

Fiscal quarter ended
December 2012
– supplementary financial summary –

February 5, 2013
Asahi Kasei Corporation

Consolidated results for fiscal quarter ended Dec. 2012

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Consolidated results for fiscal quarter ended Dec. 2012

Summary of financial results

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(¥ billion)

	2011		2012		Oct.–Dec. 2011 vs. 2012		Apr.–Dec. 2011 vs. 2012		FY 2012 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 ¹	385.3	1,169.8	415.1	1,202.6	29.8	+7.7%	32.8	+2.8%	1,685.0	71.4%
Operating income	23.3	87.1	24.2	62.5	0.9	+3.8%	(24.6)	-28.2%	96.0	65.1%
Ordinary income	25.9	88.0	26.9	62.7	1.0	+3.8%	(25.3)	-28.7%	93.0	67.4%
Net income	9.8	48.1	15.0	35.6	5.2	+52.3%	(12.4)	-25.9%	50.5	70.5%

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 ¥16.4 billion for Oct.–Dec. 2011 and ¥34.1 billion for Apr.–Dec. 2011.)

Key operating factors

Naphtha price (¥/kL, domestic)	51,700	55,200	55,800	55,400
¥/US\$ exchange rate (market average)	77	79	81	80

Financial position

	At end of Mar. 2012	At end of Dec. 2012	Increase (decrease)
Total assets	1,410.6	1,737.9	327.3
Equity	706.8	750.6	43.7
Interest-bearing debt	184.1	419.9	235.8
Debt/equity ratio	0.26	0.56	0.30

Statements of income

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(¥ billion)

	2011				2012				Oct.-Dec. 2011 vs. 2012		Apr.-Dec. 2011 vs. 2012	
	Oct.-Dec.		Apr.-Dec.		Oct.-Dec.		Apr.-Dec.		Increase (decrease)	% change	Increase (decrease)	% change
		% of sales		% of sales		% of sales		% of sales				
Net sales ¹	385.3	100.0%	1,169.8	100.0%	415.1	100.0%	1,202.6	100.0%	29.8	+7.7%	32.8	+2.8%
Cost of sales ¹	289.5	75.1%	867.7	74.2%	308.0	74.2%	893.2	74.3%	18.4	+6.4%	25.5	+2.9%
Gross profit	95.8	24.9%	302.1	25.8%	107.1	25.8%	309.4	25.7%	11.3	+11.8%	7.4	+2.4%
Selling, general and administrative expenses	72.5	18.8%	215.0	18.4%	82.9	20.0%	246.9	20.5%	10.5	+14.4%	31.9	+14.9%
Operating income	23.3	6.1%	87.1	7.4%	24.2	5.8%	62.5	5.2%	0.9	+3.8%	(24.6)	-28.2%
Net non-operating income of which,	2.5	/	0.9	/	2.6	/	0.2	/	0.1	/	(0.7)	/
net financing income	0.4	/	1.1	/	0.2	/	0.9	/	(0.3)	/	(0.2)	/
net equity in earnings (losses) of affiliates	0.0	/	1.0	/	(1.0)	/	(1.0)	/	(1.1)	/	(2.0)	/
foreign exchange income (loss)	0.7	/	(1.8)	/	3.3	/	1.6	/	2.5	/	3.3	/
Ordinary income	25.9	6.7%	88.0	7.5%	26.9	6.5%	62.7	5.2%	1.0	+3.8%	(25.3)	-28.7%
Net extraordinary loss	(1.8)	/	(4.9)	/	(4.5)	/	(7.6)	/	(2.7)	/	(2.7)	/
Income before income taxes and minority interests	24.1	6.2%	83.1	7.1%	22.3	5.4%	55.1	4.6%	(1.7)	-7.2%	(28.0)	-33.7%
Income taxes	(13.8)	/	(33.8)	/	(7.1)	/	(18.9)	/	6.6	/	14.9	/
Minority interests in income	(0.4)	/	(1.3)	/	(0.2)	/	(0.6)	/	0.2	/	0.7	/
Net income	9.8	2.6%	48.1	4.1%	15.0	3.6%	35.6	3.0%	5.2	+52.3%	(12.4)	-25.9%

¹ The accounting policy for naphtha resale was changed in Q4 2011 to exclude the naphtha resale amount from net sales and cost of sales respectively, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥16.4 billion for Oct.-Dec. 2011 and ¥34.1 billion for Apr.-Dec. 2011.)

Extraordinary income and loss

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(¥ billion)

	2011		2012		Oct.–Dec.	Apr.–Dec.
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.	'11 vs. '12 Increase (decrease)	'11 vs. '12 Increase (decrease)
Extraordinary income						
Gain on sales of investment securities	0.0	0.1	0.1	0.1	0.1	(0.0)
Gain on sales of property, plant and equipment	0.1	0.4	0.1	0.2	0.0	(0.3)
Gain on step acquisitions	2.3	2.3	–	–	(2.3)	(2.3)
Total extraordinary income	2.4	2.8	0.2	0.2	(2.2)	(2.6)
Extraordinary loss						
Loss on valuation of investment securities	3.1	3.6	(0.0)	0.0	(3.1)	(3.6)
Loss on disposal of noncurrent assets	0.9	2.2	1.0	2.6	0.1	0.3
Impairment loss	0.0	0.2	0.6	1.1	0.6	0.9
Loss on disaster	0.1	1.0	–	–	(0.1)	(1.0)
Business structure improvement expenses	0.0	0.6	3.2	4.1	3.2	3.5
Total extraordinary loss	4.2	7.7	4.7	7.8	0.5	0.2
Net extraordinary income (loss)	(1.8)	(4.9)	(4.5)	(7.6)	(2.7)	(2.7)

Balance sheets¹

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(¥ billion)

