao@zoll.com

Phone: 937-974-3187



TECHNOLOGY RISK ORGANIZATION

Security Policy Catalogue

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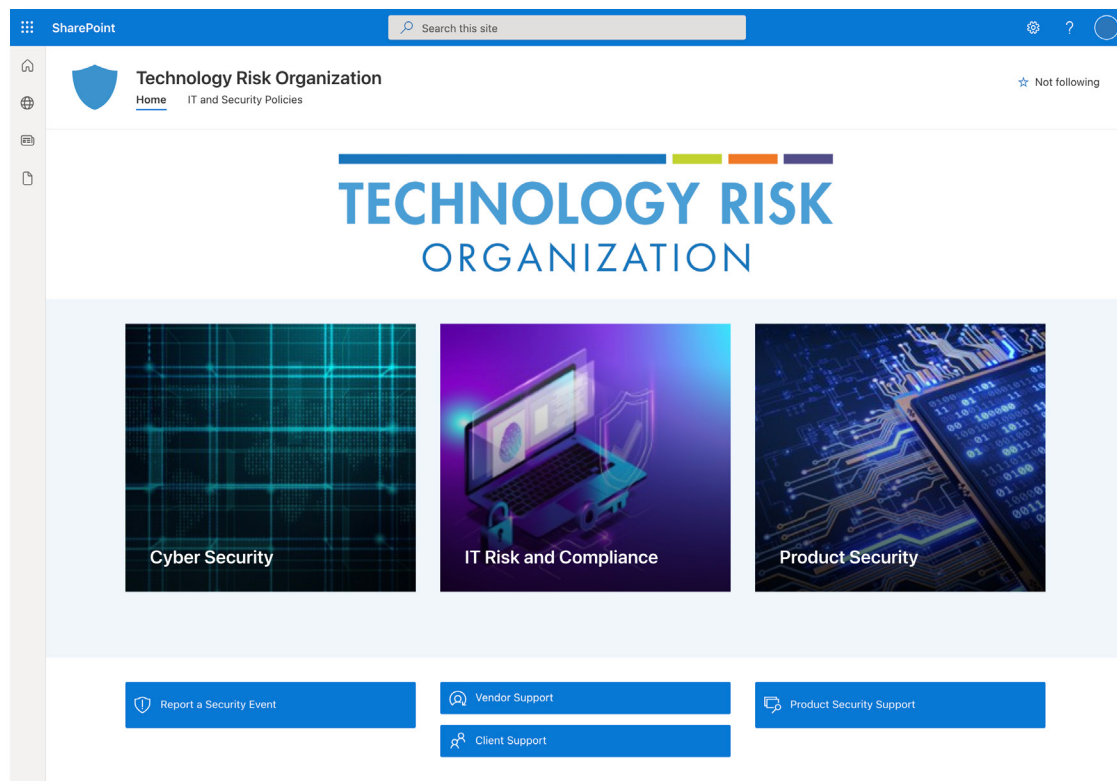
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Customer Assurance

ZOLL is committed to protecting internal company information and that of its customers. ZOLL recognizes that confidentiality, integrity, and availability are integral to a security policy's function. The management of ZOLL views these primary responsibilities as fundamental to the best practices of our business and our interactions with customers. ZOLL's Technology Risk Organization strives for ease of use with systems of control to balance business needs with laws, regulations, and organization policies.

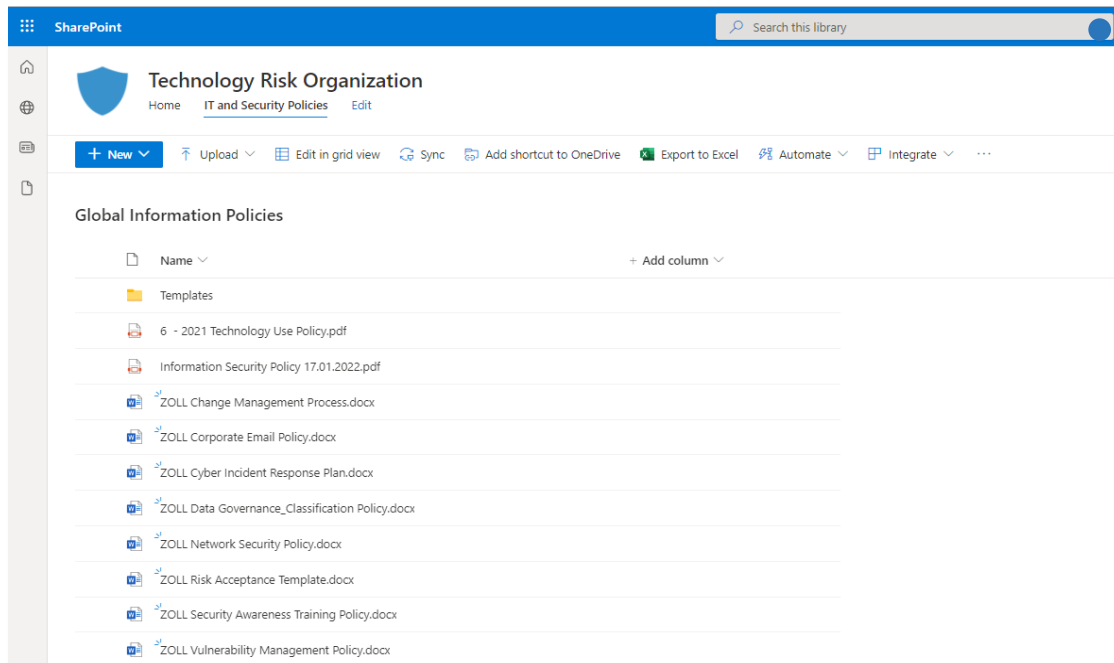
Technology Risk Organization SharePoint Landing Page

The landing page is our central point of communication with our internal ZOLL associates. Here we provide corporate-wide policies, ways to contact the security team, security awareness newsletters, and more.



One Centralized Location

ZOLL associates need only search one location for all security documents. Each document listed below has been approved by our Director of Cyber Security and Risk or by management. We review policies annually or anytime a policy undergoes a major change.



Information Security Policy

Distribution of ZOLL internal and confidential documentation is prohibited.

In the following pages you will find the tables of contents from some of our security policies to date.

INFORMATION SECURITY POLICY

ZOLL

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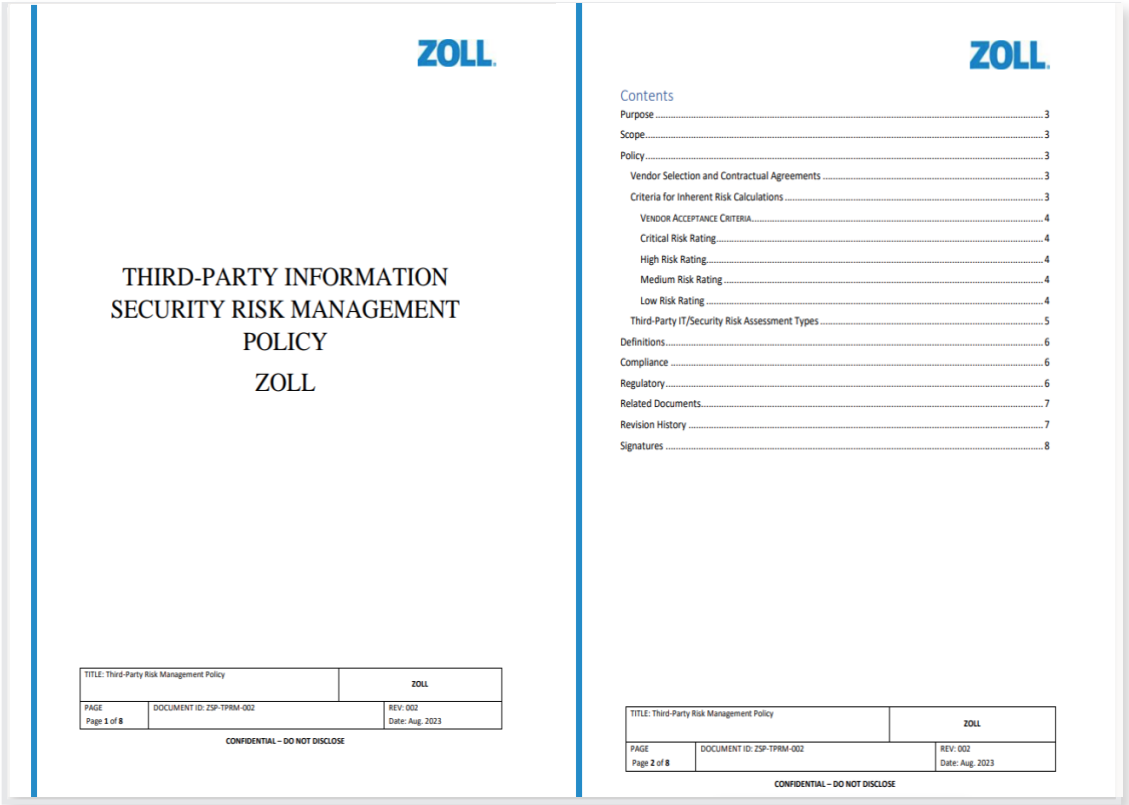
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The Risk Management Policy ensures that cybersecurity-related risk is visible to and understood by management and the business unit(s) that owns the assets and/or processes involved.

	ZOLL																																
RISK MANAGEMENT POLICY ZOLL																																	
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Third-party Risk Management Policy

ZOLL’s Third-party Risk Management Policy enables security to engage prior to onboarding new vendors. A comprehensive checklist and vendor-risk ranking enable us to manage our vendors in a defined manner.



Business Continuity Policy

The Business Continuity Policy establishes processes that will help ZOLL recover from adverse situations with minimal impact to operations. Personal information must be protected during emergencies just as it is protected during normal operations. This policy governs emergency mode operations for ZOLL and its subsidiaries.

ZOLL

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BUSINESS CONTINUITY POLICY

ZOLL

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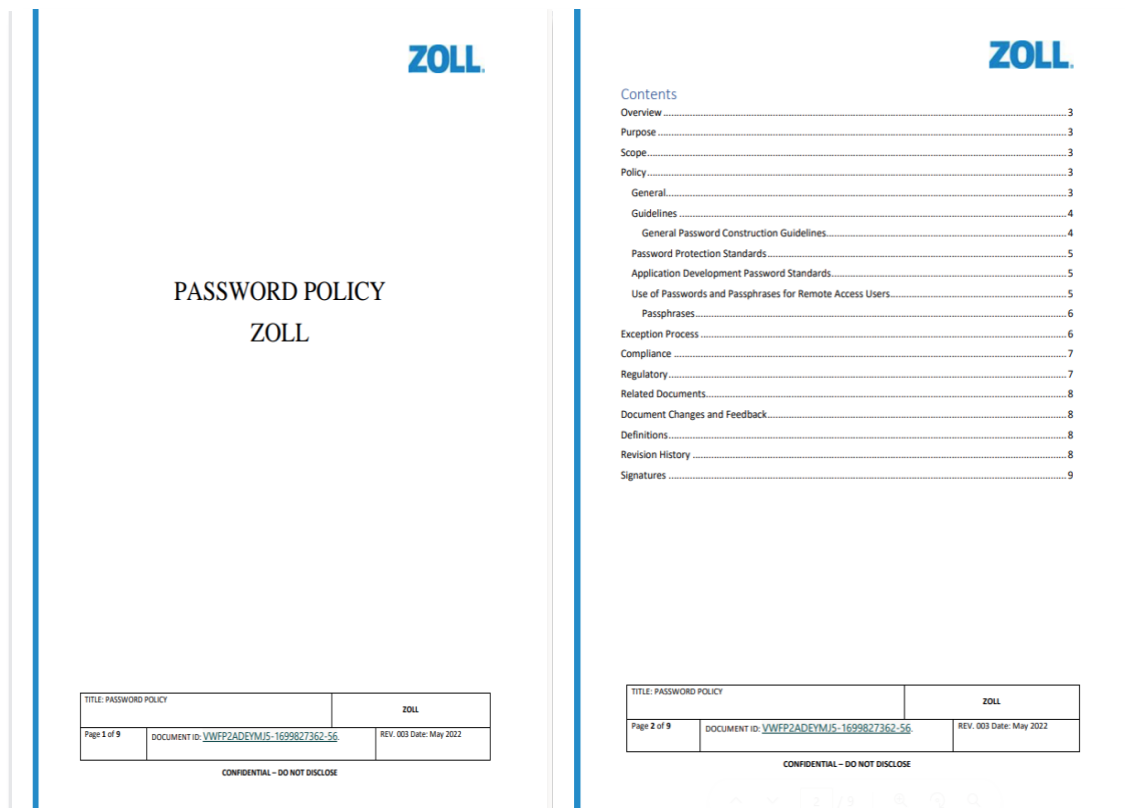
TITLE: Business Continuity Policy		ZOLL
PAGE	DOCUMENT ID: VWFP2ADEYMIJ5-1699827362-122	Rev: 003
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Password Policy

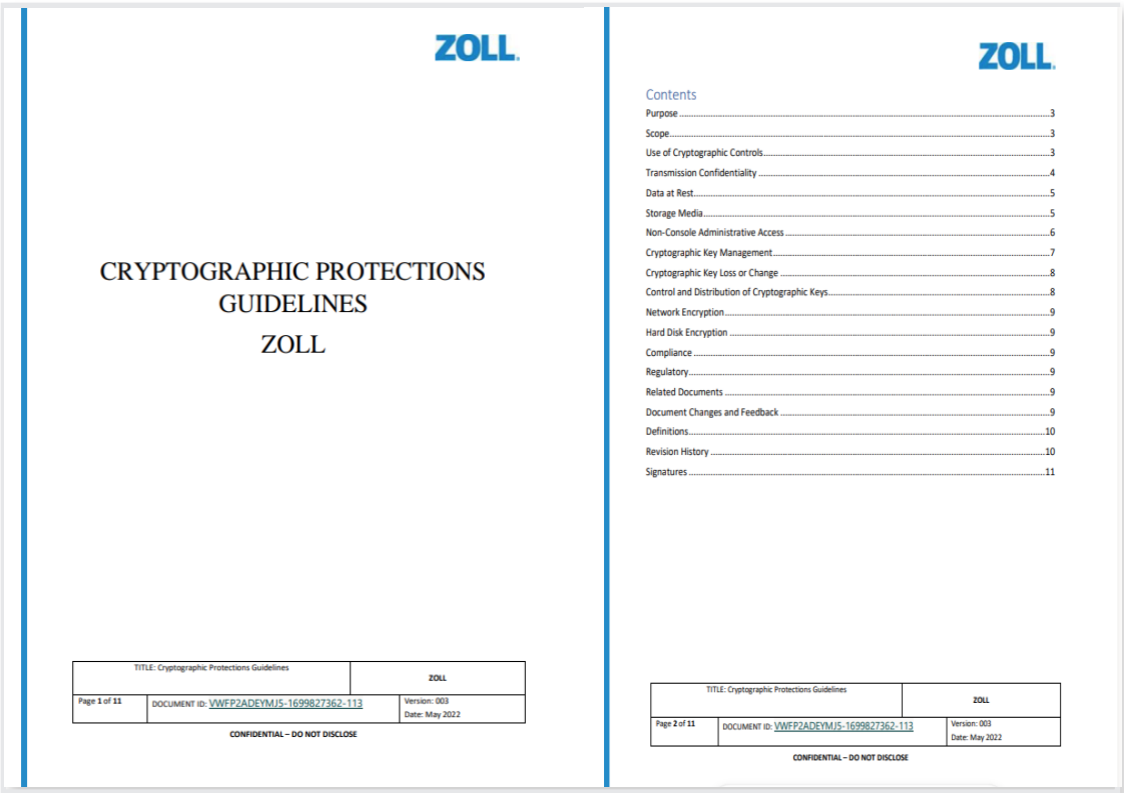
This policy establishes standards for creating strong passwords, protecting those passwords, and how frequently they are changed.

ZOLL uses strong password parameters such as defined length, reuse, and complexity.



Cryptography Protection Guidelines

These guidelines cover all IT systems and devices that comprise the ZOLL network or that are otherwise controlled by the organization. The overall objectives are to guard ZOLL’s vital electronic data resources and to protect this data against loss, unauthorized access, or disclosure.



Internal Audit Policy

The Internal Audit Policy establishes the framework from which Internal Audit provides objective and independent assurance and advice to the Information Security Management System (ISMS) committee regarding the processes and systems of internal control and risk management operating within the committee.

ZOLL

INTERNAL AUDIT POLICY

TITLE: Internal Audit Policy		ZOLL
PAGE	DOCUMENT ID: VWF2ADEYMS-1699827362-119	Rev: 003
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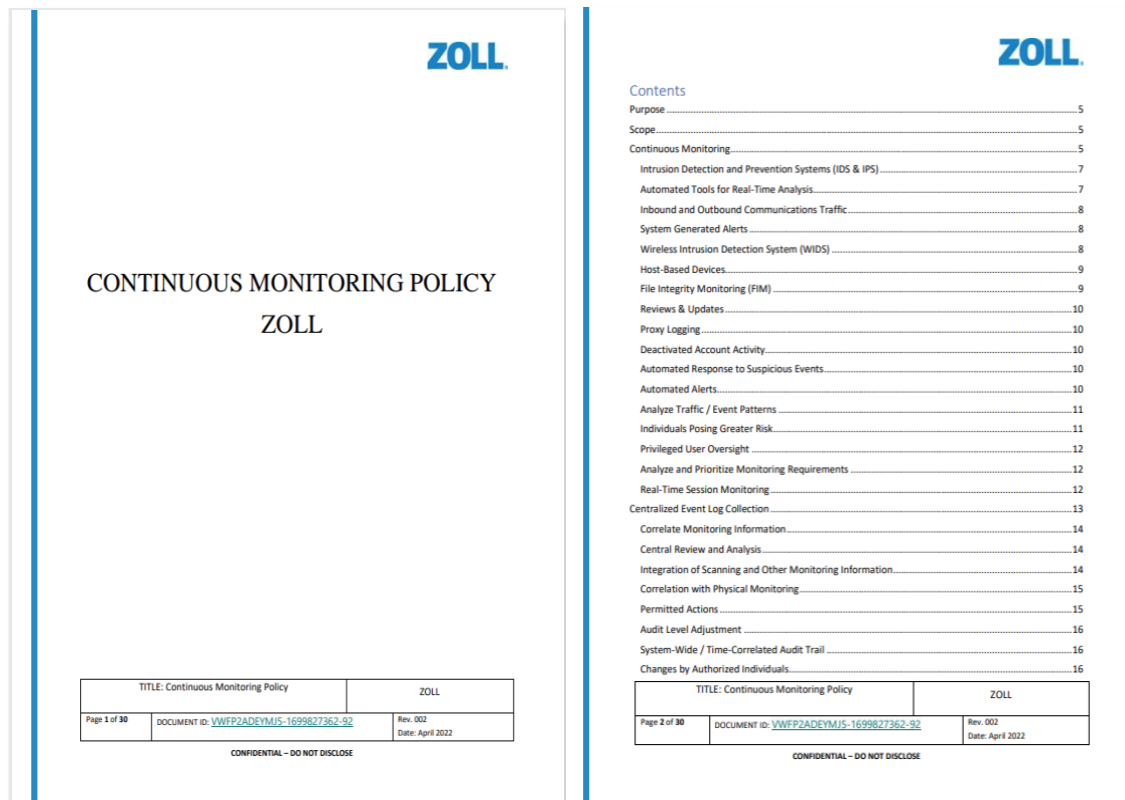
TITLE: Internal Audit Policy		ZOLL
PAGE	DOCUMENT ID: VWF2ADEYMS-1699827362-119	Rev: 003
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Continuous Monitoring Guidelines

The Continuous Monitoring Guidelines establish and maintain situational awareness across the enterprise through the centralized collection and review of security-related event logs.

Event logs are managed through a centralized Security Information and event management system.



Application Security Policy

Internally developed web and mobile applications constitute a significant percentage of how ZOLL data and services are delivered. The Application Security Policy ensures applications implement adequate security controls to protect the confidentiality, integrity, and availability of data during each step of the development life cycle.

ZOLL

APPLICATION SECURITY POLICY

ZOLL

TITLE: Application Security Policy		ZOLL
Page 1 of 8	DOCUMENT ID: VWFP2ADEYMJS-1699827362-142	REV.002 Date: April 2022

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TITLE: Application Security Policy		ZOLL
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Vulnerability Management Policy

This policy permits authorized ZOLL personnel to perform assessments to determine areas of information security vulnerability. It provides standards and guidelines for remediation of vulnerabilities.

ZOLL

VULNERABILITY MANAGEMENT POLICY ZOLL

TITLE: Vulnerability Management Policy		ZOLL
PAGE Page 1 of 6	DOCUMENT ID: ZSP-VM-002	REV: 002 Date: May 2022

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TITLE: Vulnerability Management Policy		ZOLL
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Revision: 002 Effective Date: 5/9/2022 Next Review Date: 3/1/2023

Revision: 002, Effective Date: 5/9/2022, Next Review Date: 3/1/2023

Cyber Incident Response Policy

The Cyber Incident Response Policy defines fundamental responsibilities for security incident response at ZOLL.

ZOLL cyber incident response policy and plan is a set of instructions designed to help ZOLL prepare for, detect, respond to, and recover from security incidents.

ZOLL

CYBER INCIDENT RESPONSE POLICY

ZOLL

TITLE: Cyber Incident Response Policy		ZOLL
PAGE	DOCUMENT ID: ZSP-IRP-011	REV. 011
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Security Awareness Training Policy

This policy articulates the ZOLL information security awareness training program that educates and assesses staff on their information security obligations.

ZOLL conducts security training upon hire and annually thereafter.

ZOLL

SECURITY AWARENESS TRAINING POLICY ZOLL

TITLE: Security Awareness Training Policy		ZOLL
PAGE Page 1 of 11	DOCUMENT ID: VWFP2ADEYMJ5-1699827362-58	Version: 003 Date: Aug. 2023

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ZOLL

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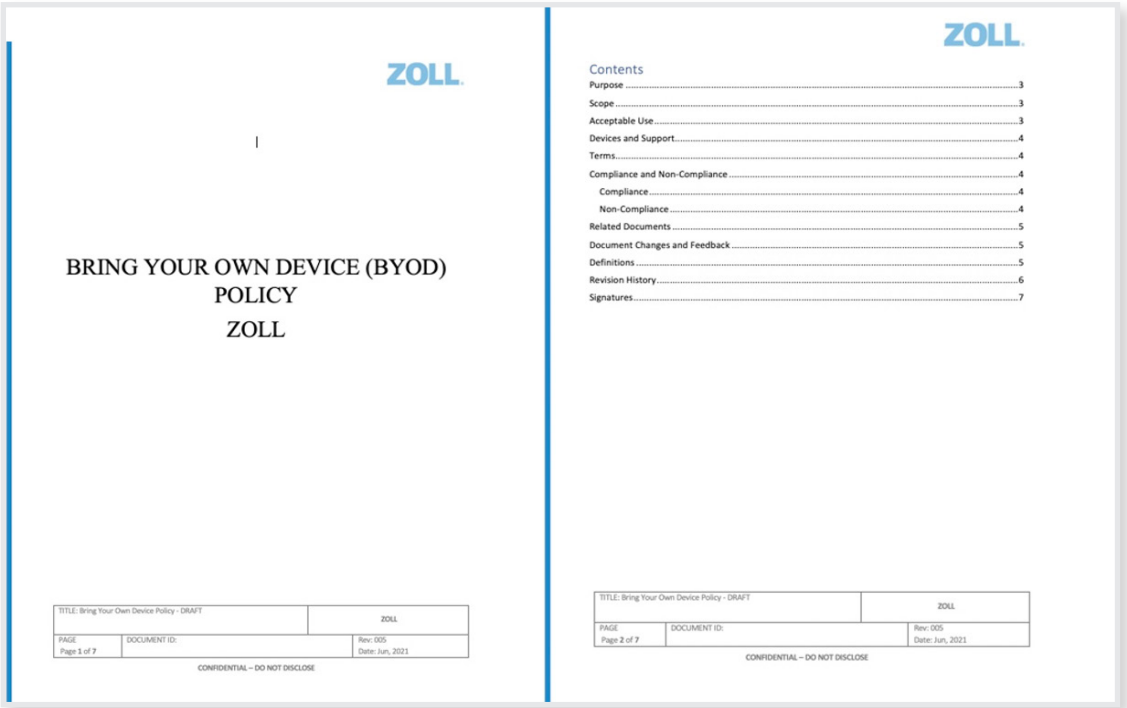
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TITLE: Security Awareness Training Policy		ZOLL
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BYOD Policy

The purpose of the Bring Your Own Device (BYOD) Policy is to ensure that ZOLL's systems and data are protected from unauthorized access, use, or disclosure through managed systems that connect to our network.



Access Control Policy

The Access Control Policy defines the controls ZOLL has established that limit access to sensitive systems and information to the minimum level necessary to support employee functions.

ZOLL

ACCESS CONTROL POLICY

ZOLL

TITLE: Access Control Policy - DRAFT		ZOLL
PAGE Page 1 of 10	DOCUMENT ID: VWFP2ADCYMJS-1699827362-107	Rev: 003 Date: Jun. 2021

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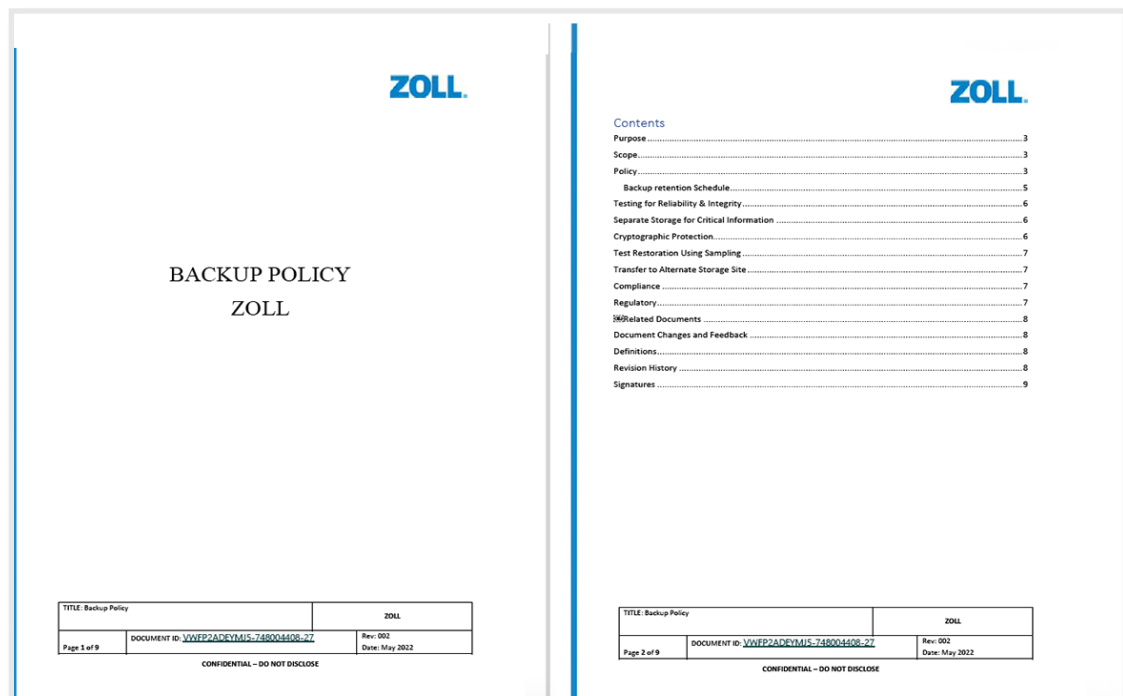
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Backup Policy

The purpose of the Backup Policy is to provide a means to:

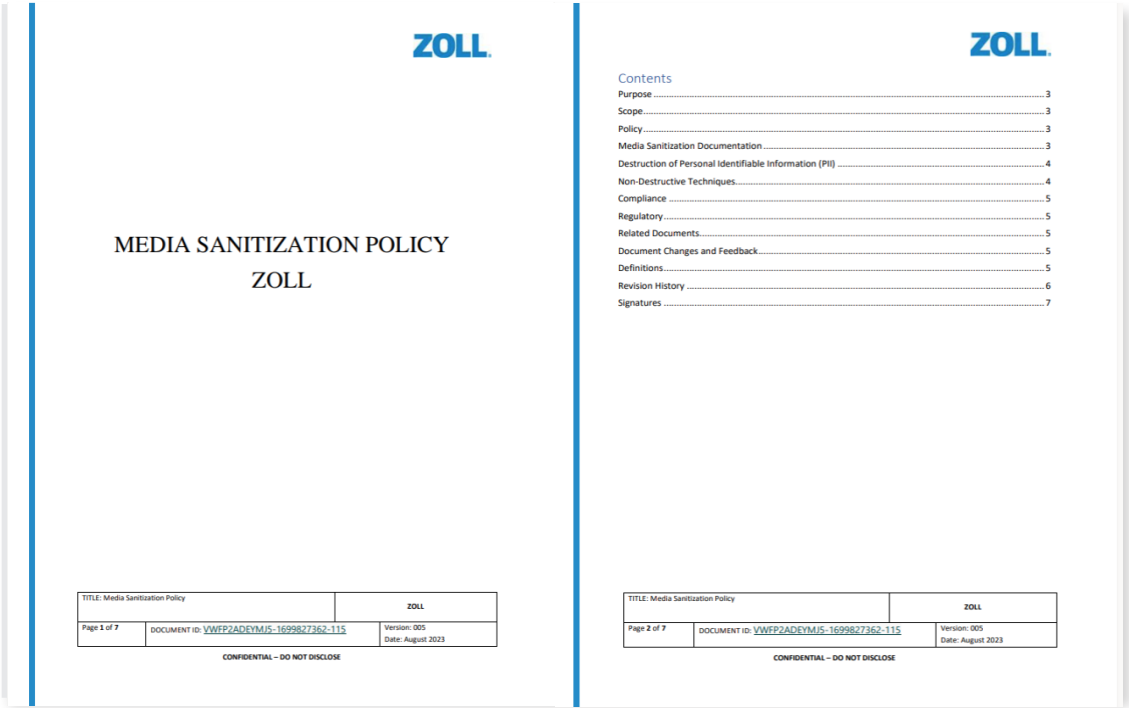
1. Restore the integrity of the computer systems in the event of a hardware/software failure or physical disaster.
2. Provide a measure of protection against human error or the inadvertent deletion of important files.

This policy covers all IT systems and devices that comprise the ZOLL's network or that are otherwise controlled by the organization.



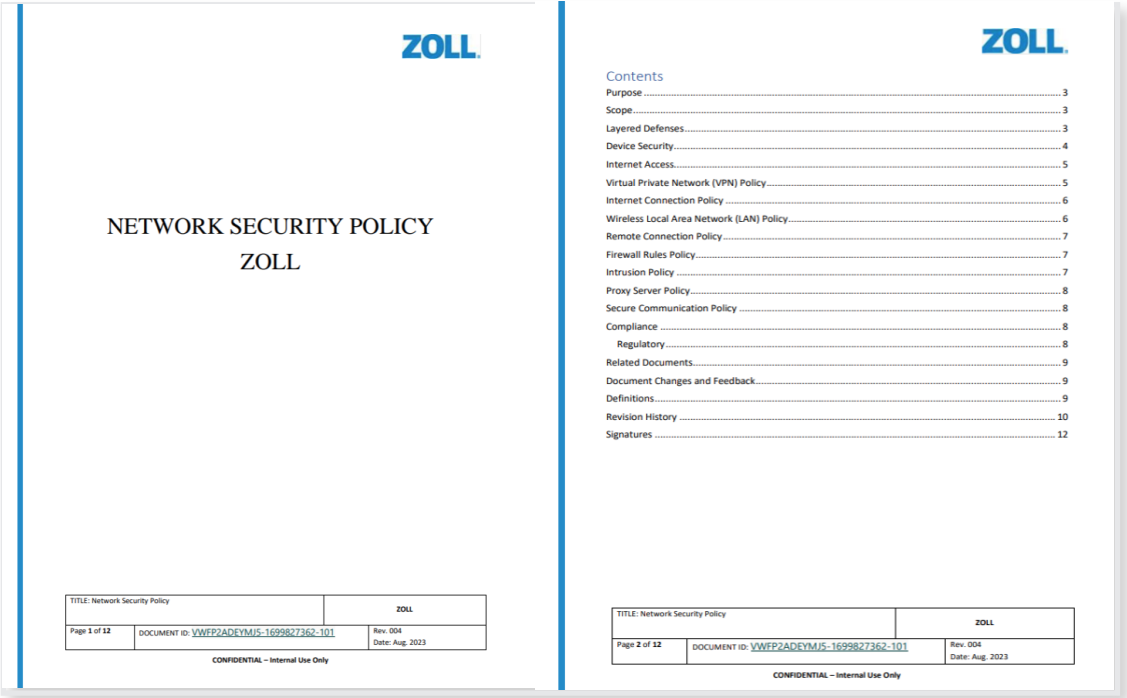
Media Sanitization Policy

The Media Sanitization Policy is intended to define the IT standards for Secure Disposal of Media and Computer Hard Drives.



Network Security Policy

The purpose of this policy is to establish the technical guidelines for IT Security and to communicate the controls necessary for a secure network infrastructure. The network security policy will provide practical mechanisms to support ZOLL’s comprehensive set of security policies.

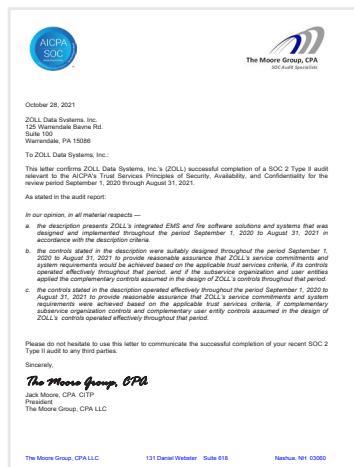


Certifications – Attestation

ZOLL has an ambitious, mature, and constantly improving security environment that is developed and ran according to the US National Institute of Standards and Technology (NIST) Cyber Security Framework.

