

Fiscal quarter ended December 2011

– supplementary financial summary –

February 3, 2012

Asahi Kasei Corporation

Consolidated results for fiscal quarter ended Dec. 2011

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Disclaimer

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

Consolidated results for fiscal quarter ended Dec. 2011

Summary of financial results

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(¥ billion)

	2010		2011		Oct.–Dec. 2010 vs. 2011		Apr.–Dec. 2010 vs. 2011		FY 2011 forecast in Nov. <i>b</i>	% of forecast <i>a/b</i>
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec. <i>a</i>	Increase (decrease)	% change	Increase (decrease)	% change		
Net sales	393.9	1,158.7	401.7	1,203.9	7.8	2.0%	45.2	3.9%	1,684.0	71.5%
Operating income	31.0	94.5	23.3	87.1	(7.7)	-24.7%	(7.4)	-7.9%	124.0	70.2%
Ordinary income	30.2	89.8	25.9	88.0	(4.4)	-14.5%	(1.8)	-2.0%	125.5	70.1%
Net income	21.8	50.2	9.8	48.1	(11.9)	-54.8%	(2.2)	-4.4%	74.5	64.5%

Key operating factors

Naphtha price (¥/kL, domestic)	45,100	45,800	51,700	55,200
¥/US\$ exchange rate (market average)	83	87	77	79

Financial position

	At end of March 2011	At end of Dec. 2011	Increase (decrease)
Total assets	1,425.9	1,437.8	11.9
Equity	663.6	690.1	26.5
Interest-bearing debt	253.9	224.8	(29.2)
Debt/equity ratio	0.38	0.33	(0.05)

Statements of income

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(¥ billion)

	2010				2011				Oct.-Dec. 2010 vs. 2011		Apr.-Dec. 2010 vs. 2011	
	Oct.-Dec.		Apr.-Dec.		Oct.-Dec.		Apr.-Dec.		Increase (decrease)	% change	Increase (decrease)	% change
		% of sales		% of sales		% of sales		% of sales				
Net sales	393.9	100.0%	1,158.7	100.0%	401.7	100.0%	1,203.9	100.0%	7.8	+2.0	45.2	+3.9
Cost of sales	292.4	74.2%	855.7	73.8%	305.9	76.1%	901.8	74.9%	13.5	+4.6	46.1	+5.4
Gross profit	101.5	25.8%	303.1	26.2%	95.8	23.9%	302.1	25.1%	(5.7)	-5.6	(1.0)	-0.3
Selling, general and administrative expenses	70.5	17.9%	208.5	18.0%	72.5	18.0%	215.0	17.9%	1.9	+2.8	6.5	+3.1
Operating income	31.0	7.9%	94.5	8.2%	23.3	5.8%	87.1	7.2%	(7.7)	-24.7	(7.4)	-7.9
Non-operating expenses of which,	(0.8)	/	(4.7)	/	2.5	/	0.9	/	3.3	/	5.6	/
financing income and expense	0.1	/	0.0	/	0.4	/	1.1	/	0.4	/	1.1	/
equity in earnings of affiliates	1.1	/	2.2	/	0.0	/	1.0	/	(1.0)	/	(1.2)	/
foreign exchange income (loss)	(1.2)	/	(4.7)	/	0.7	/	(1.8)	/	1.9	/	3.0	/
Ordinary income	30.2	7.7%	89.8	7.8%	25.9	6.4%	88.0	7.3%	(4.4)	-14.5	(1.8)	-2.0
Extraordinary income (loss)	0.7	/	(12.5)	/	(1.8)	/	(4.9)	/	(2.5)	/	7.6	/
Income before income taxes	31.0	7.9%	77.3	6.7%	24.1	6.0%	83.1	6.9%	(6.9)	-22.3	5.8	+7.5
Income taxes	(8.8)	/	(25.7)	/	(13.8)	/	(33.8)	/	(5.0)	/	(8.1)	/
Minority interests in income	(0.4)	/	(1.4)	/	(0.4)	/	(1.3)	/	(0.1)	/	0.1	/
Net income	21.8	5.5%	50.2	4.3%	9.8	2.5%	48.1	4.0%	(11.9)	-54.8	(2.2)	-4.4

Extraordinary income and loss

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(¥ billion)

	2010		2011		Oct.–Dec.	Apr.–Dec.
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.	'10 vs. '11 Increase (decrease)	'10 vs. '11 Increase (decrease)
Extraordinary income						
Gain on sales of investment securities	0.3	0.3	0.0	0.1	(0.3)	(0.2)
Gain on sales of property, plant and equipment	0.4	0.4	0.1	0.4	(0.3)	(0.0)
Reversal of allowance for doubtful accounts	0.2	0.2	–	–	(0.2)	(0.2)
Gain on transfer of business	0.8	0.8	–	–	(0.8)	(0.8)
Gain on step acquisitions	–	–	2.3	2.3	2.3	2.3
Total extraordinary income	1.6	1.6	2.4	2.8	0.8	1.2
Extraordinary loss						
Loss on valuation of investment securities	0.0	0.4	3.1	3.6	3.1	3.2
Loss on disposal of noncurrent assets	0.7	3.0	0.9	2.2	0.2	(0.7)
Impairment loss	0.0	0.1	0.0	0.2	0.0	0.1
Environmental expenses	0.0	0.7	–	–	(0.0)	(0.7)
Loss on adjustment for changes of accounting for asset retirement obligations	–	1.2	–	–	–	(1.2)
Loss on disaster	–	–	0.1	1.0	0.1	1.0
Business structure improvement expenses	0.1	8.7*	0.0	0.6	(0.1)	(8.1)
Total extraordinary loss	0.9	14.1	4.2	7.7	3.3	(6.4)
Net extraordinary income (loss)	0.7	(12.5)	(1.8)	(4.9)	(2.5)	7.6

* Mainly expenses related to closure of ammonia and benzene plants.

