

Fiscal quarter ended June 2012

– supplementary financial summary –

August 2, 2012

Asahi Kasei Corporation

Consolidated results for fiscal quarter ended June 2012

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Consolidated results for fiscal quarter ended June 2012

Summary of financial results

(¥ billion)

	April–June 2011	April–Sept. 2011	April–June 2012	April–Sept. 2012 forecast in May	April–June 2011 vs. 2012	
					Increase (decrease)	% change
Net sales ¹	368.0	784.4	365.0	847.0	(3.0)	-0.8%
Operating income	30.2	63.8	10.8	45.0	(19.4)	-64.1%
Ordinary income	30.4	62.1	8.1	46.0	(22.2)	-73.2%
Net income	19.4	38.2	3.2	25.5	(16.2)	-83.7%

¹ The accounting policy for naphtha resale was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥8.2 billion in Q1 2011 and ¥17.7 billion in H1 2011.)

Key operating factors

Naphtha price (¥/kL, domestic)	59,000	56,950	60,600	62,000
¥/US\$ exchange rate (market average)	82	80	80	80

Financial position

	At end of March 2012	At end of June 2012	Increase (decrease)
Total assets	1,410.6	1,655.7	245.1
Equity	706.8	693.9	(12.9)
Interest-bearing debt	184.1	399.5	215.3
Debt/equity ratio	0.26	0.57	0.31

Statements of income

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(¥ billion)

	April–June 2011		April–June 2012		Increase (decrease)	% change
		% of sales		% of sales		
Net sales ¹	368.0	100.0%	365.0	100.0%	(3.0)	-0.8%
Cost of sales	268.4	72.9%	274.4	75.2%	6.0	+2.2%
Gross profit	99.6	27.1%	90.6	24.8%	(8.9)	-9.0%
Selling, general and administrative expenses	69.3	18.8%	79.8	21.9%	10.5	+15.1%
Operating income	30.2	8.2%	10.8	3.0%	(19.4)	-64.1%
Net non-operating income (expenses)	0.1	/	(2.7)	/	(2.8)	/
of which,						
net financing income (expense)	0.7	/	0.6	/	(0.2)	/
net equity in earnings (losses) of affiliates	0.7	/	(0.5)	/	(1.2)	/
foreign exchange loss	(1.2)	/	(1.5)	/	(0.3)	/
Ordinary income	30.4	8.3%	8.1	2.2%	(22.2)	-73.2%
Net extraordinary income (loss)	(1.8)	/	(1.2)	/	0.7	/
Income before income taxes and minority interests	28.5	7.8%	7.0	1.9%	(21.6)	-75.6%
Income taxes	(8.9)	/	(3.8)	/	5.1	/
Minority interests in income	(0.3)	/	(0.1)	/	0.2	/
Net income	19.4	5.3%	3.2	0.9%	(16.2)	-83.7%

¹ The accounting policy for naphtha resale was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥8.2 billion in Q1 2011.)

Balance sheets

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(¥ billion)

	At end of Mar. 2012	At end of Jun. 2012	Increase (decrease)		At end of Mar. 2012	At end of Jun. 2012	Increase (decrease)
Current assets	721.8	777.8	56.0	Liabilities	691.3	950.2	259.0
Cash and deposits	102.9	111.3	8.4	Current liabilities	449.6	683.2	233.6
Notes and accounts receivable—trade	266.1	270.1	4.1	Noncurrent liabilities	241.7	267.0	25.3
Inventories	279.2	304.5	25.3	Net assets	719.3	705.4	(13.9)
Other current assets	73.6	91.8	18.2	Shareholders' equity	696.8	693.2	(3.6)
Noncurrent assets	688.8	877.9	189.1	Capital stock	103.4	103.4	—
Property, plant and equipment	416.1	433.2	17.1	Capital surplus	79.4	79.4	(0.0)
Intangible assets	45.2	219.1	173.9	Retained earnings	516.4	512.8	(3.6)
Investments and other assets	227.5	225.5	(2.0)	Treasury stock	(2.4)	(2.4)	(0.0)
				Accumulated other comprehensive income	10.0	0.8	(9.3)
				Minority interests	12.4	11.5	(1.0)
Total assets	1,410.6	1,655.7	245.1	Total liabilities and net assets	1,410.6	1,655.7	245.1

Note: Effect of consolidation of ZOLL Medical Corporation, etc. is shown on p. 29.

Cash flows

(¥ billion)

	Q1 2011	Q1 2012
a. Net cash provided by (used in) operating activities	12.9	4.7
b. Net cash provided by (used in) investing activities	(18.8)	(197.0)
c. Free cash flows [a+b]	(5.9)	(192.3)
d. Net cash provided by (used in) financing activities	(26.3)	206.1
e. Effect of exchange rate change on cash and cash equivalents	1.1	(5.3)
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(31.1)	8.5
g. Cash and cash equivalents at beginning of period	134.4	96.4
h. Increase in cash and cash equivalents resulting from change of scope of consolidation	1.5	0.1
i. Effect of change in the reporting period of consolidated subsidiaries and affiliates	0.5	(5.3)
j. Cash and cash equivalents at end of period [f+g+h+i]	105.4	99.6