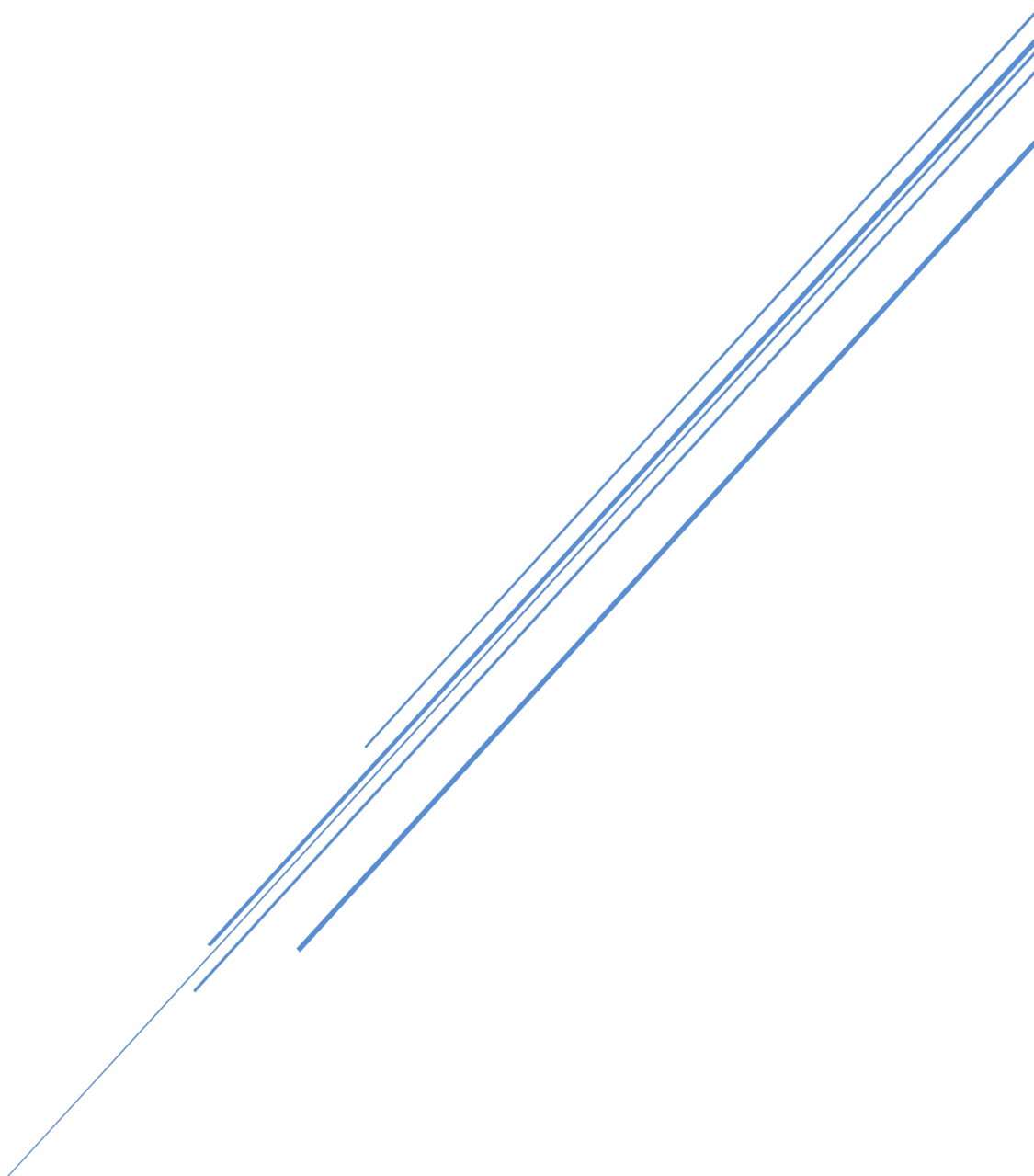
Our Information Security Management System (ISMS) has been evaluated by many third-party auditors over the past 2 years including the British Standards Institute (BSI) in June of 2021. Our cloud protection environments, security programs, products and supporting infrastructures have received either ISO 27001 certification, UK Cyber Essentials certification, SOC2 certification, and US FDA clearances for medical devices

ZOLL is determined to continually improve our security posture, maintain the certifications, and ensure that even areas where formal certifications don't always apply, we have a standards-based or industry best practice methodology to development and operations.



Detailed Consolidated Financial Statements

Years ended March 31, 2024 and 2023



ASAHI KASEI CORPORATION

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Consolidated Balance Sheets

Asahi Kasei Corporation and Consolidated Subsidiaries

March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
ASSETS:			
Current assets:			
Cash and deposits (Notes 9 and 11)	¥338,108	¥251,181	\$2,234,243
Notes, accounts receivable - trade, and contract assets(Note 5(c))	485,941	442,692	3,211,135
Merchandise and finished goods	317,397	310,380	2,097,383
Work in process	171,645	162,255	1,134,243
Raw materials and supplies	189,794	169,918	1,254,173
Other	150,030	154,335	991,410
Allowance for doubtful accounts	(2,877)	(2,567)	(19,011)
Total current assets	1,650,037	1,488,195	10,903,568
Noncurrent assets:			
Property, plant and equipment			
Buildings and structures (Note 5(e))	669,119	663,642	4,421,589
Accumulated depreciation	(366,214)	(347,877)	(2,419,970)
Buildings and structures, net	302,906	315,765	2,001,626
Machinery, equipment and vehicles (Note 5(e))	1,621,333	1,611,495	10,713,890
Accumulated depreciation	(1,351,326)	(1,313,694)	(8,929,664)
Machinery, equipment and vehicles, net	270,007	297,801	1,784,227
Land (Note 5(e))	72,750	69,232	480,737
Lease assets (Note 10)	13,936	12,017	92,090
Accumulated depreciation	(7,010)	(6,457)	(46,323)
Lease assets, net	6,926	5,560	45,768
Construction in progress	132,051	120,299	872,603
Other (Note 5(e))	211,763	188,994	1,399,346
Accumulated depreciation	(143,113)	(125,950)	(945,701)
Other, net	68,650	63,045	453,644
Subtotal	853,289	871,701	5,638,598
Intangible assets			
Goodwill	360,676	348,561	2,383,374
Other	394,052	387,597	2,603,925
Subtotal	754,728	736,158	4,987,299
Investments and other assets			
Investment securities (Notes 5(a), (b), 11 and 12)	188,288	212,611	1,244,221
Long-term loans receivable (Note 11)	17,198	8,466	113,646
Long-term advance payments-trade (Note 5(f))	26,692	28,267	176,383
Net defined benefit asset	41,876	25,836	276,720
Deferred tax assets (Note 15)	84,557	45,916	558,759
Other	46,638	37,248	308,187
Allowance for doubtful accounts	(574)	(498)	(3,793)
Subtotal	404,676	357,846	2,674,129
Total noncurrent assets	2,012,693	1,965,705	13,300,026
Total assets	¥3,662,730	¥3,453,900	\$24,203,595

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
LIABILITIES AND NET ASSETS			
Liabilities:			
Current liabilities:			
Notes and accounts payable—trade (Note 11)	¥213,252	¥180,560	\$1,409,185
Short-term loans payable (Notes 11 and 22)	178,091	196,032	1,176,839
Commercial paper (Notes 11 and 22)	83,000	124,000	548,470
Current portion of bonds payable	30,000	40,000	198,242
Lease obligations (Notes 10, 11 and 22)	7,815	6,766	51,642
Accrued expenses	151,577	147,163	1,001,632
Income taxes payable (Note 11)	17,827	17,491	117,802
Advances received	88,415	72,948	584,253
Provision for grant of shares	70	80	463
Provision for periodic repairs	4,805	8,410	31,752
Provision for product warranties	4,369	4,240	28,871
Provision for removal cost of property, plant and equipment	6,511	3,788	43,025
Other	128,838	110,683	851,371
Total current liabilities	914,572	912,163	6,043,560
Noncurrent liabilities:			
Bonds payable (Notes 11 and 22)	200,000	170,000	1,321,615
Long-term loans payable (Notes 11 and 22)	425,926	409,424	2,814,551
Lease obligations (Notes 10, 11 and 22)	30,729	28,526	203,060
Deferred tax liabilities (Note 15)	20,184	27,767	133,377
Provision for grant of shares	545	339	3,601
Provision for periodic repairs	7,924	4,309	52,362
Provision for removal cost of property, plant and equipment	15,843	15,910	104,692
Net defined benefit liability (Note 14)	133,434	128,708	881,742
Long-term guarantee deposits (Note 11)	23,295	22,703	153,935
Other	41,654	38,671	275,253
Total noncurrent liabilities	899,534	846,355	5,944,188
Total liabilities	1,814,106	1,758,517	11,987,749
Net assets:			
Shareholders' equity			
Capital stock			
Authorized—4,000,000,000 shares			
Issued and outstanding—1,393,932,032 shares	103,389	103,389	683,202
Capital surplus	80,272	79,841	530,443
Retained earnings (Note 8(b) (ii))	1,135,533	1,141,690	7,503,687
Treasury stock	(7,316)	(7,426)	(48,345)
(2024— 7,761,893 shares, 2023—7,864,299 shares)			
Total shareholders' equity	1,311,878	1,317,493	8,668,988
Accumulated other comprehensive income			
Net unrealized gain on other securities	51,269	52,310	338,789
Deferred gains (losses) on hedges	(14)	72	(93)
Foreign currency translation adjustment	417,391	265,022	2,758,151
Remeasurements of defined benefit plans	32,867	25,397	217,188
Total accumulated other comprehensive income	501,513	342,802	3,314,036
Non-controlling interests	35,234	35,087	232,829
Total net assets	1,848,625	1,695,382	12,215,853
Commitments and contingent liabilities (Notes 5(d) and 10)			
Total liabilities and net assets	¥3,662,730	¥3,453,900	\$24,203,595

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

Asahi Kasei Corporation and Consolidated Subsidiaries

Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Net sales (Note 6(a), 17, and 18)	¥2,784,878	¥2,726,485	\$18,402,683
Cost of sales (Note 6(c))	1,968,909	1,952,709	13,010,698
Gross profit	815,969	773,776	5,391,984
Selling, general and administrative expenses (Note 6(b))	675,223	646,060	4,461,924
Operating income (Note 18)	140,746	127,716	930,060
Non-operating income:			
Interest income	7,684	3,896	50,776
Dividends income	3,504	4,021	23,155
Equity in earnings of affiliates	—	923	—
Other	6,504	5,210	42,979
Total non-operating income	17,693	14,050	116,917
Non-operating expenses:			
Interest expense	7,448	5,907	49,217
Equity in losses of affiliates (Note 6(d))	38,106	—	251,807
Other	22,766	14,959	150,439
Total non-operating expenses	68,320	20,867	451,464
Ordinary income	90,118	120,900	595,507
Extraordinary income:			
Gain on sales of investment securities	27,088	32,201	179,000
Gain on sales of noncurrent assets (Note 6(e))	527	729	3,482
Insurance income	15,346	8,814	101,408
Gain on business transfer	2,986	—	19,732
Settlement income	6,163	—	40,726
Total extraordinary income	52,110	41,744	344,347
Extraordinary loss:			
Loss on valuation of investment securities	1,773	2,805	11,716
Loss on disposal of noncurrent assets (Note 6(f))	8,044	12,517	53,155
Impairment loss (Note 6(g))	92,834	189,446	613,454
Loss on fire at plant facilities (Note 6(h))	—	7,092	—
Business structure improvement expenses (Notes 6(i))	10,733	13,326	70,924
Total extraordinary loss	113,385	225,186	749,257
Income (loss) before income taxes	28,843	(62,541)	190,597
Income taxes (Note 6(j) and 15) — current	31,984	56,118	211,353
Income taxes (Note 6(j) and 15) — deferred	(49,469)	(28,654)	(326,895)
Total income taxes	(17,484)	27,464	(115,536)
Net income (loss)	46,328	(90,005)	306,139
Net income (loss) attributable to non-controlling interests	2,522	1,942	16,666
Net income (loss) attributable to owners of the parent	¥43,806	¥(91,948)	\$289,473

The accompanying notes are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Asahi Kasei Corporation and Consolidated Subsidiaries

Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Net income (loss)	¥46,328	¥(90,005)	\$306,139
Other comprehensive income			
Net increase (decrease) in unrealized gain on other securities	(1,184)	(13,706)	(7,824)
Deferred gains (losses) on hedges	(86)	414	(568)
Foreign currency translation adjustment	151,830	95,352	1,003,304
Remeasurements of defined benefit plans	7,369	30,593	48,695
Share of other comprehensive income of affiliates accounted for using equity method	1,925	2,544	12,721
Total other comprehensive income (Note 7)	159,854	115,197	1,056,327
Comprehensive income	¥206,181	¥25,192	\$1,362,460
Comprehensive income attributable to:			
Owners of the parent	¥202,517	¥22,825	\$1,338,248
Non-controlling interests	3,665	2,367	24,219

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Asahi Kasei Corporation and Consolidated Subsidiaries

Years Ended March 31, 2024 and 2023

	Millions of yen											
	Shareholders' equity					Accumulated other comprehensive income						
	Capital stock	Capital surplus	Retained earnings (Note 8(b))	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2023	¥103,389	¥79,841	¥1,141,690	¥(7,426)	¥1,317,493	¥52,310	¥72	¥265,022	¥25,397	¥342,802	¥35,087	¥1,695,382
Changes during the fiscal year												
Dividends from surplus			(49,962)		(49,962)							(49,962)
Net income (loss) attributable to owners of the parent			43,806		43,806							43,806
Purchase of treasury stock				(12)	(12)							(12)
Disposal of treasury stock		0		122	122							122
Change of scope of consolidation					—							—
Change of scope of equity method					—							—
Capital increase of consolidated subsidiaries		431			431							431
Net changes of items other than shareholders' equity						(1,042)	(86)	152,369	7,470	158,711	146	158,858
Total changes of items during the period	—	431	(6,157)	110	(5,615)	(1,042)	(86)	152,369	7,470	158,711	146	153,242
Balance at March 31, 2024	¥103,389	¥80,272	¥1,135,533	¥(7,316)	¥1,311,878	¥51,269	¥(14)	¥417,391	¥32,867	¥501,513	¥35,234	¥1,848,625

	Millions of yen											
	Shareholders' equity					Accumulated other comprehensive income						
	Capital stock	Capital surplus	Retained earnings (Note 8(b))	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2022	¥103,389	¥79,887	¥1,282,325	¥(6,219)	¥1,459,381	¥66,287	¥(341)	¥167,225	¥(5,142)	¥228,029	¥31,405	¥1,718,815
Changes during the fiscal year												
Dividends from surplus			(48,575)		(48,575)							(48,575)
Net income (loss) attributable to owners of the parent			(91,948)		(91,948)							(91,948)
Purchase of treasury stock				(1,414)	(1,414)							(1,414)
Disposal of treasury stock		0		208	208							208
Change of scope of consolidation			(139)		(139)							(139)
Change of scope of equity method			25		25							25
Capital increase of consolidated subsidiaries		(46)			(46)							(46)
Net changes of items other than shareholders' equity						(13,977)	414	97,798	30,538	114,773	3,682	118,455
Total changes of items during the period	—	(46)	(140,636)	(1,207)	(141,888)	(13,977)	414	97,798	30,538	114,773	3,682	(23,433)
Balance at March 31, 2023	¥103,389	¥79,841	¥1,141,690	¥(7,426)	¥1,317,493	¥52,310	¥72	¥265,022	¥25,397	¥342,802	¥35,087	¥1,695,382

Thousands of U.S. dollars (Note 1)

	Shareholders' equity					Accumulated other comprehensive income						
	Capital stock	Capital surplus	Retained earnings (Note 8(b))	Treasury stock	Total shareholders' equity	Net unrealized gain on other securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2023	\$683,202	\$527,595	\$7,544,373	\$(49,072)	\$8,706,093	\$345,668	\$476	\$1,751,285	\$167,825	\$2,265,261	\$231,858	\$11,203,212
Changes during the fiscal year												
Dividends from surplus			(330,153)		(330,153)							(330,153)
Net income (loss) attributable to owners of the parent			289,473		289,473							289,473
Purchase of treasury stock				(79)	(79)							(79)
Disposal of treasury stock		0		806	806							806
Change of scope of consolidation					—							—
Change of scope of equity method					—							—
Capital increase of consolidated subsidiaries		2,848			2,848							2,848
Net changes of items other than shareholders' equity						(6,886)	(568)	1,006,866	49,362	1,048,774	965	1,049,746
Total changes of items during the period	—	2,848	(40,686)	727	(37,104)	(6,886)	(568)	1,006,866	49,362	1,048,774	965	1,012,635
Balance at March 31, 2024	\$683,202	\$530,443	\$7,503,687	\$(48,345)	\$8,668,988	\$338,789	\$(93)	\$2,758,151	\$217,188	\$3,314,036	\$232,829	\$12,215,853

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Asahi Kasei Corporation and Consolidated Subsidiaries

Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Cash flows from operating activities:			
Income (loss) before income taxes	¥28,843	¥(62,541)	\$190,597
Depreciation and amortization	152,593	140,013	1,008,346
Impairment loss	92,834	189,446	613,454
Amortization of goodwill	29,603	37,273	195,619
Increase (decrease) in provision for grant of shares	196	(279)	1,295
Increase (decrease) in provision for periodic repairs	11	2,585	73
Increase (decrease) in provision for product warranties	(9)	198	(59)
Increase (decrease) in provision for removal cost of property, plant and equipment	2,649	2,951	17,505
Increase (decrease) in net defined benefit liability	2,348	(5,838)	15,516
Interest and dividend income	(11,189)	(7,917)	(73,938)
Interest expense	7,448	5,907	49,217
Equity in (earnings) losses of affiliates	38,106	(923)	251,807
(Gain) loss on sales of investment securities	(27,088)	(32,201)	(179,000)
(Gain) loss on valuation of investment securities	1,773	2,805	11,716
(Gain) loss on sale of property, plant and equipment	(527)	(729)	(3,482)
(Gain) loss on disposal of noncurrent assets	8,044	12,517	53,155
(Gain) loss on business transfer	(2,986)	—	(19,732)
(Increase) decrease in notes, accounts receivable—trade, and contract assets	(19,087)	8,405	(126,128)
(Increase) decrease in inventories	(16,303)	(84,053)	(107,731)
Increase (decrease) in notes and accounts payable—trade	18,630	(7,949)	123,108
Increase (decrease) in accrued expenses	(2,416)	(5,167)	(15,965)
Increase (decrease) in advances received	14,979	8,040	98,982
Other, net	3,907	(8,982)	25,818
Subtotal	322,360	193,563	2,130,179
Interest and dividend income, received	14,816	13,666	97,905
Interest expense paid	(7,042)	(5,859)	(46,534)
Income taxes (paid) refund	(34,834)	(110,565)	(230,186)
Net cash provided by (used in) operating activities	295,300	90,804	1,951,365
Cash flows from investing activities:			
Payments into time deposits	(4,218)	(5,209)	(27,873)
Proceeds from withdrawal of time deposits	3,115	3,702	20,584
Purchase of property, plant and equipment	(147,705)	(151,973)	(976,046)
Proceeds from sales of property, plant and equipment	1,183	7,796	7,817
Purchase of intangible assets	(24,249)	(20,185)	(160,239)
Purchase of investment securities	(10,576)	(7,352)	(69,887)
Proceeds from sales of investment securities	37,559	43,200	248,193
Purchase of shares in subsidiaries resulting in change in scope of consolidation (Note 9(b))	—	(78,420)	—
Proceeds from business transfer (Note 9(c))	7,320	—	48,371
Payments of loans receivable	(13,887)	(6,661)	(91,766)
Collection of loans receivable	8,144	2,132	53,816
Other, net	715	(613)	4,725
Net cash provided by (used in) investing activities	¥(142,598)	¥(213,584)	\$(942,298)

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2023	2024
Cash flows from financing activities:			
Net increase (decrease) in short-term loans payable	¥(23,674)	¥(29,778)	\$(156,440)
Increase (decrease) in commercial paper	(41,000)	11,000	(270,931)
Proceeds from long-term loans payable	65,500	209,648	432,829
Repayment of long-term loans payable	(54,499)	(75,461)	(360,133)
Proceeds from issuance of bonds payable	60,000	50,000	396,485
Redemption of bonds	(40,000)	—	(264,323)
Repayments of lease obligations	(9,274)	(3,665)	(61,283)
Purchase of treasury stock	(12)	(1,415)	(79)
Proceeds from disposal of treasury stock	122	208	806
Cash dividends paid	(49,962)	(48,575)	(330,153)
Proceeds from share issuance to non-controlling interests	—	1,499	—
Cash dividends paid to non-controlling interests	(1,132)	(1,371)	(7,480)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(166)	(163)	(1,097)
Other, net	(233)	(149)	(1,540)
Net cash provided by (used in) financing activities	(94,331)	111,780	(623,346)
Effect of exchange rate change on cash and cash equivalents	29,662	15,744	196,009
Net increase (decrease) in cash and cash equivalents	88,034	4,744	581,735
Cash and cash equivalents at beginning of year	247,903	242,948	1,638,162
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	—	212	—
Increase (decrease) in cash and cash equivalents resulting from corporate division	(2,439)	—	(16,117)
Cash and cash equivalents at end of year (Note 9(a))	¥333,498	¥247,903	\$2,203,780

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Asahi Kasei Corporation and Consolidated Subsidiaries

1. Major policies for preparing the consolidated financial statements

The consolidated financial statements, which are filed with the prime minister of Japan as required by the Financial Instruments and Exchange Act in Japan, are prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. The accompanying consolidated financial statements are a translation of those filed with the prime minister of Japan and incorporate certain modifications to enhance foreign readers' understanding of the consolidated financial statements. In addition, the notes to the consolidated financial statements include certain financial information which is not required under the disclosure regulations in Japan, but is presented herein as additional information.

The U.S. dollar amounts presented in the consolidated financial statements are included solely for the convenience of readers. These translations should not be construed as representations that the Japanese yen amounts actually represent, have been, or could be converted into U.S. dollars. As the amounts shown in U.S. dollars are for convenience only, and are not intended to be computed in accordance with generally accepted translation procedures, the approximate current exchange rate of ¥151.33 = US\$1 prevailing on March 31, 2024, has been used.

Consolidation and investments in affiliated companies

The consolidated financial statements consist of the accounts of the parent company and 287 subsidiaries (285 subsidiaries at March 31, 2023, hereinafter collectively referred to as the "Company") which, with minor exceptions due to immateriality, represent all of the parent company's majority or wholly owned companies, including 7 core operating companies (Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Pharma Corp., Asahi Kasei Medical Co., Ltd., ZOLL Medical Corporation, and Veloxis Pharmaceuticals, Inc.). Material inter-company transactions and accounts have been eliminated.

Investments in unconsolidated subsidiaries and 20% to 50% owned companies in which the Company exercises significant influence are accounted for, with minor exceptions due to immateriality, using the equity method of accounting. There were 39 such unconsolidated subsidiaries and 20% to 50% owned companies to which the equity method is applied at March 31, 2024 (43 at March 31, 2023), including Asahi Kasei Networks Corporation and Asahi Yukizai Corporation.

The financial results of certain subsidiaries with fiscal year ending December 31 are included in the consolidated financial statements. Material differences in inter-company transactions and accounts through to March 31 are appropriately adjusted for as part of the consolidation process.

All assets and liabilities of acquired companies are measured at their fair values and any difference between the net assets and the cost of investment is recognized as goodwill. Goodwill is amortized using the straight-line method over a reasonable period during which its effects would last, with the exception of minor amounts which are charged to income as incurred.

2. Significant accounting policies

(a) Cash and cash equivalents

For cash flow statement purposes, cash and cash equivalents include all highly liquid investments, generally with original maturities of three months or less, which are readily convertible to known amounts of cash, and therefore present an insignificant risk of changes in value.

(b) Inventories

Inventories held for sale in the ordinary course of business are stated at the lower of cost or net realizable value. Residential lots and dwellings for sale are stated at specifically identified costs.

(c) Noncurrent assets and depreciation/amortization

Property, plant and equipment (except for lease assets) are stated at cost. Significant renewals and improvements are capitalized at cost, while maintenance and repairs are charged to expense as incurred. Depreciation is provided for under the straight-line method, at rates based on estimated useful lives of the assets, principally ranging from 7 to 60 years for buildings and from 2 to 22 years for machinery and equipment and vehicles.

Intangible fixed assets (except for lease assets), including software for internal use, are mainly amortized using the straight-line method over the estimated useful lives of the assets. The estimated useful life of software for internal use is mainly 5 years.

Lease assets (financing lease transactions without title transfer) are depreciated/amortized on a straight-line basis over the period of the lease with no residual value.

(d) Significant allowances

i) Allowance for doubtful accounts

Estimates of the unrecoverable portion of receivables, generally based on historical rates and for specific receivables of particular concern based on individual estimates of recoverability, are recognized as allowance for doubtful accounts.

ii) Provision for grant of shares

To record the grant of shares to Directors, etc., in accordance with Share Grant Regulations, the provision for grant of shares is recorded based on an estimate of grant of shares liabilities as of the closing date of the fiscal year.

iii) Provision for periodic repairs

The portion of foreseeable periodic repair expenses deemed to correspond to normal wear and tear of plant and equipment as of the closing date of the fiscal year is recognized as provision for periodic repairs.

iv) Provision for product warranties

Estimates of product warranty expenses based on historical rates are recognized as provision for product warranties.

v) Provision for removal cost of property, plant and equipment

Provision for removal cost of property, plant and equipment is recorded based on estimated future removal cost of property, plant and equipment at the end of each fiscal year.

(e) Accounting for retirement benefits

i) Method of attributing expected retirement benefits to each period

In calculating retirement benefit obligations, the Company applies a method of attributing expected retirement benefits to each period based on a benefit formula basis.

ii) Accounting for actuarial gains or losses and prior service costs

Actuarial gains or losses are amortized using the straight-line method from the fiscal year following their accrual over a certain period (mainly 10 years) within the average remaining service period of employees at the time of accrual. Prior service costs are amortized using the straight-line method over a certain period (mainly 10 years) within the average remaining service period of employees at the time of accrual.

iii) Adoption of the simplified method

In calculating expected defined benefit liability and periodic retirement benefit expenses, certain consolidated subsidiaries have adopted the simplified method. Under this method, the expected defined benefit liability is recorded at the severance payment amount to be required should all employees retire voluntarily at fiscal year end.

(f) Significant revenue and expense recognition

The Company's main operations are the sale of products, undertaking of construction, and provision of services, etc., in the Material, Homes, and Health Care segments. Regarding the sale of products, performance obligations are satisfied when the customer gains control of the product at the time the product is transferred to the customer, so revenue is recognized at such time. However, in the case of domestic sale when there is a normal period between the time of shipment and the time of transfer of control of the product to the customer, revenue is recognized at the time of shipment. Regarding the undertaking of construction and the provision of services, in the case of performance obligations being satisfied by meeting conditions over a certain period of time, revenue is recognized over such period of time. Measurement of the progress toward satisfaction of performance obligations of contracted construction is based on the proportion of the total foreseen construction cost which is incurred by the closing date of each financial period. Revenue is determined as the amount within the scope where there is a high probability that there will be no significant decrease from the consideration promised in a contract with the customer due to deduction by product return, discount, rebate, etc. As consideration for transactions are mainly collected within 1 year from fulfillment of performance obligations, no significant financing components are included.

(g) Financial instruments

i) Securities

Securities are classified into four categories: trading securities, held-to-maturity debt securities, equity securities of unconsolidated subsidiaries and affiliates, and other securities. At March 31, 2024 and 2023, the Company did not have trading securities or held-to-maturity debt securities. Equity securities of unconsolidated subsidiaries and affiliates are accounted for, with minor exceptions due to immateriality, using the equity method of accounting.

Other securities which do not have market price in active market are stated at cost. In cases where any significant decline in the realizable value is assessed to be other than temporary, the cost of other securities is devalued by the impaired amount and is charged to expense. Realized gains and losses are determined using the average cost method and are reflected in the consolidated income statements. Other securities other than above are carried at fair value with net unrealized gains or losses, net of income taxes, being included as a component of net assets.

ii) Derivative financial instruments

All derivatives are stated at fair value. Gains or losses arising from changes in fair value are recognized in the period in which they arise, except for derivatives that are designated as hedging instruments. Gains or losses arising from changes in fair value of these qualifying hedges are deferred as "Deferred gains or losses on hedges" until being offset against gains or losses of the underlying hedged assets and liabilities.

(h) Significant hedge accounting

i) Hedge accounting

In principle, deferred hedge accounting is applied. For interest-rate swaps, the special treatment is applied when the swaps satisfy the requirements.

ii) Hedging instruments and hedged items

Hedging instruments	Hedged items
Forward exchange contracts	Foreign currency receivables and payables (including forecast transactions)
Interest-rate swaps	Interest expense

iii) Hedge policy

Based on the internal regulations relating to derivative financial instruments, the parent company and some of its domestic consolidated subsidiaries execute derivative transactions for the purpose of avoiding the risks caused by fluctuating foreign exchange rates and interest rates.

iv) Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted because significant terms of hedging instruments and those of the items hedged are the same and the risk of changes in foreign exchange rates and cash flow would be entirely eliminated.

(i) Taxes

Accrued income taxes are stated at the estimated amount of payables for corporation, enterprise, and inhabitant taxes. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

The Company has elected to file its return under the Group Tax Sharing System in Japan. Transactions subject to consumption taxes are recorded at amounts net of consumption taxes.

(j) Translation of foreign currencies

Foreign currency receivables and payables are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting income and expenses are charged to income for the period.

Assets and liabilities of foreign subsidiaries are translated into Japanese yen at fiscal year-end exchange rates, and income and expenses of same are translated into Japanese yen at the average exchange rate for the fiscal year. Shareholders' equity of foreign subsidiaries is translated into Japanese yen at the historical exchange rates. The translation differences in Japanese yen amounts arising from the use of different rates are recognized as foreign currency translation adjustments in the consolidated balance sheets. A portion of the foreign currency translation

adjustment is allocated to non-controlling interests and the Company's portion is presented as a separate component of net assets in the consolidated balance sheets.

3. Significant Accounting Estimates

For the year ended March 31, 2024

(a) Recognition and measurement of impairment losses on fixed assets in the Material segment

i) The amount of impairment loss recorded for fixed assets and the book value of fixed assets at the end of the current fiscal year ended March 31, 2024

	Millions of yen	
	2024	
	Net book value (after recording impairment loss)	Impairment loss
Property, plant and equipment and Intangible assets (including goodwill)	¥672,294	¥92,389

	Thousands of U.S. dollars	
	2024	
	Net book value (after recording impairment loss)	Impairment loss
Property, plant and equipment and Intangible assets (including goodwill)	\$4,442,569	\$610,513

ii) Information on the nature of significant accounting estimates for identified items

The Company identifies indicators of impairment in asset groups when events have occurred or are expected to occur, such as continuous operating losses, changes in the extent or manner of use that significantly reduce the recoverable amount, or a significant deterioration in the business environment.

In recent years, the performance of the Material segment, particularly in the Basic Materials business, has been deteriorating, and the Company is restructuring the existing businesses based on a reassessment of our strategy under the "Strategic Restructuring Business" and a policy of "Fundamental business structure transform". There are businesses comprising asset groups recording continuous operating losses, and the Company has identified indicators of impairment losses in asset groups in the Material segment.

The Company determines that petrochemical chain businesses whose main raw materials are supplied internally sourcing from the naphtha cracker such as the petrochemical products business in the Environmental Solutions business and the synthetic resin business in the Mobility & Industrial business as a single asset group of general-purpose petrochemical and resin asset group. In the current fiscal year, the Company identified indicators of impairment in this asset group as a result of continuous operating losses due to decreases in sales volumes and market prices due to decreased demand, mainly in the Chinese market, and the expansion of production capacity of various petrochemical products, such as ethylene in China. As a result of the test to consider whether it is appropriate to recognize an impairment loss for the asset group, the Company identified and recorded an impairment loss of ¥58,381 million (US\$385,786 thousand) in the current fiscal year as the total amount of undiscounted future cash flows was found to be less than the carrying amount of the fixed assets.

In addition, impairment losses were recorded in asset groups other than the general-purpose petrochemical and resin asset group such as the regenerated fiber business for which the impairment test concluded that impairment was necessary. As a result, the Company recorded a total impairment loss of ¥92,389 million (US\$610,513 thousand) in the Material segment in the current fiscal year.

The future cash flows used to determine the recognition and measurement of impairment losses are based on business plans approved by the Board of Directors, which include assumptions that involve significant decisions by management, such as forecasts of sales volumes, sales prices and raw material prices based on the forecasts of the supply-demand balance of products. In addition, the discount rate used to estimate value in use ranges between 10% to 13.9% and is based on the weighted average cost of capital which reflects the time value of money and the risk of future cash flows diverging from their estimated value.

The assumptions used to recognize and measure impairment losses have a high degree of estimation uncertainty, and if conditions deteriorate to a greater extent than that assumed, further impairment losses may be recognized in the consolidated financial statements in the following fiscal year.

(b) Recognition of impairment losses on fixed assets in Polypore International, LLC**i) The amount of the book value of fixed assets at the end of the current fiscal year ended March 31, 2024**

	Millions of yen
	2024
	Net book value
Property, plant and equipment and Intangible assets (including goodwill)	¥67,611

	Thousands of U.S. dollars
	2024
	Net book value
Property, plant and equipment and Intangible assets (including goodwill)	\$446,779

ii) Information on the nature of significant accounting estimates for identified items

In the previous fiscal year, Polypore International, LLC (previously known as Polypore International, LP) recorded an impairment loss of ¥186,376 (US\$1,231,587 thousand) million on goodwill and other intangible assets.

In the current fiscal year, Polypore International, LLC recorded continuous operating losses due to delays in improving production issues for dry-type separators for lithium-ion batteries, and weak demand for eco-friendly cars and energy storage systems (ESS) using ternary (NMC) cathodes. Although the Polypore International, LLC identified indicators of impairment in the asset group, they did not recognize any impairment losses since the total amount of the undiscounted future cash flows exceeded the carrying amount of the fixed assets.

Polypore International, LLC's undiscounted future cash flows are based on the business plan approved by the Board of Directors, which includes significant assumptions such as future sales forecasts based on the sales plan of sale volume increases in the lithium-ion battery market for hybrid vehicles where the advantages of dry separators like the high output and durability can be leveraged, and the energy storage systems (ESS) using lithium iron phosphate (LFP) cathodes in North America.

If there are changes in the assumptions, there may be effects on the recognition of impairment in the consolidated financial statements for the following fiscal year.

For the year ended March 31, 2023**(a) Measurement of impairment losses on fixed assets and including goodwill as it relates to the acquisition of Polypore International, LP****i) The amount of impairment loss recorded for fixed assets, including goodwill, recognized in the acquisition of Polypore International, LP and the book value of fixed assets for which impairment loss was examined at the end of the current fiscal year ended March 31, 2023**

	Millions of yen	
	2023	
	Net book value (after recording impairment loss)	Impairment loss
Property, plant and equipment and Intangible assets (including goodwill)	¥63,284	¥186,376

The Company allocated aforementioned impairment loss to goodwill and other intangible assets, in ¥130,384 million and ¥55,992 million, respectively.

ii) Information on the nature of significant accounting estimates for identified items

In the battery separator business, the Company has built a high reputation in the market and fulfilled its supply responsibilities while strengthening its technological and product development capabilities for Hipore, a wet-process separator for lithium-ion batteries. In the year ended March 31, 2016, the Company acquired Polypore International, LP in the U.S. and added Celgard, a dry-process separator for lithium-ion batteries, and Daramic, a separator for lead-acid batteries, to the battery separator business. As a result, the Company is the only separator manufacturer with both wet-process and dry-process separators for lithium-ion batteries and separators for lead-acid batteries. As the market for eco-friendly cars is growing, there is rapidly evolving technology and increased competition among battery products with alternative uses. The Company has been trying to realize these synergies with the acquisition of Polypore International, LP through developed battery separators that

respond to changes in the eco-friendly cars market with a broad product lineup and diverse supply channels. The Company established the Separator business unit for managing these battery separators. Since the Separator business unit was responsible for the integrated operation of management strategies, investment decisions, and management oversight including revenue management, the Company evaluated fixed assets, including goodwill as it relates to the acquisition of Polypore International, LP, within the separator business as an asset grouping unit.