Balance sheets

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(¥ billion)

	At end of Mar. 2011	At end of Dec. 2011	Increase (decrease)		At end of Mar. 2011	At end of Dec. 2011	Increase (decrease)
Current assets	755.7	764.9	9.2	Liabilities	750.3	735.3	(15.0)
Cash and deposits	140.3	115.4	(24.9)	Current liabilities	489.9	482.7	(7.1)
Notes and accounts receivable, trade	273.4	266.6	(6.8)	Noncurrent liabilities	260.4	252.6	(7.8)
Inventories	256.2	298.4	42.1	Net assets	675.6	702.5	26.9
Other current assets	85.7	84.5	(1.2)	Shareholders' equity	659.4	689.2	29.9
Noncurrent assets	670.2	672.9	2.7	Capital stock	103.4	103.4	–
Property, plant and equipment	418.4	413.1	(5.2)	Capital surplus	79.4	79.4	0.0
Intangible assets	31.1	41.4	10.3	Retained earnings	478.7	508.8	30.1
Investments and other assets	220.8	218.4	(2.4)	Treasury stock	(2.1)	(2.4)	(0.3)
				Accumulated other comprehensive income	4.2	0.8	(3.4)
				Minority interests	12.0	12.4	0.4
Total assets	1,425.9	1,437.8	11.9	Total liabilities and net assets	1,425.9	1,437.8	11.9

Cash flows

(¥ billion)

	2010		2011	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.
a. Net cash provided by (used in) operating activities	31.7	81.0	22.5	85.6
b. Net cash provided by (used in) investing activities	(16.9)	(54.3)	(23.5)	(62.1)
c. Free cash flows [a+b]	14.8	26.7	(1.0)	23.5
d. Net cash provided by (used in) financing activities	(20.4)	(32.2)	20.3	(49.7)
e. Effect of exchange rate change on cash and cash equivalents	0.4	(1.7)	(2.4)	(2.1)
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(5.2)	(7.3)	16.9	(28.2)
g. Cash and cash equivalents at beginning of period	91.9	93.1	91.3	134.4
h. Increase in cash and cash equivalents resulting from change of scope of consolidation	–	0.9	–	1.5
i. Effect of change in the reporting period of consolidated subsidiaries and affiliates	–	–	–	0.5
j. Cash and cash equivalents at end of period [f+g+h+i]	86.7	86.7	108.2	108.2

Sales and operating income by segment, Oct.–Dec. 2010 and 2011

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(¥ billion)

	Sales			Operating income		
	Oct.–Dec. 2010	Oct.–Dec. 2011	Increase (decrease)	Oct.–Dec. 2010	Oct.–Dec. 2011	Increase (decrease)
Chemicals	189.9	182.0	(7.9)	16.6	9.2	(7.4)
Homes	90.5	109.0	18.5	7.9	10.9	3.0
Health Care	30.5	30.7	0.2	3.5	3.7	0.3
Fibers	27.1	27.2	0.1	1.3	0.5	(0.7)
Electronics	38.4	35.6	(2.8)	3.2	(0.5)	(3.6)
Construction Materials	13.7	12.8	(1.0)	1.3	0.9	(0.3)
Others	3.7	4.4	0.7	0.2	0.9	0.7
Corporate Expenses and Eliminations	–	–	–	(2.8)	(2.5)	0.3
Consolidated	393.9	401.7	7.8	31.0	23.3	(7.7)
Overseas sales	109.0	99.1	(9.9)			
Percent of total	27.7%	24.7%	-3.0%			

Sales and operating income by segment, Apr.–Dec. 2010 and 2011

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(¥ billion)

	Sales			Operating income		
	Apr.–Dec. 2010	Apr.–Dec. 2011	Increase (decrease)	Apr.–Dec. 2010	Apr.–Dec. 2011	Increase (decrease)
Chemicals	554.9	559.8	4.9	53.9	43.3	(10.6)
Homes	264.0	309.0	45.0	18.0	28.8	10.8
Health Care	88.3	90.7	2.4	7.6	9.4	1.7
Fibers	81.7	83.4	1.7	3.6	2.7	(0.9)
Electronics	121.6	113.2	(8.4)	13.9	6.6	(7.3)
Construction Materials	37.1	35.0	(2.1)	2.4	1.7	(0.7)
Others	11.1	12.9	1.8	1.0	2.1	1.1
Corporate Expenses and Eliminations	–	–	–	(5.8)	(7.4)	(1.6)
Consolidated	1,158.7	1,203.9	45.2	94.5	87.1	(7.4)
Overseas sales	334.1	326.9	(7.2)			
Percent of total	28.8%	27.2%	-1.7%			

Sales and operating income increases/decreases by segment, Oct.–Dec. 2011 vs. 2010 (i)

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(¥ billion)

		Oct.–Dec. 2010	Oct.–Dec. 2011	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	189.9	182.0	(7.9)	(9.1)	2.3	(2.4)	(1.2)	–
	Operating income	16.6	9.2	(7.4)	(1.3)			–	(8.4)
Homes	Sales	90.5	109.0	18.5	15.3	2.4	–	0.8	–
	Operating income	7.9	10.9	3.0	4.9			–	(4.3)
Health Care	Sales	30.5	30.7	0.2	1.4	(0.6)	(0.3)	(0.7)	–
	Operating income	3.5	3.7	0.3	0.6			–	0.3
Fibers	Sales	27.1	27.2	0.1	(0.3)	0.4	(0.5)	0.0	–
	Operating income	1.3	0.5	(0.7)	0.1			–	(1.3)

Sales and operating income increases/decreases by segment, Oct.–Dec. 2011 vs. 2010 (ii)

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(¥ billion)