	At end of Mar. 2012	At end of Dec. 2012	Increase (decrease)		At end of Mar. 2012	At end of Dec. 2012	Increase (decrease)
Current assets	721.8	813.8	92.0	Liabilities	691.3	975.0	283.7
Cash and deposits	102.9	101.1	(1.7)	Current liabilities	449.6	631.6	182.0
Notes and accounts receivable–trade	266.1	292.4	26.4	Noncurrent liabilities	241.7	343.5	101.8
Inventories	279.2	319.5	40.3	Net assets	719.3	762.9	43.6
Other current assets	73.6	100.7	27.0	Shareholders' equity	696.8	715.8	19.0
Noncurrent assets	688.8	924.1	235.3	Capital stock	103.4	103.4	–
Property, plant and equipment	416.1	453.3	37.2	Capital surplus	79.4	79.4	(0.0)
Intangible assets	45.2	234.1	188.9	Retained earnings	516.4	535.5	19.1
Investments and other assets	227.5	236.7	9.2	Treasury stock	(2.4)	(2.4)	(0.0)
				Accumulated other comprehensive income	10.0	34.7	24.7
				Minority interests	12.4	12.3	(0.1)
Total assets	1,410.6	1,737.9	327.3	Total liabilities and net assets	1,410.6	1,737.9	327.3

¹ Among the increase in total assets, and total liabilities and net assets, at the end of Dec. 2012, ¥222.3 billion is related to the acquisition and consolidation of ZOLL Medical Corp., etc. Notable effects include a ¥183.5 billion increase in intangible assets (of which ¥116.6 billion is goodwill), and a ¥181.3 billion increase in liabilities (interest-bearing debt).

Cash flows

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(¥ billion)

	2011		2012	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.
a. Net cash provided by (used in) operating activities	22.5	85.6	18.4	48.3
b. Net cash provided by (used in) investing activities	(23.5)	(62.1)	(25.7)	(254.3)
c. Free cash flows [a+b]	(1.0)	23.5	(7.3)	(206.0)
d. Net cash provided by (used in) financing activities	20.3	(49.7)	(12.0)	209.5
e. Effect of exchange rate change on cash and cash equivalents	(2.4)	(2.1)	3.8	(1.8)
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	16.9	(28.2)	(15.4)	1.7
g. Cash and cash equivalents at beginning of period	91.3	134.4	108.2	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]	108.2	108.2	92.8	92.8

Sales and operating income by segment, Oct.–Dec. 2011 and 2012

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(¥ billion)

	Sales ¹			Operating income		
	Oct.–Dec. 2011	Oct.–Dec. 2012	Increase (decrease)	Oct.–Dec. 2011	Oct.–Dec. 2012	Increase (decrease)
Chemicals	165.6	169.0	3.5	9.2	2.9	(6.3)
Homes	109.0	117.4	8.3	10.9	13.0	2.1
Health Care	30.7	36.1	5.4	3.7	7.0	3.2
Fibers	27.2	27.5	0.3	0.5	1.3	0.7
Electronics	35.6	33.2	(2.4)	(0.5)	1.4	1.9
Construction Materials	12.8	14.4	1.6	0.9	1.7	0.7
Critical Care ²	–	13.3	13.3	–	(1.2)	(1.2)
Others	4.4	4.2	(0.2)	0.9	0.5	(0.4)
Corporate expenses and eliminations	–	–	–	(2.5)	(2.2)	0.2
Consolidated	385.3	415.1	29.8	23.3	24.2	0.9
Overseas sales	99.1	116.5	17.4			
Percent of total	25.7%	28.1%	2.4%			

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 ¥16.4 billion for Oct.-Dec. 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 by segment, Apr.–Dec. 2011 and 2012

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(¥ billion)

	Sales ¹			Operating income		
	Apr.–Dec. 2011	Apr.–Dec. 2012	Increase (decrease)	Apr.–Dec. 2011	Apr.–Dec. 2012	Increase (decrease)
Chemicals	525.7	501.4	(24.3)	43.3	17.4	(25.9)
Homes	309.0	330.4	21.4	28.8	31.8	3.0
Health Care	90.7	100.9	10.2	9.4	14.5	5.1
Fibers	83.4	81.4	(2.0)	2.7	3.0	0.3
Electronics	113.2	100.2	(13.0)	6.6	1.4	(5.2)
Construction Materials	35.0	39.2	4.2	1.7	3.3	1.6
Critical Care ²	–	36.2	36.2	–	(2.3)	(2.3)
Others	12.9	13.1	0.2	2.1	1.6	(0.5)
Corporate expenses and eliminations	–	–	–	(7.4)	(8.2)	(0.8)
Consolidated	1,169.8	1,202.6	32.8	87.1	62.5	(24.6)
Overseas sales	326.9	346.9	20.0			
Percent of total	27.9%	28.8%	0.9%			

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 ¥34.1 billion for Apr.-Dec. 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, Oct.–Dec. 2012 vs. 2011 (i)

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(¥ billion)

		Oct.–Dec. 2011	Oct.–Dec. 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	165.6	169.0	3.5	6.6	(1.8)	1.2	(1.4)	–
	Operating income	9.2	2.9	(6.3)	0.1				–
Homes	Sales	109.0	117.4	8.3	3.7	(1.9)	–	6.5	–
	Operating income	10.9	13.0	2.1	0.7				–
Health Care	Sales	30.7	36.1	5.4	6.4	(1.0)	0.1	–	–
	Operating income	3.7	7.0	3.2	5.9				–
Fibers	Sales	27.2	27.5	0.3	0.3	(0.0)	0.2	–	–
	Operating income	0.5	1.3	0.7	0.1				–
Electronics	Sales	35.6	33.2	(2.4)	(2.0)	(0.4)	0.4	–	–
	Operating income	(0.5)	1.4	1.9	(1.3)				–

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 ¥16.4 billion for Oct.-Dec. 2011.)