However, given that the policy trends in each country regarding the market for eco-friendly cars and differentiation between wet-process and dry-process lithium-ion batteries became clear, the situation in which the cash flows from each product are mutually complementary has decreased year by year. Under these circumstances, the following major changes in the economic environment during the current fiscal year, the expansion of the market for lithium-ion batteries in North America has changed trends in the market for eco-friendly cars, the corresponding strategy for each business and the related operating activities.

- In addition to the successive shift to EV in the Chinese and European markets for eco-friendly cars, it has become clear in the U.S. that the Inflation Reduction Act, which was enacted in August 2022, will shift to EV, and in North America, the establishment of a supply chain for high-capacity lithium-ion batteries is expected to accelerate. This is a large business opportunity for Hipore, a wet-process separator for lithium-ion batteries, which is one of the operations that the Company aims to contribute to a sustainable society from the perspective of realizing a carbon neutral and sustainable world.

- Regarding Celgard, a dry-process separator for lithium-ion batteries that was supposed to become a core product for lithium-ion battery separators for EV at the time of the acquisition of Polypore International, LP, as a market that differs from the aforementioned EV applications using high-capacity lithium-ion batteries, the Company will focus on adopting lithium-ion batteries that use the positive electrodes of ferrous iron LFP for energy storage systems (ESS), as represented by the strategic alliance with American Battery Factory announced in August 2022, and lithium-ion batteries for hybrid vehicles that can leverage the characteristics of products such as high output and high durability

In light of this, at the Board of Directors' meeting held on March 8, 2023, the Company revised its business strategy for the separator business to focus on Hipore, a wet-process separator for lithium-ion batteries, mainly in the North American market, and focus on the market for eco-friendly car batteries, such as electric vehicles (EV) equipped with highly sought after high-capacity batteries. In addition, the Company decided that the Hipore and Polypore businesses will be operated separately.

The Company changed the asset grouping units to Hipore and Polypore, triggered by the changes in the industry resulting in decreased synergies, and changes in management oversight of the business units due to changes in business strategy. Goodwill and other intangible assets related to the acquisition of Polypore International, LP are included in Polypore International, LP's asset grouping unit.

Future business plans for Polypore International, LP in response to modifications in business strategy reflect sales strategies in markets that have applications other than EV, such as lithium-ion batteries that use positive electrodes for ferrous sulfate (LFP) and lithium-ion batteries for hybrid vehicles. On the other hand, it is difficult to expand the sales of separators for EV that were anticipated at the time of the acquisition of Polypore International, LP. Accordingly, in addition to changes in the business environment, such as increased regulations surrounding the eco-friendly cars market, the Company has determined that changes in the business strategy in Polypore International, LP significantly reduce the recoverable amount and identified this as an impairment indicator in the asset grouping unit which includes goodwill and other intangible assets related to the acquisition of Polypore International, LP.

As a result of the impairment trigger, the Company measured the fair value of the asset group and recorded an impairment loss of JPY186,376 million for goodwill and other intangible assets. Value in use is used as the recoverable amount in measuring impairment losses. To measure the impairment loss and the recoverable amount, the Company used the value in use method. Value in use is calculated as the present value of future cash flows and includes key assumptions such as future sales forecasts, operating margins and discount rates estimated by considering information on external factors of companies such as the business environment and sales strategies. Future sales forecasts and operating margins are estimated by considering information about the company's external factors, such as the business environment, and sales strategies. Polypore International, LP's future business strategy is reflected in these estimates. The Company also applied a discount rate of 14.5%, which reflects both the time value of money and the risk that future cash flows deviate from their estimated values in the pre-tax weighted average cost of capital.

The business environment for the battery separator business, which is primarily focused on the eco-friendly cars market, has changed significantly, and the key assumptions used in accounting estimates, such as future sales forecasts and operating margins and discount rates, are subject to a high degree of uncertainty in the estimates, and if conditions under the assumptions deteriorate, additional impairment losses may be recognized.

4. Changes in significant accounting policies

(a) Accounting Standards issued but not yet applied

i) The Practical Solution No.46, the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules

The ASBJ issued the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (the Practical Solution No.46). The method of accounting treatment, disclosure, and notes for current income taxes related to the Global Minimum Tax Rules in the quarterly/interim/annual consolidated and annual non-consolidated financial statements has been determined. The Company will apply the practical solution from the beginning of the year ending March 31, 2025. At the time of the preparation of the consolidated financial statements, the effects of adoption are being assessed.

(b) Changes in presentation

i) Consolidated Statements of Income

In the year ended March 31, 2024, foreign exchange loss and costs associated with idle portion of facilities, both of which had previously been reported separately, each became 10% or less of total non-operating expenses, and are included in others under non-operating expenses. The consolidated statements of income for the year ended March 31, 2023, have been adjusted accordingly, resulting in foreign exchange loss of ¥2,287 million and costs associated with idle portion of facilities of ¥3,300 million being included in others under non-operating expenses.

5. Notes to Consolidated Balance Sheets

(a) Investment securities

Among investment securities, shares of unconsolidated subsidiaries and affiliates as of March 31, 2024 and 2023, amounted to ¥83,919 million (US\$554,543 thousand) and ¥101,867 million, respectively. Included in those amounts are investments in joint ventures of ¥36,322 million (US\$240,019 thousand) and ¥58,077 million, respectively.

(b) Pledged assets and secured debt

A summary of assets pledged as collateral and secured debt as of March 31, 2024 and 2023, is shown below:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Pledged assets:			
Machinery, equipment and vehicles	¥749	799	\$4,949
Total pledged assets	¥749	¥799	\$4,949
Secured debt:			
Short-term loans payable	249	179	1,645
Long-term loans payable	500	620	3,304
Total secured debt	¥749	¥799	\$4,949

Besides the above, cash and deposits pledged as collateral for bank guarantees at March 31, 2024 and 2023, were ¥114 million (US\$753 thousand) and ¥71 million, respectively. Investment securities pledged to suppliers as transaction guarantees at March 31, 2024 and 2023, were ¥56 million (US\$370 thousand) and ¥42 million, respectively.

(c) Notes, accounts receivable–trade, and contract assets

Amounts of receivables and contract assets arising from contracts with customers included in Notes, accounts receivable–trade, and contract assets at March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Notes receivable-trade	¥20,662	¥20,887	\$136,536
Accounts receivable-trade	423,172	377,606	2,796,352
Contract assets	37,084	41,060	245,054

(d) Contingent liabilities

Contingent liabilities at March 31, 2024 and 2023, arising in the ordinary course of business were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Loans guaranteed	¥37,347	¥48,610	\$246,792
of which, the amount owed by other companies in joint guarantees	¥1,272	¥699	\$8,405
Total	¥37,347	¥48,610	\$246,792

(e) Deferred gain on property, plant and equipment deducted for tax purposes

The accumulated reduced-value entries, which are directly deducted from property, plant and equipment, as of March 31, 2024 and 2023, were ¥23,407 million (US\$154,675 thousand) and ¥21,948 million, respectively.

The breakdown of reduced-value entries as of March 31, 2024 and 2023, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Buildings and structures	¥5,219	¥5,343	\$34,488
Machinery, equipment and vehicles	17,896	16,312	118,258
Land	167	167	1,104
Other	125	126	826
Total	¥23,407	¥21,948	\$154,675

(f) Notes maturing on March 31, 2024

Although financial institutions in Japan were closed on March 31, 2024, and notes maturing on that date were actually settled on the following business day, April 1, 2024, those were accounted for as if settled on March 31, 2024.

The breakdown of those notes at March 31, 2024 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Notes and accounts receivable-trade	¥1,832	¥—	\$12,106
Notes and accounts payable-trade	653	—	4,315

(g) Long-term advance payments—trade

The Company has concluded long-term purchase contracts with raw materials manufacturers, to ensure the stable procurement of nylon raw materials. Advance payments have been made for a part of it in accordance with the contracts.

6. Notes to Consolidated Statements of Income

(a) Revenue from contracts with customers

Net sales are not broken down into revenue from contracts with customers and other revenue. Amounts of revenue from contracts with customers are shown in Note 17. "Revenue recognition".

(b) Selling, general and administrative expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Salaries and benefits	¥276,025	¥249,075	\$1,823,994
Research and development(*)	73,353	74,034	484,722
Outsourcing fee	69,098	62,616	456,605

(*) The aggregate amounts of research and development expenses included in manufacturing costs and selling, general and administrative expenses for the years ended March 31, 2024 and 2023, were ¥106,597 million (US\$704,401 thousand) and ¥105,027 million, respectively.

(c) Gain or loss on valuation of inventories

Inventories held for sale in the ordinary course of business are stated at the lower of cost or net realizable value. (Gain) loss on valuation of inventories for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
	¥(1,872)	¥5,559	\$(12,370)

(d) Equity in losses of affiliates

On the consolidated financial statements for the year ended March 31, 2024, ¥41,663 million (US\$275,312 thousand) was recorded as equity in losses of affiliates under non-operating expenses as an effect of the recording of an impairment loss in relation to noncurrent assets of equity-method affiliate PTT Asahi Chemical Co., Ltd.

(e) Gain on sales of noncurrent assets

Major components of gain on sales of noncurrent assets for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Land	¥163	¥162	\$1,077
Machinery	112	482	740
Other	252	86	1,665

(f) Loss on disposal of noncurrent assets

Loss on disposal of noncurrent assets for the years ended March 31, 2024 and 2023, was primarily loss on abandonment and sale of machinery and equipment. The abandonment and sale of machinery and equipment were performed under a single, all-inclusive contract for each facility.

(g) Impairment loss

Major components of impairment losses for the years ended March 31, 2024 and 2023, were as follows:

Use	Asset class	Location	Millions of yen		Thousands of U.S. dollars	Item on the Consolidated Statements of Income
			2024	2023	2024	
Equipment related to asset group for general-purpose petrochemicals and resins (*)	Machinery and equipment, etc.	Kurashiki, Okayama, etc.	¥58,381	¥—	\$385,786	Impairment loss
Equipment for manufacturing regenerated fiber	Machinery and equipment, etc.	Nobeoka, Miyazaki, etc.	12,230	—	80,817	Impairment loss
Goodwill etc. related to gas sensor business	Goodwill and other intangible assets	Delsbo, Sweden, etc.	3,983	—	26,320	Impairment loss
Production facility for synthetic fibers	Machinery and equipment, etc.	Moriyama, Shiga, etc.	3,519	—	23,254	Impairment loss
Production facility for nonwoven fabrics	Machinery and equipment, etc.	Nobeoka, Miyazaki, etc.	2,755	—	18,205	Impairment loss
Production facility for chemical intermediates	Machinery and equipment, etc.	Hyuga, Miyazaki, etc.	2,481	—	16,395	Impairment loss
Production facility for foamed products	Machinery and equipment, etc.	Suzuka, Mie, etc.	2,144	—	14,168	Impairment loss
Production facility for plastic raw materials	Construction in progress, etc.	Ulsan, Korea	2,124	—	14,036	Impairment loss
Production facility for synthetic fibers	Machinery and equipment, etc.	Nobeoka, Miyazaki, etc.	1,701	—	11,240	Impairment loss
Production facility for plastic raw materials	Construction in progress	Kuala Lumpur, Malaysia	1,403	—	9,271	Impairment loss
Power generation facility	Machinery and equipment, etc.	Nobeoka, Miyazaki, etc.	584	—	3,859	Impairment loss
Office and R&D facility	Buildings and structures, etc.	Oita, Oita	451	—	2,980	Impairment loss
Others	—	—	1,641	—	10,844	Impairment loss and business structure improvement expenses
Goodwill, Customer-related assets and others related to Polypore	Goodwill and other intangible assets	North Carolina, U.S.A	—	186,376	—	Impairment loss
Production facility for plastic containers	Buildings, etc.	Ota, Gunma, etc.	—	2,337	—	Business structure improvement expenses
Production facility for AAC	Machinery and equipment, etc.	Iwakuni, Yamaguchi, etc.	—	2,105	—	Business structure improvement expenses

Office assets	Buildings	Chiyoda-ku, Tokyo	—	1,004	—	Impairment loss
Thermal power generation facility	Machinery and equipment, etc.	Nobeoka, Miyazaki	—	622	—	Impairment loss
R&D facility	Tools, furniture, and fixtures, etc.	North Rhine-Westphalia, Germany	—	433	—	Impairment loss
Processing test facility for fiber products	Machinery and equipment, etc.	Echizen, Fukui	—	407	—	Impairment loss
Production facility for nonwoven fabrics	Machinery and equipment, etc.	Moriyama, Shiga	—	176	—	Impairment loss
Systems related to new business	Other intangible assets	Chiyoda-ku, Tokyo, etc.	—	175	—	Impairment loss
Others	Machinery and equipment, etc.	Sarushima, Ibaraki, etc.	—	270	—	Impairment loss and business structure improvement expenses

(*) Equipment related to asset group for general-purpose petrochemicals and resins includes production facility for petrochemical products of Environmental Solutions business and synthetic resins and other raw materials of Mobility & Industrial business.

Grouping of operating assets is based on managerial accounting categories, with consideration given to production process, geographic location, and domain of authority for making investment decisions. Idle assets are recorded separately in each fixed assets class.

The book values of equipment related to asset group for general-purpose petrochemicals and resins, part of equipment for manufacturing regenerated fiber, goodwill etc. related to gas sensor business, production facility for synthetic fibers (Moriyama, Shiga, and Nobeoka, Miyazaki, etc.), production facility for nonwoven fabrics, production facility for chemical, and production facility for foamed products were reduced to the recoverable amount due to diminished profitability. The recoverable amount of these assets was measured by value in use, which was measured by discounting future cash flows at a discount rate of 10.0 to 13.9%, other than for those assets whose cash flows are estimated to be negative, for which have a recoverable amount of zero has been used.

The book values of production facilities for plastic raw materials (Ulsan, Korea and Kuala Lumpur, Malaysia), part of equipment for manufacturing regenerated fiber, power generation facility, and office and R&D facility were reduced to zero due to the lack of prospects for future use. Among the extraordinary losses under Others, ¥564 million (US\$3,727 thousand) and ¥16 million were recorded under business structure improvement expenses for the years ended March 2024 and 2023, respectively.

(h) Loss on fire at plant facilities

For the year ended March 31, 2024: None

For the year ended March 31, 2023

Loss on fire at plant facilities was recorded for the year ended March 31, 2023 due to a fire that occurred on April 9, 2022, at the Bemberg manufacturing plant of the Company.

(i) Business structure improvement expenses

Major components of business structure improvement expenses for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Impairment of fixed assets	¥564	¥4,459	\$3,727
Additional payment of retirement benefits due to application of early retirement, etc.	1,314	982	8,683
Loss on disposal and devaluation of inventory and others	8,855	7,885	58,515

(j) Income taxes-current and income taxes-deferred

The parent company transferred all shares of consolidated subsidiary Asahi Kasei Energy Storage Materials, Inc. (AKESM) to consolidated subsidiary Asahi Kasei Holdings US, Inc. In relation to the transfer of shares, total income taxes decreased by ¥66,351 million (US\$438,452 thousand) for the year ended March 31, 2024, as deductible temporary difference related to investment in AKESM in the previous year has been included in deductible expenses for tax purposes.

7. Notes to Consolidated Statements of Comprehensive Income

Recycling adjustment and tax effects on other comprehensive income for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Net unrealized gain on other securities			
Changes during the fiscal year	¥22,668	¥6,743	\$149,792
Recycling adjustment	(24,464)	(26,546)	(161,660)
Pre-tax effect	(1,797)	(19,803)	(11,875)
Tax effect	613	6,097	4,051
Net unrealized gain on other securities	(1,184)	(13,706)	(7,824)
Deferred gains (losses) on hedges			
Changes during the fiscal year	(385)	(576)	(2,544)
Recycling adjustment	263	1,157	1,738
Pre-tax effect	(122)	581	(806)
Tax effect	36	(167)	238
Deferred gains (losses) on hedges	(86)	414	(568)
Foreign currency translation adjustment			
Changes during the fiscal year	155,657	95,390	1,028,593
Recycling adjustment	(3,827)	(38)	(25,289)
Foreign currency translation adjustment	151,830	95,352	1,003,304
Remeasurements of defined benefit plans			
Changes during the fiscal year	13,300	41,525	87,887
Recycling adjustment	(2,608)	2,338	(17,234)
Pre-tax effect	10,692	43,863	70,654
Tax effect	(3,323)	(13,270)	(21,959)
Remeasurements of defined benefit plans	7,369	30,593	48,695
Share of other comprehensive income of affiliates accounted for using equity method			
Changes during the fiscal year	2,397	2,544	15,840
Recycling adjustment	(472)	—	(3,119)
Share of other comprehensive income of affiliates accounted for using equity method	1,925	2,544	12,721
Total other comprehensive income	¥159,854	¥115,197	\$1,056,327

Note) Figures revised to reflect finalization of provisional accounting treatment as described in Note 16. "Business combinations".

8. Notes to Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2024

(a) Class and total number of issued and outstanding shares and treasury stock

	Thousands of shares			
	Number of shares as of March 31, 2023	Increase in number of shares during the fiscal year	Decrease in number of shares during the fiscal year	Number of shares as of March 31, 2024
Issued and outstanding shares				
Common stock	1,393,932	—	—	1,393,932
Total	1,393,932	—	—	1,393,932
Treasury stock				
Common stock (*1,2,3)	7,864	12	114	7,762
Total	7,864	12	114	7,762

(*1) The increase of 12 thousand shares in common stock of treasury stock was primarily attributable to the purchase of 12 thousand shares in quantities of less than one share unit.

(*2) The decrease of 114 thousand shares in common stock of treasury stock was primarily attributable to the disposal of 114 thousand shares by the trust for granting shares to Directors, etc., and the sale of 0 thousand shares in quantities of less than one share unit.

(*3) The number of shares of treasury stock as of March 31, 2024, includes 1,662 thousand shares held by the trust for granting shares to Directors, etc.

(b) Dividends

i) Cash dividends paid

1) The following was resolved by the Board of Directors on May 10, 2023.

Dividends for common stock

Total dividends	¥24,981 million (US\$165,076 thousand)
Dividend per share	¥18.00 (US\$0.12)
Date of record	March 31, 2023
Payment date	June 5, 2023

Note) Total dividends includes ¥32 million (US\$211 thousand) for shares held by the trust for granting shares to Directors, etc.

2) The following was resolved by the Board of Directors on Nov 7, 2023.

Dividends for common stock

Total dividends	¥24,981 million (US\$165,076 thousand)
Dividend per share	¥18.00 (US\$0.12)
Date of record	September 30, 2023
Payment date	December 4, 2023

Note) Total dividends includes ¥30 million (US\$198 thousand) for shares held by the trust for granting shares to Directors, etc.

ii) Dividends for which the date of record falls within the fiscal year under review but the payment date occurs in the following fiscal year

The following was resolved by the Board of Directors on May 9, 2024.

Dividends for common stock

Total dividends	¥24,981 million (US\$165,076 thousand)
Source of dividends	Retained earnings
Dividend per share	¥18.00 (US\$0.12)
Date of record	March 31, 2024
Payment date	June 3, 2024

Note) Total dividends includes ¥30 million (US\$198 thousand) for shares held by the trust for granting shares to Directors, etc.

For the year ended March 31, 2023

(a) Class and total number of issued and outstanding shares and treasury stock

	Thousands of shares			
	Number of shares as of March 31, 2022	Increase in number of shares during the fiscal year	Decrease in number of shares during the fiscal year	Number of shares as of March 31, 2023
Issued and outstanding shares				
Common stock	1,393,932	—	—	1,393,932
Total	1,393,932	—	—	1,393,932
Treasury stock				
Common stock (*1,2,3)	6,641	1,390	167	7,864
Total	6,641	1,390	167	7,864

(*1) The increase of 1,390 thousand shares in common stock of treasury stock was primarily attributable to the purchase of 1,381 thousand shares by the trust for granting shares to Directors, etc., and the purchase of 9 thousand shares in quantities of less than one share unit.

(*2) The decrease of 167 thousand shares in common stock of treasury stock was primarily attributable to the disposal of 167 thousand shares by the trust for granting shares to Directors, etc., and the sale of 0 thousand shares in quantities of less than one share unit.

(*3) The number of shares of treasury stock as of March 31, 2023, includes 1,776 thousand shares held by the trust for granting shares to Directors, etc.

(b) Dividends

i) Cash dividends paid

1) The following was resolved by the Board of Directors on May 13, 2022.

Dividends for common stock

Total dividends ¥23,593 million

Dividend per share ¥17.00

Date of record March 31, 2022

Payment date June 2, 2022

Note) Total dividends includes ¥10 million for shares held by the trust for granting shares to Directors, etc.

2) The following was resolved by the Board of Directors on Nov 9, 2022.

Dividends for common stock

Total dividends ¥24,981 million

Dividend per share ¥18.00

Date of record September 30, 2022

Payment date December 2, 2022

Note) Total dividends includes ¥7 million for shares held by the trust for granting shares to Directors, etc.

ii) Dividends for which the date of record falls within the fiscal year under review but the payment date occurs in the following fiscal year

The following was resolved by the Board of Directors on May 10, 2023.

Dividends for common stock

Total dividends ¥24,981 million

Source of dividends Retained earnings

Dividend per share ¥18.00

Date of record March 31, 2023

Payment date June 5, 2023

Note) Total dividends includes ¥32 million for shares held by the trust for granting shares to Directors, etc.

9. Notes to Consolidated Statements of Cash Flows

(a) Cash and cash equivalents

Reconciliation of cash and cash equivalents on the consolidated statements of cash flows to the amounts disclosed on the consolidated balance sheets at March 31, 2024 and 2023, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Cash and deposits	¥338,108	¥251,181	\$2,234,243
Time deposits with deposit term of over 3 months	(4,610)	(3,278)	(30,463)
Cash and cash equivalents	¥333,498	¥247,903	\$2,203,780

(b) Assets and liabilities of newly consolidated subsidiaries through acquisition of shares

For the year ended March 31, 2023

Assets and liabilities of acquired companies (Bionova Holdings, Inc. and 1 consolidated subsidiary) and net cash outflow for such acquisition is as follows:

	Millions of yen
Current assets	¥1,543
Noncurrent assets	13,246
Goodwill	35,455
Current liabilities	(1,491)
Noncurrent liabilities	(3,056)
Foreign currency translation adjustment	(2,816)
Acquisition cost of shares	42,882
Cash and cash equivalents	(341)
Net cash used for acquisition	¥42,541

Assets and liabilities of acquired companies (Focus Plumbing LLC and 5 consolidated subsidiaries) and net cash outflow for such acquisition is as follows:

	Millions of yen
Current assets	¥9,620
Noncurrent assets	23,132
Goodwill	12,806
Current liabilities	(9,375)
Acquisition cost of shares	36,183
Cash and cash equivalents	(303)
Net cash used for acquisition	¥35,879

Note) Figures revised to reflect finalization of provisional accounting treatment as described in Note 16. "Business combinations"

(c) Assets and liabilities decreased through business transfer

For the year ended March 31, 2024

Decrease in assets and liabilities due to the transfer of photomask pellicles business and net cash inflow for such transfer is as follows:

	Millions of yen	Thousands of U.S. dollars
Current assets	¥3,333	\$22,025
Noncurrent assets	1,509	9,972
Current liabilities	(384)	(2,538)
Noncurrent liabilities	(124)	(819)
Gain on business transfer	2,986	19,732
Consideration for transfer	7,320	48,371
Cash and cash equivalents	—	—
Proceeds from business transfer	¥7,320	\$48,371

10. Leases

(a) Financing lease transactions

Financing lease transactions without title transfer and right-of-use assets of overseas subsidiaries under IFRS 16 and ASC 842

(Lessee)

i) Components of lease assets are as follows:

1) **Building, property, plant and equipment:** Mainly the right to use buildings, land and production facilities.

The right-of-use assets are included in "Other" in the consolidated balance sheets for the fiscal year under review.

2) **Intangible assets:** Software

ii) Depreciation of lease assets:

As stated in Note 2. "Significant accounting policies (c) Noncurrent assets and depreciation/amortization."

(b) Operating lease transactions

(Lessee)

Future lease payments for the non-cancelable portion of the Company's operating leases at March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Due within one year	¥7,759	¥6,920	\$51,272
Due after one year	27,779	8,009	183,566
Total	¥35,537	¥14,929	\$234,831

11. Financial instruments

(a) Overview of financial instruments

i) Policy related to financial instruments

The Company raises long-term funds as required mainly for its planned capital expenditures by borrowing from banks, borrowing from life insurance companies, issuing bonds, etc. A portion of the surplus funds is invested only in highly stable financial assets. Short-term working funds are raised by bank borrowings, issuance of commercial paper, etc. Derivative financial instruments are mainly entered into for the purpose of reducing risks related to assets and liabilities which are exposed to risks of fluctuations of exchange rate and interest rate. Derivatives are not traded for speculative purposes.

ii) Components of financial instruments, their risks and risk management structure

As operating receivables, notes and accounts receivable—trade are exposed to credit risk of customers. As the business of the Company spans a wide range of fields, operating receivables are not excessively concentrated on specific customers, but the parent company and each consolidated subsidiary monitor and manage the credit condition of each customer.

Investment securities are exposed to the risk of fluctuations in market price, but they are mainly equity securities of companies with which the Company has business relationships. These securities are held for the purpose of maintaining the business relationships. Fair value is periodically evaluated, and the financial condition of the issuing company is monitored.

As operating liabilities, notes and accounts payable—trade generally have a payment term of 1 year or less.

Variable interest-rate borrowings are exposed to the risk of interest-rate fluctuations, but derivatives (interest-rate swaps) are used as hedges to fix interest expenses for a portion of long-term variable interest-rate borrowings.

Operating receivables and operating liabilities include those denominated in currencies other than Japanese yen, and are thus exposed to the risk of exchange-rate fluctuations. In order to reduce the effects of short-term exchange-rate fluctuations, the Company hedges with derivative financial instruments (forward exchange contracts), in principle, within the range of the actual demand. Please refer to Note 2(h) "Significant hedge accounting" for information about hedge accounting, hedging instruments, hedged items, hedge policy, and assessment of hedge effectiveness.

Derivative financial instruments are exposed to the credit risk of transacting financial institutions, but the credit condition of those financial institutions is reviewed through periodical monitoring. Such transactions are performed and managed in accordance with the Company's internal regulations which stipulate the related authority, procedures, limits, etc.

Borrowings are exposed to liquidity risk, but the parent company specifies standards for required on-hand funds based on the Company's funding plans, prepares and revises plans for cash receipts and disbursements as appropriate, and enters into commitment-line agreements with transacting financial institutions to manage such risk.

iii) Supplementary explanation of fair value of financial instruments

As variable factors are incorporated in its estimation, fair value may change due to the adoption of different assumptions, conditions, etc. The stated amount of contracts regarding derivative financial instruments included in Note 13. "Derivative financial instruments" is not itself an indication of the market risk of the derivative financial instruments.

(b) Fair value of financial instruments

Amounts carried on the consolidated balance sheets, their fair values, and the differences between them as of March 31, 2024 and 2023, were as follows:

	Millions of yen		
	2024		
	Carrying amount(*1)	Fair value	Difference
Investment securities(*2)			
Investments in affiliates	¥20,089	¥35,406	¥15,317
Other securities	87,685	87,685	—
Long-term loans receivable	18,821	18,837	16
Total assets	126,595	141,928	15,333
Bonds payable	230,000	227,180	2,820
Long-term loans payable	479,304	474,057	5,247
Lease obligations	38,544	38,190	354
Long-term guarantee deposits	23,295	23,213	82
Total liabilities	771,143	762,641	8,502
Derivative financial instruments(*3)	¥(1,683)	¥(1,683)	¥—

	Millions of yen		
	2023		
	Carrying amount(*1)	Fair value	Difference
Investment securities(*2)			
Investments in affiliates	¥19,029	¥22,744	¥3,715
Other securities	93,312	93,312	—
Long-term loans receivable	9,347	9,360	13
Total assets	121,688	125,415	3,728
Bonds payable	210,000	207,162	2,838
Long-term loans payable	464,885	460,239	4,646
Lease obligations	35,292	34,987	304
Long-term guarantee deposits	22,703	22,722	(19)
Total liabilities	732,879	725,110	7,769
Derivative financial instruments(*3)	¥(732)	¥(732)	¥—

Thousands of U.S. dollars			
2024			
	Carrying Amount(*1)	Fair value	Difference
Investment securities(*2)			
Investments in affiliates	\$132,750	\$233,966	\$101,216
Other securities	579,429	579,429	—
Long-term loans receivable	124,371	124,476	106
Total assets	836,549	937,871	101,322
Bonds payable	1,519,857	1,501,222	18,635
Long-term loans payable	3,167,277	3,132,604	34,673
Lease obligations	254,702	252,362	2,339
Long-term guarantee deposits	153,935	153,393	542
Total liabilities	5,095,771	5,039,589	56,182
Derivative financial instruments(*3)	\$(11,121)	\$(11,121)	\$—

(*1) As their fair value approximates book value due to their short maturity, Cash and deposits, notes and accounts receivable—trade, notes and accounts payable—trade, short-term loans payable, commercial paper, and income taxes payable are not included.

(*2) Other securities which do not have market price in active market are not included in the above table. The amount on consolidated balance sheets of the financial instruments:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Equity investments in nonpublic companies	¥79,895	¥99,653	\$527,952
Equity securities	¥618	¥618	\$4,084

(*3) The amounts represent the net of assets and liabilities resulting from derivative financial instruments. In the case of a net liability, the amount is shown in parentheses.

Note 1) For monetary credits and securities with maturity, the amounts scheduled for redemption subsequent to the closing date are as follows:

Millions of yen				
2024				
	Due within one year	Due after one year, within five years	Due after five years, within ten years	Due after more than ten years
Cash and deposits	¥338,108	¥—	¥—	¥—
Notes receivable—trade	20,662	—	—	—
Accounts receivable—trade	428,194	—	—	—
Long-term loans receivable	1,623	16,269	929	—
Total	¥788,587	¥16,269	¥929	¥—

Millions of yen				
2023				
	Due within one year	Due after one year, within five years	Due after five years, within ten years	Due after more than ten years
Cash and deposits	¥251,181	¥—	¥—	¥—
Notes receivable—trade	20,887	—	—	—
Accounts receivable—trade	380,745	—	—	—
Long-term loans receivable	881	7,848	617	—
Total	¥653,694	¥7,848	¥617	¥—

Thousands of U.S. dollars				
2024				
	Due within one year	Due after one year, within five years	Due after five years, within ten years	Due after more than ten years
Cash and deposits	\$2,234,243	\$—	\$—	\$—
Notes receivable-trade	136,536	—	—	—
Accounts receivable-trade	2,829,538	—	—	—
Long-term loans receivable	10,725	107,507	6,139	—
Total	\$5,211,042	\$107,507	\$6,139	\$—

Note 2) For bonds payable, long-term loans payable, lease obligations, and other interest-bearing debt, the amounts scheduled for repayment subsequent to the closing date are as follows:

Year ending March 31						
Millions of yen						
2024						
	Short-term loans payable	Commercial paper	Bonds payable	Long-term loans payable	Lease obligations	Total
2025	¥124,714	¥83,000	¥30,000	¥53,378	¥7,815	¥298,907
2026	—	—	20,000	64,086	6,626	¥90,712
2027	—	—	30,000	63,182	5,094	¥98,276
2028	—	—	20,000	60,420	3,721	¥84,141
2029	—	—	20,000	45,616	3,763	¥69,379
2030 and thereafter	—	—	110,000	192,622	11,525	¥314,147

Year ending March 31						
Millions of yen						
2023						
	Short-term loans payable	Commercial paper	Bonds payable	Long-term loans payable	Lease obligations	Total
2024	¥140,571	¥124,000	¥40,000	¥55,461	¥6,766	¥366,798
2025	—	—	30,000	51,864	5,754	¥87,618
2026	—	—	20,000	63,026	4,545	¥87,570
2027	—	—	20,000	62,054	3,844	¥85,898
2028	—	—	20,000	60,480	2,771	¥83,251
2029 and thereafter	—	—	80,000	172,000	11,612	¥263,612

Year ending March 31						
Thousands of U.S. dollars						
2024						
	Short-term loans payable	Commercial paper	Bonds payable	Long-term loans payable	Lease obligations	Total
2025	\$824,119	\$548,470	\$198,242	\$352,726	\$51,642	\$1,975,200
2026	—	—	132,162	423,485	43,785	\$599,432
2027	—	—	198,242	417,511	33,662	\$649,415
2028	—	—	132,162	399,260	24,589	\$556,010
2029	—	—	132,162	301,434	24,866	\$458,462
2030 and thereafter	—	—	726,888	1,272,861	76,158	\$2,075,907

(C) Fair value of financial instruments by level

Fair value of financial instruments is classified into the following three levels according to the observability and materiality of the inputs related to the fair value measurement.

Level 1:

Fair value is measured by quoted based on the market price (unadjusted) in active markets for identical assets or liabilities.

Level 2:

Fair value is measured by using direct or indirect observable inputs other than those of level 1.

Level 3:

Fair value is measured by using significant unobservable inputs.

When using multiple inputs that have a significant impact on fair value measurement, among the classifications of such inputs, priority is given to the lowest level in fair value measurement.

Cash is omitted from notes, and deposits, notes and accounts receivable—trade, notes and accounts payable—trade, short-term loans payable, commercial paper, and income taxes payable are not included in the categories below as they are settled in a short period of time and their fair values are similar to their book values.

Fair value of financial assets and liabilities recorded on the consolidated balance sheets at March 31, 2024 and 2023, were as follows:

Millions of yen				
2024				
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	¥85,654	¥—	¥—	¥85,654
Convertible bonds	—	—	2,031	2,031
Long-term loans receivable	—	—	2,896	2,896
Total assets	¥85,654	¥—	¥4,927	¥90,582
Derivative financial instruments				
Currency-related	—	1,683	—	1,683
Total liabilities	¥—	¥1,683	¥—	¥1,683

Millions of yen				
2023				
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	¥93,146	¥—	¥166	¥93,312
Convertible bonds	—	—	—	—
Long-term loans receivable	—	—	1,029	1,029
Total assets	¥93,146	¥—	¥1,195	¥94,341
Derivative financial instruments				
Currency-related	—	732	—	732
Total liabilities	¥—	¥732	¥—	¥732

Thousands of U.S. dollars				
2024				
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	\$566,008	\$—	\$—	\$566,008
Convertible bonds	—	—	13,421	13,421
Long-term loans receivable	—	—	19,137	19,137
Total assets	\$566,008	\$—	\$32,558	\$598,573
Derivative financial instruments				
Currency-related	—	11,121	—	11,121
Total liabilities	\$—	\$11,121	\$—	\$11,121

Fair value of financial assets and liabilities not recorded on the consolidated balance sheets at March 31, 2024 and 2023, were as follows:

Millions of yen				
2024				
	Level 1	Level 2	Level 3	Total
Investment securities				
Investments in affiliates	¥35,406	¥—	¥—	¥35,406
Long-term loans receivable	—	—	15,941	15,941
Total assets	¥35,406	¥—	¥15,941	¥51,347
Bonds payable	—	227,180	—	227,180
Long-term loans payable	—	—	474,057	474,057
Lease obligations	—	—	38,190	38,190
Long-term guarantee deposits	—	—	23,213	23,213
Total liabilities	¥—	¥227,180	¥535,461	¥762,641

Millions of yen				
2023				
	Level 1	Level 2	Level 3	Total
Investment securities				
Investments in affiliates	¥22,744	¥—	¥—	¥22,744
Long-term loans receivable	—	—	8,331	8,331
Total assets	¥22,744	¥—	¥8,331	¥31,075
Bonds payable	—	207,162	—	207,162
Long-term loans payable	—	—	460,239	460,239
Lease obligations	—	—	34,987	34,987
Long-term guarantee deposits	—	—	22,722	22,722
Total liabilities	¥—	¥207,162	¥517,948	¥725,110

Thousands of U.S. dollars				
2024				
	Level 1	Level 2	Level 3	Total
Investment securities				
Investments in affiliates	\$233,966	\$—	\$—	\$233,966
Long-term loans receivable	—	—	105,339	105,339
Total assets	\$233,966	\$—	\$105,339	\$339,305
Bonds payable	—	1,501,222	—	1,501,222
Long-term loans payable	—	—	3,132,604	3,132,604
Lease obligations	—	—	252,362	252,362
Long-term guarantee deposits	—	—	153,393	153,393
Total liabilities	\$—	\$1,501,222	\$3,538,366	\$5,039,589

Explanation of the valuation techniques and inputs used to calculate fair value:

Investment securities

Equity investments in listed public companies are evaluated using the market price. As equity investments in public companies are traded in active markets, the fair value is classified as Level 1. When liquidity is low or significant unobservable inputs are used, fair value is classified as Level 3.