		Oct.–Dec. 2010	Oct.–Dec. 2011	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Electronics	Sales	38.4	35.6	(2.8)	(0.9)	(1.8)	(0.6)	(0.2)	–
	Operating income	3.2	(0.5)	(3.6)	0.8			–	(2.7)
Construction Materials	Sales	13.7	12.8	(1.0)	(1.1)	0.2	–	0.0	–
	Operating income	1.3	0.9	(0.3)	(0.3)			–	(0.2)
Others	Sales	3.7	4.4	0.7	0.6	0.0	0.0	0.0	–
	Operating income	0.2	0.9	0.7	0.5			–	0.2
Corporate expenses and eliminations	Operating loss	(2.8)	(2.5)	0.3	–	–	–	–	0.3
Consolidated	Sales	393.9	401.7	7.8	6.0	2.9	(3.8)	(1.1)	–
	Operating income	31.0	23.3	(7.7)	5.5			–	(16.1)

Sales and operating income increases/decreases by segment, Apr.–Dec. 2011 vs. 2010 (i)

AsahiKASEI

(¥ billion)

		Apr.–Dec. 2010	Apr.–Dec. 2011	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	554.9	559.8	4.9	(8.1)	19.6	(11.5)	(6.7)	–
	Operating income	53.9	43.3	(10.6)	(1.1)				–
Homes	Sales	264.0	309.0	45.0	38.8	2.4	–	3.8	–
	Operating income	18.0	28.8	10.8	12.7				–
Health Care	Sales	88.3	90.7	2.4	6.4	(2.0)	(0.6)	(2.0)	–
	Operating income	7.6	9.4	1.7	4.2				–
Fibers	Sales	81.7	83.4	1.7	1.3	0.4	(1.5)	0.0	–
	Operating income	3.6	2.7	(0.9)	0.3				–

Sales and operating income increases/decreases by segment, Apr.–Dec. 2011 vs. 2010 (ii)

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(¥ billion)

		Apr.–Dec. 2010	Apr.–Dec. 2011	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Electronics	Sales	121.6	113.2	(8.4)	4.4	(12.7)	(2.6)	(0.1)	–
	Operating income	13.9	6.6	(7.3)	5.3			–	0.0
Construction Materials	Sales	37.1	35.0	(2.1)	(2.1)	(0.1)	–	0.0	–
	Operating income	2.4	1.7	(0.7)	(0.7)			–	0.0
Others	Sales	11.1	12.9	1.8	1.8	0.0	0.0	0.0	–
	Operating income	1.0	2.1	1.1	0.9			–	0.3
Corporate expenses and eliminations	Operating loss	(5.8)	(7.4)	(1.6)	–	–	–	–	(1.6)
Consolidated	Sales	1,158.7	1,203.9	45.2	42.4	7.7	(16.2)	(5.0)	–
	Operating income	94.5	87.1	(7.4)	21.7			–	(36.8)

Forecast for fiscal year 2011

Consolidated operating performance

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(¥ billion)

	FY 2010			FY 2011 revised forecast					FY 2011 forecast in Nov.
	1st half	2nd half	Total	1st half	2nd half		Total		
					Oct.–Dec.	Jan.–Mar.		forecast	
Net sales	764.8	833.6	1,598.4	802.2	401.7	420.1	821.8	1,624.0	1,684.0
Operating income	63.5	59.4	122.9	63.8	23.3	16.9	40.2	104.0	124.0
Ordinary income	59.6	58.6	118.2	62.1	25.9	16.0	41.9	104.0	125.5
Net income	28.5	31.8	60.3	38.2	9.8	4.9	14.8	53.0	74.5

Key operating factors

Naphtha price (¥/kL, domestic)	46,150	48,750	47,450	56,950	51,700	52,500	52,100	54,525	53,475
¥/US\$ exchange rate (market average)	89	82	86	80	77	77	77	79	78

	FY 2010	FY 2011 forecast
Dividends per share	¥11	¥14 (planned)
Payout ratio	25.5%	36.9%

Sales forecast by segment

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(¥ billion)

	FY 2010			FY 2011 revised forecast					FY 2011 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	1st half	2nd half	Total	1st half	2nd half forecast		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.				
Chemicals	365.0	377.3	742.2	377.8	182.0	168.2	350.2	728.0	767.0	(39.0)
Homes	173.5	235.7	409.2	200.0	109.0	144.0	253.0	453.0	453.0	–
Health Care	57.8	58.6	116.4	60.0	30.7	29.3	60.0	120.0	124.0	(4.0)
Fibers	54.6	54.2	108.8	56.1	27.2	27.6	54.9	111.0	114.0	(3.0)
Electronics	83.2	75.2	158.3	77.5	35.6	33.8	69.5	147.0	158.0	(11.0)
Construction Materials	23.4	24.0	47.4	22.2	12.8	11.0	23.8	46.0	49.0	(3.0)
Others	7.4	8.6	16.0	8.5	4.4	6.1	10.5	19.0	19.0	–
Consolidated	764.8	833.6	1,598.4	802.2	401.7	420.1	821.8	1,624.0	1,684.0	(60.0)

Operating income forecast by segment

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(¥ billion)

	FY 2010			FY 2011 revised forecast					FY 2011 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	1st half	2nd half	Total	1st half	2nd half forecast		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.				
Chemicals	37.3	27.0	64.4	34.1	9.2	1.7	10.9	45.0	58.0	(13.0)
Homes	10.1	26.4	36.5	17.9	10.9	18.2	29.1	47.0	47.0	–
Health Care	4.2	2.9	7.0	5.6	3.7	(0.4)	3.4	9.0	8.5	0.5
Fibers	2.3	1.9	4.2	2.1	0.5	0.3	0.9	3.0	3.5	(0.5)
Electronics	10.7	3.5	14.3	7.0	(0.5)	(1.1)	(1.5)	5.5	12.0	(6.5)
Construction Materials	1.1	1.0	2.1	0.8	0.9	(0.2)	0.7	1.5	2.5	(1.0)
Others	0.8	0.9	1.7	1.2	0.9	0.9	1.8	3.0	2.5	0.5
Corporate Expenses and Eliminations	(3.0)	(4.2)	(7.2)	(5.0)	(2.5)	(2.6)	(5.0)	(10.0)	(10.0)	–
Consolidated	63.5	59.4	122.9	63.8	23.3	16.9	40.2	104.0	124.0	(20.0)