Sales and operating income by segment **AsahiKASEI**

(¥ billion)

	Sales ¹			Operating income		
	Q1 2011	Q1 2012	Increase (decrease)	Q1 2011	Q1 2012	Increase (decrease)
Chemicals	177.9	161.1	(16.8)	19.4	4.3	(15.1)
Homes	79.2	86.3	7.1	3.6	3.6	0.0
Health Care	29.4	32.4	3.0	2.6	4.7	2.2
Fibers	27.7	26.3	(1.5)	1.4	0.6	(0.9)
Electronics	39.8	34.0	(5.8)	4.8	(0.4)	(5.2)
Construction Materials	10.1	11.5	1.5	0.2	0.5	0.3
Critical Care ²	—	9.1	9.1	—	(0.5)	(0.5)
Others	4.0	4.4	0.4	0.4	0.8	0.4
Corporate expenses and eliminations	—	—	—	(2.2)	(2.9)	(0.7)
Consolidated	368.0	365.0	(3.0)	30.2	10.8	(19.4)

¹ The accounting policy for naphtha resale in the Chemicals segment was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥8.2 billion in Q1 2011.)

² Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. are reported.

Sales and operating income increases/decreases by segment (i)

AsahiKASEI

(¥ billion)

		Q1 2011	Q1 2012	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales ¹	177.9	161.1	(16.8)	(11.5)	(5.3)	(0.7)	—	—
	Operating income	19.4	4.3	(15.1)	(2.0)			—	(7.7)
Homes	Sales	79.2	86.3	7.1	13.7	(1.4)	—	(5.2)	—
	Operating income	3.6	3.6	0.0	4.8			—	(3.4)
Health Care	Sales	29.4	32.4	3.0	4.1	(1.1)	(0.4)	0.0	—
	Operating income	2.6	4.7	2.2	3.7			—	(0.5)
Fibers	Sales	27.7	26.3	(1.5)	(1.0)	(0.5)	(0.3)	—	—
	Operating income	1.4	0.6	(0.9)	(0.3)			—	(0.1)
Electronics	Sales	39.8	34.0	(5.8)	(3.0)	(2.8)	(0.2)	—	—
	Operating income	4.8	(0.4)	(5.2)	(2.0)			—	(0.3)

¹ The accounting policy for naphtha resale in the Chemicals segment was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥8.2 billion in Q1 2011.)

Sales and operating income increases/decreases by segment (ii)

AsahiKASEI

(¥ billion)

		Q1 2011	Q1 2012	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Construction Materials	Sales	10.1	11.5	1.5	1.4	0.1	—	—	—
	Operating income	0.2	0.5	0.3	0.3				—
Critical Care ¹	Sales	—	9.1	9.1	—	—	—	9.1	—
	Operating loss	—	(0.5)	(0.5)	—				—
Others	Sales	4.0	4.4	0.4	0.4	—	—	—	—
	Operating income	0.4	0.8	0.4	0.4				—
Corporate expenses and eliminations	Operating loss	(2.2)	(2.9)	(0.7)	—	—	—	—	(0.7)
Consolidated	Sales ²	368.0	365.0	(3.0)	4.1	(11.0)	(1.6)	3.9	—
	Operating income	30.2	10.8	(19.4)	4.9				—

¹ Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. are reported.

² The accounting policy for naphtha resale in the Chemicals segment was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥8.2 billion in Q1 2011.)

Forecast for first half fiscal 2012

Consolidated operating performance

AsahiKASEI

(¥ billion)

	FY 2011			H1 2012 forecast			Increase (decrease) b-a	H1 2012 forecast in May c	Increase (decrease) b-c
	H1 a	H2	Total	Q1	Q2 forecast	Total b			
Net sales ¹	784.4	788.8	1,573.2	365.0	429.0	794.0	9.6	847.0	(53.0)
Operating income	63.8	40.5	104.3	10.8	24.7	35.5	(28.3)	45.0	(9.5)
Ordinary income	62.1	45.4	107.6	8.1	24.4	32.5	(29.6)	46.0	(13.5)
Net income	38.2	17.6	55.8	3.2	15.3	18.5	(19.7)	25.5	(7.0)

¹ The accounting policy for naphtha resale was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥17.7 billion in H1 2011 and ¥22.0 billion in H2 2011.)

Key operating factors

Naphtha price (¥/kL, domestic)	56,950	52,900	54,925	60,600	49,000	54,800	(2,150)	62,000	(7,200)
¥/US\$ exchange rate (market average)	80	78	79	80	77	79	(1)	80	(1)

	FY 2011	H1 2012 (planned)
Dividends per share	¥14	¥7

Sales¹ forecast by segment

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(¥ billion)