Sales and operating income increases/decreases by segment, Oct.–Dec. 2012 vs. 2011 (ii)

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(¥ billion)

		Oct.–Dec. 2011	Oct.–Dec. 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	12.8	14.4	1.6	1.6	0.0	–	–	–
	Operating income	0.9	1.7	0.7	0.2			–	0.5
Critical Care ¹	Sales	–	13.3	13.3	–	–	–	13.3	–
	Operating loss	–	(1.2)	(1.2)	–			–	(1.2)
Others	Sales	4.4	4.2	(0.2)	(0.2)	–	–	0.0	–
	Operating income	0.9	0.5	(0.4)	(0.4)			–	(0.1)
Corporate expenses and eliminations	Operating loss	(2.5)	(2.2)	0.2	–	–	–	–	0.2
Consolidated	Sales ²	385.3	415.1	29.8	16.5	(5.2)	1.9	18.4	–
	Operating income	23.3	24.2	0.9	5.3			–	0.7

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 ¥16.4 billion for Oct.-Dec. 2011.)

Sales and operating income increases/decreases by segment, Apr.–Dec. 2012 vs. 2011 (i)

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(¥ billion)

		Apr.–Dec. 2011	Apr.–Dec. 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	525.7	501.4	(24.3)	(8.9)	(14.0)	0.8	(1.4)	–
	Operating income	43.3	17.4	(25.9)	(4.0)			–	(7.9)
Homes	Sales	309.0	330.4	21.4	21.0	0.1	–	0.4	–
	Operating income	28.8	31.8	3.0	5.5			–	(2.6)
Health Care	Sales	90.7	100.9	10.2	13.6	(3.4)	(0.6)	–	–
	Operating income	9.4	14.5	5.1	12.6			–	(4.1)
Fibers	Sales	83.4	81.4	(2.0)	(1.2)	(0.8)	(0.5)	–	–
	Operating income	2.7	3.0	0.3	(0.3)			–	1.5
Electronics	Sales	113.2	100.2	(13.0)	(7.3)	(5.7)	0.2	–	–
	Operating income	6.6	1.4	(5.2)	(2.6)			–	3.1

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 ¥34.1 billion for Apr.–Dec. 2011.)

Sales and operating income increases/decreases by segment, Apr.–Dec. 2012 vs. 2011 (ii)

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(¥ billion)

		Apr.–Dec. 2011	Apr.–Dec. 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	35.0	39.2	4.2	3.9	0.3	-	-	-
	Operating income	1.7	3.3	1.6	0.5			-	-
Critical Care ¹	Sales	-	36.2	36.2	-	-	-	36.2	-
	Operating loss	-	(2.3)	(2.3)	-			-	-
Others	Sales	12.9	13.1	0.2	0.1	-	-	0.1	-
	Operating income	2.1	1.6	(0.5)	(0.3)			-	-
Corporate expenses and eliminations	Operating loss	(7.4)	(8.2)	(0.8)	-	-	-	-	(0.8)
Consolidated	Sales ²	1,169.8	1,202.6	32.8	21.1	(23.4)	(0.0)	35.2	-
	Operating income	87.1	62.5	(24.6)	11.4			-	(12.6)

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 ¥34.1 billion for Apr.-Dec. 2011.)

Forecast for fiscal year 2012

Consolidated operating performance

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(¥ billion)

	FY 2011			FY 2012 revised forecast					FY 2012 forecast in Nov.
	H1	H2	Total	H1	H2		Total		
					Oct.–Dec.	Jan.–Mar.		forecast	
Net sales ¹	784.4	788.8	1,573.2	787.5	415.1	466.4	881.5	1,669.0	1,685.0
Operating income	63.8	40.5	104.3	38.3	24.2	27.5	51.7	90.0	96.0
Ordinary income	62.1	45.4	107.6	35.9	26.9	25.3	52.1	88.0	93.0
Net income	38.2	17.6	55.8	20.6	15.0	14.4	29.4	50.0	50.5

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	55,200	55,800	61,200	58,500	56,850	55,100
¥/US\$ exchange rate (market average)	80	78	79	79	81	89	85	82	79

	FY 2011	FY 2012
Dividends per share	¥14	¥14 (planned)
Payout ratio	35.1%	39.1%

Sales¹ forecast by segment

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(¥ billion)

	FY 2011			FY 2012 revised forecast					FY 2012 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals	360.1	320.0	680.1	332.3	169.0	187.6	356.7	689.0	700.0	(11.0)
Homes	200.0	252.0	452.0	213.0	117.4	155.6	273.0	486.0	486.0	–
Health Care	60.0	59.5	119.5	64.8	36.1	32.1	68.2	133.0	133.0	–
Fibers	56.1	54.7	110.8	53.9	27.5	27.6	55.1	109.0	110.0	(1.0)
Electronics	77.5	68.6	146.1	66.9	33.2	30.8	64.1	131.0	136.0	(5.0)
Construction Materials	22.2	23.9	46.1	24.8	14.4	12.8	27.2	52.0	53.0	(1.0)
Critical Care ²	–	–	–	22.9	13.3	14.8	28.1	51.0	49.0	2.0
Others	8.5	10.1	18.6	8.9	4.2	4.9	9.1	18.0	18.0	–
Consolidated	784.4	788.8	1,573.2	787.5	415.1	466.4	881.5	1,669.0	1,685.0	(16.0)

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 ¥17.7 billion in H1 2011 and ¥22.0 billion in H2 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

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(¥ billion)

	FY 2011			FY 2012 revised forecast					FY 2012 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals	34.1	10.4	44.5	14.6	2.9	5.1	7.9	22.5	31.0	(8.5)
Homes	17.9	28.4	46.3	18.8	13.0	22.2	35.2	54.0	52.0	2.0
Health Care	5.6	3.2	8.8	7.5	7.0	1.5	8.5	16.0	16.0	–
Fibers	2.1	1.0	3.1	1.7	1.3	1.0	2.3	4.0	4.0	–
Electronics	7.0	(0.6)	6.4	0.0	1.4	0.1	1.5	1.5	2.5	(1.0)
Construction Materials	0.8	1.1	1.8	1.6	1.7	0.7	2.4	4.0	3.5	0.5
Critical Care ¹	–	–	–	(1.1)	(1.2)	(1.2)	(2.4)	(3.5)	(4.0)	0.5
Others	1.2	1.8	3.0	1.2	0.5	0.4	0.8	2.0	2.0	–
Corporate expenses and eliminations	(5.0)	(4.8)	(9.7)	(6.0)	(2.2)	(2.3)	(4.5)	(10.5)	(11.0)	0.5
Consolidated	63.8	40.5	104.3	38.3	24.2	27.5	51.7	90.0	96.0	(6.0)