Appendix

Statements of comprehensive income

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(¥ billion)			
	FY2010 Apr.–Dec.	FY2011 Apr.–Dec	Increase (decrease)
a: Income before minority interests	51.6	49.3	(2.3)
Valuation difference on available-for-sale securities	(5.1)	4.8	9.9
Deferred gains or losses on hedges	0.2	0.1	(0.0)
Foreign currency translation adjustment	(5.4)	(5.9)	(0.5)
Share of other comprehensive income of associates accounted for using equity method	(2.0)	(2.7)	(0.7)
b: Other comprehensive income	(12.4)	(3.8)	8.6
Comprehensive income [a+b]	39.2	45.6	6.3
Comprehensive income attributable to owners of the parent	38.1	44.7	6.6
Comprehensive income attributable to minority interests	1.1	0.9	(0.2)

Quarterly sales by segment

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(¥ billion)

	FY2010				FY2011			FY2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	178.4	186.6	189.9	187.4	186.0	191.8	182.0	168.2
Homes	64.5	109.0	90.5	145.2	79.2	120.8	109.0	144.0
Health Care	28.7	29.0	30.5	28.1	29.4	30.6	30.7	29.3
Fibers	26.5	28.1	27.1	27.1	27.7	28.4	27.2	27.6
Electronics	40.9	42.2	38.4	36.7	39.8	37.8	35.6	33.8
Construction Materials	11.0	12.4	13.7	10.3	10.1	12.2	12.8	11.0
Others	3.5	3.9	3.7	4.9	4.0	4.5	4.4	6.1
Total	353.5	411.3	393.9	439.6	376.1	426.0	401.7	420.1

Quarterly operating income by segment

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(¥ billion)

	FY2010				FY2011			FY2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	15.3	22.0	16.6	10.5	19.4	14.7	9.2	1.7
Homes	(0.9)	11.0	7.9	18.5	3.6	14.3	10.9	18.2
Health Care	3.3	0.8	3.5	(0.6)	2.6	3.0	3.7	(0.4)
Fibers	1.2	1.1	1.3	0.6	1.4	0.7	0.5	0.3
Electronics	5.2	5.5	3.2	0.4	4.8	2.2	(0.5)	(1.1)
Construction Materials	0.3	0.8	1.3	(0.3)	0.2	0.5	0.9	(0.2)
Others	0.3	0.5	0.2	0.7	0.4	0.8	0.9	0.9
Corporate Expenses and Eliminations	(2.0)	(1.0)	(2.8)	(1.4)	(2.2)	(2.7)	(2.5)	(2.6)
Total	22.8	40.7	31.0	28.4	30.2	33.5	23.3	16.9

Overseas sales by segment, Apr.–Dec. 2010 and 2011

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(¥ billion)

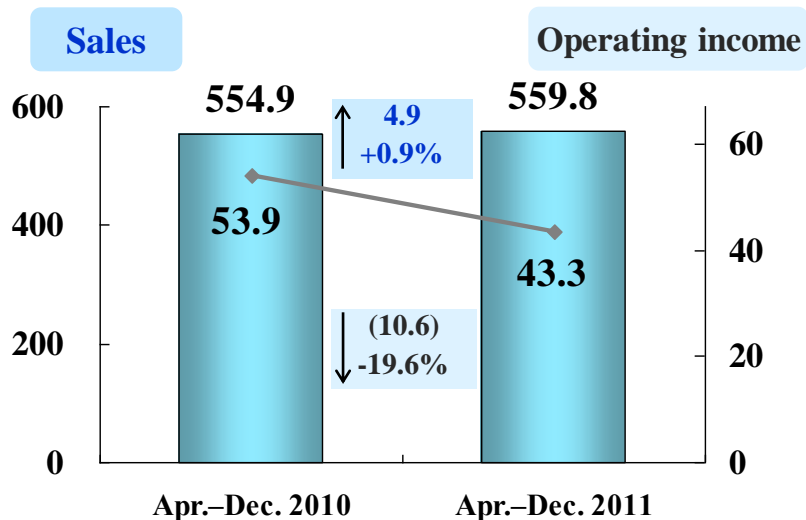
	Apr.–Dec. 2010			Apr.–Dec. 2011			Increase (decrease)	
	Total sales	Overseas sales		Total sales	Overseas sales			% change
			% of total			% of total		
Chemicals	554.9	224.6	40.5%	559.8	220.3	39.4%	(4.3)	-1.9%
Homes	264.0	–	–	309.0	–	–	–	–
Health Care	88.3	20.2	22.9%	90.7	21.8	24.1%	1.7	+8.2%
Fibers	81.7	28.4	34.8%	83.4	26.9	32.3%	(1.5)	-5.2%
Electronics	121.6	60.2	49.5%	113.2	56.3	49.7%	(4.0)	-6.6%
Construction Materials	37.1	–	–	35.0	–	–	–	–
Others	11.1	0.7	6.2%	12.9	1.6	12.3%	0.9	+131.1%
Total	1,158.7	334.1	28.8%	1,203.9	326.9	27.2%	(7.2)	-2.1%
Sales to East Asia*		219.0	18.9%		209.1	17.4%	(9.9)	-4.5%
of which, sales to China		125.7	10.8%		117.1	9.7%	(8.5)	-6.8%

Sales, excluding Homes and
Construction Materials

857.6 334.1 39.0% 859.9 326.9 38.0%

* China, Korea, and Taiwan.