Derivative financial instruments

Fair value of interest-rate swaps and forward exchange contracts are measured by observable inputs such as interest rates and foreign exchange rates, and classified as Level 2.

Long-term loans receivable

Fair value is measured based on the amount of the total of the principal and interest, discounted at the rate that would apply in the case of making a new loan with the same terms. As discount measurement is considered a significant unobservable input, it is classified as Level 3. Fair value of loans with conversion rights are estimated considering both the case of the option being exercised as well as not being exercised, and adjustment being made accordingly. As significant unobservable inputs such as future earnings estimates are used, it is classified as Level 3.

Bonds payable

Fair value of bonds issued by the Company is measured based on market prices (reference trading statistics) and classified as Level 2.

Long-term loans payable

Fair value is measured based on the amount of the total of the principal and interest, discounted at the rate that would apply in the case of making a new borrowing with the same terms. The fair value is classified as Level 3.

Lease obligations

Fair value is measured based on the amount of the total of the principal and interest, discounted at the rate that would apply in the case of making a new lease obligation. As discount measurement is considered a significant unobservable input, it is classified as Level 3.

Long-term guarantee deposits

When the period of deposit is estimatable, fair value is measured by discounting over that period. As discount measurement is considered a significant unobservable input, it is classified as Level 3.

12. Marketable securities and investment securities

(a) Other securities with available fair value

The aggregate cost, carrying amount which was identical to fair value, and gross unrealized gains and losses of debt and equity securities classified as other securities for which fair values were available at March 31, 2024 and 2023, were as follows:

Millions of yen			
2024			
	Carrying amount	Cost	Unrealized gains (losses)
Securities with unrealized gains:			
Equity securities	¥85,264	¥12,654	¥72,610
Convertible bonds	2,031	1,943	88
Subtotal	87,295	14,597	72,698
Securities with unrealized losses:			
Equity securities	390	410	(20)
Convertible bonds	0	415	(415)
Subtotal	390	825	(435)
Total	¥87,685	¥15,422	¥72,263

For equity investments in nonpublic companies and equity securities, with a carrying amount of ¥79,895 million and ¥618 million, respectively, as of March 31, 2024, fair value is not included in the above table as no quoted market price is available.

Millions of yen			
2023			
	Carrying amount	Cost	Unrealized gains (losses)
Securities with unrealized gains:			
Equity securities	¥90,086	¥14,436	¥75,650
Convertible bond	—	—	—
Subtotal	90,086	14,436	75,650
Securities with unrealized losses:			
Equity securities	3,225	3,631	(406)
Convertible bonds	—	—	—
Subtotal	3,225	3,631	(406)
Total	¥93,312	¥18,067	¥75,244

For equity investments in nonpublic companies and equity securities, with a carrying amount of ¥99,653 million and ¥618 million, respectively, as of March 31, 2023, fair value is not included in the above table as no quoted market price is available.

Thousands of U.S. dollars			
2024			
	Carrying amount	Cost	Unrealized gains (losses)
Securities with unrealized gains:			
Equity securities	\$563,431	\$83,619	\$479,812
Convertible bonds	13,421	12,839	582
Subtotal	576,852	96,458	480,394
Securities with unrealized losses:			
Equity securities	2,577	2,709	(132)
Convertible bonds	0	2,742	(2,742)
Subtotal	2,577	5,452	(2,875)
Total	\$579,429	\$101,910	\$477,519

For equity investments in nonpublic companies and equity securities, with a carrying amount of \$527,952 thousand and \$4,084 thousand, respectively, as of March 31, 2024, fair value is not included in the above table as no quoted market price is available.

(b) Realized gains and losses on the sale of other securities

The realized gains and losses on the sale of other securities during the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Selling amount	¥31,308	¥41,601	\$206,886
Gain on sales of securities	26,088	32,131	172,391
Loss on sales of securities	—	—	—

(c) Loss on other devaluation of investment securities whose fair values are readily determinable

Loss on other devaluation of investment securities whose fair values are readily determinable for the year ended March 31, 2024, was ¥1,773 million (US\$11,716 thousand), which is the sum of ¥7 million (US\$46 thousand) for equity securities of unconsolidated subsidiaries and affiliates, ¥1,739 million (US\$11,491 thousand) for equity securities of other securities, and ¥27 million (US\$178 thousand) for convertible bonds of other securities, etc. For the year ended March 31, 2023, it was ¥2,805 million, which was the sum of ¥2,467 million for equity securities of other securities and ¥338 million for convertible bonds of other securities, etc.

13. Derivative financial instruments**(a) Derivative financial instruments for which hedge accounting is not applied****i) Forward exchange contracts**

		Millions of yen			
		2024			
Classification	Items	Amount of contract	Amount of contract over 1 year	Fair value	Profit (loss) from valuation
	Forward exchange contracts				
	Selling				
	U.S. dollar	¥37,017	¥—	¥(1,067)	¥(1,067)
	Euro	18,157	—	(490)	(490)
	Thai baht	2,098	—	(23)	(23)
	British pound	—	—	—	—
Off-market transactions	Chinese yuan	6,666	—	(165)	(165)
	Buying				
	U.S. dollar	4,857	—	176	176
	Euro	91	—	2	2
	Chinese yuan	0	—	—	—
	Japanese yen	2,094	—	(4)	(4)
	British pound	3	—	0	0
	Total	¥70,984	¥—	¥(1,569)	¥(1,569)

Millions of yen					
2023					
Classification	Items	Amount of contract	Amount of contract over 1 year	Fair value	Profit (loss) from valuation
Off-market transactions	Forward exchange contracts				
	Selling				
	U.S. dollar	¥37,708	¥—	¥(253)	¥(253)
	Euro	16,811	—	(460)	(460)
	Thai baht	1,323	—	(11)	(11)
	British pound	47	—	(2)	(2)
	Chinese yuan	3,391	—	(36)	(36)
	Buying				
	U.S. dollar	3,721	—	(28)	(28)
	Euro	71	—	2	2
	Chinese yuan	58	—	(3)	(3)
	Japanese yen	1,000	—	(33)	(33)
	British pound	—	—	—	—
	Total	¥64,131	¥—	¥(823)	¥(823)

Thousands of U.S. dollars					
2024					
Classification	Items	Amount of contract	Amount of contract over 1 year	Fair value	Profit (loss) from valuation
Off-market transactions	Forward exchange contracts				
	Selling				
	U.S. dollar	\$244,611	\$—	\$(7,051)	\$(7,051)
	Euro	119,983	—	(3,238)	(3,238)
	Thai baht	13,864	—	(152)	(152)
	British pound	—	—	—	—
	Chinese yuan	44,049	—	(1,090)	(1,090)
	Buying				
	U.S. dollar	32,095	—	1,163	1,163
	Euro	601	—	13	13
	Chinese yuan	0	—	—	—
	Japanese yen	13,837	—	(26)	(26)
	British pound	20	—	0	0
	Total	\$469,068	\$—	\$(10,368)	\$(10,368)

(b) Derivative financial instruments for which hedge accounting is applied

i) Forward exchange contracts

Millions of yen					
2024					
Classification	Items	Hedged assets/liabilities	Amount of contract	Amount of contract over 1 year	Fair value
Principle-based accounting	Forward exchange contracts				
	Selling				
	U.S. dollar	Accounts receivable–trade	¥2,520	¥—	¥(86)
	Euro	Accounts receivable–trade	853	—	(26)
	British pound	Accounts receivable–trade	2	—	(0)
	Chinese yuan	Accounts receivable–trade	—	—	—
	Buying				
	U.S. dollar	Accounts payable–trade	207	—	5
	Euro	Accounts payable–trade	0	—	(0)
	Japanese yen	Accounts payable–trade	486	—	(7)
	Chinese yuan	Accounts payable–trade	—	—	—
Total			¥4,068	¥—	¥(114)

Millions of yen					
2023					
Classification	Items	Hedged assets/liabilities	Amount of contract	Amount of contract over 1 year	Fair value
Principle-based accounting	Forward exchange contracts				
	Selling				
	U.S. dollar	Accounts receivable–trade	¥3,079	¥248	¥96
	Euro	Accounts receivable–trade	236	—	(5)
	British pound	Accounts receivable–trade	2	—	(0)
	Chinese yuan	Accounts receivable–trade	12	—	0
	Buying				
	U.S. dollar	Accounts payable–trade	526	—	3
	Euro	Accounts payable–trade	1	—	0
	Japanese yen	Accounts payable–trade	299	—	(3)
	Chinese yuan	Accounts payable–trade	1	—	(0)
Total			¥4,155	¥248	¥91

Thousands of U.S. dollars					
2024					
Classification	Items	Hedged assets/liabilities	Amount of contract	Amount of contract over 1 year	Fair value
Principle-based accounting	Forward exchange contracts				
	Selling				
	U.S. dollar	Accounts receivable–trade	\$16,652	\$—	\$(568)
	Euro	Accounts receivable–trade	5,637	—	(172)
	British pound	Accounts receivable–trade	13	—	(0)
	Chinese yuan	Accounts receivable–trade	—	—	—
	Buying				
	U.S. dollar	Accounts payable–trade	1,368	—	33
	Euro	Accounts payable–trade	0	—	(0)
	Japanese yen	Accounts payable–trade	3,212	—	(46)
	Chinese yuan	Accounts payable–trade	—	—	—
Total			\$26,882	\$—	\$(753)

ii) Interest-rate swaps

			Millions of yen		
			2024		
Classification	Items	Hedged assets/liabilities	Amount of contract	Amount of contract over 1 year	Fair value
Special treatment for interest-rate swaps	Interest-rate swaps				
	Pay fixed/receive floating	Long-term loans payable	¥25,133	¥12,567	(*)
	Total		¥25,133	¥12,567	¥—

(*) Fair value of interest-rate swaps for which special treatment is applied, is included in fair value of the corresponding long-term loans payable for which hedge accounting is applied.

			Millions of yen		
			2023		
Classification	Items	Hedged assets/liabilities	Amount of contract	Amount of contract over 1 year	Fair value
Special treatment for interest-rate swaps	Interest-rate swaps				
	Pay fixed/receive floating	Long-term loans payable	¥44,926	¥32,168	(*)
	Total		¥44,926	¥32,168	¥—

(*) Fair value of interest-rate swaps for which special treatment is applied, is included in fair value of the corresponding long-term loans payable for which hedge accounting is applied.

			Thousands of U.S. dollars		
			2024		
Classification	Items	Hedged assets/liabilities	Amount of contract	Amount of contract over 1 year	Fair value
Special treatment for interest-rate swaps	Interest-rate swaps				
	Pay fixed/receive floating	Long-term loans payable	\$166,081	\$83,044	(*)
	Total		\$166,081	\$83,044	\$—

(*) Fair value of interest-rate swaps for which special treatment is applied, is included in fair value of the corresponding long-term loans payable for which hedge accounting is applied.

14. Provision for retirement benefits

Upon terminating employment, employees of the parent company and its subsidiaries are entitled, under most circumstances, to lump-sum severance indemnities and/or pension payments determined by reference mainly to their current basic rate of pay and length of service and/or defined contribution plans. Additional benefits may be granted to employees depending on the conditions under which termination of employment occurs. Certain consolidated subsidiaries adopt the simplified method in calculating expected defined benefit liability.

Reconciliations of beginning and ending balances of projected benefit obligations for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Beginning balance of the projected benefit obligations	¥354,926	¥409,425	\$2,345,378
Service cost	12,321	15,197	81,418
Interest cost	3,369	747	22,263
Actuarial gains (losses)	420	(40,852)	2,775
Payment of retirement benefits	(13,418)	(21,727)	(88,667)
Prior service cost	—	(8,478)	—
Other	1,018	614	6,727
Ending balance of the projected benefit obligations	¥358,636	¥354,926	\$2,369,894

Reconciliations of beginning and ending balances of plan assets for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Beginning balance of plan assets	¥252,054	¥258,537	\$1,665,592
Expected return	6,326	6,455	41,803
Actuarial gains (losses)	13,720	(7,806)	90,663
Contributions	3,941	5,502	26,042
Payment of retirement benefits	(9,472)	(10,724)	(62,592)
Other	509	90	3,364
Ending balance of plan assets	¥267,078	¥252,054	\$1,764,871

Reconciliations of ending balance of projected benefit obligations and the plan assets, and of net defined benefit liability and net defined benefit asset, as recorded in the consolidated balance sheet at March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Projected benefit obligations of funded plans	¥226,345	¥226,790	\$1,495,705
Plan assets	(267,078)	(252,054)	(1,764,871)
Subtotal	(40,733)	(25,264)	(269,167)
Projected benefit obligations of unfunded plans	132,291	128,136	874,189
Net of liability and asset that have been recorded in the consolidated balance sheets	91,558	102,872	605,022
Net defined benefit liability	133,434	128,708	881,742
Net defined benefit assets	(41,876)	(25,836)	(276,720)
Net of liability and asset that have been recorded in the consolidated balance sheets	¥91,558	¥102,872	\$605,022

Periodic retirement benefit expenses for employees and the breakdown of items for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Service cost (net of employee contributions)	¥12,318	¥15,018	\$81,398
Interest cost	3,369	747	22,263
Expected return on plan assets	(6,326)	(6,455)	(41,803)
Amortization of actuarial gains (losses)	(1,601)	2,497	(10,580)
Amortization of prior service costs	(1,007)	(158)	(6,654)
Additional retirement benefits and other	3,215	2,176	21,245
Retirement benefit expenses of defined benefit plans	¥9,968	¥13,824	\$65,869

The components of other comprehensive income on defined benefit plans for the years ended March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Prior service costs	¥(1,007)	¥8,320	\$(6,654)
Actuarial gains (losses)	11,699	35,543	77,308
Total	¥10,692	¥43,863	\$70,654

Accumulated other comprehensive income on defined benefit plans at March 31, 2024 and 2023, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Unrecognized prior service costs	¥(8,468)	¥(9,474)	\$(55,957)
Unrecognized actuarial gains (losses)	(38,887)	(27,188)	(256,968)
Total	¥(47,355)	¥(36,663)	\$(312,925)

Share by major classifications for plan assets at March 31, 2024 and 2023, was as follows:

	2024	2023
Bonds	33%	36%
Alternative investments	32%	27%
Stock	20%	19%
Life insurance	10%	11%
Cash and deposits	4%	6%
Other	0%	0%
Total	100%	100%

Note) Alternative investments include mainly investments in real estate, private equity and hedge funds.

The current and future allocation of plan assets, and the current and future long-term rate of expected return from the variety of assets that make up the plan assets, are considered in determining the long-term rate of expected return on plan assets.

Major actuarial assumptions at March 31, 2024 and 2023, were as follows:

	2024	2023
Discount rate	Mainly 0.9%	Mainly 0.9%
The long-term rate of expected return on plan assets	Mainly 2.5%	Mainly 2.5%
Expected rate of increase in salary	2.2–6.5%	2.0–6.5%

Required payments to defined contribution plans at March 31, 2024, amounted to ¥8,662 million (US\$57,239 thousand), and at March 31, 2023, amounted to ¥7,524 million.

15. Taxes

Income taxes applicable to the parent company and subsidiaries in Japan include (1) corporation tax, (2) enterprise tax, and (3) inhabitants tax.

Significant components of deferred tax assets and liabilities at March 31, 2024 and 2023, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Deferred tax assets:			
Tax loss carry forwards(*2)	¥92,477	¥30,586	\$611,095
Impairment loss	33,372	6,844	220,525
Unrealized loss on share of subsidiaries and associates	31,447	31,447	207,804
Net defined benefit liability	27,395	30,829	181,028
Accrued bonuses	7,521	7,235	49,699
Loss on disposal of noncurrent assets	7,395	6,784	48,867
Unrealized gain on noncurrent assets and others	5,055	5,612	33,404
Foreign tax credit carry forwards	1,937	8,044	12,800
Other	58,010	45,656	383,334
Subtotal deferred tax assets	264,610	173,036	1,748,563
Valuation allowance for tax loss carryforwards(*2)	(37,300)	(13,308)	(246,481)
Valuation allowance for deductible temporary difference	(63,135)	(41,597)	(417,201)
Less: Valuation allowance(*1)	(100,436)	(54,906)	(663,689)
Total deferred tax assets	164,174	118,130	1,084,874
Deferred tax liabilities:			
Identified intangible assets during business combination	(44,176)	(42,919)	(291,918)
Unrealized gain on other securities	(21,893)	(23,095)	(144,671)
Depreciation—overseas subsidiaries	(10,774)	(10,209)	(71,195)
Deferred gain on property, plant and equipment	(8,525)	(8,623)	(56,334)
Other	(14,432)	(15,135)	(95,368)
Total deferred tax liabilities	(99,801)	(99,980)	(659,492)
Net deferred tax assets (liabilities)	¥64,372	¥18,150	\$425,375

(*1) Increase in valuation allowance is mainly due to inclusion in deductible expenses of deductible temporary difference related to investment in AKESM (a consolidated subsidiary) and change in company classification defined in "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26).

(*2) Tax loss carryforwards and related deferred tax assets by period of expiration at March 31, 2024 and 2023, were as follows:

	Millions of yen						Total
	Up to 1year	Over 1year up to 2years	Over 2years up to 3years	Over 3years up to 4years	Over 4years up to 5years	Over 5years	
Tax loss carryforwards(*1)	¥548	¥544	¥802	¥294	¥659	¥89,631	¥92,477
Valuation allowance	(486)	(482)	(732)	(238)	(589)	(34,774)	(¥37,300)
Deferred tax assets	¥62	¥62	¥70	¥55	¥70	¥54,858	¥55,177 (*2)

(*1) Tax loss carryforwards are measured by multiplying the loss amounts by the statutory income tax rate.

(*2) Regarding tax loss carryforwards of ¥92,477 million (US\$611,095 thousand), ¥55,177 million (US\$364,614 thousand) is recorded as deferred tax assets. This is the amount judged to be recoverable based on future expected taxable income.

Millions of yen 2023							
	Up to 1year	Over 1year up to 2years	Over 2years up to 3years	Over 3years up to 4years	Over 4years up to 5years	Over 5years	Total
Tax loss carryforwards(*3)	¥344	¥597	¥571	¥649	¥208	¥28,217	¥30,586
Valuation allowance	(344)	(597)	(389)	(402)	(169)	(11,408)	(¥13,308)
Deferred tax assets	¥—	¥—	¥182	¥247	¥39	¥16,809	¥17,277 (*4)

(*3) Tax loss carryforwards are measured by multiplying the loss amounts by the statutory income tax rate.

(*4) Regarding tax loss carryforwards of ¥30,586 million (US\$229,040 thousand), ¥17,277million (US\$129,377 thousand) is recorded as deferred tax assets. This is the amount judged to be recoverable based on future expected taxable income.

Thousands of U.S. dollars 2024							
	Up to 1year	Over 1year up to 2years	Over 2years up to 3years	Over 3years up to 4years	Over 4years up to 5years	Over 5years	Total
Tax loss carryforwards	\$3,621	\$3,595	\$5,300	\$1,943	\$4,355	\$592,288	\$611,095
Valuation allowance	(3,212)	(3,185)	(4,837)	(1,573)	(3,892)	(229,789)	\$(246,481)
Deferred tax assets	\$410	\$410	\$463	\$363	\$463	\$362,506	\$364,614

Reconciliation of the differences between the statutory tax rate and the effective income tax rate for the years ended March 31, 2024 and 2023, was as follows:

	2024	2023
Statutory tax rate	30.6%	—
Increase (reduction) in taxes resulting from:		
Non-deductible expenses and non-taxable income	16.2	—
R&D expenses deductible from income taxes	(25.0)	—
Amortization of goodwill	31.4	—
Equity in (losses) earnings of unconsolidated subsidiaries and affiliates	40.5	—
Undistributed earnings (losses) of foreign subsidiaries	2.4	—
Difference of tax rates for foreign subsidiaries	(28.4)	—
Deductible temporary difference included in deductible expenses related to investment in consolidated subsidiary	(230.2)	—
Valuation allowance	104.7	—
Other	(2.7)	—
Effective income tax rate	(60.6%)	—

Note) For the year ended March 31, 2023, notes are omitted due to loss before income taxes.

The parent company and some of its domestic consolidated subsidiaries have adopted the Group Tax Sharing System in Japan. Accordingly, accounting treatment and disclosure of tax effect accounting related to income taxes and local income taxes follow the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (the Practical Solution No.42).

16. Business combinations

(a) Transfer of photomask pellicles business

i) Outline of business separation

1) Name of company separated to

Mitsui Chemicals, Inc.

2) Nature of separated business

Operations related to manufacture, development, and sale of pellicles

3) Main reasons for the separation

As a result of successive discussions between Asahi Kasei and Mitsui Chemicals on the future prospects for both companies' pellicles business, from the perspectives of swift decision-making and business strengthening, the conclusion was reached that it would be best to transfer the business to Mitsui Chemicals and operate the FPD pellicles and LSI pellicles business as part of the robust structure of Mitsui Chemicals.

4) Date of business separation

July 1, 2023 (effective date of the separation and date of business transfer)

5) Outline of transaction including legal form

Absorption-type separation with Asahi Kasei as the separating company and Mitsui Chemicals as the succeeding company with consideration only in assets such as cash. Also, business transfer of operations of Asahi Kasei EMD Taiwan Corp. and Asahi Kasei E-materials Korea Inc. with consideration only in assets such as cash.

ii) Outline of accounting treatment

1) Amount of gain on transfer

Gain on business transfer ¥2,986 million (US\$19,732 thousand)

2) Appropriate book value of assets and liabilities related to transferred business

	Millions of yen	Thousands of U.S. dollars
Current assets	¥3,333	\$22,025
Noncurrent assets	1,509	9,972
Total assets	¥4,842	\$31,996
Current liabilities	¥384	\$2,538
Noncurrent liabilities	124	819
Total liabilities	¥508	\$3,357

3) Accounting treatment

The difference between the consideration received for the transfer and the amount equivalent to shareholders equity related to the transfer is recognized as a gain on business transfer.

iii) Reportable segment which the separated business was included in

Material

iv) Approximate profit or loss related to the separated business recorded in consolidated statements of income for the year ended March 31, 2024

Information is omitted due to immateriality.

(b) Finalization of provisional accounting treatment for business combination

At the close of the year ended March 31, 2023, provisional accounting treatment was applied to the business combination with Focus Plumbing LLC, Focus Framing, Door & Trim LLC, Focus Electric LLC, Focus Concrete, LLC, and Focus Fire Protection LLC, which was performed on October 31, 2022 (U.S. Eastern time). The accounting treatment was finalized during the year ended March 31, 2024.

Due to a review of purchase price allocation, the amount of customer-related assets has been changed to ¥17,082 million (US\$112,879 thousand), trademarks to ¥2,595 million (US\$17,148 thousand), and order backlog to ¥2,469 million (US\$16,315 thousand), respectively. As a result, goodwill has been changed from the provisional amount of ¥34,952 million (US\$230,965 thousand) to ¥12,806 million (US\$84,623 thousand), a decrease of ¥22,146 million (US\$146,342 thousand). Amortization periods are 20 years for goodwill (straight-line method), 13 years for customer-related assets, 19 years for trademarks, and 2 years for order backlog.

In the consolidated balance sheets for the year ended March 31, 2023, other under intangible assets increased by ¥18,902 million (US\$124,906 thousand) and foreign currency translation adjustment increased by ¥9 million (US\$59 thousand), while goodwill decreased by ¥19,529 million (US\$129,049 thousand) and retained earnings decreased by ¥636 million (US\$4,203 thousand). In the statements of income for the year ended on March 31, 2023, operating income and ordinary income decreased by ¥636 million (US\$4,203 thousand), while loss before income taxes, net loss, and net loss attributable to owners of the parent each increased by ¥636 million (US\$4,203 thousand).

17. Revenue recognition

(a) Revenue from contracts with customers

Millions of yen						
2024						
	Material	Homes	Health Care	Subtotal	Others (*1)	Total
Japan(*2)	¥491,015	¥701,644	¥109,484	¥1,302,144	¥13,685	¥1,315,828
United States	102,216	108,058	305,502	515,776	1,017	516,793
China	231,495	—	17,831	249,326	75	249,401
Others	437,003	144,703	120,969	702,674	182	702,856
Revenue from contracts with customers	¥1,261,729	¥954,405	¥553,786	¥2,769,920	¥14,958	¥2,784,878
Sales to external customers	¥1,261,729	¥954,405	¥553,786	¥2,769,920	¥14,958	¥2,784,878

(*1) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

(*2) Including revenue from leases of ¥133,819 million in the Homes segment.

Millions of yen						
2023						
	Material	Homes	Health Care	Subtotal	Others (*1)	Total
Japan	¥531,137	¥695,528	¥108,285	¥1,334,950	¥13,009	¥1,347,958
United States	108,987	82,334	263,586	454,908	804	455,712
China	222,996	—	18,887	241,883	78	241,960
Others	453,495	121,108	106,123	680,726	128	680,855
Revenue from contracts with customers(*2)	¥1,316,615	¥898,971	¥496,881	¥2,712,466	¥14,019	¥2,726,485
Sales to external customers	¥1,316,615	¥898,971	¥496,881	¥2,712,466	¥14,019	¥2,726,485

(*1) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

(*2) Including revenue from leases.

Thousands of U.S. dollars						
2024						
	Material	Homes	Health Care	Subtotal	Others (*1)	Total
Japan(*2)	\$3,244,664	\$4,636,516	\$723,478	\$8,604,665	\$90,432	\$8,695,090
United States	675,451	714,055	2,018,780	3,408,287	6,720	3,415,007
China	1,529,736	—	117,829	1,647,565	496	1,648,061
Others	2,887,749	956,208	799,372	4,643,323	1,203	4,644,525
Revenue from contracts with customers	\$8,337,600	\$6,306,780	\$3,659,459	\$18,303,839	\$98,844	\$18,402,683
Sales to external customers	\$8,337,600	\$6,306,780	\$3,659,459	\$18,303,839	\$98,844	\$18,402,683

(*1) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

(*2) Including revenue from leases of US\$884,286 thousand in the Homes segment.

(b)Basis for revenue recognition

Please refer to Note 2. "Significant accounting policies (f) Significant revenue and expense recognition".

(c) Relationship between the fulfillment of performance obligations based on contracts with customers and the cash flow generated from the contracts, the amount of revenue expected to be recognized in subsequent fiscal years from contracts with customers and the timing, existing at March 31, 2024

i) Balances of contract assets and contract liabilities, etc.

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Receivables from contracts with customers (beginning balance)	¥398,493	¥393,864	\$2,633,272
Receivables from contracts with customers (ending balance)	443,834	398,493	2,932,888
Contract assets (beginning balance)	41,060	35,840	271,328
Contract assets (ending balance)	37,084	41,060	245,054
Contract liabilities (beginning balance)	72,948	62,476	482,046
Contract liabilities (ending balance)	83,034	72,948	548,695

Contract assets are mainly related to the Company's rights to consideration in respect of work undertaken towards the satisfaction of performance obligations during constructions. Contract assets are transferred to receivables when those rights become unconditional. Contract liabilities are mainly advances received from customers before the satisfaction of the related performance obligations. Contract liabilities are reversed when revenue is recognized along with the satisfaction of performance obligations. As terms of payment vary by each contract, there is no standard payment deadline.

Among revenue recognized in the year ended March 31, 2024 and 2023, the amount included in the beginning balance of contract liabilities were ¥72,948 million (US\$482,046 thousand) and ¥62,476 million respectively. There is no significant change in the balance of contract assets and contract liabilities.

ii) Transaction prices allocated to outstanding performance obligations

Among transaction prices allocated to outstanding performance obligations, those whose contract term exceeds one year are mainly related to the Homes segment, and their recognition as revenue is as shown below. Applying the practical expedient regarding notes on transaction prices allocated to outstanding performance obligations, there are some contracts whose period was initially expected to be within one year which are not included in the scope of the note below.

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Within 1 year	¥272,100	¥253,225	\$1,798,057
Over 1 year	125,257	106,780	827,708
Total	¥397,357	¥360,006	\$2,625,765

18. Business segment information

(a) Overview of reportable segments

The Company's business segments are based on organizational units for which separate financial information is available, and the Board of Directors carries out periodic review to allocate management resources and evaluate business performance.

The Company is organized under an operating holding company configuration with the operating holding company and core operating companies performing operations in three business sectors. The operating holding company and each core operating company lays out strategy and develops business activities in Japan and abroad.

Main businesses and main products of the three reportable segments are as follows:

Material segment

Environmental Solutions business

The Company manufactures, processes, and sells petrochemical products such as styrene, acrylonitrile, polyethylene, polystyrene, synthetic rubber, battery separator products such as lithium-ion battery separator and lead-acid battery separator, and membranes such as hollow-fiber membranes and ion-exchange membranes.

Mobility & Industrial business

The Company manufactures, processes, and sells fiber products such as fibers related to automotive, and performance polymer products such as synthetic rubber and engineering plastics, and coating materials.

Life Innovation business

The Company manufactures, processes, and sells electronic materials such as mixed-signal LSIs, Hall elements, and UVC LEDs, and consumable products such as fibers related to apparel and industrial, food wrapping film, plastic films and sheets, microcrystalline cellulose, explosives, and explosion-bonded metal clad.

Homes segment**Homes business**

The Company constructs unit homes and apartment buildings, and operates real estate businesses, remodeling businesses, North American and Australian homes business, and financial and other services.

Construction Materials business

The Company manufactures and sells autoclaved aerated concrete (AAC) panels, insulation panels, foundation systems, and structural components.

Health Care segment**Pharmaceuticals business**

The Company manufactures and sells pharmaceuticals and diagnostic reagents.

Medical Care business

The Company manufactures and sells artificial kidneys, therapeutic apheresis devices, and virus removal filters, and operates biologics CRO businesses and biologics CDMO businesses.

Critical Care business

The Company manufactures and sells products centered on cardiopulmonary resuscitation; notably defibrillators for medical professionals, automated external defibrillators (AEDs), wearable defibrillators, and diagnosis and treatment of sleep apnea.

Others

The Company performs plant and environmental engineering, research and analysis, employment agency/staffing operations, etc.

(b) Methods to determine net sales, income or loss, assets, and other items by reportable business segment

Profit by reportable business segment is stated on an operating income basis. Intersegment net sales and transfers are based on the values of transactions undertaken between third parties.

(c) Information concerning net sales, income or loss, assets, and other items by reportable segment

Millions of yen						
2024						
	Material	Homes	Health Care	Subtotal	Others(*1)	Total
Sales:						
External customers	¥1,261,729	¥954,405	¥553,786	¥2,769,920	¥14,958	¥2,784,878
Intersegment	12,313	9,621	4	21,938	41,132	63,070
Total	1,274,042	964,026	553,790	2,791,858	56,090	2,847,948
Operating income	42,561	82,953	48,494	174,007	3,161	177,168
Assets	1,759,867	609,350	1,054,103	3,423,320	128,076	3,551,395
Other items:						
Depreciation and amortization(*2)	72,020	20,079	47,203	139,302	926	140,228
Amortization of goodwill	5,316	1,295	22,992	29,603	—	29,603
Investments in affiliates accounted for using equity method	46,983	4,932	1,290	53,206	23,344	76,550
Increase in property, plant and equipment, and intangible assets	111,464	25,786	32,186	169,436	1,113	170,550

(*1) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

(*2) Amortization of goodwill is not included.

Millions of yen						
2023						
	Material	Homes(*3)	Health Care	Subtotal(*3)	Others(*1)	Total(*3)
Sales:						
External customers	¥1,316,615	¥898,971	¥496,881	¥2,712,466	¥14,019	¥2,726,485
Intersegment	10,739	8,291	33	19,063	44,888	63,951
Total	1,327,354	907,262	496,914	2,731,530	58,906	2,790,436
Operating income	41,016	75,383	41,860	158,260	4,250	162,510
Assets	1,751,117	672,631	954,538	3,378,285	102,287	3,480,571
Other items:						
Depreciation and amortization(*2)	72,078	17,228	43,397	132,703	775	133,479
Amortization of goodwill	15,384	778	21,111	37,273	—	37,273
Investments in affiliates accounted for using equity method	66,560	5,242	2,502	74,305	22,553	96,858
Increase in property, plant and equipment, and intangible assets	106,494	25,685	25,106	157,285	645	157,930

(*1) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

(*2) Amortization of goodwill is not included.

(*3) Figures revised to reflect finalization of provisional accounting treatment as described in Note 16. "Business combinations".

Thousands of U.S. dollars						
2024						
	Material	Homes	Health Care	Subtotal	Others(*1)	Total
Sales:						
External customers	\$8,337,600	\$6,306,780	\$3,659,459	\$18,303,839	\$98,844	\$18,402,683
Intersegment	81,365	63,576	26	144,968	271,803	416,771
Total	8,418,965	6,370,356	3,659,486	18,448,807	370,647	18,819,454
Operating income	281,246	548,160	320,452	1,149,851	20,888	1,170,739
Assets	11,629,333	4,026,631	6,965,592	22,621,556	846,336	23,467,885
Other items:						
Depreciation and amortization(*2)	475,914	132,684	311,921	920,518	6,119	926,637
Amortization of goodwill	35,129	8,557	151,933	195,619	—	195,619
Investments in affiliates accounted for using equity method	310,467	32,591	8,524	351,589	154,259	505,848
Increase in property, plant and equipment, and intangible assets	736,562	170,396	212,688	1,119,646	7,355	1,127,007

(*1) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

(*2) Amortization of goodwill is not included.

(d) Reconciliation of differences between total amounts of reportable segments and amounts appearing in the consolidated financial statements (adjustment of difference)

Sales	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Total of reporting segments	¥2,791,858	¥2,731,530	\$18,448,807
Net sales in "Others" category	56,090	58,906	370,647
Elimination of intersegment transactions	(63,070)	(63,951)	(416,771)
Net sales on consolidated statements of income	¥2,784,878	¥2,726,485	\$18,402,683

Operating income	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Total of reporting segments(*2)	¥174,007	¥158,260	\$1,149,851
Operating income in "Others" category	3,161	4,250	20,888
Elimination of intersegment transactions	(21)	301	(139)
Corporate expenses, etc.(*1)	(36,401)	(35,095)	(240,541)
Operating income on consolidated statements of income(*2)	¥140,746	¥127,716	\$930,060

(*1) Corporate expenses, etc. include corporate revenue, basic research expense, and group management expense, etc. which are not allocated to reporting segments.