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

Appendix

Statements of comprehensive income

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(¥ billion)

	2011 Apr.–Dec.	2012 Apr.–Dec.	Increase (decrease)
a: Income before minority interests	49.3	36.2	(13.1)
Net increase or decrease in unrealized gain on other securities	4.8	2.2	(2.6)
Deferred gains or losses on hedges	0.1	1.0	0.9
Foreign currency translation adjustment	(5.9)	14.4	20.4
Share of other comprehensive income of affiliates accounted for using equity method	(2.7)	2.1	4.8
b: Other comprehensive income	(3.8)	19.7	23.5
Comprehensive income [a+b]	45.6	56.0	10.4
Comprehensive income attributable to owners of the parent	44.7	55.0	10.3
Comprehensive income attributable to minority interests	0.9	1.0	0.1

Quarterly sales¹ by segment

Asahi**KASEI**

(¥ billion)

	FY 2011				FY 2012			FY 2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	177.9	182.2	165.6	154.5	161.1	171.3	169.0	187.6
Homes	79.2	120.8	109.0	143.0	86.3	126.7	117.4	155.6
Health Care	29.4	30.6	30.7	28.8	32.4	32.4	36.1	32.1
Fibers	27.7	28.4	27.2	27.5	26.3	27.6	27.5	27.6
Electronics	39.8	37.8	35.6	32.9	34.0	33.0	33.2	30.8
Construction Materials	10.1	12.2	12.8	11.1	11.5	13.2	14.4	12.8
Critical Care ²	–	–	–	–	9.1	13.8	13.3	14.8
Others	4.0	4.5	4.4	5.7	4.4	4.5	4.2	4.9
Total	368.0	416.5	385.3	403.5	365.0	422.5	415.1	466.4

Naphtha resale amount
excluded from net sales

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.

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

Asahi**KASEI**

(¥ billion)

	FY 2011				FY 2012			FY 2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	19.4	14.7	9.2	1.2	4.3	10.2	2.9	5.1
Homes	3.6	14.2	10.9	17.5	3.6	15.2	13.0	22.2
Health Care	2.6	3.0	3.7	(0.6)	4.7	2.8	7.0	1.5
Fibers	1.4	0.7	0.5	0.5	0.6	1.1	1.3	1.0
Electronics	4.8	2.2	(0.5)	(0.2)	(0.4)	0.4	1.4	0.1
Construction Materials	0.2	0.5	0.9	0.1	0.5	1.1	1.7	0.7
Critical Care ¹	–	–	–	–	(0.5)	(0.6)	(1.2)	(1.2)
Others	0.4	0.8	0.9	0.9	0.8	0.3	0.5	0.4
Corporate expenses and eliminations	(2.2)	(2.7)	(2.5)	(2.3)	(2.9)	(3.0)	(2.2)	(2.3)
Total	30.2	33.5	23.3	17.2	10.8	27.5	24.2	27.5

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

Overseas sales by segment, Apr.–Dec. 2011 and 2012

Asahi**KASEI**

(¥ billion)

	Apr.–Dec. 2011			Apr.–Dec. 2012			Increase (decrease) in overseas sales	
	Total sales ¹	Overseas sales	% of total	Total sales	Overseas sales	% of total		% change
Chemicals	525.7	220.3	41.9%	501.4	205.3	41.0%	(15.0)	-6.8%
Homes	309.0	–	–	330.4	–	–	–	–
Health Care	90.7	21.8	24.1%	100.9	20.7	20.5%	(1.2)	-5.5%
Fibers	83.4	26.9	32.3%	81.4	28.3	34.7%	1.3	+4.9%
Electronics	113.2	56.3	49.7%	100.2	55.9	55.8%	(0.4)	-0.7%
Construction Materials	35.0	–	–	39.2	–	–	–	–
Critical Care ²	–	–	–	36.2	36.0	99.7%	36.0	–
Others	12.9	1.6	12.3%	13.1	0.8	5.8%	(0.8)	-52.4%
Total	1,169.8	326.9	27.9%	1,202.6	346.9	28.8%	20.0	+6.1%
Sales to East Asia ³		209.1	17.9%		205.6	17.1%	(3.5)	-1.7%
of which, sales to China		117.1	10.0%		113.0	9.4%	(4.2)	-3.6%

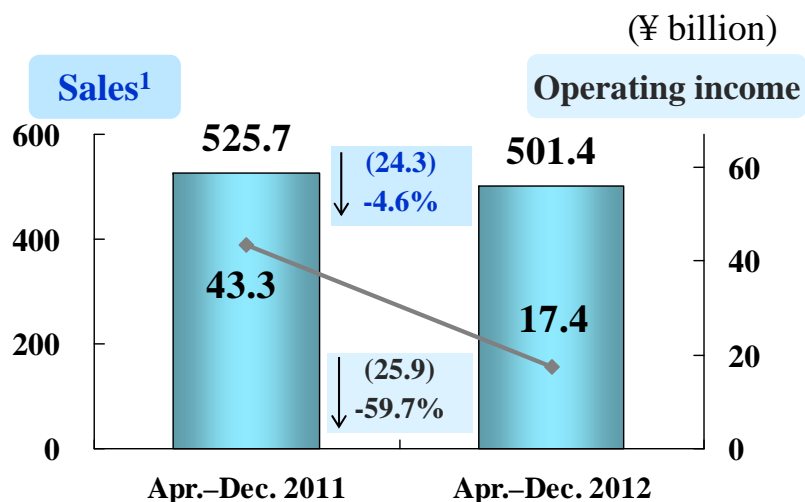
Sales, excluding Homes and
Construction Materials