(¥ billion)



Review of operations

Volume products:

Chemicals and derivative products

Rise in overseas market prices for monomer products such as acrylonitrile during the early part of the period. Deterioration in terms of trade with significant impact from rising costs for naphtha and other feedstocks and from the strong yen. Flat sales, but operating income decrease.

Polymer products

Impact from high feedstock costs and the strong yen. Decreased shipments of engineering plastics as an effect of the Great East Japan Earthquake. Good performance of synthetic rubber for tires. Sales and operating income increase.

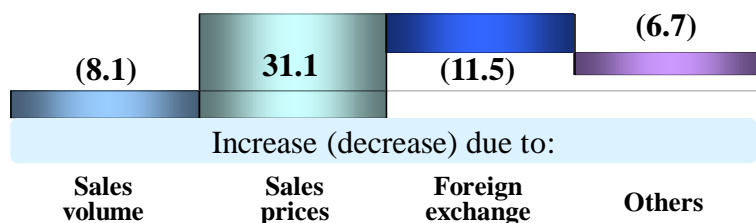
Specialty products:

Increased shipments of ion-exchange membranes. Good performance in home-use products such as Saran Wrap™. Sales and operating income increase.

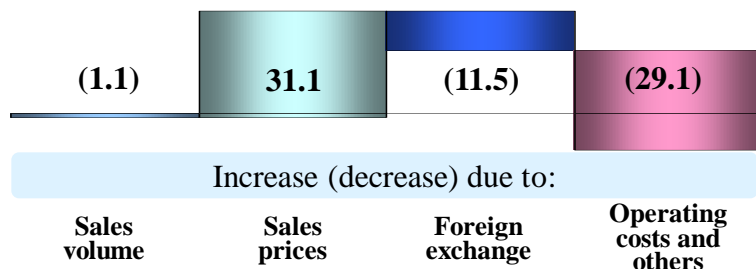
Highlights

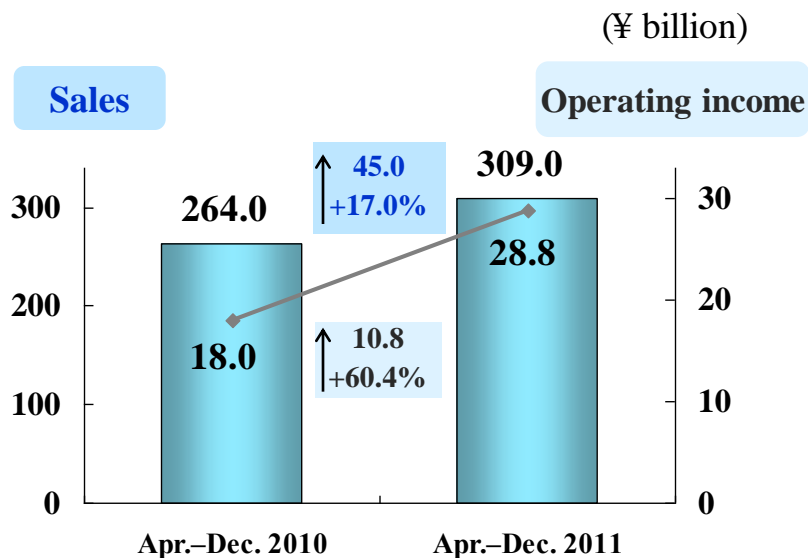
- April, decision to establish joint venture with Saudi Basic Industries Corp. and Mitsubishi Corp. to study an acrylonitrile project in Saudi Arabia.
- November, decision to construct Kawasaki Innovation Center for R&D; start of utilization in September 2012.
- December, decision to construct second solution-SBR plant in Singapore.
- February 2012, launch of Frosch® dishwashing detergent with exclusive sales rights in Japan from Werner & Mertz GmbH of Germany.

Sales increases/decreases



Operating income increases/decreases





Results by product category*

(¥ billion)

	Apr.-Dec. 2010		Apr.-Dec. 2011		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes	192.7		228.7		36.0	
Pre-built homes	12.1		15.1		3.0	
Housing-related	59.3		65.3		6.0	
Total	264.0	18.0	309.0	28.8	45.0	10.8

* Product category division unaudited.

Review of operations

- Increased deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings in order-built homes operations. Increased sales of condominiums in pre-built homes operations. In housing-related operations, increased orders for remodeling and increased number of rental units as part of real estate business. Sales and operating income increase.
- Market launch of new products. Effect of government policy to support home purchases. Value of new orders increasing 2.3% year-on-year for Oct. to Dec. and 3.6% year-on-year for Apr. to Dec.

Highlights

- April, launch of Hebel Haus™ Soranoma Plus featuring semi-outdoor space integrated with second-story living room.
- June, launch of Hebel Maison™ apartment buildings with features for living with pets.
- October, establishment of Asahi Kasei Fudousan Residence Corp. and start of operation of integrated real estate-related business.
- November, launch of Hebel Haus™ with a third-floor patio for family relaxation.
- January 2012, launch of remodeling product for the reconfiguration of previously sold two-generation Hebel Haus™ homes.