	FY 2011			FY 2012			Increase (decrease)	H1 2012 forecast in May	Increase (decrease)	Increase (decrease) from Q1 to Q2 2012 forecast
	Q1	Q2	1st half	Q1	Q2 forecast	1st half forecast				
Chemicals	177.9	182.2	360.1	161.1	172.9	334.0	(26.1)	385.0	(51.0)	11.9
Homes	79.2	120.8	200.0	86.3	126.7	213.0	13.0	213.0	—	40.4
Health Care	29.4	30.6	60.0	32.4	32.6	65.0	5.0	62.0	3.0	0.3
Fibers	27.7	28.4	56.1	26.3	27.7	54.0	(2.1)	55.0	(1.0)	1.5
Electronics	39.8	37.8	77.5	34.0	35.0	69.0	(8.5)	74.0	(5.0)	1.1
Construction Materials	10.1	12.2	22.2	11.5	14.5	26.0	3.8	26.0	—	2.9
Critical Care ²	—	—	—	9.1	13.9	23.0	23.0	23.0	—	4.8
Others	4.0	4.5	8.5	4.4	5.6	10.0	1.5	9.0	1.0	1.2
Consolidated	368.0	416.5	784.4	365.0	429.0	794.0	9.6	847.0	(53.0)	64.0

¹ The accounting policy for naphtha resale in the Chemicals segment was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥8.2 billion in Q1 2011 and ¥9.6 billion in Q2 2011.)

² Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. are reported.

Operating income forecast by segment

AsahiKASEI

(¥ billion)

	FY 2011			FY 2012			Increase (decrease)	H1 2012 forecast in May	Increase (decrease)	Increase (decrease) from Q1 to Q2 2012 forecast
	Q1	Q2	1st half	Q1	Q2 forecast	1st half forecast				
Chemicals	19.4	14.7	34.1	4.3	10.2	14.5	(19.6)	22.0	(7.5)	5.9
Homes	3.6	14.2	17.9	3.6	14.4	18.0	0.1	18.0	—	10.7
Health Care	2.6	3.0	5.6	4.7	1.3	6.0	0.4	4.5	1.5	(3.5)
Fibers	1.4	0.7	2.1	0.6	0.9	1.5	(0.6)	2.0	(0.5)	0.3
Electronics	4.8	2.2	7.0	(0.4)	1.4	1.0	(6.0)	3.5	(2.5)	1.7
Construction Materials	0.2	0.5	0.8	0.5	1.0	1.5	0.7	1.5	—	0.5
Critical Care ¹	—	—	—	(0.5)	(1.0)	(1.5)	(1.5)	(1.5)	—	(0.5)
Others	0.4	0.8	1.2	0.8	0.2	1.0	(0.2)	1.0	—	(0.6)
Corporate expenses and eliminations	(2.2)	(2.7)	(5.0)	(2.9)	(3.6)	(6.5)	(1.5)	(6.0)	(0.5)	(0.6)
Consolidated	30.2	33.5	63.8	10.8	24.7	35.5	(28.3)	45.0	(9.5)	13.8

¹ Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. are reported.

Appendix

Extraordinary income and loss

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(¥ billion)

	Q1 2011	Q1 2012	Increase (decrease)
Extraordinary income			
Gain on sales of noncurrent assets	—	0.0	0.0
Total extraordinary income	—	0.0	0.0
Extraordinary loss			
Loss on valuation of investment securities	0.0	0.0	(0.0)
Loss on disposal of noncurrent assets	0.5	1.1	0.6
Impairment loss	0.0	0.0	(0.0)
Loss on disaster	0.6	—	(0.6)
Business structure improvement expenses	0.6	0.0	(0.6)
Total extraordinary loss	1.8	1.2	(0.6)
Net extraordinary income (loss)	(1.8)	(1.2)	0.7

Quarterly sales¹ by segment

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(¥ billion)

	FY 2010				FY 2011				FY 2012	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Chemicals	165.0	180.4	173.7	180.8	177.9	182.2	165.6	154.5	161.1	172.9
Homes	64.5	109.0	90.5	145.2	79.2	120.8	109.0	143.0	86.3	126.7
Health Care	28.7	29.0	30.5	28.1	29.4	30.6	30.7	28.8	32.4	32.6
Fibers	26.5	28.1	27.1	27.1	27.7	28.4	27.2	27.5	26.3	27.7
Electronics	40.9	42.2	38.4	36.7	39.8	37.8	35.6	32.9	34.0	35.0
Construction Materials	11.0	12.4	13.7	10.3	10.1	12.2	12.8	11.1	11.5	14.5
Critical Care ²	–	–	–	–	–	–	–	–	9.1	13.9
Others	3.5	3.9	3.7	4.9	4.0	4.5	4.4	5.7	4.4	5.6
Total	340.1	405.1	377.7	433.0	368.0	416.5	385.3	403.5	365.0	429.0

Naphtha resale amount
excluded from net sales

13.4	6.2	16.2	6.6	8.2	9.6	16.4	5.6
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¹ The accounting policy for naphtha resale in the Chemicals segment was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011 and FY 2010.

² Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. are reported.