825.8 326.9 39.6% 833.0 346.9 41.6%

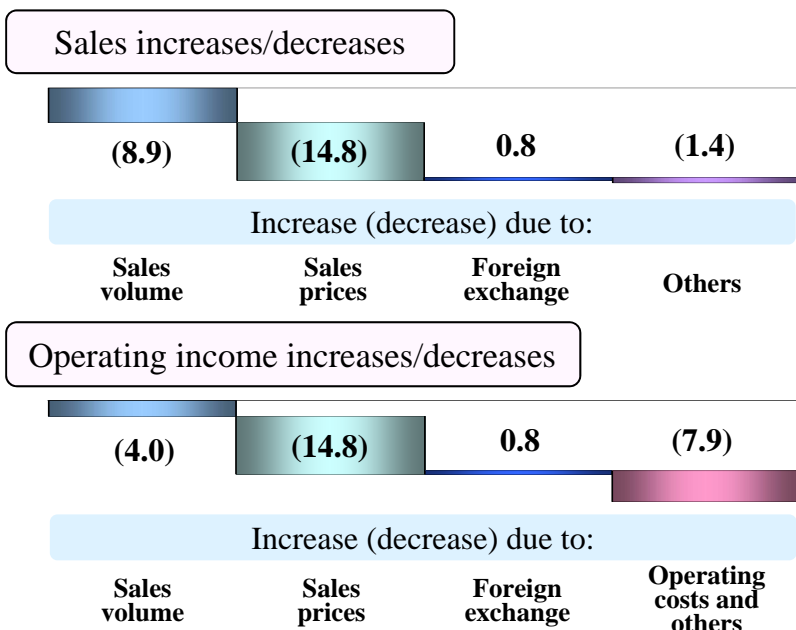
¹ The accounting policy for naphtha resale in the Chemicals segment was changed in Q4 2011 to exclude the naphtha resale amount from net sales, which is applied retroactively for the full FY 2011. (Naphtha resale amount was ¥34.1 billion for Apr.–Dec. 2011.)

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

³ China, Korea, and Taiwan.



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 was ¥34.1 billion for Apr.-Dec. 2011)



Review of operations

Volume products:

Chemicals and derivative products

Significant deterioration in terms of trade with decline in market prices for acrylonitrile and other monomers due to stagnant demand in China and other countries experiencing economic slowdown. Sales and operating income decrease.

Polymer products

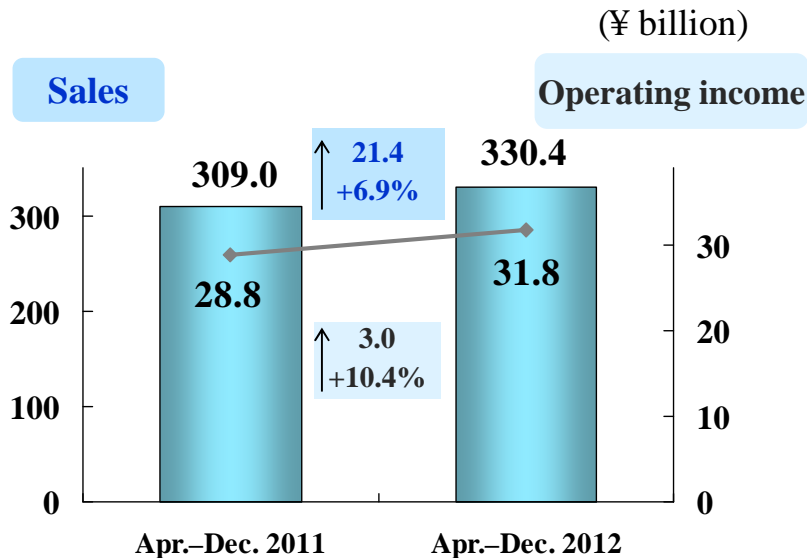
Good performance of synthetic rubber for fuel-efficient tires. Impact of competition from imported products for polyethylene. Sales and operating income decrease.

Specialty products:

Impact of delay in start-up of customer projects in China for ion-exchange membranes. Good performance in coating materials and functional chemicals for pharmaceutical manufacture. Sales decrease, but operating income increase.

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.
- December, completion of Kawasaki Innovation Center, a new integrated R&D facility.



Review of operations

- Increased deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings in order-built homes operations. Increased deliveries of condominiums and firm performance in rental management in real-estate operations. Good performance in solar panel installation and other renovation work in remodeling operations. Sales and operating income increase.
- Development of products matching needs in urban areas. Value of new orders increasing 10.0% year-on-year for Oct. to Dec. and 9.7% year-on-year for Apr. to Dec.

Highlights

- April, launch of two-generation Hebel Haus™ homes with a system for energy sharing between families.
- April, launch of homes 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™.
- August, launch of homes with features for families living with their parents and a single sibling.
- November, launch of Hebel Haus™ Frex “GENB” basalt-colored three-story houses.