Homes (ii)

Sales and order trends

(¥ billion, % change from same period of previous year shown at right)

		Value of new orders during the term	Sales of order-built	Sales of pre-built homes *	Other sales †	Consolidated subsidiaries	Consolidated	Order backlog
FY 07	H1	153.6 (-1.5%)	131.2 (-2.6%)	5.0 (-16.5%)	0.4	30.3 (+8.2%)	166.9 (-1.3%)	312.3
	H2	152.5 (+3.5%)	165.9 (-9.3%)	19.5 (-15.1%)	0.5	33.3 (+10.3%)	219.3 (-7.3%)	298.8
	annual	306.1 (+0.9%)	297.1 (-6.5%)	24.5 (-15.4%)	1.0	63.7 (+9.5%)	386.2 (-4.8%)	
FY 08	H1	157.1 (+2.3%)	129.4 (-1.4%)	6.0 (+19.7%)	0.7	34.3 (+13.2%)	170.3 (+2.0%)	326.6
	H2	133.9 (-12.1%)	177.9 (+7.2%)	24.0 (+22.8%)	0.9	36.9 (+10.8%)	239.6 (+9.3%)	282.6
	annual	291.1 (-4.9%)	307.3 (+3.4%)	29.9 (+22.2%)	1.5	71.2 (+11.8%)	409.9 (+6.1%)	
FY 09	H1	154.6 (-1.6%)	115.8 (-10.5%)	5.2 (-12.6%)	0.8	35.8 (+4.4%)	157.7 (-7.4%)	321.3
	H2	152.3 (+13.7%)	166.5 (-6.4%)	26.9 (+12.4%)	1.1	37.5 (+1.7%)	232.0 (-3.2%)	307.1
	annual	306.9 (+5.4%)	282.3 (-8.1%)	32.1 (+7.4%)	1.9	73.4 (+3.0%)	389.7 (-4.9%)	
FY 10	H1	181.7 (+17.6%)	125.5 (+8.3%)	9.4 (+79.8%)	1.1	37.5 (+4.8%)	173.5 (+10.0%)	363.4
	Q3	78.2 (+14.2%)	67.1 (+13.8%)	2.7 (-84.5%)	0.8	19.9 (+3.4%)	90.5 (-5.7%)	374.5
	H2	172.8 (+13.4%)	176.6 (+6.1%)	18.4 (-31.7%)	1.5	39.2 (+4.5%)	235.7 (+1.6%)	359.5
	annual	354.5 (+15.5%)	302.1 (+7.0%)	27.8 (-13.6%)	2.5	76.8 (+4.6%)	409.2 (+5.0%)	
FY 11	H1	189.4 (+4.2%)	145.9 (+16.3%)	11.9 (+26.5%)	1.5	40.6 (+8.3%)	200.0 (+15.2%)	403.0
	Q3	80.0 (+2.3%)	82.7 (+23.2%)	3.2 (+20.0%)	23.1	(+11.6%)	109.0 (+20.5%)	400.3
	H2 forecast	174.1 (+0.8%)	193.0 (+9.3%)	13.6 (-26.0%)	46.4	(+13.9%)	253.0 (+7.3%)	384.1
	annual	363.5 (+2.6%)	339.0 (+12.2%)	25.5 (-8.3%)	88.5	(+11.6%)	453.0 (+10.7%)	

* Beginning with H2 2011, sum of pre-built homes businesses of Asahi Kasei Homes Corp. and Asahi Kasei Fudousan Residence Corp. (housing development business transferred from the former to the latter on Oct. 1, 2011).

† Including commissions on property insurance.

(¥ billion)

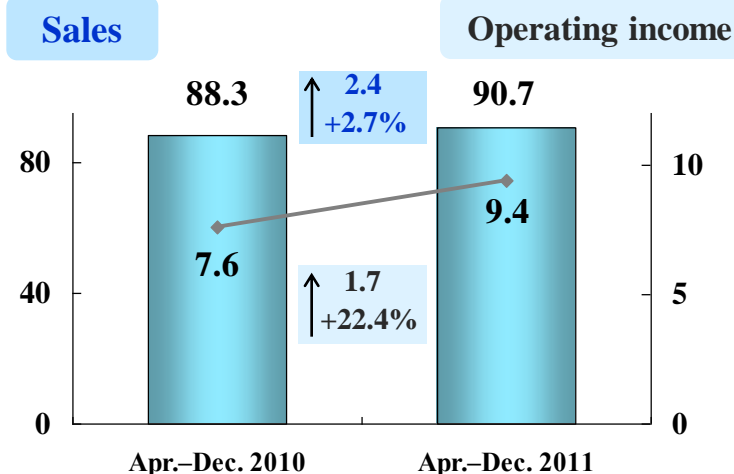
Review of operations

Pharmaceuticals: Higher SG&A with an increase in medical representatives. Increased shipments of Recomedulin™ recombinant thrombomodulin and Flivas™ therapy for benign prostatic hyperplasia. Contribution from launch of sales of new osteoporosis drug Teribone™. Sales and operating income increase.

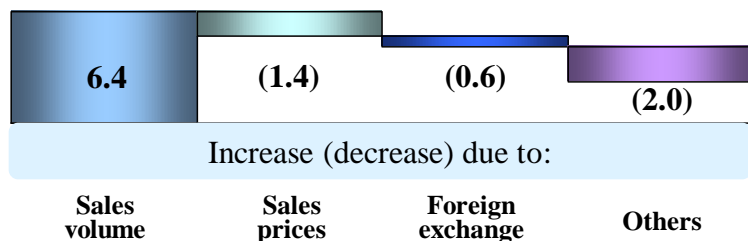
Devices: Impact from the strong yen. Increased shipments of Planova™ virus removal filters. Sales and operating income increase.