Quarterly operating income by segment **AsahiKASEI**

(¥ billion)

	FY 2010				FY 2011				FY 2012	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Chemicals	15.3	22.0	16.6	10.5	19.4	14.7	9.2	1.2	4.3	10.2
Homes	(0.9)	11.0	7.9	18.5	3.6	14.2	10.9	17.5	3.6	14.4
Health Care	3.3	0.8	3.5	(0.6)	2.6	3.0	3.7	(0.6)	4.7	1.3
Fibers	1.2	1.1	1.3	0.6	1.4	0.7	0.5	0.5	0.6	0.9
Electronics	5.2	5.5	3.2	0.4	4.8	2.2	(0.5)	(0.2)	(0.4)	1.4
Construction Materials	0.3	0.8	1.3	(0.3)	0.2	0.5	0.9	0.1	0.5	1.0
Critical Care ¹	–	–	–	–	–	–	–	–	(0.5)	(1.0)
Others	0.3	0.5	0.2	0.7	0.4	0.8	0.9	0.9	0.8	0.2
Corporate expenses and eliminations	(2.0)	(1.0)	(2.8)	(1.4)	(2.2)	(2.7)	(2.5)	(2.3)	(2.9)	(3.6)
Total	22.8	40.7	31.0	28.4	30.2	33.5	23.3	17.2	10.8	24.7

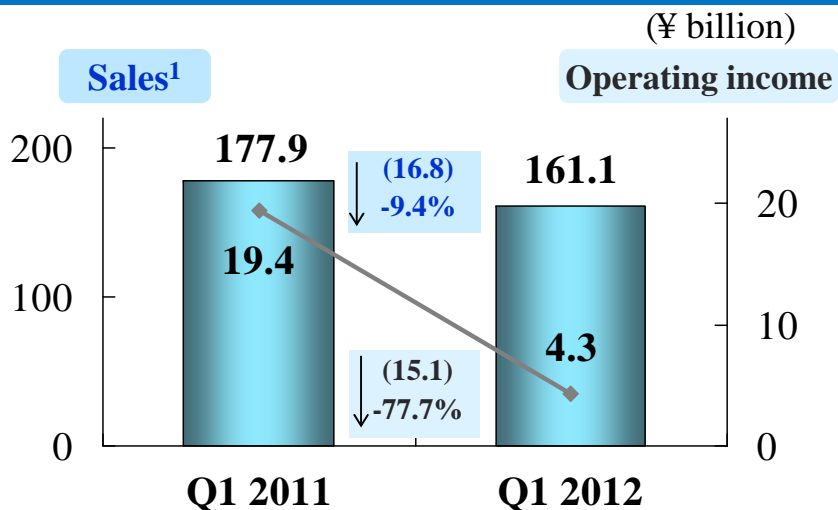
¹ Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. are reported.

Statements of comprehensive income

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(¥ billion)

	FY 2011 Q1	FY 2012 Q1	Increase (decrease)
a: Income before minority interests	19.7	3.2	(16.4)
Net unrealized gain on other securities	3.2	(3.1)	(6.2)
Deferred gains or losses on hedges	0.1	1.4	1.3
Foreign currency translation adjustment	2.8	(11.7)	(14.5)
Share of other comprehensive income of affiliates accounted for using equity method	0.6	(1.5)	(2.2)
b: Other comprehensive income	6.7	(14.9)	(21.6)
Comprehensive income [a+b]	26.4	(11.7)	(38.1)
Comprehensive income attributable to owners of the parent	26.1	(11.4)	(37.5)
Comprehensive income attributable to minority interests	0.3	(0.2)	(0.5)



¹ The accounting policy for naphtha resale was changed in Q4 of FY 2011, and naphtha resale amount is now excluded from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount ¥8.2 billion for Q1 of FY 2011)

Review of operations

Sales and operating income decrease.

Volume products:

Chemicals and derivative products: Impact of major plant maintenance turnaround. Decreased exports of acrylonitrile (AN) and adipic acid due to an economic slowdown in China. Deteriorating terms of trade.

Polymer products: Firm shipments of engineering plastics for automotive applications and synthetic rubber for tires.

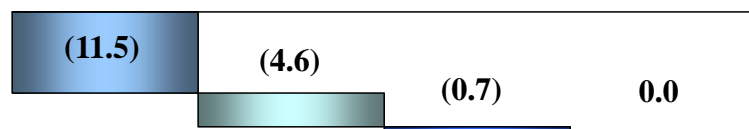
Specialty products:

Solid performance in coating materials for the domestic Japanese market, home-use products such as Saran Wrap™, and functional additives for pharmaceuticals.

Highlights

- May, completion of a new plant for Saran Wrap™.
- June, start of operation at a large-scale municipal MBR wastewater treatment facility in Paju, Gyeonggi-do, Korea, using Microza™ hollow-fiber membrane system.

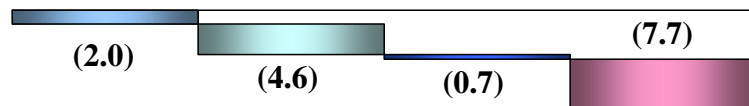
Sales increases/decreases



Increase (decrease) due to:

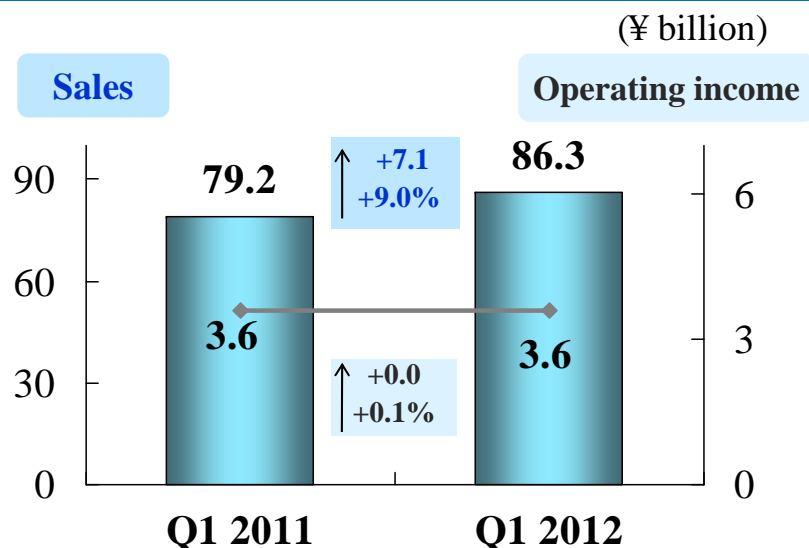
Sales volume Sales prices Foreign exchange Others

Operating income increases/decreases



Increase (decrease) due to:

Sales volume Sales prices Foreign exchange Operating costs and others



Review of operations

Sales increase and operating income unchanged. Increased deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings in order-built homes operations. Decreased deliveries of condominiums, but good performance of remodeling operations in housing-related operations.

Effect of government policy to support home purchases. Value of new orders 6.6% higher than in the first quarter a year ago.

Highlights

- April, launch of two-generation Hebel Haus™ homes featuring designs which facilitate family communication with a system for energy sharing between families.
- April, launch of Hebel Haus™ with enhanced disaster resistance and independent energy supply system.
- July, introduction of V2H system² and new home energy management system as options for Hebel Haus™.

Results by product category¹

	Q1 2011		Q1 2012	
	Sales	Operating income	Sales	Operating income
Order-built homes	51.0	/	61.4	1.9
Pre-built homes	8.1		14.4	1.8
Housing-related, etc.	20.0		9.8	
			0.7	
Total	79.2	3.6	86.3	3.6

¹ Product categories are revised from FY 2012. A portion of sales previously included in pre-built homes is now included in order-built homes.

Otherwise, sales in the previous pre-built homes category are now included in real estate-related.

² Vehicle to home system, which enables return of energy from rechargeable battery of electric vehicle to home energy system.

Homes – sales¹ and order trends

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

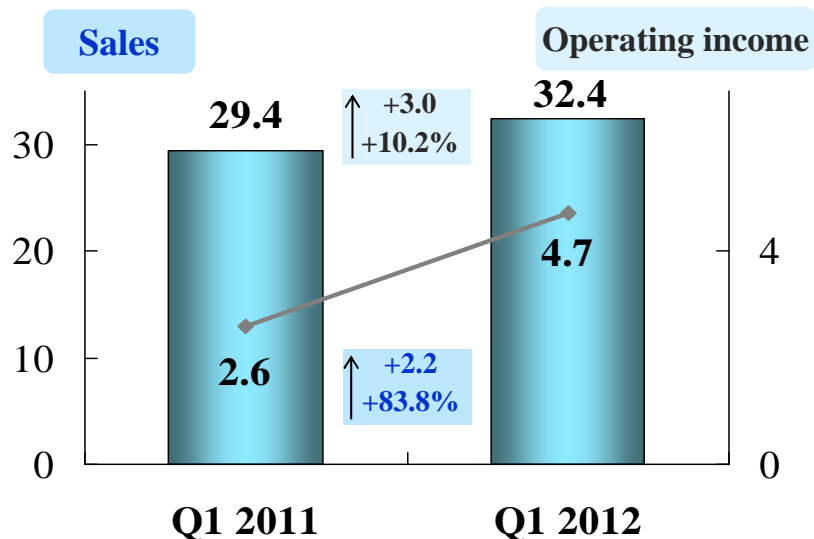
		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes		Other sales	Consolidated subsidiaries	Consolidated	Order backlog		
FY08	H1	157.1 (+2.3%)	129.4 (-1.4%)	6.0 (+19.7%)	0.7	34.3 (+13.2%)	170.3 (+2.0%)	326.6			
	H2	133.9 (-12.1%)	177.9 (+7.2%)	24.0 (+22.8%)	0.9	36.9 (+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%)				
FY09	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%)				
FY10	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			
	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%)				
FY11	Q1	94.6 (+5.9%)	51.0 (+25.0%)	8.1 (+77.9%)	0.7	19.3 (+3.5%)	79.2 (+22.8%)	403.1			
	Q2	94.8 (+2.5%)	94.9 (+12.1%)	3.7 (-22.6%)	0.8	21.3 (+13.0%)	120.8 (+10.8%)	403.0			
	H1	189.4 (+4.2%)	145.9 (+16.3%)	11.9 (+26.5%)	1.5	40.6 (+8.3%)	200.0 (+15.2%)				
	H2	182.5 (+5.6%)	193.7 (+9.7%)	11.8 (-35.7%)	46.5 (+14.2%)	252.0 (+6.9%)	391.8				
	annual	371.9 (+4.9%)	339.6 (+12.4%)	23.7 (-14.7%)	88.7 (+11.8%)	452.0 (+10.4%)					
		Value of new orders during the term	Sales of order-built homes	Sales of real estate-related				Sales of Remodeling	Other sales	Consolidated	Order backlog
				Pre-built homes	Rental housing	Other	Total				
FY12	Q1	100.9 (+6.6%)	61.4	2.4	11.4	0.5	14.4	9.8	0.7	86.3 (+9.0%)	433.1
	Q2 forecast	99.1 (+4.5%)	99.8	2.2	11.7	0.6	14.5	11.5	0.9	126.7 (+4.9%)	434.3
	H1 forecast ²	200.0 (+5.6%)	161.2	4.6	23.1	1.1	28.9	21.3	1.6	213.0 (+6.5%)	