Results by product category¹

(¥ billion)

	Apr.-Dec. 2011		Apr.-Dec. 2012		
	Sales	Operating income	Sales	Operating income	
Order-built homes	228.7	/	244.9	23.8	
Pre-built homes	15.1		50.0	3.0	
Housing-related, etc.	65.3		33.9	4.3	
			Other housing-related, etc.	1.6	0.7
Total	309.0	28.8	330.4	31.8	

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, etc. 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 (ii)

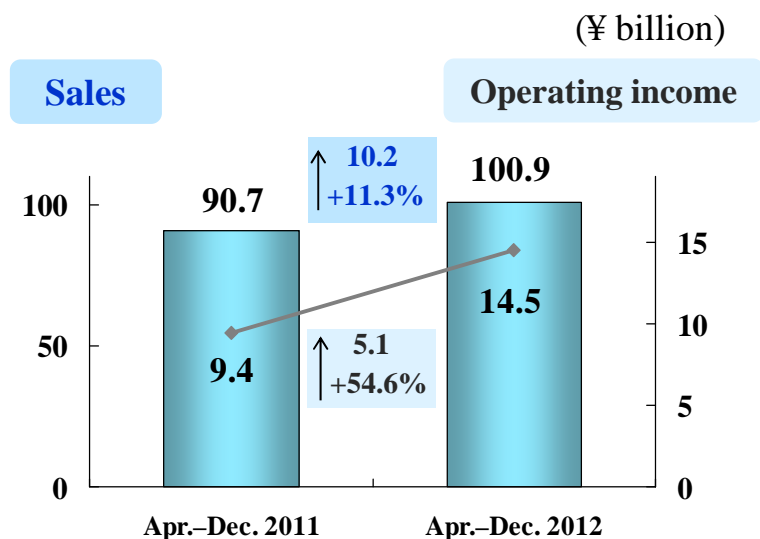
Sales¹ and order trends

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

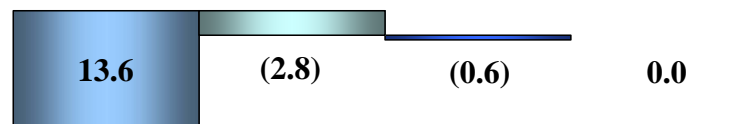
		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes		Other sales	Consolidated subsidiaries	Consolidated	Order backlog
FY08	H1	157.1 (+2.3%)	129.4 (-1.4%)	6.0	(-19.7%)	0.7	34.3 (+13.2%)	170.3 (+2.0%)	326.6
	H2	133.9 (-12.1%)	177.9 (+7.2%)	24.0	(+22.8%)	0.9	36.9 (+10.8%)	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	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	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, etc.	Sales of real estate-related				Sales of Remodeling	Other sales	Consolidated	Order backlog
				Pre-built homes	Rental housing	Other	Total				
FY12	H1	207.5 (+9.5%)	161.4	4.4	23.3	1.1	28.8	21.6	1.2	213.0 (+6.5%)	441.5
	Q3	88.0 (+10.0%)	83.5	8.8	11.9	0.5	21.3	12.3	0.4	117.4 (+7.7%)	447.6
	H2 forecast	195.6 (+7.2%)	204.5	17.6	24.8	1.4	43.7	23.4	1.3	273.0 (+8.3%)	437.8
	annual	403.1 (+8.4%)	366.0	22.0	48.0	2.5	72.5	45.0	2.5	486.0 (+7.5%)	

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



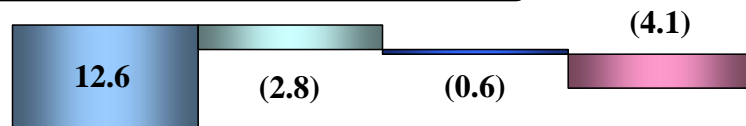
Sales increases/decreases



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

Pharmaceuticals:

Increased R&D expenses. Impact of reduced reimbursement prices. Continued solid sales growth of Teribone™ osteoporosis drug and Recomodulin™ recombinant thrombomodulin. Sales and operating income increase.

Devices:

Firm sales of polysulfone-membrane artificial kidneys and other blood purification products. Impact from the strong yen. Sales and operating income decrease.

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.
- October, initiation of global Phase III clinical trial for ART-123 (marketed as Recomodulin™ in Japan) for the treatment of severe sepsis with coagulopathy.
- December, conclusion of agreement with Hisamitsu Pharmaceutical Co., Inc. for joint sales in Japan of HOB-294 (oxybutynin hydrochloride transdermal therapeutic formulation), which is being developed by Hisamitsu as an overactive bladder therapeutic drug.

Health Care (ii)

Asahi**KASEI**

Sales of Health Care segment

(¥ billion)

		FY 2011			FY 2012	
		Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
	Domestic pharmaceuticals	15.4	43.1	57.1	19.9	54.1
	Others	1.0	4.2	5.2	1.3	3.6
Asahi Kasei Pharma consolidated		16.4	47.3	62.3	21.1	57.7
Devices ¹		14.3	43.4	57.2	15.0	43.2
Total		30.7	90.7	119.5	36.1	100.9

¹ Asahi Kasei Medical and its affiliate companies.

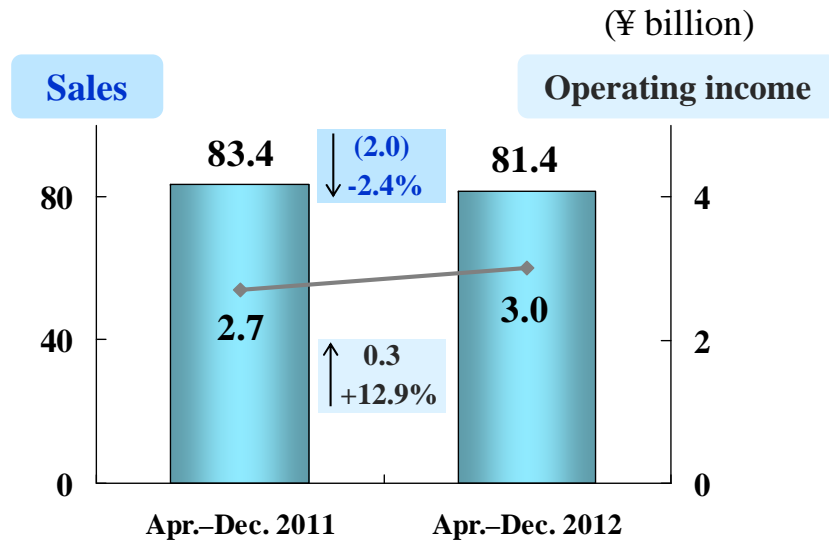
Main pharmaceuticals domestic sales

(¥ billion)