(*2) Figures revised to reflect finalization of provisional accounting treatment as described in Note 16."Business combinations".

Assets	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Total of reporting segments(*2)	¥3,423,320	¥3,378,285	\$22,621,556
Assets in "Others" category	128,076	102,287	846,336
Elimination of intersegment transactions	(417,696)	(519,877)	(2,760,167)
Corporate assets(*1)	529,031	493,205	3,495,877
Total assets on consolidated balance sheets(*2)	¥3,662,730	¥3,453,900	\$24,203,595

(*1) Corporate assets include assets of the parent company—surplus operating funds (cash and deposits), long-term investment capital (investment securities, etc.), and land, etc.

(*2) Figures revised to reflect finalization of provisional accounting treatment as described in Note 16."Business combinations".

Other items	Total of reportable segments			Others			Adjustments(*1)			Amounts from consolidated financial statements		
	Millions of yen		Thousands of U.S. dollars	Millions of yen		Thousands of U.S. dollars	Millions of yen		Thousands of U.S. dollars	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024	2024	2023	2024	2024	2023	2024	2024	2023	2024
Depreciation and amortization (*2,3)	¥139,302	¥132,703	\$920,518	¥926	¥775	\$6,119	¥12,365	¥6,535	\$81,709	¥152,593	¥140,013	\$1,008,346
Amortization of goodwill (*3)	29,603	37,273	195,619	—	—	—	—	—	—	29,603	37,273	195,619
Investments in affiliates accounted for using equity method	53,206	74,305	351,589	23,344	22,553	154,259	—	—	—	76,550	96,858	505,848
Increase in property, plant and equipment, and intangible assets	169,436	157,285	1,119,646	1,113	645	7,355	13,162	16,943	86,975	183,712	174,873	1,213,983

(*1) Adjustments include elimination of intersegment transactions and corporate assets, etc.

(*2) Amortization of goodwill is not included.

(*3) Figures revised to reflect finalization of provisional accounting treatment as described in Note 16."Business combinations".

(e) Related Information

i) Information on products and services

Please refer to (c) Information concerning net sales, income or loss, assets, and other items for reportable segment.

ii) Geographic information

1) Net sales

Millions of yen					Thousands of U.S. dollars				
2024					2024				
Japan	United States	China	Others	Total	Japan	United States	China	Others	Total
¥1,315,828	¥516,793	¥249,401	¥702,856	¥2,784,878	\$8,695,090	\$3,415,007	\$1,648,061	\$4,644,525	\$18,402,683

Millions of yen				
2023				
Japan	United States	China	Others	Total
¥1,347,958	¥455,712	¥241,960	¥680,855	¥2,726,485

2) Property, plant and equipment

Millions of yen								Thousands of U.S. dollars			
2024				2023				2024			
Japan	United States	Others	Total	Japan	United States	Others	Total	Japan	United States	Others	Total
¥564,017	¥164,954	¥124,318	¥853,289	¥595,513	¥156,637	¥119,551	¥871,701	\$3,727,067	\$1,090,028	\$821,503	\$5,638,598

3) Information by major customer

Information by major customer is not shown because no customer accounts for 10% or more of net sales on the consolidated statements of income.

(f) Impairment loss on noncurrent assets by reportable segments

Millions of yen

2024

	Material	Homes	Health Care	Subtotal	Others(*)	Corporate	Total
Impairment loss	¥92,389	¥232	¥451	¥93,072	¥—	¥326	¥93,398

(*) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

Millions of yen

2023

	Material	Homes	Health Care	Subtotal	Others(*)	Corporate	Total
Impairment loss	¥190,406	¥2,440	¥20	¥192,866	¥—	¥1,039	¥193,905

(*) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

Thousands of U.S. dollars

2024

	Material	Homes	Health Care	Subtotal	Others(*)	Corporate	Total
Impairment loss	\$610,513	\$1,533	\$2,980	\$615,027	\$—	\$2,154	\$617,181

(*) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

(g) Amortization and balance of goodwill by reportable segments

Millions of yen

2024

	Material	Homes	Health Care	Subtotal	Others(*)	Corporate	Total
Amortization	¥5,316	¥1,295	¥22,992	¥29,603	¥—	¥—	¥29,603
Balance	78,479	23,754	258,443	360,676	—	—	360,676

(*) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

Millions of yen

2023

	Material	Homes(*2)	Health Care	Subtotal(*2)	Others(*1)	Corporate	Total
Amortization	¥15,384	¥778	¥21,111	¥37,273	¥—	¥—	¥37,273
Balance	77,161	21,942	249,458	348,561	—	—	348,561

(*1) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

(*2) Figures revised to reflect finalization of provisional accounting treatment as described in Note 16. "Business combinations".

Thousands of U.S. dollars

2024

	Material	Homes	Health Care	Subtotal	Others(*)	Corporate	Total
Amortization	\$35,129	\$8,557	\$151,933	\$195,619	\$—	\$—	\$195,619
Balance	518,595	156,968	1,707,811	2,383,374	—	—	2,383,374

(*) The "Others" category includes plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

There is no applicable information for amortization and balance of negative goodwill incurred by business combinations performed before April 1, 2010.

(h) Gain on negative goodwill by reportable segments

For the year ended March 31, 2024: None

For the year ended March 31, 2023: None

19. Information on related parties

For the year ended March 31, 2024

(a) Condensed financial information of significant affiliates

PTT Asahi Chemical Co., Ltd. is a significant affiliate in the year ended March 31, 2024.

The condensed financial information is as shown below:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Total current assets	¥22,149	¥—	\$146,362
Total noncurrent assets	113	—	747
Total current liabilities	10,755	—	71,070
Total noncurrent liabilities	20,654	—	136,483
Total net assets	(9,146)	—	(60,437)
Net sales	44,735	—	295,612
Income (loss) before income taxes	(92,508)	—	(611,300)
Net income (loss)	(92,473)	—	(611,069)

Note) PTT Asahi Chemical Co., Ltd. was deemed as a significant affiliate from the year ended March 31, 2024 as its materiality has increased. As to the above figures, the impairment loss calculated by Asahi Kasei is reflected on the financial statements of PTT Asahi Chemical Co., Ltd. for the year ended March 31, 2024.

For the year ended March 31, 2023: None

20. Per share information

Basic and diluted net assets per share and net income per share for the years ended March 31, 2024 and 2023, were as follows:

	Yen		U.S. dollars
	2024	2023	2024
Basic net assets per share	¥1,308.20	¥1,197.85	\$8.64
Basic net income (loss) per share	31.60	(66.30)	0.21

Note1) As the Company had no dilutive securities at March 31, 2024 and 2023, the Company does not disclose diluted net income per share for the years ended March 31, 2024 and 2023

Note2) Figures revised to reflect finalization of provisional accounting treatment as described in Note 16. "Business combinations".

(a) Basis for measurement of net assets per share

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Total net assets	¥1,848,625	¥1,695,382	\$12,215,853
Amount deducted from total net assets	35,234	35,087	232,829
<i>of which, non-controlling interests</i>	<i>(35,234)</i>	<i>(35,087)</i>	<i>(232,829)</i>
Net assets allocated to capital stock	¥1,813,391	¥1,660,295	\$11,983,024
Number of shares of capital stock outstanding at fiscal year end used in calculation of net assets per share (thousand)	1,386,170	1,386,068	1,386,170

Note) Shares held by the trust for granting shares to Directors, etc., numbering 1,662 thousand at March 31, 2024, and 1,776 thousand at March 31, 2023, are excluded from the number of shares of capital stock outstanding at fiscal year end used in measurement of net assets per share.

(b) Basis for measurement of net income (loss) per share

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Net income (loss) attributable to owners of the parent	¥43,806	¥(91,948)	\$289,473
Amount not attributable to common stock shareholders	—	—	—
Net income (loss) attributable to common stock owners of the parent	¥43,806	¥(91,948)	\$289,473
Weighted-average number of shares of capital stock (thousand)	1,386,143	1,386,887	1,386,143

Note) Shares held by the trust for granting shares to Directors, etc., numbering 1,695 thousand during the year ended March 31, 2024, and 961 thousand during the year ended March 31, 2023, are excluded from the weighted-average number of shares of capital stock used in measurement of net income (loss) per share.

21. Subsequent events**(a) Significant capital investment****i) Main reason for the investment**

At the Board of Directors Meeting held on April 24, 2024, a decision was made to construct an integrated plant in Ontario, Canada for the base film manufacturing and coating of Hipore™ wet-process lithium-ion battery (LIB) separator.

Asahi Kasei positions Energy Storage as one of the “10 Growth Gears” (GG10) businesses expected to drive future growth in its medium-term management plan for fiscal 2024, focused on the theme “Be a Trailblazer.” The core of the Energy Storage business is Hipore™ wet-process LIB separator, which has been leading technological innovation based on over 40 years of business history, and is currently expanding its sales in automotive applications in addition to consumer electronics applications.

To meet increasing North American demand for battery separator for electric vehicles as an effect of the Inflation Reduction Act (IRA) in the U.S. and other governmental clean energy policies, and to join North American LIB supply chains being established, the decision was made to construct a manufacturing plant in Ontario, Canada.

ii) Overview of the capital investment

1) **Location:** Ontario, Canada

2) **Plant overview:** Integrated plant for the base film manufacturing and coating of Hipore™ lithium-ion battery separator

3) **Amount of investment:** Approximately ¥180 billion (US\$1.19 billion)

4) **Production capacity:** Approximately 700 million m² per year (as coated film)

5) **Start of operation:** Commercial start-up scheduled in 2027

iii) Material impact of the capital investment on sales and production activities

The impact of this capital investment on consolidated results for the year ending March 31, 2025, is immaterial.

(b) Acquiring the shares of Calliditas Therapeutics AB

At the Board of Directors Meeting held on May 28, 2024, a decision was made to offer the shareholders of Calliditas Therapeutics AB (Head office: Stockholm, Sweden.; CEO: Renée Aguiar Lucander; hereinafter “Calliditas”) to acquire the shares of the pharmaceutical company Calliditas for the purpose of making Calliditas a wholly-owned subsidiary of the parent company (“the Acquisition”) through a voluntary tender offer for Calliditas (“the Tender Offer”). The Tender Offer will also include a concurrent offer by the parent company to acquire all the American Depositary Shares (“ADS”) of Calliditas, each representing two shares in Calliditas, which will be conducted pursuant to the securities rules of the United States.

The parent company will offer to acquire all of the ordinary shares of Calliditas, which are listed on Nasdaq Stockholm, and American Depositary Shares of Calliditas, which are listed on Nasdaq Global Select Market and each represent two ordinary shares, offering SEK 208 per share (approximately ¥3,076, US\$20.3264) (*1) to the shareholders of Calliditas and SEK 416 to the holders of American Depositary Shares of Calliditas, through the Tender Offer for the purpose of making Calliditas a wholly-owned subsidiary of the parent company. BVF Partners, Linc AB and Stiftelsen Industrifonden (the three largest holders of shares and ADS in Calliditas) as well as other large shareholders and ADS holders who in aggregate control 44.65 per cent of all shares (*2) of Calliditas have irrevocably undertaken to accept the Offer, subject to customary conditions, in support of the Tender Offer at a price of SEK 208 per share for their shares. The Tender Offer has been approved by the Board of Directors of the parent company and the Board of Directors of Calliditas recommends the shareholders and holders of American Depositary Shares of Calliditas to accept the Tender Offer. The parent company aims to acquire Calliditas for the total equity value of approximately SEK

11.8 billion (approximately ¥174 billion, US\$1.15 billion). The closing of the Acquisition is subject to the satisfaction of customary closing conditions, including antitrust and foreign direct investment clearances.

(*1) SEK 1 = ¥14.7906 exchange rate as of May 27, 2024. Using the same FX rate in this note.

(*2) Calculated using total ordinary shares outstanding (53,672,069 shares excluding treasury stock) as of December 31, 2023.

i) Significance of the Acquisition

1) Position of the Health Care segment for the Company

The Company expects that the health care industry will continue to exhibit stable growth in developed countries which are addressing the needs of aging population and is a crucial industry for the Company as well. The Company has significant experience, expertise, and resources in this area. Under the mission of “Improve and save patients’ lives”, the Company has worked towards seizing a wide range of business opportunities in both pharmaceuticals and medical devices to drive the Company’s profit growth through both organic growth of existing businesses and aggressive investment. The Company has realized a strong inorganic growth by obtaining Critical Care business through the acquisition of ZOLL in 2012 and the U.S. Pharmaceuticals business through the acquisition of Veloxis in 2020. Both ZOLL and Veloxis have since experienced strong organic growth, portrayed by a revenue CAGR of 13% in Health Care segment since 2011, with income growing at an even faster rate. As a result, Health Care segment has become one of the core businesses of the Company and it has been leading a sustainable growth of the Company. For the year ended March 31, 2024, Health Care segment accounted for 20% of the Company’s net sales and 34% of its operating income.

2) Background and reasons for the Acquisition

The Company, especially the Pharmaceuticals business in Health Care segment, aims to expand its businesses globally through specializing in the areas of immunology, transplantation, and adjacent diseases. In its “Be a Trailblazer” medium-term management plan 2024, the Company established the 10 Growth Gears (GG10), which target businesses that will drive the next stage of growth, including Pharmaceuticals business. Since then, the Company has been aiming to accelerate the growth of the Pharmaceuticals business as a “Global Specialty Pharma”.

The Company continues to focus on maximizing the potential of Veloxis while pursuing additional opportunities globally, with a focus on the US market. The Company has been seeking acquisition targets that contribute to its pharmaceutical growth strategy.

Calliditas is a differentiated specialty pharmaceutical company focused on treating unmet medical needs, with a strong track record of drug development and commercialization led by a highly regarded management organization. Calliditas’ product, TARPEYO, is highly complementary to the Company’s existing geographic and therapeutic areas and treats a rare disease called IgA nephropathy, currently the only fully approved product shown to reduce the loss of kidney function in adults with primary immunoglobulin A nephropathy who are at risk for disease progression.

The Company strongly believes this transaction will accelerate its transformation into a global specialty pharmaceutical business by unlocking the potential of existing business operations and human resources of Calliditas.

The Company aims to achieve the following outcomes through the acquisition of Calliditas:

- Solidifying its presence in the U.S. market by expanding its in-house sales structure for renal and autoimmune disease fields
- Establishing a presence in Europe, initially focused on R&D activities
- Expanding breadth of in-licensing and new drug development pipeline opportunities that leverage our expanded platform as a “Global Specialty Pharma”

ii) Overview of the Acquisition

1) Offeror: Asahi Kasei Corporation

2) Target Company: Calliditas Therapeutics AB

3) Offer Period (Expected):

Commencement of the acceptance period of Tender Offer: July 18, 2024

The acceptance period of the Tender Offer is expected to commence as soon as the Tender Offer document is approved by the Swedish Financial Supervisory Authority (SFSA). Documentation in connection with the commencement of the Tender Offer to acquire ADS in the United States will be filed with the U.S. Securities and Exchange Commission concurrently with the documentation submitted in Sweden.

4) Offer Price:

SEK 208 per share (approximately ¥3,076, US\$20.3264) and SEK 416 per American Depositary Share (SEK 1 = ¥14.7906 exchange rate as of May 27, 2024)

The price per American Depositary Share equals the price per share multiplied by two because each American Depositary Share represents two shares in Calliditas.

The Offer represents a premium of:

- 83 per cent compared to the closing price of the Calliditas' shares on Nasdaq Stockholm on 27 May 2024 (which was the last trading day prior to the announcement of the Offer) of SEK 113.6;
- 83 per cent compared to the volume weighted average price of the Calliditas' shares on Nasdaq Stockholm during the 30 latest trading days up to and including 27 May 2024 of SEK 113.4; and
- 74 per cent compared to the closing price of the ADS on Nasdaq Global Select Market on 24 May 2024 of US\$22.42, and 91 per cent compared to the volume weighted average price of the ADS on Nasdaq Global Select Market during the 30 latest trading days up to and including 24 May 2024 of US\$20.42 (*3).

(*3) US\$1 = SEK 10.64281 exchange rate as of May 27, 2024.

5) Total Consideration:

The Offer values all outstanding shares in Calliditas at approximately SEK 11.8 billion or ¥174 billion (US\$1.15 billion, based on 53,672,069 shares in Calliditas). The Offer consideration payable to shareholders of Calliditas or holders of ADS that accept the Offer is financed in full by cash on hand.

6) Minimum Acceptance Level:

The completion of the Tender Offer is subject to minimum acceptance representing more than 90% of the number of the total ordinary shares of Calliditas (excluding treasury shares). The parent company has reserved the right to waive, in whole or in part, one or more of the closing conditions for the Tender Offer, including to complete the Tender Offer at a lower acceptance level.

iii) Overview of Calliditas

Overview of Calliditas

Company Name	Calliditas Therapeutics AB		
Address	D5, Kungsbron 1, Stockholm, Sweden		
Representative	Renée Aguiar-Lucander, Chief Executive Officer		
Business description	Development, manufacture, and sale of medicine and related products		
Capital	SEK 2,383 k (as of December 31, 2023) (*4)		
Year of establishment	2004		
Major shareholders and shareholding ratio (*5)	BVF Partners LP		11.7%
	Linc AB		11.0%
	Stiftelsen Industrifonden		5.9%
Relationship between the parent company and Calliditas	Capital Relationship	None	
	Personnel Relationship	None	
	Business Relationship	None	
Calliditas's consolidated operating results and consolidated financial position for the past three years			
Accounting Period (Thousands of SEK)	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Total equity	1,008,281	766,264	334,806
Total assets	1,459,910	1,952,973	1,859,245
Total equity per ordinary share (SEK) (*5)	18.8	14.3	6.2
Sales	229,347	802,879	1,206,888
Operating income (loss)	(524,456)	(421,943)	(373,055)
Ordinary income	—	—	—
Net income (loss)	(500,293)	(412,268)	(466,185)
Basic and diluted EPS (SEK)	(9.84)	(7.78)	(8.69)
Dividend paid per ordinary share (SEK)	—	—	—

(*4) Excluding additional paid-in capital of Calliditas as of December 31, 2023.

(*5) Calculated using total ordinary shares outstanding (53,672,069 shares excluding treasury stock) as of December 31, 2023.

iv) Financial Impact of the Acquisition

Financial impact of the Acquisition is currently under examination. Should any matters warranting publication arise, disclosure will be made without delay.

22. Borrowings

(a) Bonds payable at March 31, 2024 and 2023, comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Unsecured 0.10% yen bonds due in December 6, 2023	¥—	¥20,000	\$—
Unsecured 0.07% yen bonds due in September 6, 2024	20,000	20,000	132,162
Unsecured 0.21% yen bonds due in September 6, 2029	20,000	20,000	132,162
Unsecured 0.12% yen bonds (Green Bond) due in June 19, 2025	10,000	10,000	66,081
Unsecured 0.01% yen bonds due in June 19, 2023	—	20,000	—
Unsecured 0.28% yen bonds due in June 19, 2030	20,000	20,000	132,162
Unsecured 0.00% yen bonds due in December 9, 2024	10,000	10,000	66,081
Unsecured 0.09% yen bonds due in December 9, 2026	20,000	20,000	132,162
Unsecured 0.24% yen bonds due in December 9, 2031	20,000	20,000	132,162
Unsecured 0.23% yen bonds due in December 5, 2025	10,000	10,000	66,081
Unsecured 0.41% yen bonds due in December 7, 2027	20,000	20,000	132,162
Unsecured 0.67% yen bonds due in December 7, 2032	20,000	20,000	132,162
Unsecured 0.40% yen bonds due in December 4, 2026	10,000	—	66,081
Unsecured 0.55% yen bonds (Green Bond) due in December 5, 2028	20,000	—	132,162
Unsecured 0.87% yen bonds due in December 5, 2030	10,000	—	66,081
Unsecured 1.23% yen bonds due in December 5, 2033	20,000	—	132,162
Total	¥230,000	¥210,000	\$1,519,857

Note1) The current portion of bonds payable is recorded under current liabilities on the consolidated balance sheets.

Note2) The aggregate annual maturities of long-term debt after March 31, 2024, are as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2025	¥30,000	\$198,242
2026	20,000	132,162
2027	30,000	198,242
2028	20,000	132,162
2029	20,000	132,162
2030 and thereafter	110,000	726,888
Total	¥230,000	\$1,519,857

(b) Loans payable at March 31, 2024 and 2023, comprised the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2023	2024
Short-term loans payable with an interest rate of 1.10%	¥124,714	¥140,571	\$824,119
Current portion of long-term loans payable with an interest rate of 1.00%	53,378	55,461	352,726
Current portion of lease obligations with an interest rate of 4.01%	7,815	6,766	51,642
Long-term loans payable (except portion due within one year) with an interest rate of 0.59%	425,926	409,424	2,814,551
Lease obligations (except portion due within one year) with an interest rate of 4.43%	30,729	28,526	203,060
Commercial paper (portion due within one year) with an interest rate of 0.06%	83,000	124,000	548,470
Total	¥725,562	¥764,748	\$4,794,568

Note1). Interest rates shown are weighted average interest rates for the balance outstanding at March 31, 2024.

Note2) The aggregate annual maturities of long-term loans payable and lease obligations (except portion due within one year) after March 31, 2024, are as follows:

Year ending March 31	Long-term loans payable		Lease obligations	
	Millions of yen	Thousands of U.S. dollars	Millions of yen	Thousands of U.S. dollars
2026	¥64,086	\$423,485	¥6,626	\$43,785
2027	63,182	417,511	5,094	33,662
2028	60,420	399,260	3,721	24,589
2029	45,616	301,434	3,763	24,866
2030 and thereafter	192,622	1,272,861	11,525	76,158

23. Supplementary schedule of asset retirement obligations

Because the amounts of asset retirement obligations on April 1, 2023, and March 31, 2024, were not more than 1% of the combined totals of liabilities and net assets on the respective dates, preparation of a supplementary schedule of asset retirement obligations is omitted in accordance with paragraph 92-2 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

24. Others**Litigation****Litigation related to pile installation**

On November 28, 2017, Mitsui Fudosan Residential Co., Ltd. filed suit (hereinafter "First Lawsuit") in the Tokyo District Court against the three companies of Sumitomo Mitsui Construction Co., Ltd., Hitachi High-Tech Corporation (company name changed from Hitachi High-Technologies Corporation on February 12, 2020), and Asahi Kasei Construction Materials Corporation, a consolidated subsidiary of the parent company, seeking compensation for damages of approximately ¥45.9 billion (subsequently changed to approximately ¥51.0 billion) related to the cost of rebuilding a condominium complex in Yokohama City due to concerns of unsound installation of a portion of foundation piles; Sumitomo Mitsui Construction being the prime contractor for construction of said condominium complex, Hitachi High-Tech the primary subcontractor for pile installation, and Asahi Kasei Construction Materials the secondary subcontractor for pile installation. Asahi Kasei Construction Materials holds that there is no basis for Mitsui Fudosan Residential's claim, and will make this argument during the proceedings of the First Lawsuit.

Related to the First Lawsuit, on April 27, 2018, Sumitomo Mitsui Construction filed suit (hereinafter "Second Lawsuit") against Hitachi High-Tech and Asahi Kasei Construction Materials seeking compensation for any damages it may incur in the First Lawsuit. Regarding this Second Lawsuit, the date of service of complaint to Asahi Kasei Construction Materials was May 14, 2018. Asahi Kasei Construction Materials holds that there is no basis for Sumitomo Mitsui Construction's claim, and will make this argument during the proceedings of the Second Lawsuit.

Related to the First Lawsuit and Second Lawsuit, on May 25, 2018, Hitachi High-Tech filed suit (hereinafter "Third Lawsuit") against Asahi Kasei Construction Materials seeking compensation for any damages it may incur in the First Lawsuit or Second Lawsuit. Asahi Kasei Construction Materials holds that there is no basis for Hitachi High-Tech's claim, and will make this argument during the proceedings of the Third Lawsuit.



Independent Auditor's Report

To the Board of Directors of Asahi Kasei Corporation

The Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asahi Kasei Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as at March 31, 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated balance sheets of the Group as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As described in Note 21 "Subsequent events", The company decided to conduct a voluntary tender offer for the purpose of acquiring the shares of Calliditas Therapeutics AB at the Board of Directors Meeting held on May 28, 2024.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition and measurement of impairment losses on fixed assets in the Material segment - Notes to Consolidated Financial Statements 3. Significant Accounting Estimates (a) Indications, recognition and measurement of impairment of fixed assets in the material segment, 18. Business segment information (f) Impairment loss on noncurrent assets by reportable segments, 6. Notes to Consolidated Statements of Income (g) Impairment loss	
Key audit matter description	How our audit addressed the key audit matter
Asahi Kasei Corporation and its consolidated subsidiaries ("the Company") recorded fixed assets of JPY 672,294 million (18% of total consolidated assets) and impairment losses of JPY 92,389 million in the Material segment for the consolidated fiscal year ended March 31, 2024. Within the Materials segment, the Company operates the Environmental Solutions business, centered on petrochemical-related products and lithium-ion battery separators; the Mobility & Industrial business, centered on products for automotive applications; and the Life Innovation business, centered on electronic components and materials, textiles, and consumer goods. Fixed assets are grouped into management accounting units based on the smallest group that generate cash inflows largely independent from other assets or groups of assets considering factors including manufacturing processes, regionality and investment decision units, etc. If an impairment indicator is identified in an asset group, a recognition of impairment loss is required to be assessed mainly by comparing the carrying amount and the undiscounted future cash flows. If recognition of an impairment loss is assessed to be necessary and the recoverable amount is less than the carrying amount, an impairment loss is recognized. An impairment loss is recorded to reduce the asset's carrying amount to the recoverable amount. The recoverable amount is the higher of the net realizable value or the value in use. The value in use is calculated as a present value of future cash flows. The performance of the Material segment, particularly in the Basic Materials Business, has been declining due to deterioration in the supply-demand balance of products. There are businesses comprising asset groups which	In order to verify the recognition and measurement of impairment losses on fixed assets in the Material segment, we primarily performed the following audit procedures: • We evaluated the design and operating effectiveness of the internal controls related to the recognition and measurement of impairment losses including selecting assumptions of future sales volumes, sales prices and raw material prices which form the basis for the estimates of gains and losses from operations. • We verified the estimates of future cash flows for consistency with the business plan approved by the Board of Directors. • We assessed the reasonableness of the estimates of future cash flows, by primarily performing the following procedures with respect to the business plans underlying such estimates: – We inquired of management about the assumptions of sales volumes, sales prices and raw material prices included in the business plan and ensured consistency with the forecasts of the supply-demand balance of products by third party organizations, forecasts from customers and most recent actual raw material prices. – We compared the historical budget to actual results, and considered whether deviations were sufficiently analyzed and reflected in the business plan from the current fiscal year and future years. – We compared sales volumes, sales prices and raw material prices in the business plan with the actual results after the year-end (April and May 2024). • We assessed the reasonableness of the discount rate by assessing the appropriateness of the calculation method and compared the input data with external data.



recorded continuous operating losses and need to be assessed for impairment losses in the Material segment.

The future cash flows used to determine the recognition and measurement of impairment losses are based on the business plans approved by the Board of Directors, which include assumptions that involve significant decisions by management, such as future sales volumes, sales prices and raw material prices based on the forecast of the supply-demand balance of products. As the business environment changes, the involvement of subjective judgments by management in the selection of highly uncertain assumptions is required. In addition, the calculation of value in use includes assumptions of discount rates which are subject to judgments by management in the selection of calculation method and input data required.

We concluded that the recognition and measurement of impairment losses on fixed assets in the Material segment is a key audit matter due to the materiality of impairment losses recorded on fixed assets and that primary assumptions such as future sales volumes, sales prices, raw material prices and discount rates have a high degree of estimation uncertainty and are subject to management judgements.



Determination of the recognition of impairment losses on fixed assets in Polypore International, LLC - Notes to Consolidated Financial Statements 3. Significant Accounting Estimates (b) Recognition of impairment losses on fixed assets in Polypore International, LLC	
Key audit matter description	How our audit addressed the key audit matter
Polypore International, LLC (hereinafter referred to as "Polypore"), a consolidated subsidiary in the separator business in the Material segment, recorded fixed assets of JPY 67,611 million (2% of the total consolidated assets) as of the current consolidated fiscal year ended March 31, 2024. Polypore identified an indicator of impairment as they recorded continuous operating losses, mainly due to the delays in improving production issues, and decreased demand of eco-friendly cars and energy storage systems using ternary cathodes. Polypore did not recognize any impairment losses in the current fiscal year since the total undiscounted future cash flows exceeded the carrying amount of the fixed assets. The undiscounted future cash flows are estimated based on business plans approved by the Board of Directors, which includes assumptions such as the forecast of sales volume increases in the lithium-ion battery market for hybrid vehicles and the energy storage systems using lithium iron phosphate cathodes in North America. We concluded that the determination of the recognition of impairment loss on fixed assets in Polypore is a key audit matter since the assumptions contain a high degree of uncertainty and are subject to management judgments.	In order to verify the necessity of recognition of impairment losses on fixed assets in Polypore, we primarily performed the following audit procedures: - We evaluated the design and operating effectiveness of the internal controls as they relate to the determination of the recognition of impairment losses including the selection of management assumptions such as the forecasts of sale volume increases in the lithium-ion battery market for hybrid vehicles and the energy storage systems using lithium iron phosphate cathodes in North America. - We verified the estimates of future cash flows for consistency with the business plans approved by the Board of Directors. - We assessed the reasonableness of the estimates of future cash flows, and primarily performed the following procedures with respect to the business plan underlying such estimates: - We inquired of management about the sales forecasts included in the business plan and ensured the consistency with forecasts from customers and the demand forecast in the hybrid vehicles market by a third party organization. - We compared the historical budget to actual results, and considered whether deviations were sufficiently analyzed and reflected in the business plan from the current fiscal year and future years. - We compared the sales forecast in the business plan with the actual results after the year-end (April and May 2024).



Other Information

Other information comprises information included in a document containing audited financial statements, but does not include the financial statements and our auditor's report thereon. We have determined that there is no other information and thus have not performed any work on other information.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience translation

The (Currency: e.g. U.S. dollar) amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into (Currency: e.g. U.S. dollar) amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Fee-Related Information

In connection with our audit of the consolidated financial statements for the year ended March 31, 2024, the amounts of fees for the audit and the other services charged to Asahi Kasei Corporation and its controlled entities by PricewaterhouseCoopers Japan LLC and other PwC Network firms are JPY 1,247 million and JPY 177 million, respectively.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.



A handwritten signature in black ink, appearing to read "Kensuke Koda".

Kensuke Koda

Designated Engagement Partner
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Hideki Godai".

Hideki Godai

Designated Engagement Partner
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Masaki Nitta".

Masaki Nitta

Designated Engagement Partner
Certified Public Accountant

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers Japan LLC".

June 25, 2024

VENDOR SUBMITTAL ACKNOWLEDGEMENT FORM

It is the policy of Pinellas County, Board of County Commissioners, to accept the lowest responsive and responsible or highest ranked submittal received meeting specifications. No changes requested by a vendor due to an error in pricing will be considered after the advertised solicitation opening date. By signing this Vendor Submittal Acknowledgment Form, vendors are attesting to their awareness and acceptance of this policy and agreeing to all solicitation of terms and conditions, including any insurance requirements.

Vendor Name (as shown on W-9):

Doing Business As (DBA) (if applicable):

Mailing Address (as shown on W-9):

City, State, Zip (as shown on W-9):

Vendor Email (primary company email):

Remit to address (as shown on vendor invoice):

Federal Tax ID (FEIN) #:

SAM.gov UEID No.:

Dun & Bradstreet D-U-N-S® UEID No. (if applicable):

Vendor Contact Information

Contact Name:

Phone Number:

Email Address:

Payment Terms: Net 45 (per Florida Statute F.S. 218.73) % Days

Deposit (if required) has been paid in the amount of \$

Proper Corporate Identity is needed for a firm registered with the Florida Division of Corporations. Please visit dos.myflorida.com/sunbiz/ for this information. It is essential to return a copy of your W-9 with your submittal.

I hereby agree to abide by all terms and conditions of this solicitation, including all insurance requirements, and certify that I am authorized to sign this solicitation for the vendor.