Highlights

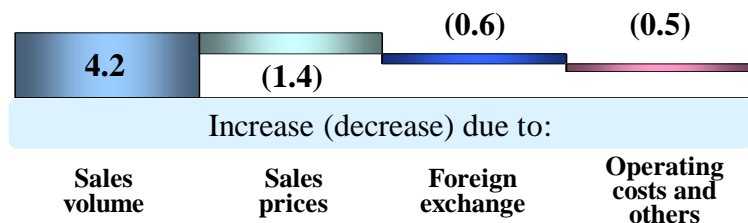
- May, Dong-A Pharmaceutical Co., Ltd., Asahi Kasei Pharma's licensing partner in Korea, obtained approval for the sale of Flivas™ in Korea as an agent for the treatment of benign prostatic hyperplasia; launch in January 2012.
- August, judgment of the court of first instance in litigation with Actelion Ltd. of Switzerland, ordering the defendants to pay US\$516.6 million to Asahi Kasei Pharma. November, amendment of judgement of the court of first instance reducing the damages to US\$415.7 million.
- September, approval for manufacture and sale of Teribone™ in Japan; launch in November with NHI price listing.
- October, license agreement with Zosano Pharma, Inc. of the US for development of a microprojection patch formulation of Teribone™ osteoporosis drug; start of clinical trial in 2012.
- October, decision to construct new research complex for pharmaceuticals; start of utilization in October 2013.
- November, acquisition of all shares of Artisan Pharma, Inc., US company performing overseas clinical trials for ART-123 (marketed as Recomedulin™ in Japan) for the treatment of DIC in sepsis.
- December, decision to integrate Asahi Kasei Kuraray Medical and Asahi Kasei Medical concurrently with April 2012 acquisition of all shares held by Kuraray Co., Ltd. in Asahi Kasei Kuraray Medical, making it a wholly owned subsidiary.



Sales increases/decreases



Operating income increases/decreases



Sales of Health Care segment

(¥ billion)

		FY 2010			FY 2011	
		Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
	Pharmaceuticals	15.1	42.0	55.4	15.6	44.1
	Others	1.4	5.0	5.8	0.8	3.2
Asahi Kasei Pharma consolidated		16.5	47.0	61.2	16.4	47.3
Devices*		14.0	41.3	55.1	14.3	43.4
Total		30.5	88.3	116.4	30.7	90.7

* Asahi Kasei Kuraray Medical, Asahi Kasei Medical and their affiliate companies.

Main pharmaceuticals domestic sales

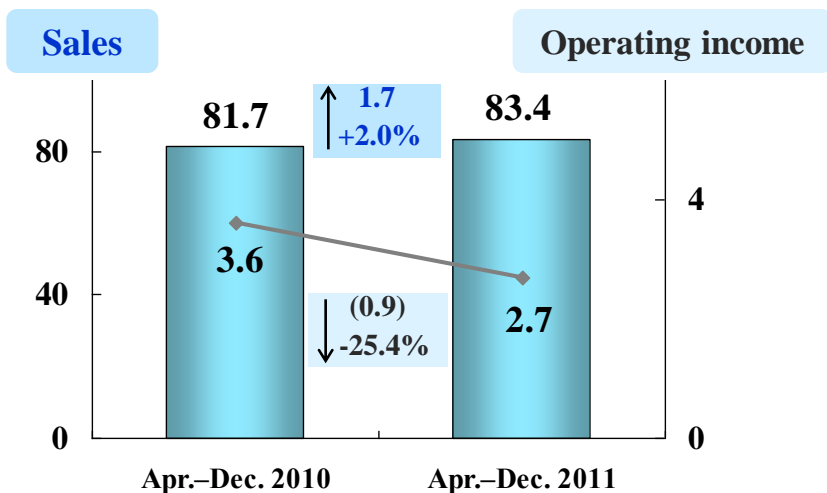
(¥ billion)

	FY 2010			FY 2011	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Flivas™	3.8	10.5	13.9	4.0	10.9
Elcitonin™	3.4	10.3	13.4	3.2	9.8
Recomodulin™	1.4	3.0	4.2	2.1	5.5
Bredinin™	1.8	5.0	6.5	1.8	5.0
Toledomin™	0.9	2.7	3.5	0.7	2.3
Teribone™	–	–	–	0.4	0.4
Eril™	0.4	1.1	1.4	0.4	1.0

Pharmaceutical pipeline

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Pending approval	AK-120, oral, famciclovir	Additional indication	Antiviral	Herpes simplex	Licensed
Phase III	AK-156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
Phase II	AT-877, oral, fasudil hydrochloride hydrate	Additional indication, new dosage form	Rho-kinase inhibitor	Pulmonary arterial hypertension	In-house
Phase II (overseas)	ART-123, injection, recombinant thrombomodulin alpha	New biologic	Recombinant human thrombomodulin	Sepsis with disseminated intravascular coagulation	In-house
	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house

(¥ billion)



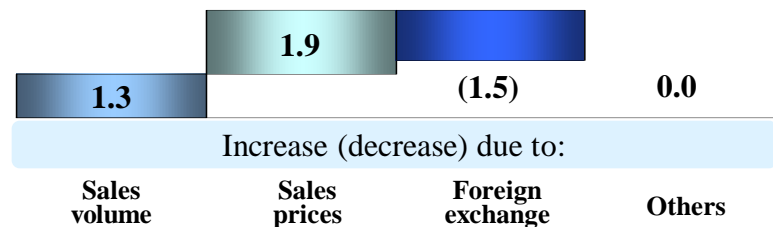
Review of operations

Good performance in Bemberg™ regenerated cellulose. Increased shipments of Leona™ nylon 66 filament in airbag applications. Increased shipments of nonwovens such as spunbond. Impact from high feedstock costs and the strong yen. Sales increase, but operating income decrease.