¹ Product categories are revised from FY 2012. A portion of sales previously included in pre-built homes is now included in order-built homes.

Otherwise, sales in the previous pre-built homes category are now included in real estate-related.

² Forecast in May 2012.

(¥ billion)



Review of operations

Sales and operating income increase.

Pharmaceuticals:

Impact of reduced reimbursement prices. Firm growth in sales of Reomodulin™ recombinant thrombomodulin and Teribone™, a new osteoporosis drug launched in November 2011.

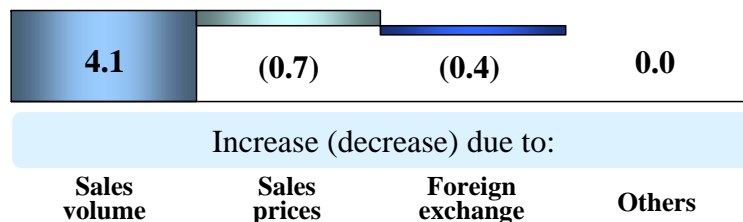
Devices:

Impact of the strong yen. Increased shipments of APS™ polysulfone-membrane artificial kidneys.

Highlights

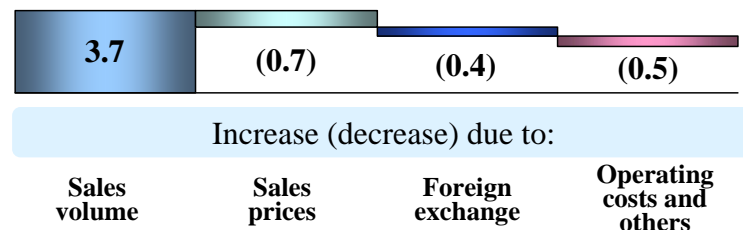
- May, investment in NxStage Medical, Inc. through conversion of an outstanding loan into newly issued shares, as part of reinforcement of the strategic alliance.

Sales increases/decreases



Increase (decrease) due to:

Operating income increases/decreases



Increase (decrease) due to:

Health Care – breakdown of sales

Sales of Health Care segment

(¥ billion)

		FY 2011		FY 2012
		Q1		Q1
	Domestic pharmaceuticals	13.9	27.7	17.1
	Others	1.2	3.2	1.3
Asahi Kasei Pharma consolidated		15.1	30.9	18.4
Devices ¹		14.3	29.0	14.0
Total		29.4	60.0	32.4

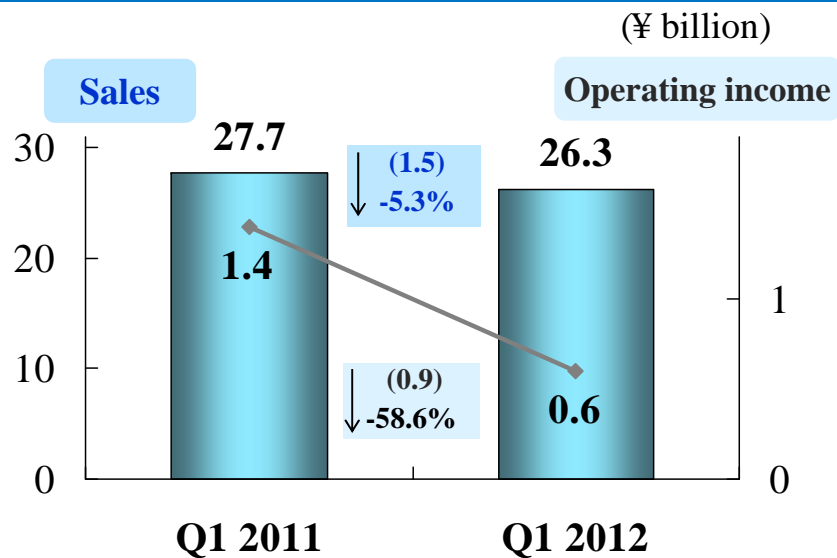
¹ Asahi Kasei Medical and affiliated companies.