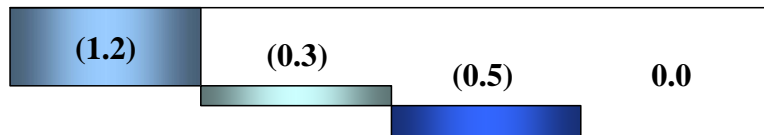
	FY 2011			FY 2012	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Teribone™	0.4	0.4	2.2	4.8	12.2
Flivas™	4.0	10.9	14.2	3.9	10.9
Elcitonin™	3.2	9.8	12.4	2.7	8.0
Recomodulin™	2.1	5.5	7.3	3.0	7.2
Bredinin™	1.8	5.0	6.4	1.6	4.7

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
	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 III (overseas)	ART-123, injection, recombinant thrombomodulin alpha	New biologic	Recombinant human thrombomodulin	Severe sepsis with coagulopathy	In-house
Phase II (overseas)	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house



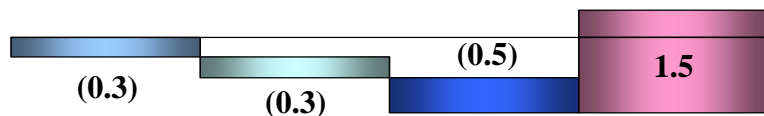
Sales increases/decreases



Increase (decrease) due to:

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



Increase (decrease) due to:

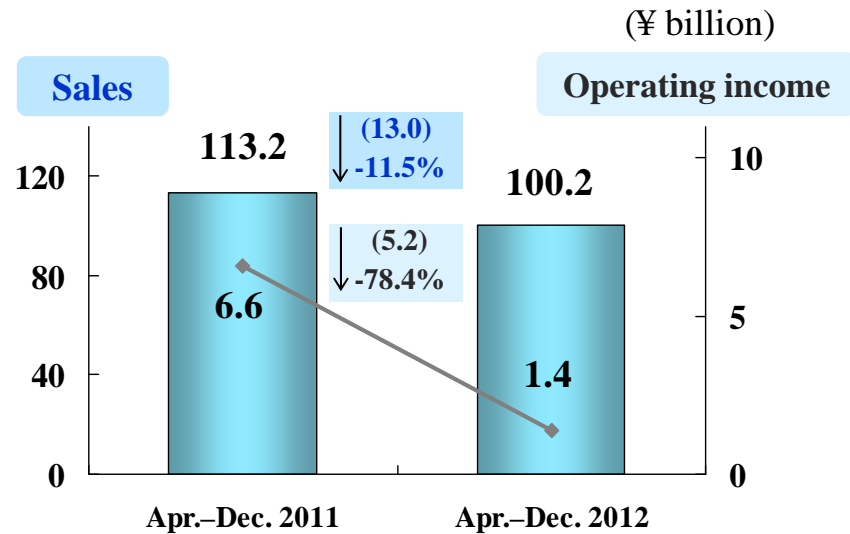
Sales volume	Sales prices	Foreign exchange	Operating costs and others
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Review of operations

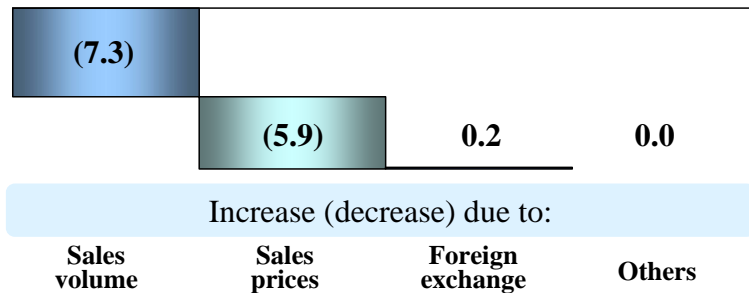
Impact of decreased exports and the strong yen for Roica™ elastic polyurethane filament. Strong sales of Bemberg™ regenerated cellulose in markets for outerwear and ethnic garments. Good performance of Leona™ nylon 66 filament in airbag applications and of nonwoven products. Sales decrease, but operating income increase.

Highlights

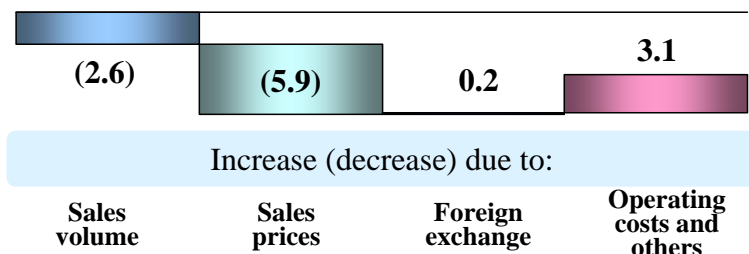
- August, decision to restructure spandex operations, including discontinuation of manufacture and sale of spandex at US subsidiary.