Authorized Signature:

Print Name:

Title:

THIS FORM MUST BE RETURNED WITH YOUR RESPONSE



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
06/26/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. New York NY Office One Liberty Plaza 165 Broadway, Suite 3201 New York NY 10006 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): (800) 363-0105 E-MAIL ADDRESS:														
INSURED ZOLL Data Systems Inc. 11802 Ridge Parkway #400 Broomfield CO 80021 USA	<table><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr><tr><td>INSURER A: Tokio Marine America Insurance Company</td><td>10945</td></tr><tr><td>INSURER B: Trans Pacific Ins Co</td><td>41238</td></tr><tr><td>INSURER C: Sampo America Fire & Marine Insurance Co</td><td>38997</td></tr><tr><td>INSURER D: Mitsui Sumitomo Insurance USA Inc.</td><td>22551</td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Tokio Marine America Insurance Company	10945	INSURER B: Trans Pacific Ins Co	41238	INSURER C: Sampo America Fire & Marine Insurance Co	38997	INSURER D: Mitsui Sumitomo Insurance USA Inc.	22551	INSURER E:		INSURER F:	
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INSURER E:															
INSURER F:															

COVERAGES**CERTIFICATE NUMBER:** 570106800765**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS												
B	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☐ ☐ GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:			CLL640976007	07/01/2024	07/01/2025	<table><tr><td>EACH OCCURRENCE</td><td>\$1,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$100,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$5,000</td></tr><tr><td>PERSONAL & ADV INJURY</td><td>\$1,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$2,000,000</td></tr><tr><td>PRODUCTS - COMP/OP AGG</td><td>Excluded</td></tr></table>	EACH OCCURRENCE	\$1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000	MED EXP (Any one person)	\$5,000	PERSONAL & ADV INJURY	\$1,000,000	GENERAL AGGREGATE	\$2,000,000	PRODUCTS - COMP/OP AGG	Excluded
EACH OCCURRENCE	\$1,000,000																		
DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000																		
MED EXP (Any one person)	\$5,000																		
PERSONAL & ADV INJURY	\$1,000,000																		
GENERAL AGGREGATE	\$2,000,000																		
PRODUCTS - COMP/OP AGG	Excluded																		
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ONLY			CA6409761-07	07/01/2024	07/01/2025	<table><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$1,000,000</td></tr><tr><td>BODILY INJURY (Per person)</td><td></td></tr><tr><td>BODILY INJURY (Per accident)</td><td></td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td></td></tr></table>	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000	BODILY INJURY (Per person)		BODILY INJURY (Per accident)		PROPERTY DAMAGE (Per accident)					
COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000																		
BODILY INJURY (Per person)																			
BODILY INJURY (Per accident)																			
PROPERTY DAMAGE (Per accident)																			
D	☐ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION			EXS5200217	07/01/2024	07/01/2025	<table><tr><td>EACH OCCURRENCE</td><td>\$10,000,000</td></tr><tr><td>AGGREGATE</td><td>\$10,000,000</td></tr></table>	EACH OCCURRENCE	\$10,000,000	AGGREGATE	\$10,000,000								
EACH OCCURRENCE	\$10,000,000																		
AGGREGATE	\$10,000,000																		
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N N	N / A	JCD40122W0 AOS JCR40013N0 WI	07/01/2024 07/01/2024	07/01/2025 07/01/2025	<table><tr><td>☒ PER STATUTE</td><td>☐ OTHER</td><td></td></tr><tr><td>E.L. EACH ACCIDENT</td><td></td><td>\$1,000,000</td></tr><tr><td>E.L. DISEASE-EA EMPLOYEE</td><td></td><td>\$1,000,000</td></tr><tr><td>E.L. DISEASE-POLICY LIMIT</td><td></td><td>\$1,000,000</td></tr></table>	☒ PER STATUTE	☐ OTHER		E.L. EACH ACCIDENT		\$1,000,000	E.L. DISEASE-EA EMPLOYEE		\$1,000,000	E.L. DISEASE-POLICY LIMIT		\$1,000,000
☒ PER STATUTE	☐ OTHER																		
E.L. EACH ACCIDENT		\$1,000,000																	
E.L. DISEASE-EA EMPLOYEE		\$1,000,000																	
E.L. DISEASE-POLICY LIMIT		\$1,000,000																	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Pinellas County Purchasing Att: Amy Martin 400 S. Ft. Harrison Ave, 6th Floor Clearwater FL 33756 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast, Inc.</i>
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Holder Identifier :

Certificate No : 570106800765



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/15/2024

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PRODUCER MARSH USA, LLC. 1166 Avenue of the Americas New York, NY 10036	CONTACT NAME: PHONE (A/C, No. Ext): FAX (A/C, No): E-MAIL ADDRESS:
CN101609659-zoll-PRE&O-24-25	INSURER(S) AFFORDING COVERAGE INSURER A : Federal Insurance Company
INSURED ZOLL MEDICAL CORPORATION AND SUBSIDIARIES 269 MILL ROAD CHELMSFORD, MA 01824-4105	NAIC # 20281
	INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES

CERTIFICATE NUMBER:

NYC-011988050-01

REVISION NUMBER: 0

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Products Liability Retro Date 10/1/2004			36066155 Deductible - \$200,000	07/15/2024	07/15/2025	Prod/Comp Ops/Occ 10,000,000 Prod/Comp Ops Agg 10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Products Liability - Claims made coverage
Errors & Omissions - Claims made coverage

CERTIFICATE HOLDER

CANCELLATION

Pinellas County, A Political Subdivision
of the State of Florida
400 South Fort Harrison Avenue
Clearwater, FL 33756

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Marsh USA LLC

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ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY MARSH USA, LLC.		NAMED INSURED ZOLL MEDICAL CORPORATION AND SUBSIDIARIES 269 MILL ROAD CHELMSFORD, MA 01824-4105
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Primary Errors & Omissions

Carrier: Federal Insurance Company

Policy Number: 36066155

Eff: 07/15/2024 Exp: 07/15/2025

Limit: \$10,000,000 Aggregate

Deductible: \$200,000

Retro Date: 12/13/199

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. ZOLL Data Systems, Inc.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor or single-member LLC ☒ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ►	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)
5 Address (number, street, and apt. or suite no.) See instructions. 11802 Ridge Parkway, Suite 400	Requester's name and address (optional)
6 City, state, and ZIP code Broomfield, CO 80021	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
			-			-			
or									
Employer identification number									
6	5		-	0	4	6	1	1	2 4

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ► 	Date ► 01/19/24
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Exceptions

ZOLL proposes that if selected as the vendor of choice, ZOLL and Pinellas County could utilize the existing Master Agreement currently in place to purchase ZOLL Billing as an alternative to starting with a new contract. In this scenario, there would be **no exceptions** to address as we would work collaboratively with the County to make any necessary adjustments to the existing contract.

Alternatively:

ZOLL proposes to meet the County's contract requirements with the attached Special Order Terms and Conditions for Pinellas County ("Special Terms"). Best-in-class ZOLL Billing SaaS is supported on a multi-client basis. We accommodate non-negotiable terms in concept, though exception is taken to the County's standard terms and conditions and BAA. We have either added the County's exact language from the Solicitation, or alternative terms and concepts already agreed in the County's current ZOLL contract to match ZOLL Billing. This includes existing accepted alternatives to the County's standard terms Section 13 and Section 19(B). We offer alternative legally-compliant wording for the Solicitation Section 3.16, Section 3.28, and Section 3.29(D) exceptions, also following already agreed-upon terms from the County's current contract. Solicitation Section 3.27 and Section 4.8(A) are exceptions outside the proposal. We welcome the opportunity to discuss any exceptions or alternative terms.

Terms and Conditions of the Order for ZOLL Billing to be offered to Pinellas County, a political subdivision of the State of Florida

A. Order of Precedence. In the event of any inconsistency between the terms and conditions of the Order and any other terms and conditions of the Agreement, the terms and conditions of the Order will control.

B. Initial Term and Renewal. The Initial Term will begin on the date of last signature to the Order offered by ZOLL on ZOLL's order form template (the "**Effective Date**") and will end sixty (60) months following the Monthly Fees Commencement Date (as defined in the Agreement). Following the Initial Term, the County has the option to extend this Order for up to two (2) two-year renewal terms prior to the end of the then-current Term. If the County fails to exercise a renewal option without notifying ZOLL of termination of the Order, then this Order will automatically renew for one-month terms until a party provides thirty (30) days' notice of non-renewal to the other party.

C. Fee Rounding. Discounted Fees are rounded to two decimal places for display purposes. As many as eight decimal places may be present in the actual price. The total Fees in this Order were calculated using the actual price, which are the true and binding totals for this Order.

D. Modifications Due to Customer's Status as a Political Subdivisions of the State of Florida. Customer is a political subdivision of the State of Florida and to the extent required by State Law, the following terms apply notwithstanding anything to the contrary in the Agreement. Customer is the "**County**," and ZOLL is the "**Contractor**," and together County and Contractor are the "**Parties**."

1. **Bid Submission.** By submitting a response to the County's solicitation, ZOLL understands and agrees that if awarded the indemnification provisions in the <https://pinellas.gov/county-standard-terms-conditions/> apply, subject to Pinellas County Resolution 2006-70 ("Indemnification"). The text of Section 7 (Indemnity and Liability) of the County' is as follows:
A. Indemnification. CONTRACTOR agrees to indemnify, pay the cost of defense, including attorney's fees, and hold harmless the COUNTY, its officers, employees and agents from all damages, suits, actions or claims, including reasonable attorney's fees incurred by the COUNTY, of any character brought on account of any injuries or damages received or sustained by any person, persons, or property, or in any way relating to or arising from the Agreement; or on account of any act or omission, neglect or misconduct of CONTRACTOR; or by, or on account of, any claim or amounts recovered under the Workers' Compensation Law; or of any other laws, regulations, ordinance, order or decree; or arising from or by reason of any actual or claimed trademark, patent or copyright infringement or litigation based thereon; or for any violation of requirements of the Americans with Disabilities Act of 1990, as may be amended, and all rules and regulations issued pursuant thereto (collectively the "ADA") except when such injury, damage, or violation was caused by the sole negligence of the COUNTY.
B. Liability. Neither the COUNTY nor CONTRACTOR will make any express or implied agreements, guaranties or representations, or incur any debt, in the name of or on behalf of the other Party. Neither the COUNTY nor CONTRACTOR will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized hereunder. The COUNTY will have no liability or obligation for any damages to any person or property directly or indirectly arising out of the operation by CONTRACTOR of its business, whether caused by CONTRACTOR's negligence or willful action or failure to act.
2. **Verification of Employment Eligibility.** ZOLL and each applicable subcontractor has registered with and uses the E-Verify system maintained by the United States Department of Homeland Security to verify the work authorization status of all newly hired employees in compliance with the requirements of Section 448.095, Florida Statutes, and that entry into this Agreement will not violate that statute. The rights and remedies provided by Section 448.095, Florida Statutes will apply to ZOLL's violation thereof.
3. **Public Entity Crime Act.** ZOLL represents that it is familiar with the requirements and prohibitions under the Public Entity Crime Act, Section 287.133, Florida Statutes, and represents that its entry into this Agreement will not violate that Act. ZOLL further represents that there has been no determination that it committed a "public entity crime" as defined by Section 287.133, Florida Statutes, and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether ZOLL has been placed on the convicted vendor list.
4. **Discriminatory Vendor and Scrutinized Companies List; Countries of Concern.** ZOLL represents that it has not been placed on the "discriminatory vendor list" as provided in Section 287.134, Florida Statutes. Contractor hereby certifies that it: a) has not been placed on the Scrutinized Companies that Boycott Israel List, nor is engaged in a boycott of Israel; b) has not been placed on the Scrutinized Companies with Activities in Sudan List nor the Scrutinized Companies with Activities in the Iran Terrorism Sectors List (formerly the Iran Petroleum Energy Sector List); and c) has not been engaged in business operations in Cuba or Syria. If County determines that Contractor has falsely certified facts under this paragraph, or if Contractor is found to have been placed on a list created pursuant to Section 215.473, Florida Statutes, as amended, or is engaged in a boycott of Israel after the execution of this Agreement, County will have all rights and remedies to terminate the Agreement consistent with Section 287.135, Florida Statutes, as amended. The County reserves all rights to waive certain requirements of this paragraph on a case-by-case exception basis pursuant to Section 287.135, Florida Statutes, as amended.
5. **Additional Affidavits.** As a nongovernmental entity submitting a proposal, executing, renewing, or extending a contract with a government entity, when required by State Law, ZOLL will provide affidavits under penalty of perjury attesting that ZOLL does not use coercion for labor or services in accordance with Section 787.06, Florida Statutes, that ZOLL does not meet any of the criteria in subparagraphs (2)(a)-(c) of Section 287.138, Florida Statutes, and that does not meet any of the criteria in subparagraphs (2)(a)-(c) of Section 287.138, Florida Statutes. Where required by State Law, Violations of this section will result in termination of this Agreement and may result in administrative sanctions and penalties by the Office of the Attorney General of the State of Florida.
6. **Prohibited Telecommunications Equipment.** Contractor represents and certifies that it and its applicable subcontractors do not and will not use any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, as such terms are used in 48 CFR §§ 52.204-24 through 52.204-26. By executing this Agreement, Contractor represents and certifies that Contractor and its applicable subcontractors must not provide or use such covered telecommunications equipment, system, or services for any scope of work performed for the County for the entire duration of this Agreement. If Contractor is notified of any use or provisions of such covered telecommunications equipment, system, or services by a subcontractor at any tier or by any other source, Contractor must promptly report the information in 40 CFR § 52.204-25(d)(2) to County.

7. **Antitrust Violations under Section 287.137, Florida Statutes.** Pursuant to Section 287.137, Florida Statutes, as may be amended, a person or an affiliate who has been placed on the antitrust violator vendor list (electronically published and updated quarterly by the State of Florida) following a conviction or being held civilly liable for an antitrust violation may not submit a bid, proposal, or reply for any new contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply for a new contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on new leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a new contract with a public entity; and may not transact new business with a public entity.
8. **County's Funding.** ZOLL acknowledges that Customer is a governmental entity, and payments under the Agreement are based upon the availability of public funding under its authority. In the event Customer fails to appropriate funds or make monies available, for the subsequent fiscal year covered by the term of this Agreement for the Products and Services to be provided, Customer shall notify ZOLL prior to the start of such fiscal year and this Agreement shall be terminated on the last day of the fiscal year for which funds were appropriated or monies made available for such purposes without further liability for such fiscal year payment and such termination shall not be a breach of this Agreement.
9. **Public Records.** Customer is a public agency subject to Chapter 119, Florida Statutes. To the extent ZOLL is acting on behalf of Customer pursuant to Section 119.0701, Florida Statutes, ZOLL shall comply with all applicable public records laws as "contractor," specifically to:
 - a. Keep and maintain public records required by the public agency to perform the service.
 - b. Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
 - c. Ensure that public records that are exempt or confidential from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the public agency.
 - d. Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of the contractor or keep and maintain public records required by the public agency to perform the service. If the contractor transfers all public records to the public agency upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

ZOLL acknowledges that because the County is subject to public records legislation, including but not limited to Chapter 119, Florida Statutes, and the Florida Rules of Judicial Administration, that any of the County's obligations under the Agreement may be superseded by its obligations under any requirements of said laws.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE PINELLAS COUNTY BOARD OF COUNTY COMMISSIONERS, PURCHASING AND RISK MANAGEMENT DEPARTMENT, OPERATIONS MANAGER CUSTODIAN OF PUBLIC RECORDS AT 727-464-3311, PURCHASE@PINELLASCOUNTY.ORG, PINELLAS COUNTY GOVERNMENT, PURCHASING AND RISK MANAGEMENT DEPARTMENT, OPERATIONS MANAGER, 400 S. FT. HARRISON AVE, 6TH FLOOR, CLEARWATER, FL 33756.

10. **Order Signature and Governing Agreement.** The Order is governed by and subject to the attached Master Software, SaaS and Services Agreement, including its applicable addenda, which are incorporated to the Order by reference (the "**Agreement**"). By signing the Order, (1) Customer represents and warrants it has read the Order and the Agreement and agrees to such terms and conditions and (2) each person signing the Order represents and warrants that she or he has the authority to bind the party for which she or he is signing.

Master Software, SaaS and Services Agreement

This Master Software, SaaS and Services Agreement (together with any applicable addendum, this “**Agreement**”) is entered into between ZOLL Data Systems, Inc. (“**ZOLL**”) and Pinellas County, a political subdivision of the State of Florida (“**Customer**”) as of the Effective Date of the Order to which this Agreement is attached.

1. Services

ZOLL will provide on-premises software (including any code, program or module) (“**Software**”), software-as-a-service (“**SaaS**”) or Professional Services or Maintenance Services (“**Services**”) described in each fully executed order or statement of work (each, an “**Order**”) issued under this Agreement. This Agreement will govern all Software, SaaS and Services provided to Customer during the term of this Agreement.

2. Term

The term of this Agreement (“**Term**”) will be from the Effective Date until the expiration or termination of the last effective Order executed under this Agreement, unless terminated earlier for cause. Unless otherwise specified in an Order, each Order will automatically renew on a month-to-month basis following expiration of its Initial Term (as defined in such Order), unless terminated as set forth herein.

3. Termination

A. Termination for Convenience. A party may terminate any Order issued pursuant to this Agreement without cause with thirty (30) days’ prior written notice to the other party.

B. Termination for Cause. A party may terminate any Order issued pursuant to this Agreement for cause if (I) the other party has breached any material term or condition of that Order or this Agreement and (II) such breach is not cured within thirty (30) days after written notice of breach to the breaching party.

C. Effects of Termination.

I. Early Termination Fee. If any Order is terminated by Customer without cause or by ZOLL for cause during its Initial Term, then Customer will immediately pay ZOLL an early termination fee equal to the total Fees payable by Customer during the Initial Term less the total Fees paid by Customer prior to the effective date of termination.

II. General. Upon expiration or termination of any Order: (a) Customer’s (1) license to Software (excluding Software subject to a perpetual license) and (2) right to access or use SaaS or Services, including associated user guides or operating manuals (“**Documentation**”), listed in such Order, will immediately terminate; and (b) Customer will return or destroy all copies of Software (excluding Software subject to a perpetual license) and Documentation listed in such Order in Customer’s possession or control. The foregoing sentence will also apply to Software subject to a perpetual license if the applicable Order is terminated for cause by ZOLL as a result of Customer’s material breach of Section 6 (Intellectual Property) or failure to provide payment in full for Software.

4. Confidentiality

A. Confidential Information. “**Confidential Information**” means any information, technical data, or know-how, including, without limitation, information relating to software, products, services, customers, personnel, markets, research, intellectual property, inventions, processes, designs, marketing, future business strategies, trade secrets, finances and other nonpublic information of the disclosing party, including the details of this Agreement and any Order under this Agreement.

B. Non-Confidential Information. Confidential Information does not include information that the receiving party can establish: (I) was lawfully known by the receiving party prior to its disclosure by the disclosing party; (II) is, or becomes, generally known to the public without breach of this Agreement; (III) is obtained by the receiving party in good faith from a third party without any communicated confidentiality obligation; or (IV) is independently developed by the receiving Party without use of the disclosing party’s Confidential Information.

C. Non-Disclosure. The receiving party will use the disclosing party’s Confidential Information only for purposes of this Agreement and applicable Orders under this Agreement and will not disclose it to any person or entity other than its or its Affiliates’ employees, directors, contractors, consultants, service providers, counsel or agents who have a reasonable need to know such information and who are bound by at least equivalent obligations of confidentiality and non-disclosure as those under this Agreement (such recipients being “**Authorized Recipients**”). Users (as defined below) and any third party authorized by Customer to receive Customer’s Confidential Information are Authorized Recipients of Customer. “**Affiliates**” means any corporate entity that, directly or indirectly, controls or is controlled by, or is under common control with, a party. The receiving party is responsible for the compliance of its Authorized Recipients with the confidentiality and non-disclosure obligations of this Agreement. The receiving party will use the same standard of care to protect the

disclosing party's Confidential Information as it uses to protect its own similar confidential and proprietary information, but no less than reasonable care. Notwithstanding the non-disclosure requirements of this section, Customer authorizes ZOLL to refer to Customer as a customer and use Customer's name and logo in such references. Each party agrees that damages will not be adequate to protect the other party in the event of an actual or threatened breach of the confidentiality and nondisclosure obligations of this Agreement and that either party may take equitable action, including seeking injunctive relief, to enforce such obligations.

D. Legal Disclosure. If it becomes necessary for the receiving party to disclose any Confidential Information to enforce this Agreement or comply with a judicial or administrative proceeding (or equivalent process), the receiving party will, to the extent legally permitted, provide the disclosing party with prompt written notice so the disclosing party may, at the disclosing party's expense, seek a protective order or other appropriate remedy to protect such information. If such protective order or other remedy is not obtained, the receiving party will not be in breach of this Agreement by furnishing such Confidential Information as required. Prior to disclosing any patient information, protected health information or personal identifiable information to ZOLL, Customer will obtain the legal right to disclose such information to ZOLL.

5. Use of Software, SaaS and Services

ZOLL will perform Services in a professional and workmanlike manner using qualified personnel in accordance with each Order. Customer will comply with all laws and regulations applicable to its use of Software, SaaS or Services, including complying with, and notifying ZOLL of, export and import control laws and regulations applicable to Customer. Customer will implement and maintain industry standard administrative, technical and security standards or safeguards designed to ensure the security and confidentiality of Software or SaaS that Customer receives from ZOLL. ZOLL may suspend access to Software or SaaS if ZOLL determines, in its reasonable discretion, that Customer has failed to comply with applicable law or implement or maintain such standards or safeguards until Customer complies with applicable law or implements and maintains such standards or safeguards, as applicable. Customer is responsible for the procurement, maintenance, performance and security of any network, connection, service or device not provided or managed by ZOLL. Customer agrees to use current operating systems and browsers that support protocols and procedures accepted by ZOLL. In connection with this Agreement, Customer will reasonably and timely cooperate with ZOLL, including providing ZOLL with access to Customer's equipment, software and data, including remote access, necessary for the implementation and operation of Software and SaaS or performance of Services. Customer will not require ZOLL to comply with additional contractual or policy requirements not already contained in this Agreement or the applicable Order in order to receive such access. ZOLL will provide Customer with the specifications of available remote access methods, and Customer will be responsible for the costs associated with any selected method. Customer agrees not to use Software or SaaS in excess of its authorized login protocols. Customer will immediately notify ZOLL of any unauthorized access to or use of Software or SaaS, Customer's login ID, password or account or other breach of security.

6. Intellectual Property

A. Ownership. ZOLL, including its Affiliates, licensors and service providers, as applicable, retains all right, title and interest, including but not limited to, all existing or future copyrights, trademarks, service marks, trade secrets, patents, patent applications, know how, moral rights, contract rights, and proprietary rights, and all registrations, applications, renewals, extensions and combinations of the foregoing, in and to Software, SaaS, Services, Documentation and any other information or materials related to Software, SaaS or Services, including, without limitation, all object code, source code, modifications, know-how, ideas, technology, processes, techniques, inventions, or technical information relating to any of the foregoing and any derivative works thereof. Any rights not expressly granted to Customer hereunder are reserved by ZOLL, including its Affiliates, licensors and service providers, as applicable. To the extent Customer acquires any rights in Software, SaaS, Services, Documentation or any other information or materials related to Software, SaaS or Services, including any derivative work created by Customer, by operation of law despite the terms of this Agreement, Customer hereby assigns those rights to ZOLL and agrees to take such further actions as necessary to give effect to this section.

B. Restrictions. Except as expressly permitted by this Agreement, Customer will not, and will not permit any third party to: (I) use, reproduce, modify, adapt, alter, translate or create derivative works from Software, SaaS, Services or Documentation; (II) merge Software, SaaS or Services with other software or services; (III) sublicense, distribute, sell, use for service bureau use, lease, rent, loan, or otherwise transfer or allow access to Software, SaaS, Services or Documentation to any third party; (IV) reverse engineer, decompile, disassemble, or otherwise attempt to alter or derive the source code for Software or SaaS; (V) remove, alter, cover or obfuscate any copyright notices or other proprietary rights notices included in Software, SaaS, Services or Documentation; or (VI) otherwise use or copy Software, SaaS, Services or Documentation.

C. Customer Content; Feedback. As between ZOLL and Customer, and without limiting the rights of any patient, Customer will retain all right, title and interest in and to all data, information or other content provided by Customer in its use of Software, SaaS or Services ("**Customer Content**"); provided that ZOLL may de-identify and use Customer

Content for any lawful purpose consistent with applicable law. Customer grants to ZOLL and its Affiliates a worldwide, perpetual, irrevocable, royalty-free license to use, distribute, disclose, make and incorporate into its Software, SaaS or Services any suggestion, enhancement request, recommendation, correction or other feedback relating to the operation of Software, SaaS or Services provided by Customer or its Users. “**User**” means Customer’s or its Affiliates’ employees, directors, principals, partners, consultants or agents authorized to use Software, SaaS or Services on behalf of Customer and registered and approved by ZOLL, in ZOLL’s sole discretion, for such use in accordance with ZOLL’s procedures.

7. Users

Users may utilize Software, SaaS, Services and Documentation to the same extent Customer is allowed to use and benefit from such Software, SaaS, Services and Documentation; provided that: (A) each User’s use of, or benefit from, Software, SaaS, Services and Documentation will be subject to all applicable terms, conditions and limitations (including aggregate usage limitations) of this Agreement and each applicable Order; (B) Customer, as the signatory to this Agreement, will be responsible for each User’s compliance with the terms, conditions and limitations of this Agreement; and (C) ZOLL, in its sole discretion, may require certain Users (for example, third-party billing service providers, hospitals or EMS agencies) and Customer to sign ZOLL’s third-party access and use form prior to ZOLL granting such User access to the applicable Software, SaaS, Services or Documentation.

8. Indemnification

A. ZOLL. ZOLL will defend any action against Customer or its agents, officers, directors, or employees (the “**Customer Parties**”) brought by a third party alleging that Software, SaaS or Services infringe any U.S. patents or copyrights or misappropriate any trade secrets of a third party and will indemnify and hold the Customer Parties harmless from those costs and damages finally awarded against the Customer Parties in any such action that are specifically attributable to such claim or those costs and damages agreed to by ZOLL in a monetary settlement of such action. The foregoing obligations are conditioned on Customer: (I) promptly notifying ZOLL in writing of such claim or action; (II) giving ZOLL sole control of the defense thereof and any related settlement negotiations; and (III) cooperating with ZOLL and, at ZOLL’s request and expense, assisting in such defense. ZOLL will not enter into any settlement that imposes any legal liability or financial obligation on Customer without Customer’s prior written consent. Customer will have the right, at its option, to participate in the settlement or defense of the claim, with its own counsel and at its own expense. If any Software, SaaS or Services become, or in ZOLL’s opinion is likely to become, the subject of an infringement claim, ZOLL may, at its sole option and expense: (a) procure for Customer the right to continue using it; (b) modify it, or replace it with a substantially similar software or service, so that it becomes non-infringing; (c) in the case of Software subject to a perpetual license, require its return and refund Customer a pro-rata portion of the Fees for such Software based on a thirty-six (36)-month straight-line depreciation; or (d) terminate the applicable Order, in whole or in part. Notwithstanding the foregoing, ZOLL will have no indemnification or other obligation hereunder with respect to any infringement claim to the extent based upon: (1) use of Software, SaaS or Services not in accordance with this Agreement or the applicable Order; (2) use of Software, SaaS or Services in combination with products, equipment, software, services or data not supplied by ZOLL; (3) the failure of Customer to implement the latest release of, or any replacements, corrections or modifications made available by ZOLL for, Software, SaaS or Services; (4) Customer Content; or (5) any modification of any of Software, SaaS and Services or use thereof by any person other than ZOLL or its authorized agents or subcontractors. This section states ZOLL’s entire liability and Customer’s exclusive remedy for any claims of infringement.

B. Customer. To the extent the terms of this subsection (B) are prohibited by Section 768.28 or any other Florida Statutes, the terms of this subsection (B) will not apply. Subject to the preceding sentence: Customer will defend any action against ZOLL, its Affiliates and their respective agents, officers, directors and employees (the “**ZOLL Parties**”) and will indemnify and hold the ZOLL Parties harmless from those costs and damages finally awarded against the ZOLL Parties in any such action brought by a third party arising out of or related to: (I) Customer Content; or (II) the Customer Parties’ or its Users use of Software, SaaS or Services allegedly in violation of the Agreement, Order, Documentation or applicable law. ZOLL will: (a) promptly notify Customer in writing of such claim or action; (b) give Customer sole control of the defense thereof and any related settlement negotiations; and (c) cooperate with Customer and, at Customer’s request and expense, assist in such defense. Customer will not enter into any settlement that imposes any legal liability or financial obligation on ZOLL without ZOLL’s prior written consent.

9. Representations and Warranties

A. Mutual. Each party represents that it has full legal authority to enter into this Agreement and perform its obligations hereunder and that no third-party rights or permissions are required in order for it to do so.

B. ZOLL. ZOLL warrants that Services will be performed in a professional and workmanlike manner. Customer must provide written notice to ZOLL within thirty (30) days of the completion of Services alleged to have been performed inconsistent with this warranty, otherwise this warranty will be void. Customer’s sole remedy and ZOLL’s sole

obligation in the event of a breach of this warranty is, at ZOLL's option, to re-perform Services or refund the amounts paid by Customer for Services that were not as warranted.

C. DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR AN APPLICABLE ADDENDUM: (I) SOFTWARE, SAAS AND SERVICES ARE PROVIDED STRICTLY ON AN “**AS IS**” AND “**AS AVAILABLE**” BASIS, WITHOUT ANY WARRANTIES OF ANY KIND TO THE FULLEST EXTENT PERMITTED BY LAW; (II) ZOLL DOES NOT PROMISE THAT SOFTWARE, SAAS OR SERVICES WILL BE SECURE, UNINTERRUPTED OR ERROR-FREE; AND (III) ZOLL EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, WHETHER IN FACT OR BY OPERATION OF LAW, STATUTE, COMMON LAW, COURSE OF DEALING, TRADE USAGE, OR OTHERWISE.

10. Limitation of Liability

CUSTOMER AGREES TO BE FULLY RESPONSIBLE FOR ITS OWN ACTS OF NEGLIGENCE, AND ITS AGENTS' ACTS OF NEGLIGENCE, WHEN ACTING WITHIN THE SCOPE OF THEIR EMPLOYMENT, AND AGREES TO BE LIABLE FOR ANY DAMAGES PROXIMATELY CAUSED THEREBY; PROVIDED, HOWEVER, THAT TO THE EXTENT REQUIRED BY SECTION 768.28, FLORIDA STATUTES, THE PARTIES AGREE THAT CUSTOMER'S LIABILITY IS SUBJECT TO THE MONETARY LIMITATIONS AND DEFENSES IMPOSED BY SECTION 768.28, FLORIDA STATUTES. NOTHING HEREIN IS INTENDED TO SERVE AS A WAIVER OF SOVEREIGN IMMUNITY BY THE PARTIES, NOR SHALL ANYTHING HEREIN BE CONSTRUED AS CONSENT BY THE PARTIES TO BE SUED BY ANY THIRD PARTY FOR ANY CAUSE OR MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT, NOR SHALL ANYTHING HEREIN BE CONSTRUED AS CONSENT BY CUSTOMER TO ACCEPTANCE OF LIABILITY FOR THE ACTIONS OR OMISSIONS OF ANY INDIVIDUAL, INCLUDING A THIRD-PARTY AGENT OR INDIVIDUAL CONTRACTOR, TO THE EXTENT CUSTOMER IS PROHIBITED FROM ACCEPTING LIABILITY UNDER SECTION 768.28, FLORIDA STATUTES OR ANY OTHER FLORIDA STATUTES. ANY CLAIMS AGAINST CUSTOMER MUST COMPLY WITH THE PROCEDURES FOUND IN 768.28, FLORIDA STATUTES.

NEITHER ZOLL, NOR ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SERVICE PROVIDERS, SUPPLIERS OR LICENSORS, WILL BE LIABLE FOR LOSS OF PROFIT, DATA, BUSINESS OR GOODWILL, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR ANY OTHER INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, HOWEVER ARISING OR ALLEGED. ZOLL'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT OR AN ORDER, WHETHER IN CONTRACT, TORT, OR OTHERWISE, AND FOR AVOIDANCE OF DOUBT INCLUDING ANY INDEMNITY, WILL NOT EXCEED THREE (3) TIMES THE AMOUNT PAID TO ZOLL BY CUSTOMER FOR SOFTWARE, SAAS AND SERVICES PROVIDED UNDER THE APPLICABLE ORDER DURING THE TWELVE (12)-MONTH PERIOD PRECEDING THE EVENTS GIVING RISE TO SUCH LIABILITY, NOT TO EXCEED \$3 MILLION IN TOTAL. CUSTOMER ACKNOWLEDGES THAT THESE LIMITATIONS REFLECT THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT ZOLL WOULD NOT ENTER INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS ON ITS LIABILITY. CUSTOMER AGREES THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGES WERE FORESEEABLE.

11. Payments

A. Billing. ZOLL shall submit invoices for payment due as provided herein and all payments shall be made in accordance with the requirements of Section 218.70 et. seq, Florida Statutes, “The Local Government Prompt Payment Act.” Invoices shall be submitted to the address listed in the Order unless instructed otherwise on the purchase order, or if no purchase order, by the ordering department upon notice to ZOLL. Customer will pay ZOLL the fees as set forth in the applicable Order (“**Fees**”). All payments will be in U.S. dollars unless otherwise agreed by the parties. Unless otherwise expressly provided in this Agreement or the applicable Order, all Fees are nonrefundable, and pursuant to Section 218.74, Florida Statutes, Customer will pay ZOLL all amounts due under this Agreement within 45 days after the date of the invoice. If any invoiced Fees are past due: (I) ZOLL, in its sole discretion and not in lieu of any other remedy, may cease providing Software, SaaS and Services, until ZOLL has received payment from Customer for all invoiced and past-due Fees plus accrued interest; and (II) ZOLL, in its sole discretion, may revoke any discounts previously offered to Customer. Improper payment requests and invoice disputes will be resolved as provided in Section 218.76, Florida Statutes.

B. Taxes. Fees exclude all taxes, levies, duties or similar governmental assessments, including value-added, sales, use or withholding taxes assessable by any jurisdiction (“**Taxes**”). Customer is responsible for paying Taxes assessed in connection with its or its User's use of Software, SaaS or Services. If ZOLL believes it is legally obligated to invoice Customer for Taxes, ZOLL will include any Taxes as a separate line item on an invoice unless Customer provides ZOLL with a current tax exemption certificate issued by the appropriate taxing authority.

C. Expenses. Unless otherwise set forth in the applicable Order, Customer will reimburse ZOLL for all reasonable out-of-pocket expenses (including travel and accommodation expenses) incurred by ZOLL ("**Expenses**") in providing Services. In the event travel is required, County and ZOLL will negotiate any expenses related to travel and ZOLL shall comply with Customer's reasonable standard travel policies delivered to ZOLL reasonably in advance of the incurrence of such expenses.

D. Invoicing. Unless otherwise set forth in the applicable Order, ZOLL will invoice Customer for Fees approximately as follows:

- I. One-Time Fees**—on the Effective Date (as defined in the applicable Order);
- II. Monthly Fees* or Maintenance Fees****—monthly in advance;
- III. Professional Services Fees**—on completion of the Professional Services; and
- IV. Expenses**—as soon as reasonably practicable after such expenses are incurred.

* Unless otherwise set forth in the applicable Order, Monthly Fees will commence on the earlier of (a) the date deployment of Software or SaaS is complete and able to function as described in the warranty for such Software or SaaS ("**Deployment Completion Date**") or (b) sixty (60) days after the Effective Date (as defined in the applicable Order) (the "**Monthly Fees Commencement Date**"). The first invoice for Monthly Fees will include the Monthly Fees for the first and second months and will be prorated to account for any partial month. For Monthly Fees for ZOLL AR Boost (as defined in the SaaS Addendum), emsCharts and Mobile Care Connect, ZOLL may invoice Customer monthly in arrears.

** Unless otherwise set forth in the applicable Order, Maintenance Fees will commence sixty (60) days following the commencement of any Software Warranty. The first invoice for Maintenance Fees will be prorated to account for any partial quarter.

12. Professional Services

A. General. ZOLL will use commercially reasonable efforts to provide the professional services set forth in an Order ("**Professional Services**"), and Customer and ZOLL agree to cooperate in good faith to achieve satisfactory completion of the Professional Services. Customer acknowledges that ZOLL's performance of the Professional Services is materially dependent on Customer's cooperation and that timelines for completion of Professional Services are estimates that may be revised due to third parties engaged as part of the Professional Services or Customer's responsiveness, cooperation and resources. Accordingly, ZOLL will not be liable for any deficiency in the performance of Professional Services to the extent such deficiency results from any acts or omissions of Customer or a third party, including, but not limited to, Customer's failure to provide the necessary cooperation, access and assistance as required hereunder. Customer will reimburse ZOLL for any reasonable costs incurred by ZOLL in connection with such failure. Customer is solely responsible for ensuring that specifications provided to ZOLL in connection with the Professional Services comply with applicable laws and regulations.

B. Installations. If Customer (I) fails to schedule installation of Software, SaaS or Services to occur within six (6) months from the Effective Date (as defined in the applicable Order) or (II) postpones or cancels a scheduled installation with less than thirty (30) days' written notice to ZOLL, then ZOLL may charge, and Customer will pay, an additional installation fee plus any additional costs already incurred (such as a \$200 travel change fee to cover increased travel costs as a result of the rescheduling).

13. General

A. Assignment. Customer will not assign or transfer this Agreement or any Order, nor its interest, rights or responsibilities under this Agreement or any Order, except with written consent of ZOLL, which will not be unreasonably withheld. Any attempted assignment or transfer in violation of the foregoing will be null and void.