Main pharmaceuticals domestic sales

(¥ billion)

	FY 2011		FY 2012
	Q1	H1	Q1
Teribone™	–	–	3.3
Flivas™	3.5	6.9	3.6
Elcitonin™	3.2	6.7	2.7
Recomodulin™	1.5	3.4	2.0
Bredinin™	1.6	3.2	1.6

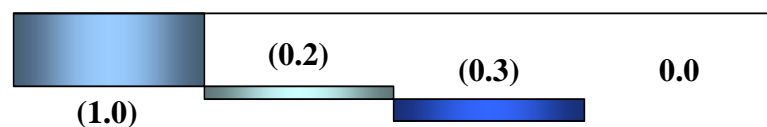
Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Pending approval	AK-120, oral, famciclovir	Additional indication	Antiviral	Herpes simplex	Licensed
Phase III	AK-156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
	AK-160, injection	New biologic	Collagenase clostridium histolyticum	Dupuytren's contracture	Licensed
Phase II	AT-877, oral, fasudil hydrochloride hydrate	Additional indication, new dosage form	Rho-kinase inhibitor	Pulmonary arterial hypertension	In-house
	HC-58, injection, elcatonin	Additional indication	Calcitonin	Shoulder hand syndrome	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



Review of operations

Sales and operating income decrease. Firm performance in exports to China and other Asian countries of Bemberg™ regenerated cellulose and Leona™ nylon 66 filament for airbag applications. Decreased shipments of Roica™ elastic polyurethane filament.

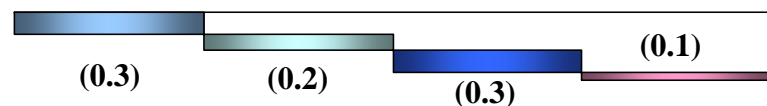
Sales increases/decreases



Increase (decrease) due to:

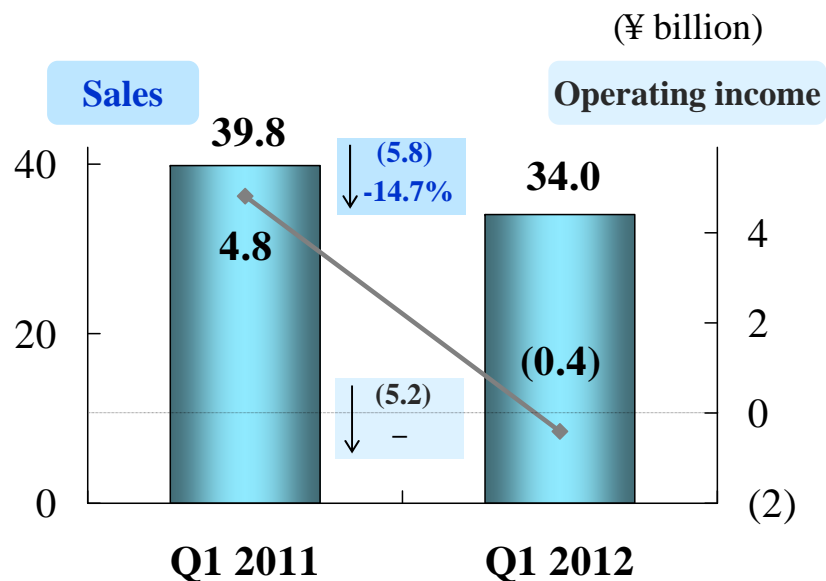
Sales volume	Sales prices	Foreign exchange	Others
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Operating income increases/decreases



Increase (decrease) due to:

Sales volume	Sales prices	Foreign exchange	Operating costs and others
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Review of operations

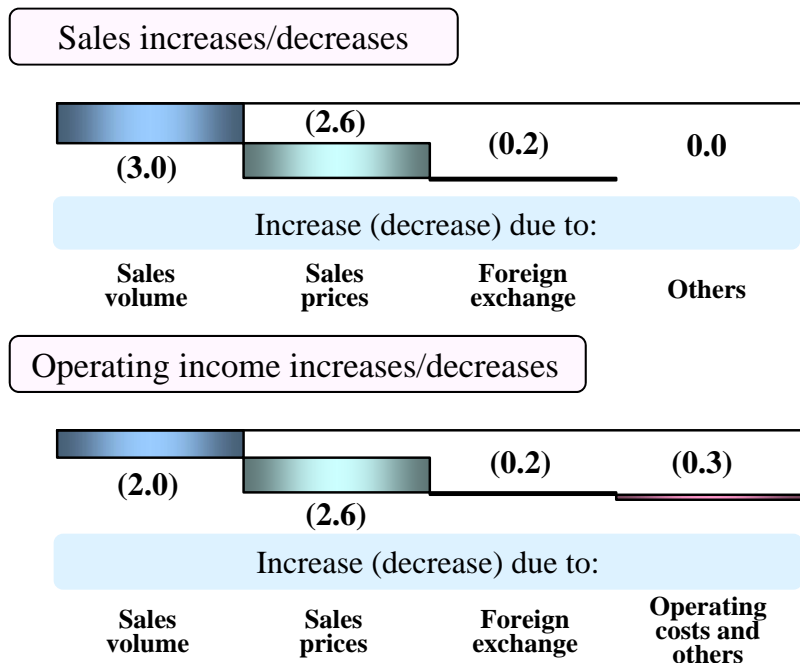
Sales and operating income decrease.