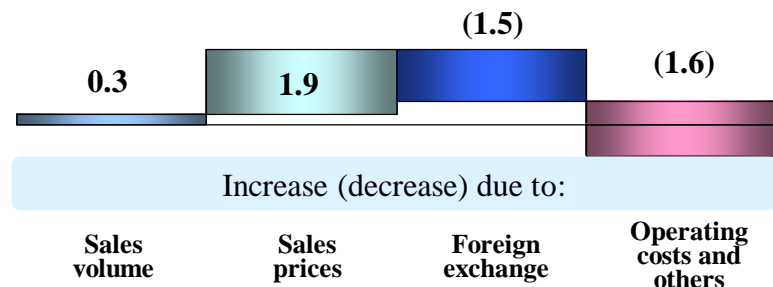
Highlights

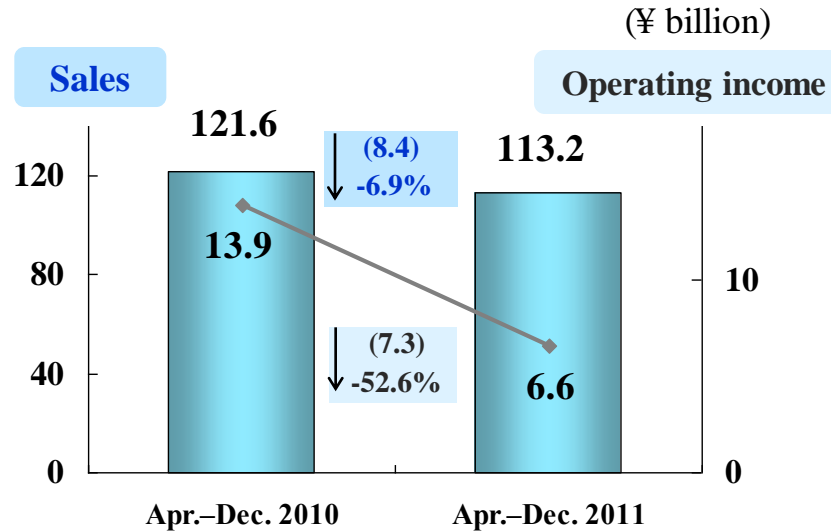
- November, development of new high-function elastic material which generates heat when stretched. Achieved through combination of high-function Roica™ spandex filament with advanced knitting technology.

Sales increases/decreases



Operating income increases/decreases





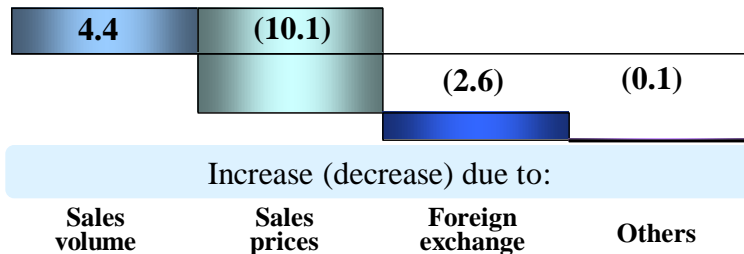
Review of operations

Firm sales in mixed-signal LSIs for smartphones in electronic devices and Hipore™ Li-ion battery separator in electronic materials. Impact from a general deterioration in the operating climate which resulted in sluggish growth in shipment volumes, and from declining product prices and the strong yen. Sales and operating income decrease.

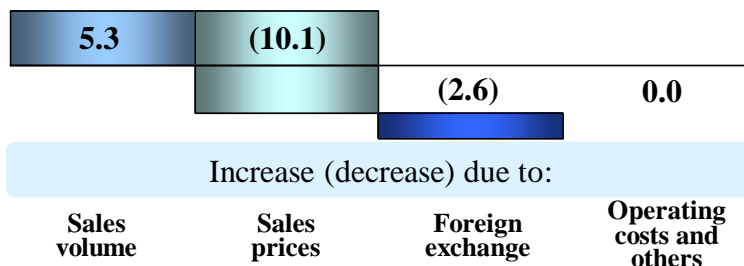
Highlights

- February 2012, launch of new 6-axis electronic compass for portable appliances; integrating an accelerometer from Analog Devices, Inc. of the US and reducing size by over 25% from previous equivalent product.

Sales increases/decreases

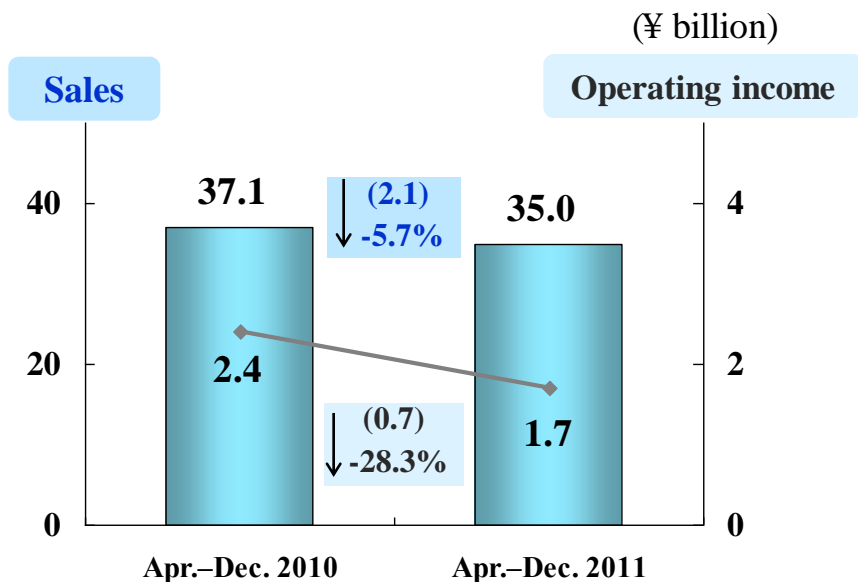


Operating income increases/decreases

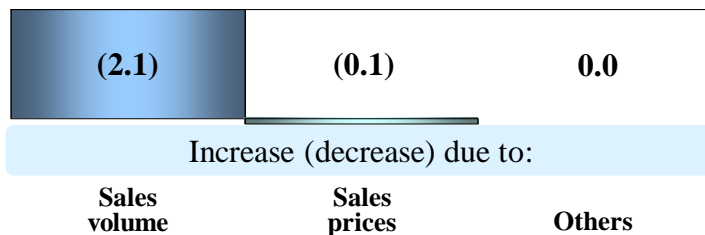


Review of operations

Recovering shipment volumes and product prices of Hebel™ autoclaved aerated concrete panels. Sluggish performance in foundation systems and insulation materials operations. Sales and operating income decrease.



Sales increases/decreases



Operating income increases/decreases