B. Notices. All notices, consents, authorizations, and approvals in connection with this Agreement shall be deemed given: (1) three business days after being deposited in the U.S. mail, postage prepaid, certified or registered, return receipt requested; or (2) the business day following deposit by overnight air express courier (e.g., Federal Express, Airborne, etc.), charges prepaid, return receipt requested; or (3) sent via email and addressed as set forth below, which designated person(s) and addresses may be updated by either party by giving written notice to the other party:

For Customer (if no address or email address listed below, then as listed in the Order):

<<INSERT ADDRESS>

Email: <<INSERT EMAIL>>

For ZOLL:

ZOLL Data Systems, Inc.

Attn: Chief Financial Officer

11802 Ridge Parkway
Suite 400
Broomfield, CO 80021
Email: AccountsReceivable@zoll.com

C. Governing Law and Venue; Waiver of Jury Trial. The Agreement will be governed by and interpreted in accordance with the laws of the State of Florida without reference to its choice of law rules. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.

D. Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, such provision will be changed and interpreted by the court of competent jurisdiction to accomplish the objectives of such provision to the greatest extent possible under applicable law, and the remaining provisions of this Agreement will continue in full force and effect.

E. Relationship between the Parties. The parties are independent contractors. Nothing in this Agreement is intended to create or be construed as the existence of a partnership, joint venture, or general agency relationship between the parties. Nothing in this Agreement shall be construed as creating any exclusive arrangement between ZOLL and Customer.

F. U.S. Government End Users. If Customer is a branch or agency of the United States Government, the following provision applies: Software, SaaS and Documentation are composed of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. §12.212 and if provided hereunder are (I) for acquisition by or on behalf of civilian agencies, consistent with the policy set forth in 48 C.F.R. §12.212; or (II) for acquisition by or on behalf of units of the Department of Defense, consistent with the policies set forth in 48 C.F.R. §227.7202-1 and §227.7202-3. Consistent with 48 C.F.R. §12.212 or 48 C.F.R. §227.7202-1 through §227.7202-4, as applicable, Customer receives only those rights to Software or SaaS as provided under the terms and conditions of this Agreement.

G. Third Parties. Customer is solely responsible for, and none of the Fees or Expenses set forth herein will be deemed to cover, any amounts owed to third parties in connection with the use of Software, SaaS and Services, including without limitation, clearinghouse fees. Customer must obtain ZOLL's prior written consent before engaging a third-party provider ("**Third-Party Provider**") to allow third-party software, SaaS or services ("**Third-Party Software, SaaS or Services**") to integrate with, receive data from or access Software, SaaS or Services. ZOLL will have no liability for, or in connection with, and makes no representations or warranties with respect to, any Third-Party Software, SaaS or Services, and no Third-Party Provider will be an agent or subcontractor of ZOLL. Customer agrees that to the extent Third-Party Provider sends, receives, maintains or transmits any Customer Content, including without limitation, protected health information (collectively, "**Sharing**"), or takes any action with respect to Software, SaaS or Services, such Third-Party Provider does so on behalf of Customer and not of ZOLL. If Third-Party Software, SaaS or Services require or result in Sharing Customer Content with a Third-Party Provider, Customer consents to ZOLL and its Affiliates Sharing Customer Content with such Third-Party Provider, and Customer represents and warrants that such Sharing does not violate any agreement, law, regulation or other legal standard. Upon the earlier of: (I) termination of the Third-Party Provider's need for access to the applicable Software, SaaS or Services or (II) termination of Customer's agreement with a Third-Party Provider pertaining to Third-Party Software, SaaS or Services, Customer will immediately terminate Third-Party Provider's access to Software, SaaS and Services and notify ZOLL thereof. To the extent Software, SaaS or Services contain software, services or content owned by a third party for which ZOLL has a license agreement with such third party, Software, SaaS and Services and all rights granted hereunder are expressly limited by and subject to any license agreements ZOLL may have for such software. Customer will promptly reimburse ZOLL for any Fees incurred by ZOLL for Third-Party Software, SaaS or Services after the date of expiration or termination of an Order (such as the remainder of an annual fee charged to ZOLL for such Third-Party Software, SaaS or Services).

H. Force Majeure. Each party's failure to perform in a timely manner will be excused to the extent caused by conditions beyond the reasonable control of the affected party that could not have been avoided by reasonable diligence. Such conditions may include, but are not limited to, natural disaster, fire, accidents, actions or decrees of governmental bodies, Internet or other communication line failure not the fault of the affected party, strikes, acts of God, pandemics, wars (declared and undeclared), acts of terrorism, riots, embargoes, and civil insurrection, but will not include a lack of funds or insufficiency of resources caused by lack of funds. The affected party will immediately give notice to the other party of such delay and will resume timely performance as soon as such condition is terminated. If the period of force majeure exceeds thirty (30) days from the receipt of notice, the non-affected party may terminate this Agreement without being in breach of this Agreement.

I. Entire Agreement; Amendment; No Third-Party Beneficiaries; Online Customer Community; Survival. This Agreement, together with the applicable Order, constitutes the entire agreement between the parties

regarding the subject hereof and supersedes all prior or contemporaneous agreements, understandings, and communication, whether written or oral, except agreements at zollonline.com or emscharts.com. In the event of a conflict between this Agreement, including applicable addenda, the applicable Order or any agreement at zollonline.com or emscharts.com, the order of precedence will be as follows: (I) the applicable Order; (II) this Master Software, SaaS and Services Agreement, (III) the Business Associate Addendum; (IV) the Software-as-a-Service Addendum or Software Addendum, as applicable; (V) any other addenda, if applicable; and (VI) agreements at zollonline.com or emscharts.com. Any other representation or agreement, whether written or oral, including but not limited to any purchase order issued by Customer, will be wholly inapplicable to Software, SaaS and Services and will not be binding in any way on ZOLL. The section headings in this Agreement are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Agreement. This Agreement may not be amended or changed except in writing signed by both parties. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion, and any waiver must be in writing and signed by the waiving party. Except as otherwise expressly stated herein, the parties' rights and remedies under this Agreement are cumulative. Neither party will have any obligation to enter into any Order. Customer may participate in ZOLL's online customer community in accordance with the terms of such community. Except as expressly set forth herein, there are no third-party beneficiaries of this Agreement. Those provisions of this Agreement that may be reasonably interpreted as surviving termination of this Agreement or the survival of which is necessary for the interpretation or enforcement of this Agreement will continue in full force and effect in accordance with their terms notwithstanding the termination hereof including, but not limited to, Section 3.C (Effects of Termination), Section 4 (Confidentiality), Section 5 (Use of Software, SaaS and Services), Section 6 (Intellectual Property), Section 7 (Users), Section 8 (Indemnification), Section 9 (Representations and Warranties), Section 10 (Limitation of Liability), Section 11 (Payments) and Section 13 (General). This Agreement may be signed and delivered electronically and executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.

Business Associate Addendum

1. Applicability

This Business Associate Addendum (this “**Business Associate Addendum**”) applies to any Order and the Agreement between Customer (“**Covered Entity**”) and ZOLL (“**Business Associate**”) in order to comply with 45 C.F.R. §164.502(e) and §164.504(e), governing protected health information (“**PHI**”) and business associates under the Health Insurance Portability and Accountability Act of 1996 (P.L. 104 191), 42 U.S.C. Section 1320d, et. seq., and regulations promulgated thereunder, as amended from time to time (statute and regulations collectively referred to as “**HIPAA**”). Terms used but not otherwise defined in this Business Associate Addendum will have the same meaning as those terms in HIPAA and the Master Software, SaaS and Services Agreement, as applicable; provided that PHI will refer only to protected health information of Covered Entity unless otherwise stated.

2. Compliance and Agents

To the extent it has access to PHI, Business Associate will fully comply with the requirements of this Business Associate Addendum with respect to such PHI. Business Associate will ensure that every agent, including a subcontractor, of Business Associate to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity will comply with the same restrictions and conditions as set forth in this Business Associate Addendum.

3. Use and Disclosure; Rights

Business Associate will not use or disclose PHI except as permitted under this Business Associate Addendum, including Section 16 hereof, and in compliance with each applicable requirement of 45 CFR Section 164.504(e). Business Associate may use or disclose the PHI received or created by it: (A) to perform its obligations under this Business Associate Addendum; (B) to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Agreement; or (C) to provide data aggregation functions to Covered Entity as permitted by HIPAA. Further, Business Associate may use the PHI received by it in its capacity as Business Associate, if necessary, to properly manage and administer its business or to carry out its legal responsibilities. Business Associate may disclose the PHI received by it in its capacity as Business Associate to properly manage and administer its business or to carry out its legal responsibilities if: (Y) the disclosure is required by law; or (Z) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it is disclosed to the person and the person notifies Business Associate of any instances of which it is aware that the confidentiality of the information has been breached. Covered Entity will not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

4. Safeguards

Business Associate will develop, document, use and keep current appropriate procedural, physical and electronic safeguards, as required in 45 C.F.R. §§164.308 - 164.312, sufficient to prevent any use or disclosure of electronic PHI other than as permitted or required by this Business Associate Addendum.

5. Minimum Necessary

Business Associate will limit any use, disclosure or request for use or disclosure to the minimum amount necessary to accomplish the intended purpose of the use, disclosure or request.

6. Report of Improper Use or Disclosure

Business Associate will report to Covered Entity any information of which it becomes aware concerning any use or disclosure of PHI that is not permitted by this Business Associate Addendum and any security incident of which it becomes aware. Business Associate will, within fifteen (15) days following the discovery of a breach of “**unsecured protected health information**,” as defined in 45 C.F.R. § 164.402, notify Covered Entity of such breach. The notice will include the identification of each individual whose unsecured protected health information has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed during such breach. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Business Associate Addendum.

7. Individual Access

In accordance with an individual's right to access to his or her own PHI in a designated record set under 45 CFR §164.524 and the individual's right to copy or amend such records under 45 CFR §164.524 and §164.526, Business Associate will make available all PHI in a designated record set to Covered Entity to enable the Covered Entity to provide access to the individual to whom that information pertains or such individual's representative.

8. Amendment of and Access to PHI

Business Associate will make available for amendment PHI in a designated record set and will incorporate any amendments to PHI in a designated record set in accordance with 45 CFR §164.526 and in accordance with any process mutually agreed to by the parties.

9. Accounting

Business Associate will document disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to an individual's request for an accounting of disclosures of their PHI in accordance with 45 CFR §164.528. Business Associate agrees to make available to Covered Entity the information needed to enable Covered Entity to provide the individual with an accounting of disclosures as set forth in 45 CFR §164.528.

10. DHHS Access to Books, Records and Other Information

Business Associate will make available to the U.S. Department of Health and Human Services ("DHHS"), Business Associate's internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity for purposes of determining the Covered Entity's compliance with HIPAA.

11. Individual Authorizations; Restrictions

Covered Entity will notify Business Associate of any limitation in its notice of privacy practices, any restriction to the use or disclosure of PHI that Covered Entity has agreed to with an individual and of any changes in or revocation of an authorization or other permission by an individual, to the extent that such limitation, restriction, change, or revocation may affect Business Associate's use or disclosure of PHI.

12. HITECH Act Compliance

Covered Entity and Business Associate will comply with the amendments to HIPAA included in the Health Information Technology for Economic and Clinical Health Act (the "**HITECH Act**"), including all privacy and security regulations issued under the HITECH Act that apply to Business Associate.

13. Term

This Business Associate Addendum will take effect on the effective date of the Agreement and will continue in effect unless and until either party terminates this Business Associate Addendum or the Agreement.

14. Breach; Termination; Mitigation

If Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate's obligations under this Business Associate Addendum, Covered Entity and Business Associate will take any steps reasonably necessary to cure such breach and make Business Associate comply, and, if such steps are unsuccessful, Covered Entity may terminate this Business Associate Addendum. Business Associate will take reasonable actions available to it to mitigate any detrimental effects of such violation or failure to comply.

15. Return of PHI

Business Associate will, upon termination of this Business Associate Addendum, and if feasible: (A) return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, that Business Associate has continued to maintain in any form or manner and retain no copies of such information or, (B) if such return or destruction is not feasible, immediately notify Covered Entity of the reasons return or destruction are not feasible, and extend indefinitely the protection of this Business Associate Addendum to such PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI not feasible.

16. Deidentified Health Information

Business Associate may de-identify any and all PHI and may create a "**Limited Data Set**" in accordance with 45 C.F.R. § 164.514(b) & (e). Covered Entity acknowledges and agrees that de-identified information is not PHI and that Business Associate may use such de-identified information for any lawful purpose. Use or disclosure of a Limited Data Set must comply with 45 CFR 164.514(e).

17. Survival

All representations, covenants and agreements in or under this Business Associate Addendum will survive the execution, delivery and performance of this Business Associate Addendum.

18. Further Assurances; Conflicts

Each party will in good faith execute, acknowledge or verify, and deliver any and all documents which may from time to time be reasonably requested by the other party to carry out the purpose and intent of this Business Associate Addendum. The terms and conditions of this Business Associate Addendum will override and control any expressly conflicting term or condition of the Agreement. All non-conflicting terms and conditions of the Agreement will remain in full force and effect. Any ambiguity in this Business Associate Addendum with respect to the Agreement will be resolved in a manner that will permit Covered Entity to comply with HIPAA. For the avoidance of doubt, a limitation on liability in the Agreement does not conflict with this Business Associate Addendum.

19. Applicable Law

The parties acknowledge and agree that HIPAA may be amended and additional guidance or regulations implementing HIPAA may be issued after the date of the execution of this Business Associate Addendum and may affect the parties' obligations under this Business Associate Addendum. The parties agree to take such action as is necessary to amend this Business Associate Addendum from time in order as is necessary for Covered Entity to comply with HIPAA.

Software-as-a-Service Addendum

1. Applicability

This Software-as-a-Service Addendum (this “**SaaS Addendum**”) applies to SaaS designated in a current Order between Customer and ZOLL. Capitalized terms not defined below but used herein will have the same meaning as in the Master Software, SaaS and Services Agreement.

2. SaaS

Subject to the terms and conditions of the Agreement, during the Term (as defined in the applicable Order), ZOLL will use commercially reasonable efforts to make SaaS available to Customer in accordance with the Documentation. ZOLL may modify and upgrade SaaS, on an ongoing basis, including adding, removing or modifying the functionality or features of SaaS. ZOLL will use commercially reasonable efforts to inform Customer prior to the implementation of such changes materially affecting SaaS utilized by Customer. ZOLL will, at no additional charge, provide applicable standard customer support for SaaS to Customer as detailed in the applicable Documentation.

3. Warranty

Subject to the terms and conditions of the Agreement, including the disclaimer in Section 9.C of the Agreement, ZOLL warrants that during the Term, SaaS will materially operate in accordance with the Documentation. Customer must provide written notice to ZOLL within thirty (30) days of the alleged inconsistency with this warranty, otherwise this warranty will be void. Customer’s sole remedy and ZOLL’s sole obligation in the event of a breach of this warranty is for ZOLL to, at ZOLL’s option, correct the material nonconformity or terminate the applicable Order.

4. Service Level Agreement

A. Service Level Commitment. ZOLL will use commercially reasonable efforts to make SaaS available to Users with a Monthly Uptime Percentage (as defined below) of at least 99.0% during any calendar month (the “**Service Level Commitment**”). The Service Level Commitment does not apply to Customer’s access of Inactive Customer Content (as defined below).

B. Definitions

I. “Monthly Uptime Percentage” is calculated each calendar month as follows:

$$\frac{((\text{Total} - \text{Unexcused Downtime}) / \text{Total}) * 100}{1} = \text{Monthly Uptime Percentage}$$

II. “Total” means the total minutes in a calendar month.

III. “Unexcused Downtime” means Downtime, excluding Excused Downtime.

IV. “Downtime”, expressed in minutes, means any time SaaS is not available to Users.

V. “Excused Downtime” means Downtime caused by: (a) Standard Maintenance; (b) Emergency Maintenance; (c) services, software or hardware provided by anyone or any entity other than ZOLL (such as a cellular network carrier or mobile handset provider); (d) software, services or systems operating outside of ZOLL’s control, including any software or systems operating on a Customer’s premises (including ZOLL software operating on such premises); (e) a Force Majeure Event; or (f) Customer’s or its Users’ acts or omissions.

VI. “Standard Maintenance” means work performed by ZOLL when upgrades or system updates are desirable (including, without limitation, standard software release and non-critical software updates). Standard Maintenance may be performed weekly on Monday and Wednesday between the hours of 7 p.m. to 11 p.m. Mountain Time. ZOLL will inform Customer at least twenty-four (24) hours in advance of Standard Maintenance.

VII. “Emergency Maintenance” means work performed by ZOLL when a critical system update must be applied quickly (including, without limitation, hardware patches that address server vulnerabilities or a critical software update). ZOLL will use commercially reasonable efforts to inform Customer at least thirty (30) minutes in advance of Emergency Maintenance.

C. Service Credit. For any calendar month where the Service Level Commitment for any SaaS is not met, ZOLL will provide a service credit equal to ten percent (10%) of Customer’s Monthly Fee for such SaaS (“**Service Credit**”); provided that Customer must: (I) request such Service Credit in writing within thirty (30) days of the end of the calendar month in which ZOLL failed to meet its Service Level Commitment; and (II) include in such request the nature, date and time of the Unexcused Downtime. If ZOLL is able to verify such Unexcused Downtime, such Service Credit will be applied to a future month’s invoice for such SaaS, which is typically two (2) months later. Failure to submit a written request for

Service Credit as provided in this Section will constitute a waiver of such Service Credit by Customer. The Service Credit set forth in this Section will be Customer's sole and exclusive remedy for ZOLL failing to meet the Service Level Commitment for any SaaS in a given calendar month.

D. Modifications. Notwithstanding anything to the contrary in the Agreement, ZOLL may revoke administrative rights, including database access rights, if the use of any such rights results in Downtime. Notwithstanding anything to the contrary in the Agreement, ZOLL may cease providing any SaaS upon at least six (6) months' notice to Customer.

5. Customer Content

A. Security. ZOLL will implement commercially reasonable security measures designed to prevent unlawful access to Customer Content by third parties.

B. Customer Compliance. Although ZOLL will use commercially reasonable efforts to (I) maintain the integrity of the Customer Content, (II) back up the Customer Content and (III) to provide full and ongoing access to SaaS, loss of access to SaaS and loss of Customer Content may occur. Customer is solely responsible for maintaining any Customer Content that it requires for archival purposes, ongoing management of its operations or compliance with all records retention requirements applicable to it. Customer agrees that it is not relying on ZOLL to assist with determining the records maintenance or retention requirements applicable to it. ZOLL will not be responsible for any loss, corruption of or inaccessibility of the Customer Content due to interruption in SaaS or otherwise arising out of circumstances not within ZOLL's control.

C. Retention Period for Active Customer Content. Unless otherwise specified in the Agreement, ZOLL will store Customer Content, other than Inactive Customer Content as defined below (the "**Active Customer Content**"), in ZOLL's working data set until the earlier of (I) with respect to *RescueNet @Work*, thirteen (13) months, and with respect to other SaaS, five (5) years or (II) the expiration or termination of this Agreement or the Order or SOW under which such Active Customer Content was stored (the "**Active Retention Period**").

D. Return, Destruction or Storage of Active Customer Content. Upon the expiration of the Active Retention Period, ZOLL will notify Customer in writing and will provide Customer the option, which Customer will exercise by informing ZOLL in writing, within thirty (30) days of receiving the notice, that either (I) Customer wishes to receive Active Customer Content in a database format determined by ZOLL in its sole and absolute discretion (a "**Database**"), or (II) Customer will pay ZOLL, at ZOLL's then-current storage rates and upon ZOLL's then-current terms and conditions, to continue to store the Active Customer Content. If Customer fails to exercise one of the foregoing options within such thirty (30)-day period, ZOLL will have the right to destroy the Active Customer Content.

E. Inactive Customer Content. ZOLL may periodically identify Customer Content that has had no activity associated with it for at least one hundred eighty (180) days ("**Inactive Customer Content**") and notify Customer in writing of its intent to remove the Inactive Customer Content from ZOLL's working data set and destroy such data. However, Customer may request, in writing, within thirty (30) days of receiving such notice from ZOLL, that ZOLL provide a Database of the Inactive Customer Content or store, at ZOLL's then-current storage rates and upon ZOLL's then-current terms and conditions, such Inactive Customer Content. If Customer fails to exercise one of the foregoing options within such thirty (30)-day period, ZOLL will have the right to destroy the applicable Inactive Customer Content in its possession or under its control.

6. Additional Terms and Conditions

A. ZOLL AR Boost. If an Order includes ZOLL AR Boost, including Insurance Discovery, Insurance Verifier, Demographic Verifier, Self-Pay Analyzer, Deductible Monitoring, Claims Status, Enhanced MBI Discovery, Prior Authorization Determination, Prior Authorization Submission, Benefits Verification, Patient Financial Responsibility or related products and services, either separately or as part of ZOLL Billing, RescueNet® Billing Pro, Packaged Services, Packaged Services Premium, AR Boost or another combination of products or services (collectively, "**ZOLL AR Boost**"), then Customer agrees the ZOLL AR Boost Addendum located at <https://www.zolldata.com/legal> will additionally govern and apply to such ZOLL AR Boost.

B. TomTom. If an Order includes geographic databases, digital maps, software applications, dynamic spatial data and related materials (the "**TomTom Products**") provided by TomTom, Inc., then Customer agrees the TomTom Addendum located at <https://www.zolldata.com/legal> will additionally govern and apply to such TomTom Products. For avoidance of doubt, ZOLL Billing does not include TomTom Products.

C. NEMSIS Extracts. If an Order includes Standard NEMSIS Extract, Customer acknowledges that it is being provided with the Standard NEMSIS Data Extract for the purposes of data reporting to Customer's specific state or states. While NEMSIS has established a standard set of reportable data elements, certain states may elect to collect data that is outside the scope of the documented NEMSIS Data Dictionary. Should Customer require such a plug-in to the NEMSIS

Extract in order to meet these state requirements, Customer must purchase a state-specific NEMSIS Plug-In from ZOLL if and as available. For avoidance of doubt, ZOLL Billing does not include Standard NEMSIS Extract.

D. ICC Codes. If an Order includes ICC Codes, Software provided to Customer under this Agreement contains information which is proprietary to and copyrighted by or licensed to International Code Council, Inc. (the “**ICC Codes**”). The portions of information copyrighted by or licensed to the International Code Council, Inc., have been obtained and reproduced with permission. The acronym ICC® and the ICC logo are federally protected trademarks and service marks of ICC. All other code titles are the trademarks and services marks of the International Code Council, Inc. Without advance written permission from the International Code Council, Inc., no part of the International Code Council, Inc.’s copyrighted or licensed material may be reproduced, distributed or transmitted in any form of by any means, including, without limitation, electronic, optical or mechanical means (by way of example and not limitation, photocopying, printing, or recording by or in an information storage retrieval system). For information on permission to copy the International Code Council, Inc. materials, please contact: Publications, 4051 West Flossmoor Road, Country Club Hills, IL 60478. Phone 1-888-422-7233 (ICC-SAFE). For avoidance of doubt, ZOLL Billing does not include ICC Codes.

Software Addendum

(Note: not applicable to ZOLL Billing)

1. Applicability

This Software Addendum (this “**Software Addendum**”) applies to Software designated in a current Order between Customer and ZOLL. Capitalized terms not defined below but used herein will have the same meaning as in the Master Software, SaaS and Services Agreement. For avoidance of doubt, ZOLL Billing is SaaS, not Software, and this Software Addendum does not apply to ZOLL Billing.

2. Software

Subject to the terms and conditions of the Agreement, ZOLL grants to Customer a limited, non-exclusive, non-transferable license to: (A) install and use Software, (I) in executable code format only, (II) in the quantity specified in such Order, (III) in accordance with the License Type (as defined below) specified in such Order, and (IV) for Customer’s internal business purposes only; (B) create one (1) copy of Software solely for backup or archival purposes; (C) install and use one (1) copy of Software only for testing or development purposes; and (D) copy and reproduce the Documentation for Customer’s internal business purposes.

3. Warranty

Subject to the terms and conditions of the Agreement, including the disclaimer in Section 9.C of the Agreement, ZOLL warrants for ninety (90)-days following the Deployment Completion Date of any Software that such Software will materially operate in accordance with the Documentation (the “**Software Warranty**”); provided, that the Software Warranty will only apply to an initial purchase of Software and not to additional quantities or purchases of Software or related modules. Customer must provide written notice to ZOLL within thirty (30) days of the alleged inconsistency with this warranty, otherwise this Software Warranty will be void. Customer’s sole remedy and ZOLL’s sole obligation in the event of a breach of this warranty is for ZOLL to, at ZOLL’s option, correct the material nonconformity or terminate the applicable Order.

4. License Types

Customer will install and use Software in accordance with the type of license that has been granted in the Order for such Software (“**License Type**”). Customer may not use Software in a manner that circumvents or interferes with access controls applicable to Software.

License Type	Duration	Installation	Access and Use
Concurrent User License (“ CUL ”)	Perpetual	Unlimited number of devices	Limited to number of concurrent Users
Device License (“ DL ”)	Perpetual	Limited to number of specific devices	Limited to number of specific devices
Node License (“ NL ”)	Perpetual	Unlimited number of devices	Limited to number of devices concurrently using Software
Population License (“ PPL ”)	Perpetual	Unlimited number of devices	Limited to number of resources specified (crew, vehicles, etc.)
Principal License (“ PL ”)	Perpetual	Limited to number of devices	Unlimited number of Users
Site License (“ SL ”)	Perpetual	Unlimited number of devices at the unique street address	Unlimited number of concurrent Users at the unique street address
Subscription License (“ SUB ”)	Term	Unlimited number of devices	Limited to number of concurrent Users
Third-Party License (“ TPL ”)	Variable	As set forth by the Third-Party Provider	As set forth by the Third-Party Provider

5. Maintenance

A. Term and Applicability. Maintenance services set forth in the applicable Order (“**Maintenance Services**”) will begin ninety (90) days following the commencement of any Software Warranty and will continue thirty (30) days following the date Customer provides written notice of cancellation of the Maintenance Services. To reinstate cancelled or suspended Maintenance Services, Customer must pay the Maintenance Fees that would have been due for such Software for the time period between cancellation or suspension and reinstatement of Maintenance Services. Maintenance Services are available only for Customer’s production environment of Software and are not available for Third-Party Software, SaaS or Services. Notwithstanding anything to the contrary in the Agreement or this Software Addendum, ZOLL may cease providing any Software and Maintenance Services upon six (6) months’ advance notice to Customer. The following paragraphs of this Section 5 (Maintenance) apply only while Customer is current in payment of Maintenance Fees.

B. Emergency Support. ZOLL will provide 24/7 telephonic support for reproducible defects in the latest version of Software installed on supported hardware and software (“**Supported Software**”) that cause the Supported Software to not operate substantially in accordance with the Documentation (an “**Error**”) and completely prevent Customer from using the Supported Software (an “**Emergency**”). For example, the inability of all Users to use the Supported Software constitutes an Emergency, but the inability of a single User to use the Supported Software does not constitute an Emergency because there is an acceptable workaround available (for example, another User may log in).

C. Technical Support. ZOLL will provide telephonic support between 6:00 AM to 6:00 PM Mountain Time, Monday to Friday, excluding ZOLL holidays (“**Business Days**”) for all non-Emergency Errors. Such telephonic support may include: (I) clarification of functions and features of the Supported Software; (II) clarification of the Documentation; (III) guidance in operation of the Supported Software; (IV) assistance in identifying and verifying the causes of suspected Errors in the Supported Software; and (V) advice on bypassing identified Errors in the Supported Software. Customer may only submit Errors to ZOLL via email at support@zoll.com or through ZOLL’s call center at 1-800-663-3911. ZOLL will create an incident report within one Business Day following submission by Customer and will provide Customer with a service request number for each Error. ZOLL will use commercially reasonable efforts to provide a modification, workaround or action plan for each Error.

D. Exclusions. ZOLL will have no responsibility under this Agreement to fix any Errors arising out of or related to the following causes: (I) Customer’s modification or combination of the Supported Software (in whole or in part); (II) use of the Supported Software on non-supported hardware or software; (III) hardware, telecommunications or internet failures; (IV) Third-Party Software, SaaS or Services; or (V) physical, electrical, electromagnetic or other disruptions. Any Maintenance Services performed by ZOLL for any such Errors will be made, in ZOLL’s discretion, at ZOLL’s then-current time and material charges.

E. Updates. ZOLL may provide a new general release for Supported Software. Customer will be solely responsible for the installation of any new general release for the Supported Software in accordance with the Documentation and installation instructions provided by ZOLL to Customer.

F. Designated Interface. Subject to ZOLL’s agreement, Customer will designate an individual or group who have been trained to support the Supported Software to coordinate all Maintenance Services requests from Customer and only such individual or group will be permitted to request and coordinate Maintenance Services from ZOLL.

6. Additional Terms and Conditions

A. Inspection. During the Term and for a period of six (6) months thereafter, ZOLL will have the right to inspect Customer’s records relating to Customer’s use of and payment for Software. The costs of the audit will be paid solely by ZOLL.

B. TomTom. If an Order includes geographic databases, digital maps, software applications, dynamic spatial data and related materials (the “**TomTom Products**”) provided by TomTom, Inc., then Customer agrees the TomTom Addendum located at <https://www.zolldata.com/legal> will additionally govern and apply to such TomTom Products.

C. NEMSIS Extracts. If an Order includes Standard NEMSIS Extract, Customer acknowledges that it is being provided with the Standard NEMSIS Data Extract for the purposes of data reporting to Customer’s specific state or states. While NEMSIS has established a standard set of reportable data elements, certain states may elect to collect data that is outside the scope of the documented NEMSIS Data Dictionary. Should Customer require such a plug-in to the NEMSIS Extract in order to meet these state requirements, Customer must purchase a state-specific NEMSIS Plug-In from ZOLL if and as available.

D. ICC Codes. If an Order includes ICC Codes, Software provided to Customer under this Agreement contains information which is proprietary to and copyrighted by or licensed to International Code Council, Inc. (the “**ICC Codes**”). The portions of information copyrighted by or licensed to the International Code Council, Inc., have been obtained and reproduced with permission. The acronym ICC® and the ICC logo are federally protected trademarks and service marks of ICC. All other code titles are the trademarks and services marks of the International Code Council, Inc. Without advance written permission from the International Code Council, Inc., no part of the International Code Council, Inc.’s copyrighted or licensed material may be reproduced, distributed or transmitted in any form of by any means, including, without limitation, electronic, optical or mechanical means (by way of example and not limitation, photocopying, printing, or recording by or in an information storage retrieval system). For information on permission to copy the International Code Council, Inc. materials, please contact: Publications, 4051 West Flossmoor Road, Country Club Hills, IL 60478. Phone 1-888-422-7233 (ICC-SAFE).

Fees Addendum

Fees in an Order for SaaS are subject to adjustment as set forth below. Usage is measured against the Unit indicated in an Order. Capitalized terms not defined below but used herein will have the same meaning as in the Master Software, SaaS and Services Agreement.

SaaS	Audit Period	Threshold	Adjustment
ZOLL Billing	Annually following the Monthly Fees Commencement Date	110% of annual Order Quantity	If actual annual usage of the applicable SaaS exceeds the Threshold, then Customer will pay for actual usage above the annual Order Quantity times the Unit Price. If actual annual usage is more than 10% below annual Order Quantity, then ZOLL will issue a credit in the amount of 10% of the annual Order Quantity times the Unit Price. The Order Quantity for future months will automatically adjust to the average actual monthly usage during the Audit Period (or a subset of the Audit Period if such subset more accurately reflects projected future usage) as determined by the audit; provided that the Order Quantity will not decrease by more than 10%. The audit will exclude any Exclusions listed as a line-item in an Order, and Exclusions will be increased or decreased pro rata with adjusted Order Quantity following an audit.

Customer Information

Company Name: Pinellas County EMS Authority
Address: 12490 Ulmerton Road
Largo, FL 33774

Bill To: Pinellas County EMS Authority
12490 Ulmerton Road
Largo, FL 33774

Contact: Carrie Campbell
Email: cacampbell@pinellas.gov

Software, SaaS and Services

Initial Term: 60 months

Date: March 13, 2025
Offer Expiration: April 23, 2025
ZOLL Representative: Kayleb Bowes
kbowes@zoll.com

SaaS								
Item	Lic. Type	Description	Qty	Unit	List Price	Disc	Unit Price	Monthly Fee
ZOBILL1	HL	ZOLL Billing Includes: Electronic Claims Processing, Eligibility, Clearinghouse submission, technical support, and 1 day on-site implementation setup and training (Excludes T+E).	15417	Claim	\$5.14	10%	\$4.63	\$71,319.04

Professional Services								
Item	Lic. Type	Description	Qty	Unit	List Price	Disc	Unit Price	Total
ZBIMP	---	ZOLL Billing Implementation Day (Excludes T+E)	4	Day	\$1,500.00		\$1,500.00	\$6,000.00

PROFESSIONAL SERVICES FEES: \$6,000.00
MONTHLY FEES: \$71,319.04

TOTAL FEES FOR INITIAL TERM: \$4,285,142.52

1. APPLICABLE TAX, SHIPPING & HANDLING WILL BE ADDED AT TIME OF INVOICING.
2. ALL ORDERS ARE SUBJECT TO CREDIT APPROVAL BEFORE ACCEPTANCE BY ZOLL.
3. DELIVERY OF ADDITIONAL SOFTWARE LICENSES ARE TYPICALLY MADE WITHIN 48 HOURS FOLLOWING THE RECEIPT OF A SIGNED ORDER FORM.
4. FURTHER TERMS & CONDITIONS APPLY AND CAN BE FOUND AT <https://www.zolldata.com/legal>

5. Insurance Requirements

5.1. INSURANCE (General)

The Vendor must provide a certificate of insurance and endorsement in accordance with the insurance requirements listed below, prior to recommendation for award. The Vendor shall obtain and maintain, and require any subcontractor to obtain and maintain, at all times during its performance of the Agreement in Phase 1 insurance of the types and in the amounts set forth. For projects with a Completed Operations exposure, Vendor shall maintain coverage and provide evidence of insurance for 2 years beyond final acceptance. All insurance policies shall be from responsible companies duly authorized to do business in the State of Florida and have an AM Best rating of VIII or better.

5.2. INSURANCE (Requirements)

A. Submittals should include, the Vendor's current Certificate(s) of Insurance. If Vendor does not currently meet insurance requirements, Vendor shall also include verification from their broker or agent that any required insurance not provided at that time of submittal will be in place prior to the award of contract. Upon selection of Vendor for award, the selected Vendor shall email certificate that is compliant with the insurance requirements. If the certificate received is compliant, no further action may be necessary. The Certificate(s) of Insurance shall be signed by authorized representatives of the insurance companies shown on the Certificate(s).

B. The Certificate holder section shall indicate Pinellas County, a Political Subdivision of the State of Florida, 400 S Fort Harrison Ave, Clearwater, FL 33756. Pinellas County, a Political Subdivision shall be included as an Additional Insured under General Liability for ongoing operations of Vendor under this agreement. A Waiver of Subrogation for Workers Compensation shall be provided if Workers Compensation coverage is a requirement. Waiver of subrogation provisions will not apply to claims arising from the negligence of Pinellas County

C. Approval by the County of any Certificate(s) of Insurance does not constitute verification by the County that the insurance requirements have been satisfied or that the insurance policy shown on the Certificate(s) of Insurance is in compliance with the requirements of the Agreement. 