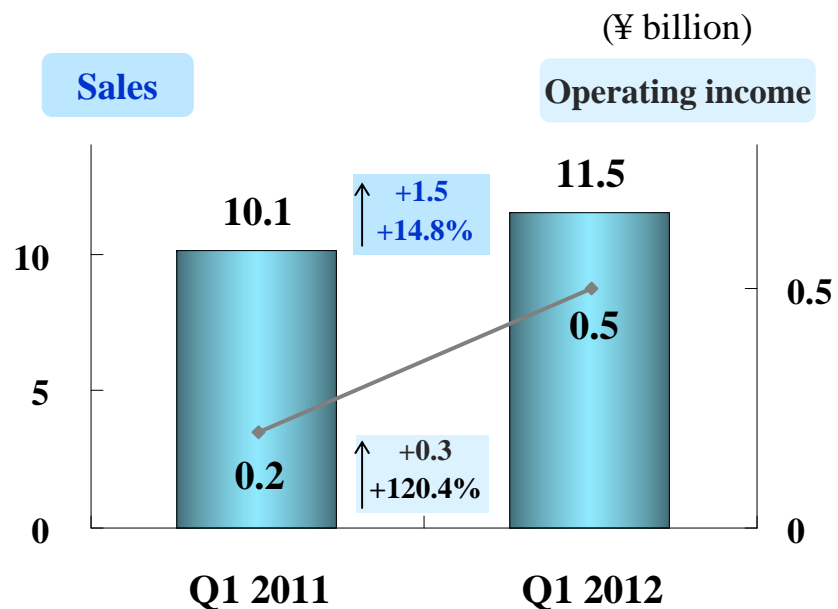
Electronic devices: Increased shipments of mixed-signal LSIs for smartphones. Impact of general deterioration in market conditions across the electronics industry in each product category.

Electronic materials: Hipore™ Li-ion battery separator shipments below Q1 2011 but recovering since Q4 2011. Lower sales prices.

Highlights

- May, announcement to construct a new plant for Sunfort™ dry film photoresist in Changshu, Jiangsu, China; start-up in Sep. 2013.
- June, technology to automatically adjust electronic compasses recognized with the Imperial Invention Prize.
- July, launch of a new 3-axis electronic compass with world's smallest-class package size.

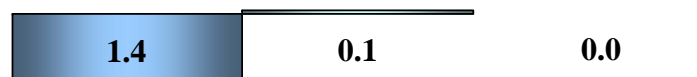




Review of operations

Sales and operating income increase. Strong sales of Hebel™ autoclaved aerated concrete panels. Increased shipments of Neoma™ high-performance phenolic form insulation panels and foundation systems.

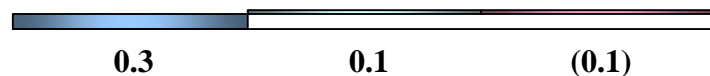
Sales increases/decreases



Increase (decrease) due to:

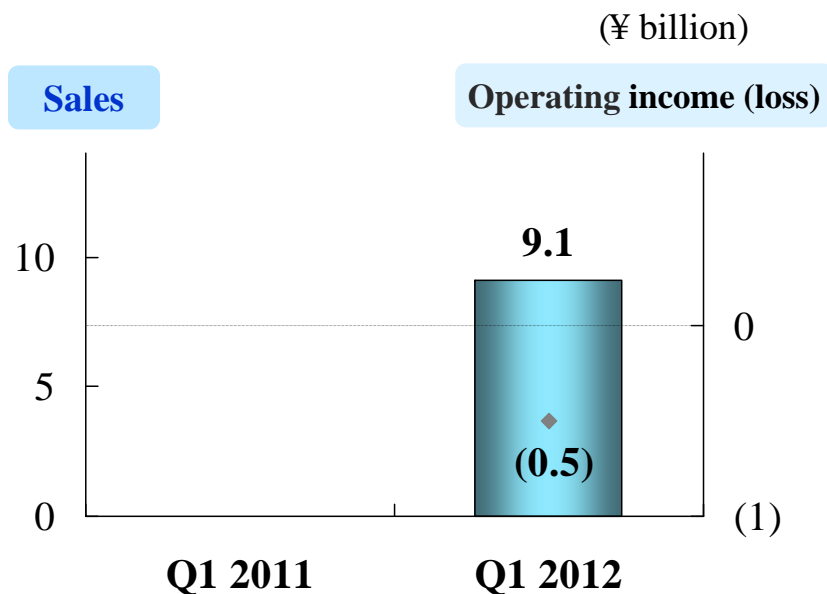
Sales volume Sales prices Others

Operating income increases/decreases



Increase (decrease) due to:

Sales volume Sales prices Operating costs and others



Review of operations

Operating loss due to amortization of goodwill and other intangible assets, despite increased shipments of LifeVest™ wearable external defibrillators and other products overseas.

Financial effect of consolidation¹

1) Effect on balance sheets (¥ billion)

Total assets	215.9 increase
Goodwill	112.9 increase
Other intangible assets	65.1 increase

2) Amortization and depreciation in FY2012

(¥ billion)

Amortization/depreciation of:	H1		H2	FY2012
	Q1	forecast	forecast	forecast
Goodwill	0.9	2.3	2.8	5.0
Other intangible assets, etc.	1.5	3.2	2.7	5.8
Total	2.4	5.4	5.4	10.9

¹ Consolidation of ZOLL Medical Corporation, etc.

– 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.