Sales increases/decreases



Operating income increases/decreases

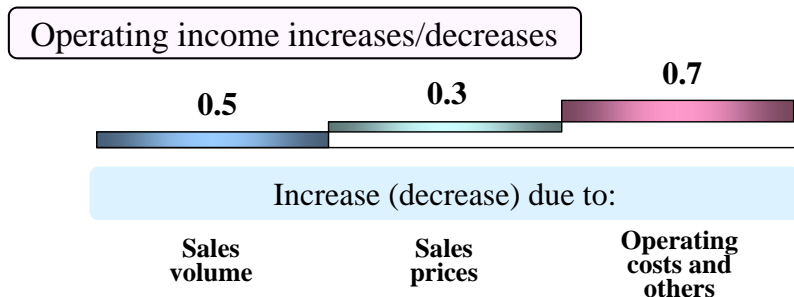
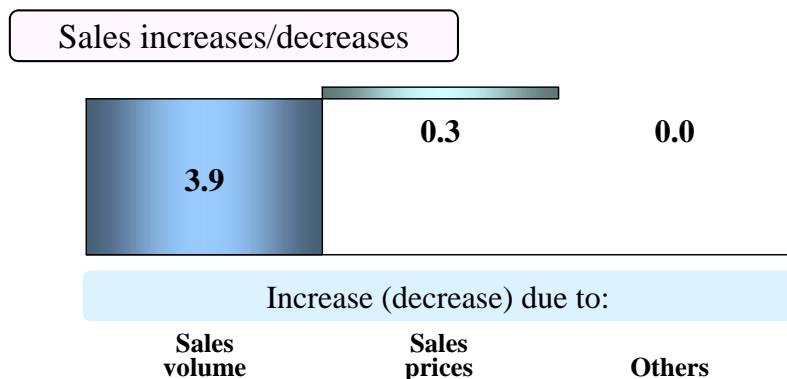
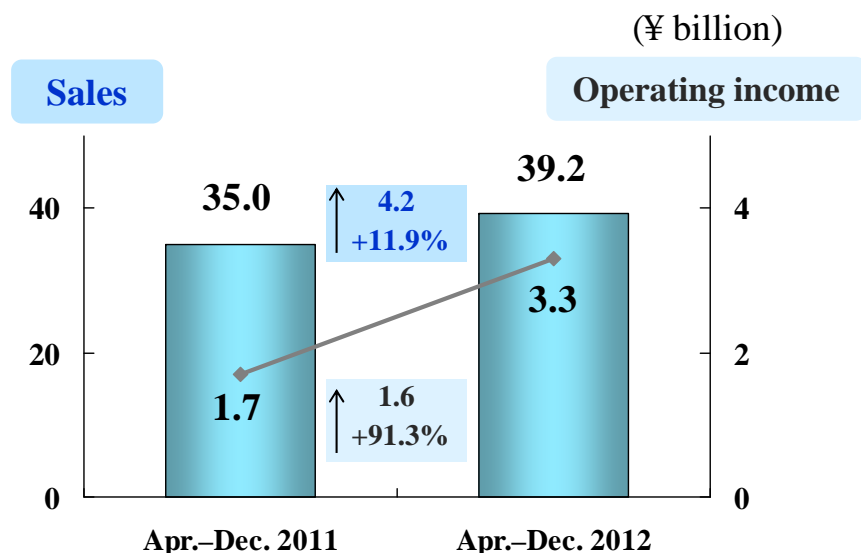


Review of operations

Increased shipments of mixed-signal LSIs for smartphones. Sluggish shipments and declining sales prices of other electronic devices and of electronic materials such as Hipore™ Li-ion battery separator, due to general deterioration in market conditions across the electronics industry. Sales and operating income decrease.

Highlights

- May, announcement on construction of 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.
- September, start-up of a Hipore™ slitting facility in Suzhou, Jiangsu, China.

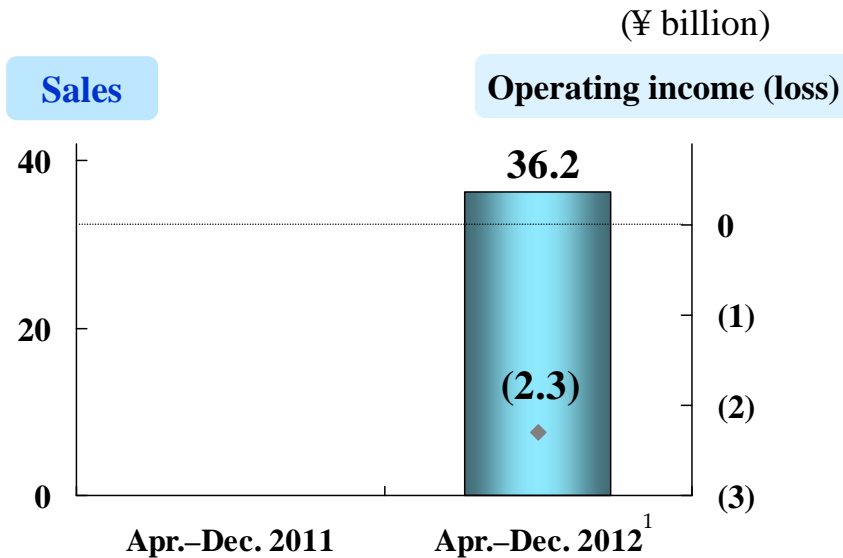


Review of operations

Strong sales of Hebel™ autoclaved aerated concrete panels. Increased shipments of insulation materials such as Neoma™ high-performance phenolic foam insulation panels. Expansion of new applications for Eazet™ piling systems for small-scale construction in foundation systems. Firm performance of structural materials. Sales and operating income increase.

Highlights

- August, decision to discontinue manufacture and sale of Sunylite™ polyethylene foam insulation panels at end of Mar. 2013.
- August, launch of “Jupii™ 25” phenolic foam floor insulation panels.



Review of operations

Steady increase in shipments of LifeVest™ wearable defibrillators. Good performance of defibrillators for professional use and other products. Operating loss resulting as an effect of amortization of goodwill and other intangible assets.

Highlights

- October, establishment of Asahi Kasei ZOLL Medical Corporation as Japanese subsidiary of ZOLL Medical Corporation.

Calculation of consolidated operating income in Critical Care segment (¥ billion)

	H1 (May–Sep.)	Q3 (Oct.–Dec.)	H2 forecast	FY 2012 forecast
	Gross operating income before PPA ² impact	4.1	1.6	3.5
Amortization/depreciation from PPA ² revaluation	(5.3)	(2.9)	(5.9)	(11.2)
Goodwill	(2.3)	(1.4)	(2.9)	(5.2)
Other intangible assets, etc.	(3.0)	(1.5)	(3.0)	(6.0)
Net operating income	(1.1)	(1.2)	(2.4)	(3.5)

¹ ZOLL Medical Corp., etc. were consolidated on Apr. 27, 2012.

² Purchase price allocation.

– 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.