D. If any insurance provided pursuant to the Agreement expires or cancels prior to the completion of the Work, you will be notified by CTrax, the authorized vendor of Pinellas County. Upon notification, renewal Certificate(s) of Insurance and endorsement(s) shall be furnished to Pinellas County Risk Management at InsuranceCerts@pinellascounty.org and to CTrax c/o JDi Data at PinellasSupport@ididata.com by the Vendor or their agent prior to the expiration date.

2. Should the Vendor, at any time, not maintain the insurance coverages required herein, the County may terminate the Agreement.

F. Each insurance policy and/or certificate shall include the following terms and/or conditions:

1. The Named Insured on the Certificate of Insurance and insurance policy must match the entity's name that responded to the solicitation and/or is signing the agreement with the County.

2. Companies issuing the insurance policy, or policies, shall have no recourse against County for payment of premiums or assessments for any deductibles which all are at the sole responsibility and risk of Vendor.

3. The term "County" or "Pinellas County" shall include all Authorities, Boards, Bureaus, Commissions, Divisions, Departments and Constitutional offices of County and individual members, employees thereof in their official capacities, and/or while acting on behalf of Pinellas County.

4. All policies shall be written on a primary, non-contributory basis. Primary/non-contributory provisions will not apply to claims arising from the negligence of Pinellas County.

The minimum insurance requirements and limits for this Agreement, which shall remain in effect throughout its duration and for two (2) years beyond final acceptance for projects with a Completed Operations exposure, are as follows:

5.3. WORKERS' COMPENSATION INSURANCE

Worker's Compensation Insurance is required if required pursuant to Florida law. If, pursuant to Florida law, Worker's Compensation Insurance is required, employer's liability, also known as Worker's Compensation Part B, is also required in the amounts set forth herein.

A. Limits

1. Employers' Liability Limits Florida Statutory

a. Per Employee \$ 500,000

b. Per Employee Disease \$ 500,000

c. Policy Limit Disease \$ 500,000

If Vendor is not required by Florida law, to carry Workers Compensation Insurance in order to perform the requirements of this Agreement, County Waiver Form for workers compensation must be executed, submitted, and accepted by Risk Management. The County Waiver Form is found at <https://pinellas.gov/services/submit-a-workers-compensation-waiver-request/>. Failure to obtain required Worker's Compensation Insurance without submitting and receiving a waiver from Risk Management constitutes a material breach of this Agreement.

5.4. COMMERCIAL GENERAL LIABILITY INSURANCE

Includes, but not limited to, Independent Vendor, Contractual Liability Premises/Operations, Products/Completed Operations, and Personal Injury.

A. Limits

1. Combined Single Limit Per Occurrence \$ 1,000,000
2. Products/Completed Operations Aggregate \$ 2,000,000
3. Personal Injury and Advertising Injury \$ 1,000,000
4. General Aggregate \$ 2,000,000

5.5. CYBER RISK LIABILITY (NETWORK SECURITY/PRIVACY LIABILITY) INSURANCE

To include cloud computing and mobile devices, for protection of private or confidential information whether electronic or non- electronic, network security and privacy; privacy against liability for system attacks, digital asset loss, denial or loss of service, introduction, implantation or spread of malicious software code, security breach, unauthorized access and use; including regulatory action expenses; and notification and credit monitoring expenses with at least minimum limits as follows:

A. Limits 1. Each Occurrence \$ 2,000,000

2. General Aggregate \$ 2,000,000

B. For acceptance of Cyber Risk Liability coverage included within another policy required herein, a statement notifying the certificate holder must be included on the certificate of insurance and the total amount of said coverage per occurrence must be greater than or equal to the amount of Cyber Risk Liability and other coverage combined.

5.6. PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS) INSURANCE

Minimum limits as follows. If “claims made” coverage is provided, “tail coverage” extending three (3) years beyond completion and acceptance of the project with proof of “tail coverage” to be submitted with the invoice for final payment. In lieu of “tail coverage”, Proposer may submit annually to the County, for a three (3) year period, a current certificate of insurance providing “claims made” insurance with prior acts coverage in force with a retroactive date no later than commencement date of this contract.

A. Limits

1. Each Occurrence or Claim \$ 1,000,000
2. General Aggregate \$ 1,000,000

B. For acceptance of Professional Liability coverage included within another policy required herein, a statement notifying the certificate holder must be included on the certificate of

insurance and the total amount of said coverage per occurrence must be greater than or equal to the amount of Professional Liability and other coverage combined.

5.7. PROPERTY INSURANCE



Vendor will be responsible for all damage to its own property, equipment and/or materials



PRICE TABLES

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
1	5-Year Lump Sum not-to-Exceed Amount	1	LS	\$4,285,142.52	\$4,285,142.52
Total					\$4,285,142.52

25-0334-RFP

Ambulance Billing Services

ZOLL Data Systems' Proposal for Pinellas County

March 13, 2025

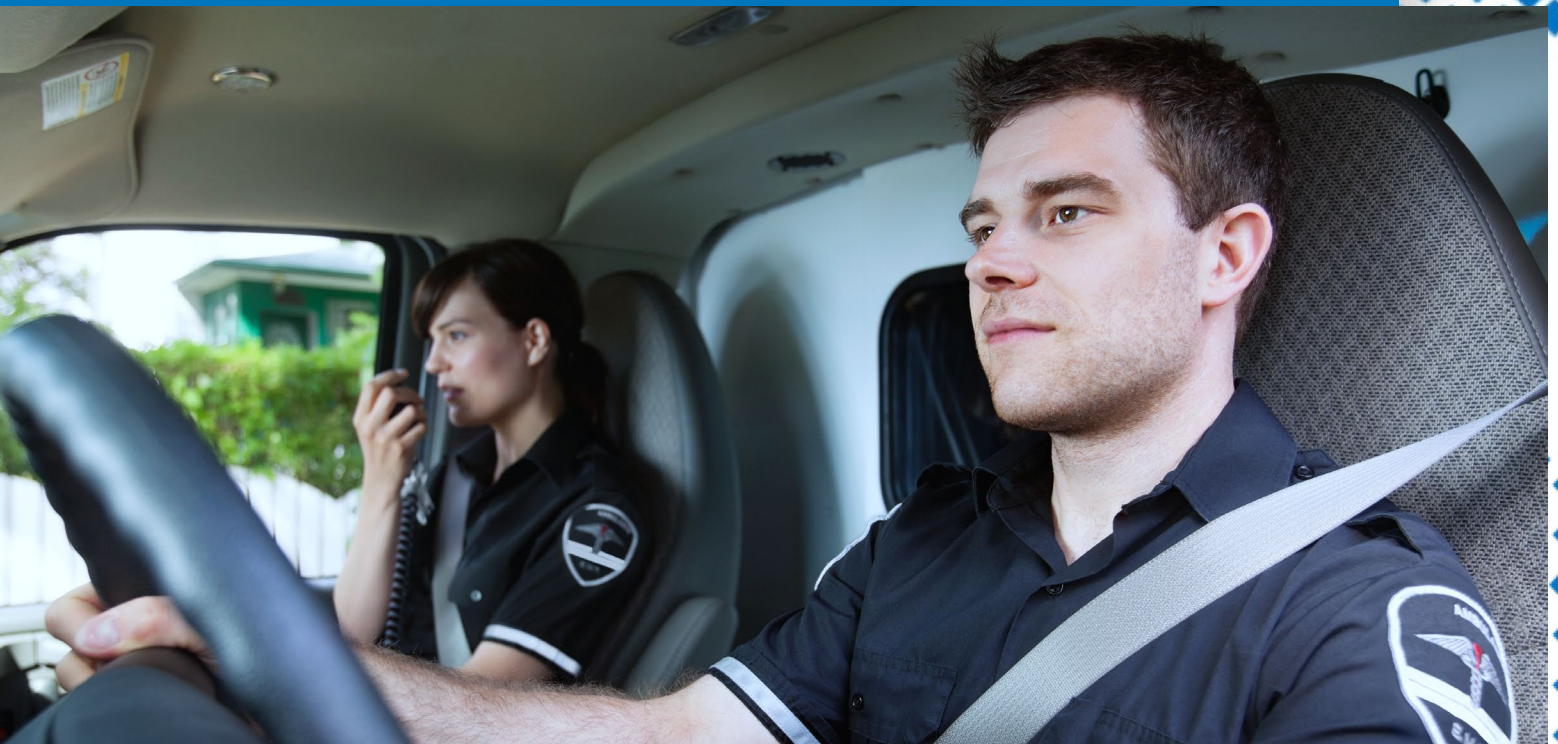


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TAB A: Executive Summary

A Complete Solution for Pinellas County

ZOLL Data Systems is pleased to present our comprehensive response to Pinellas County's Request for Proposal for Ambulance Services Billing Software. As your current provider through RescueNet Billing, we are excited to offer a seamless transition to our next-generation cloud-based ZOLL Billing solution.

ZOLL Billing offers a comprehensive all-inclusive SaaS solution designed specifically to address Pinellas County's ambulance billing requirements. Our platform efficiently processes claims across your diverse payor mix - commercial insurance (13.78%), Medicaid (11.86%), Medicare (59.73%), and customer invoices (9.77%) - while maintaining strict HIPAA compliance throughout. The cloud-based architecture eliminates IT overhead costs while providing automatic updates and secure 24/7 access from any location or device.

Our solution increases productivity and revenue through automated workflows that enable your team to process more claims with fewer resources. Real-time cash flow tracking and payment visibility features provide accurate predictions about reimbursement values and timing, while advanced analytics identify opportunities to accelerate your revenue cycle.

All-Inclusive Package:

- Clearinghouse fees for unlimited submissions and eligibility checks
- Complete patient statement services (printing and postage included)
- Built-in AR optimization tools (Demographic Verifier, Insurance Discovery, Insurance Verification, Self-Pay Analyzer)
- Unlimited concurrent users with full implementation services

Seamless Integration:

- NEMSIS Integration with your ePCR system (3.4+ standards)
- Direct connection with Waystar for automated claim submission and remittance processing

Enhanced Efficiency:

- Rules-based workflows reducing keystrokes and manual tasks
- Automatic Medicare fee schedule updates
- Configurable role-based security controls to protect sensitive information

Implementation Approach

Our implementation methodology follows a proven, structured approach refined through hundreds of successful deployments. Your dedicated ***Senior Project Manager***¹, Brandon Biggs, will guide the entire process, from initial configuration through training and go-live support. Brandon and your highly experienced implementation team will be ***on-site*** to support your training needs.

You will also have access to your designated ***Implementation Specialist***, Amanda Lee, ***on-site for go-live***. Amanda is a highly experienced Senior Implementation Specialist who will work closely with your team to ensure a smooth transition, provide hands-on training, and address any immediate questions or challenges that arise during the implementation process. Her expertise in ambulance billing software implementations will be invaluable in configuring the system to meet Pinellas County's specific operational requirements.

The typical implementation spans approximately 90 days, with clearly defined milestones and deliverables to ensure a smooth transition with minimal disruption to your operations.

As your current provider, we bring a unique advantage to this transition. Our team's familiarity with your existing RescueNet Billing setup will facilitate a more efficient migration to ZOLL Billing. We understand your workflows, charge structures, and payer relationships, which will significantly streamline the implementation process and reduce the learning curve for your staff.

Key Differentiators

What sets ZOLL Billing apart is our comprehensive understanding of the unique challenges faced by ambulance services billing operations. Our solution provides:

- **Light-Touch Billing:** Automation reduces keystrokes and manual handling, streamlining the entire billing process
- **Real-Time Financial Insights:** Immediate visibility into cash flow with detailed breakdowns by accounting period
- **Rules-Based Workflows:** Configurable processes based on facility, patient, state, and payer requirements
- **Comprehensive Support:** U.S.-based support team available from 8 AM to 8 PM Eastern Time, with 24/7 coverage for critical issues

¹ Team assignments are dependent on project load and team availability and are subject to change.

ZOLL Billing: Revolutionizing Ambulance Billing

With over 30 years of industry experience since our founding in 1993, ZOLL has established itself as a leader in emergency services technology. Our journey from Pinpoint Technologies to joining ZOLL Medical in 1999, and our strategic acquisitions including Golden Hour in 2019, have positioned us to deliver best-in-class solutions tailored specifically for emergency medical services.

ZOLL Billing is a cloud-based solution designed specifically for ambulance services billing, optimizing the complete billing process for EMS organizations. By automating labor-intensive workflows, our software eliminates common errors and inefficiencies that plague traditional billing processes, including documentation inconsistencies, complex payer requirements, and manual claim preparation. This automation enables Pinellas County to process more claims with fewer resources while maintaining rigorous compliance standards.

Return on Investment

By implementing ZOLL Billing, Pinellas County can expect:

- Increased clean claim rates and reduced denials
- Accelerated payment cycles
- Enhanced revenue capture through improved insurance discovery
- Reduced administrative overhead
- Improved compliance and reduced audit risk

We are confident that ZOLL Billing represents the ideal solution to meet Pinellas County's ambulance billing needs, delivering measurable improvements in both operational efficiency and financial performance. We look forward to the opportunity to partner with Pinellas County in optimizing your ambulance billing processes.

TAB B: Technical Approach

Our cloud-based ZOLL Billing solution reduces IT overhead expenses and administrative costs. It also offers automatic, real-time updates, so you no longer need to waste time with manual updates during operating hours. Billers can access the platform- and device-agnostic system from anywhere, using a browser and an active internet connection.

System Requirements

- **SaaS solution that includes regular software maintenance and updates**

All access, maintenance, and updates for the software solution are included. ZOLL Online product development typically delivers releases monthly. There is no system downtime for updates and upgrades. There are no additional costs.

- **System data and communications secured according to Pinellas County standards**

ZOLL Online and ZOLL Billing utilize industry standard security controls ensuring all data is protected and encrypted in transit and at rest. Please see **Exhibit 1 – ZOLL Online Security** for a detailed description of our online security and infrastructure.

Users can access the platform- and device-agnostic system from anywhere, using a browser and an active internet connection. Security roles and permissions can be used to organize and oversee the tasks within your billing team. You have the option to assign a pre-configured role to a user, tailor a role to align with your agency's requirements, mask or limit access to PHI such as SSNs, or create custom roles based on specific needs.

- **Secure data transfer capability for scheduled backup or real-time duplication to County servers**

ZOLL Billing is provided in a SaaS (Software-as-a Service) model and consequently unable to provide direct database access in either a production or non-production state. We do provide an extensive list of financial and productivity reports that can be exported to multiple formats including .csv. The application also features an analytics tool that includes visual dashboards as well as the ability to create custom analytics dashboards which can be configured for automated distribution on a set schedule. These dashboards can also be exported to multiple formats including .csv. The ZOLL Billing analytics tool is based on Birst technology. The ZOLL Billing team uses an AGILE methodology to iteratively evaluate, develop and release new features, and enhancements.

- **Operation continuity solution for periods of low connectivity or communication issues**

ZOLL's SaaS products are available via the internet, minimizing hardware/software compatibility issues. Our SaaS also includes a robust uptime SLA. With our broad customer base and high operability, we update and upgrade SaaS functionality from time to time. Functionality, and our responsibilities with respect to maintaining the integrity of and access to your data, is described and warranted per the official documentation.

- **Details regarding disaster recovery and related uptime Service Level Agreement (SLA) options should be provided.**
 - **Include available alternatives for standard vs. high availability and what configurations and cost may be associated with each.**

High availability with 99.7% uptime and disaster recovery requirements are met, with alternate site within AWS. Our standard service level includes all necessary disaster recovery components at no additional cost.

All disaster recovery procedures and systems are regularly tested through scheduled exercises to ensure operational readiness in the event of an actual disaster scenario.

- **Details regarding maintenance windows and other scheduled downtime should be provided.**

ZOLL Online, the cloud environment where ZOLL Billing resides and is accessed from, undergoes scheduled maintenance monthly. Notifications are sent to our customers along with the latest release notes and other changes that can be expected from the update, and typically customers experience no downtime for the ZOLL Online applications. If an emergency patch or fix is required, ZOLL provides as much advance notice to our customers as possible, including details around the update and if any downtime can be expected. The maintenance is then performed and if any additional communications to our customers are needed, those notifications will be sent out after completion. Emergency maintenance is very much the exception.

- **Ability to integrate (include description of methodology) with 3rd party vendors who process specified claims on our behalf.**

ZOLL Billing integrates with Waystar for clearinghouse services, automated claim submissions, remittance files, and patient statements. We also have integration with Payground for patient statements and payment portal options.

- **Integration with other vendor solutions as described in this document**

ZOLL Billing is PCR agnostic and supports NEMESIS 3.4 or higher. NEMESIS files can be uploaded manually or via API to create claims. If a new NEMESIS version is uploaded, ZOLL Billing will look at the eRecord.01 value to determine if the file has been previously uploaded.

- **Integration with the clearinghouse of choice (Currently Waystar).**

ZOLL Billing integrates with Waystar for clearinghouse services, automated claim submissions, remittance files, and patient statements. There would not be a separate invoice for Waystar as the costs for claim submission and 835s are included within the ZOLL Billing fees.

- **System security and access controls with configurable role-based profiles.**

Yes. To provide precise control over data access, our services support role-based access controls through administration. User Groups and permissions can be configured and modified by Pinellas County. Security roles and permissions can be used to organize and oversee the tasks within your billing team. You have the option to assign a pre-configured role to a user, tailor a role to align with your agency's requirements, mask or limit access to PHI such as SSNs, or create custom roles based on specific needs.

- **Customizable dashboards, alerts, and notifications for managing the claim lifecycle.**

ZOLL Billing has Insights Dashboard that allows custom reporting, notes with a pin feature that allow Claim level or Account level items to be easily seen and highlighted at the top of any page. The Dashboard within ZOLL Billing offers a wide range of features and functionalities. It allows claims to be organized and viewed by status and reason lists and by claim assignments to users and system categories. It also allows you to create or enter workflows and view import issues that need your attention. ZOLL Billing supports customizable alerts, known as tags, and also timely filing alerts and days at payer alerts. In addition, ZOLL Billing includes an analytics tool, Insights based on Birst technology, which will allow Pinellas County to create custom dashboards and custom reporting.

- **General consolidation reports for each functional group (AR, Billing, Compliance, Admin).**

ZOLL Billing includes a reporting module with 38 existing reports, including aging, KPI, auditing and administrative functions. The Insights module within ZOLL Billing has existing dashboards, including end of month reporting, AR, charges, denials and billing lag. Insights can also be used to create custom reports and dashboards.

- **Automated data validation components (spell check, date format, etc.).**

Includes some validations such as hard-coded rules to make sure claim fields are filled out and complete.

- **Ability to create custom reporting using third-party tools.**

Custom reports and dashboards can be created with the integrated Insights module within ZOLL Billing. ZOLL Billing has integrated with Birst to provide business intelligence dashboards that allow you to drill into your data and help make informed decisions. In addition, ZOLL Billing has canned reports for each accounting period that will help any finance team balance and record the charges, payments, adjustments, and forwarding balance. There are approximately 38 canned reports in the system that will help you manage accounts receivable and claims.

- **Ability to manage ambulance services membership plans.**

ZOLL Billing allows you to enter start/end dates to identify which patients are a part of your membership program. We do not have a full membership module, such as head of household, but that module is on the product road map.

- **Additional automations which may include:**

- **Insurance identification and eligibility**
- **List maintenance for ICD10 codes**
- **Payor list management**
- **Customer list management**
- **Denial codes and remarks**
- **Deductible Management**

Yes. ZOLL Billing includes our AR Boost tools including Demographic Verifier, Insurance Discovery, Insurance Verification/Eligibility, and a Self-Pay Analyzer tool. These built-in tools uncover missing patient demographic and insurance information and drastically reduces claim denials. It eliminates manual processes and automates the patient data gathering process by querying multiple databases in real time. It helps ensure that billers find the right patient information during the pre-billing process to identify all revenue sources and accelerate claims processing. ICD-10 codes are imported and maintained by ZOLL, along with the Medicare Fee Schedule. You can mark the diagnosis codes Pinellas County uses on a regular basis as favorites and also assign nicknames/shortcuts to frequently used codes. Payor management allows you to set policy attributes, allowable amounts, and requirements for each payor, as needed. Completed claims are queued for submission and are submitted automatically to the clearinghouse or to the patient statement vendor.

Security and Performance Standards

- **Provide application and data security details for the following types of connections:**

Security Features Include:

- **Data Encryption:** Protects data in transit and at rest to prevent unauthorized access
- **Access Controls:** Configurable user roles and permissions ensure that only authorized personnel have access to specific data and functionalities
- **Audit Trails:** Comprehensive audit trails track and record changes to billing records, allowing for monitoring and accountability
- **Secure Authentication:** User authentication mechanisms ensure that access to the system is restricted to verified individuals

Note about system maintenance:

ZOLL Online, the cloud environment where ZOLL Billing resides, undergoes scheduled maintenance monthly. Notifications are sent to our customers along with the latest release notes and other changes that can be expected from the update. Typically, customers experience no downtime for the ZOLL Online applications during these maintenance windows. If emergency maintenance is required, ZOLL provides as much advance notice as possible, including details about the update and any potential impact. Emergency maintenance is very much the exception rather than the norm.

- **Remote internal workers via Pinellas County VPN**

Users can access ZOLL Billing remotely via a web browser. While most modern browsers are supported for ZOLL Online applications, Chrome or Edge are our recommended browsers for ZOLL Billing. All software is run from the ZOLL Cloud and accessed remotely.

- **Remote external workers (vendor EMSMC out of North Carolina)**

Users can access ZOLL Billing remotely via a web browser. While most modern browsers are supported for ZOLL Online applications, Chrome or Edge are our recommended browsers for ZOLL Billing.

- **On site workers for Pinellas County**

The ZOLL Online solutions, including ZOLL Billing, are accessed through the internet over a web browser. All software is run from the ZOLL Cloud and accessed remotely. While most modern browsers are supported for ZOLL Online applications, Chrome is our recommended browser for ZOLL Billing. Other system requirements primarily consist of broadband internet access and the ability to access the ZOLL Online website from the local network.

- **On site external workers (vendor Sunstar via Pinellas County network)**

The ZOLL Online solutions, including ZOLL Billing, are accessed through the internet over a web browser. All software is run from the ZOLL Cloud and accessed remotely. While most modern browsers are supported for ZOLL Online applications, Chrome is our recommended browser for ZOLL Billing. Other system requirements primarily consist of broadband internet access and the ability to access the ZOLL Online website from the local network.

- **Pinellas County System Administrators (On site or remote)**

System Administrators can access ZOLL Billing via a web browser. Security roles and permissions can be used to organize and oversee the tasks within your billing team. System Administrators have the option to assign a pre-configured role to a user, tailor a role to align with your agency's requirements, or create custom roles based on specific needs.

- **Pinellas County Application/Data Analysts (On site or remote)**

Application and Data Analysts can access ZOLL Billing via a web browser. The system supports configurable user roles and permissions to ensure appropriate access to data.

- **Detail what controls are in place to limit access to system functions and data that may include PHI.**

ZOLL Billing provides comprehensive role-based security controls to protect sensitive patient health information. Administrators can define customized user roles with granular permission settings tailored to your organization's needs. The system supports the creation of user groups, allowing predefined security settings to be efficiently applied across multiple users who perform similar functions.

Your system administrators have several options for managing access to PHI:

- Assign pre-configured roles based on common job functions
- Tailor existing roles to align precisely with your agency's specific requirements
- Create custom roles to address unique operational needs
- Mask or limit access to sensitive PHI elements such as Social Security Numbers
- Apply group-based permissions to streamline security management

This flexible approach ensures that users only access the information necessary for their job responsibilities, maintaining HIPAA compliance while optimizing workflow efficiency.

- **Consider the following capacity measures to define performance and connectivity limitations (if any exist).**

ZOLL Billing's cloud-based architecture is designed to accommodate the connection requirements outlined in Pinellas County's specifications. Our system can support the diverse mix of simultaneous connections described:

- 30 Remote Pinellas County users – application access
- 30 Remote external vendor – application access
- 15 On site Pinellas County users – application access
- 10 On site external vendor via Pinellas County network – application access
- 5 Pinellas County System Administrators/Analysts – system/application/data
- Production of 500-700 claims per day

All users can access ZOLL Billing via a web browser regardless of location. While most modern browsers are supported for ZOLL Online applications, Chrome or Edge are recommended for optimal performance.

Based on our experience with similar-sized agencies, ZOLL Billing is designed to handle high-volume claim processing environments. The cloud-based infrastructure can efficiently support processing 500-700 claims per day, which is well within the system's capabilities. We do not foresee any performance or connectivity limitations based on the capacity measures provided by Pinellas County.

Technical or Functional Requirements

Please identify if these functions are possible with your solution and whether they are part of a base package or an add-on option:

- **Data Exchange using current NEMESIS Standard (NEMESIS 3.5 with xml extract)**

ZOLL Billing can accept a NEMESIS 3.4 or higher XML file via an API. If the ePCR vendor cannot send the file to ZOLL, it can be imported manually each day by the customer.

- **Integration with clearinghouse to automate:**

ZOLL Billing includes integration with Waystar Clearinghouse for automated claim submissions.

- **Claim submission**

Electronic, automatic daily batches send claims to the clearinghouse for processing. Additionally, Manual submission by claim available too. ZOLL Billing includes integration with Waystar Clearinghouse for automated claim submissions.

- **Remittance and denial retrieval**

ZOLL Billing can consume a standard 835 file from Waystar for electronic payment posting. We also can automatically bring in any new 835 files from Waystar, so users do not have to go to Waystar to download and then upload the 835 into ZOLL Billing.

- **Rejection or error notification**

The history of a claim is recorded in several ways and most users enjoy the Billing Lifecycle visualization of a claim's life by payer. See figure 1 below. There is also a direct connection to the clearinghouse that allows you to see submissions, rejections, denials, and payments as well as a Submission History that will show you a table of submissions to the clearinghouse, facility, or patient.

Figure 1:

Coordination of benefits				Billing lifecycle				Submission history				Audit trail				Notes				Attachments			
Date				Rose Medical (Primary)				Patient															
08/02/2021 7:49 PM								Incomplete															
08/02/2021 7:52 PM				Incomplete																			
08/02/2021 7:53 PM				Queued for submission																			
08/02/2021 7:54 PM				Submitted																			
08/02/2021 7:55 PM				Credit posted																			
08/02/2021 7:55 PM				Closed																			

- **Integration with our collections vendor and the ability to reconfigure should that vendor change in the future.**

Collections information can be exported from ZOLL Billing in various formats, including CSV, Excel, or Word.

- **Integration with our invoice print vendor and the ability to reconfigure should that vendor change in the future.**

Patient statements are automatically sent to the included patient statement vendor, either Payground or Waystar, on a routine based upon the statement schedule that you choose. There is no user intervention required to send statements on a regular basis. If you choose to take advantage of the Payground Payment Portal, you may download payment reports to post Patient Payments and record Payment Plans in ZOLL Billing.

- **Integration with specialty vendor for Auto and worker's comp claims**

Yes. ZOLL Billing will support specialty vendor integration for Auto and Workers' Comp claims. Our in-house specialty claims management module is scheduled for release in fall 2025, which will eliminate the need for third-party specialty vendors. Until then, we provide export capabilities in multiple formats (CSV, Excel, Word) and claim tagging features for efficient management of these specialized claim types.

Provide in your proposal if the additional features below are possible with your proposed solution:

- **Built-in demographics scrubbing**

Yes. Our AR Boost tools are included and built into the billing workflow. This includes Demographic Verifier to ensure patient details are complete and accurate, Insurance Discovery and Verification to make sure the claims go to the right payor the first time, and Propensity to Pay scoring for all self-pay customers to allow the billing team to prioritize these claims effectively.

- **Compact view of customer record for easy selection and review**

ZOLL Billing provides an intuitive user interface for managing patient information. The patient record screen consolidates essential information including demographics, insurance details, and claim history. We display patient information in a readable format along with NEMESIS data elements and attachments without requiring native PCR software. This streamlined approach enhances productivity when reviewing records or selecting patients for claim processing.

- **Customer self-service payment portal**

ZOLL Billing offers third-party credit card processing and payment portal options via Payground for an additional transaction fee of 3.5%.

Milestones

- **Infrastructure Configuration**

ZOLL Billing's implementation begins with setting up your ZOLL Online account and enabling ZOLL Billing services. Our cloud-based deployment requires minimal infrastructure configuration on the County's part. The implementation process includes:

- Creation of your dedicated ZOLL Billing instance
- Configuration of user authentication mechanisms
- Setup of integration points with the clearinghouse (Waystar)
- Configuration of system access controls

This cloud-based approach eliminates the need for on-premise hardware installation while ensuring enterprise-grade security and performance.

- **Solution Implementation**

Our implementation approach follows a structured, proven methodology that ensures thorough configuration of ZOLL Billing to meet Pinellas County's specific needs. The implementation process includes:

1. **Discovery and Planning:** Detailed needs assessment to understand current billing processes, pain points, and specific requirements
2. **System Configuration:** Setup of charge categories, payer rules, user roles, and customized workflows
3. **Integration Setup:** Configuration of connections with NEMESIS data sources, clearinghouse, and other third-party systems
4. **Data Migration:** Structured approach to migrate essential data
5. **Validation and Testing:** Comprehensive testing of all configured components and workflows
6. **Knowledge Transfer:** Thorough training for system administrators and end users
7. **Go-Live Support:** Dedicated resources during the transition to ensure continuity of operations

Throughout implementation, a dedicated Project Manager serves as your single point of contact, coordinating all activities and ensuring alignment with your objectives and timeline.

- **Data Migration Capabilities**
 - **What data types can be migrated (Claims, Transactions, Patients, Payors, Patient Pays, etc.)**
 - **Migration approach and methodology**

Our Project Managers will work with Pinellas County to determine appropriate data migration needs and establish the proper connectivity between systems. Our data migration approach focuses on ensuring critical billing information is transferred accurately while maintaining data integrity throughout the process.

- **Training (NOTE: training and installation may occur simultaneously on a timeline, but training for users and system administrators must be completed prior to go-live).**
- **Time for load testing and business continuity testing should be included in timeline.**
- **Cutover and day one activities.**

Please see *Exhibit 2– ZOLL Billing Training and Implementation* for a detailed description of our training approach and a sample timeline prepared for Pinellas County,

TAB C: Team Qualifications

Please see *Exhibit 3– Team Qualifications* for more information regarding your designated Senior Project Manager, Brandon Biggs, and your highly qualified implementation team.

TAB D: Past Experience/Case Studies

1. Company profile – Include years in business and any accolades

ZOLL Data Systems brings extensive experience in the healthcare technology industry, with roots dating back to 1993. Originally founded as Pinpoint Technologies, the company became a leader in emergency software solutions before merging with ZOLL Medical Corporation in 1999. The organization was later rebranded as ZOLL Data Systems, Inc. in 2004.

Our commitment to innovation in the EMS industry continued with the strategic acquisition of Golden Hour in 2019 and the inclusion of emsCharts in our Software as a SaaS, further strengthening our ability to deliver comprehensive solutions to emergency services organizations.

With over 30 years of experience serving the EMS industry, ZOLL Data Systems has established itself as a trusted partner for agencies of all sizes across North America. Our ZOLL Billing solution represents the culmination of decades of industry expertise, designed specifically to address the unique challenges faced by ambulance billing operations.

ZOLL Data Systems is part of ZOLL Medical Corporation, which in turn is a subsidiary of Asahi Kasei Corporation, a publicly traded company. This strong corporate structure provides the stability and resources necessary to continue advancing our technology and supporting our customers' evolving needs.

2. Customer references – Include customer volume and revenue details

References are included in detail in Attachment A – General Questionnaire and are included below.

Community Ambulance Service, Zanesville

Contact: Brad Gibson
Phone: (740) 454-6800 x 8869
Email: bgibson@genesishcs.org

ACV: 50,000

Community Ambulance, CA

Contact: Brian Anderson – VP of Administration
Phone: (702) 438-9100
Email: banderson@communityambulance.com

ACV: 100,000

Coastal Health Systems of Brevard, Inc.

Contact: Brooke Taylor - Chief

Phone: (321) 633-7050

Email: brooket@coastalhealth.org

ACV: 24,000

3. Detailed case studies of implementations similar to what Pinellas County requires

While formal case studies are not included in this response, we invite Pinellas County to engage directly with our reference clients who have undergone similar implementations to what you are planning. As your current provider through RescueNet Billing, we have a unique understanding of your specific operations and can ensure a seamless transition to our cloud-based ZOLL Billing solution.

The references provided represent organizations similar to Pinellas County who have successfully implemented ZOLL Billing and can speak directly to their experience with:

- Implementation process and timeline
- Training effectiveness and user adoption
- Improvements in billing efficiency and collections
- Ongoing support quality

We would be happy to facilitate conversations with these references at your convenience, allowing you to hear firsthand accounts of successful implementations comparable to your requirements. Additionally, your Account Manager can provide more specific details about similar implementations upon request.

As your current provider, we can offer a more tailored transition plan than would be possible with any other vendor, building on our established relationship and deep understanding of your existing workflows and processes.

TAB E: Budget Breakdown

1. All one-time costs for the initial 5-year contract term:

- Software licensing/implementation, Data migration, Training, Other one-time costs

2. All recurring costs for the initial 5-year contract term:

- Annual subscription/maintenance fees, Support fees, Other recurring costs

3. Post-implementation support options with annual costs:

- End user support options and details, System administrator support options and details, If other 3rd party costs are involved, please indicate

ZOLL Billing is an **all-inclusive** SaaS solution priced at \$4.63 per claim – which includes **Benefits of ZOLL Billing**.

- All Inclusive claim includes:
 - Clearinghouse fees for unlimited submissions and eligibility
 - Postage
 - Printing
 - Demographic Verifier
 - Insurance Discovery
 - Insurance Verification
 - Self-Pay Analyzer
 - Unlimited concurrent users
 - Implementation
- Increase productivity and revenue with automated workflows that enable you to process more claims
- Cloud-based billing eliminates IT overhead while delivering benefits like automatic updates and secure 24/7 access from any device.
- Track cash flow in real-time.
- Payments visibility feature enables quick and accurate predictions about claim reimbursement value and timing.
- Analytics shed light on how to receive payments faster without the hassle.
- Rules-based and automated workflows build logical and efficiency in with fewer keystrokes, less memorization, and fewer manual tasks.
- Built-in Medicare fee schedule updates.

TAB F: Security of Operations Center (SOC) 2 Report

Please see *Exhibit 4 – Security Policy Catalogue* which includes our security policy and addresses the SOC 2 report.

TAB G: Financial Statements

Provide 3 most recent years of annual audited financial statements

Please see *Exhibit 5—Financial Statements*.

TAB H: General Questionnaire (Attachment A)

Complete all fields from Attachment A of the RFP

Please see *Attachment A—General Questionnaire*.

Additional Required Documents

1. Contractor Acceptance Form

Please see *Exhibit 6—Vendor Acceptance Form*

2. Attachment A

Please see *Attachment A—General Questionnaire*

3. Certificate of Insurance

Please see *Exhibit 7—Certificates of Insurance*

4. W-9

Please see *Exhibit 8—W-9*

5. Exceptions

Please see *Exhibit 9—Exceptions*