

# Fiscal 2013 Financial Results

– supplementary financial summary –

May 9, 2014

Asahi Kasei Corporation

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## Consolidated results for FY 2013

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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 Year 2013

# Summary of financial results (i)

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(¥ billion)

	FY 2012	FY 2013		FY 2013 vs FY 2012		Actual vs forecast	
		Actual	Forecast in Feb.	Increase (decrease)	% change	Increase (decrease)	% change
Net sales	1,666.6	1,897.8	1,896.0	231.1	+13.9%	1.8	+0.1%
Operating income	92.0	143.3	140.0	51.4	+55.9%	3.3	+2.4%
Ordinary income	95.1	142.9	138.5	47.7	+50.2%	4.4	+3.2%
Net income	53.7	101.3	77.0	47.6	+88.6%	24.3	+31.6%

## Key operating factors

Naphtha price (¥/kL, domestic)	57,500	67,300	67,125
¥/US\$ exchange rate (market average)	83	100	100

## Financial position

At closing	FY 2012	FY 2013	Increase (decrease)
Total assets	1,800.2	1,915.1	114.9
Equity	812.1	912.7	100.6
Interest-bearing debt	381.4	303.9	(77.6)
Debt/equity ratio	0.47	0.33	(0.14)

# Summary of financial results (ii)

	FY 2012	FY 2013
Net income per share (EPS)	¥38.43	¥72.48
Dividends per share	¥14	¥17
Payout ratio	36.4%	23.5%
Net income per total assets (ROA)	3.3%	5.5%
Net income per shareholders' equity (ROE)	7.1%	11.7%
Shareholders' equity per share (BPS)	¥581.05	¥653.15

## Scope of consolidation

Number of consolidated subsidiaries	126	131
Number of affiliates for which the equity method is applied	43	40

Employees at year end	28,363	29,127
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# Statements of income

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(¥ billion)

	FY 2012		FY 2013		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	1,666.6	100.0%	1,897.8	100.0%	231.1	+13.9%
Cost of sales	1,239.5	74.4%	1,385.7	73.0%	146.3	+11.8%
Gross profit	427.2	25.6%	512.1	27.0%	84.9	+19.9%
Selling, general and administrative expenses	335.2	20.1%	368.7	19.4%	33.5	+10.0%
Operating income	92.0	5.5%	143.3	7.6%	51.4	+55.9%
Net non-operating income (expenses)	3.2		(0.5)		(3.6)	
of which,						
net financing income (expense)	0.8		1.4		0.6	
net equity in earnings (losses) of affiliates	(0.2)		(1.8)		(1.6)	
foreign exchange income (loss)	4.3		0.4		(3.9)	
Ordinary income	95.1	5.7%	142.9	7.5%	47.7	+50.2%
Net extraordinary income (loss)	(12.8)		21.0		33.8	
Income before income taxes and minority interests	82.3	4.9%	163.9	8.6%	81.6	+99.1%
Income taxes	(28.4)		(61.8)		(33.4)	
Minority interest in income	(0.2)		(0.8)		(0.6)	
Net income	53.7	3.2%	101.3	5.3%	47.6	+88.6%

# Financing activity

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## Financing income and expenses

(¥ billion)

	FY 2012	FY 2013	Increase (decrease)
Interest expenses	(3.3)	(3.4)	(0.0)
Interest income	1.3	1.2	(0.1)
Dividends income	2.9	3.7	0.7
Others	(0.1)	(0.1)	(0.0)
Total	0.8	1.4	0.6

## Interest-bearing debt

(¥ billion)

	FY 2012	FY 2013	Increase (decrease)
At closing			
Short-term loans payable	113.0	103.6	(9.4)
Commercial paper	70.0	10.0	(60.0)
Long-term loans payable	146.9	146.0	(0.9)
Bonds payable	45.0	40.0	(5.0)
Lease obligations	6.5	4.2	(2.2)
Total	381.4	303.9	(77.6)

# Extraordinary income and loss

(¥ billion)

	FY 2012	FY 2013	Increase (decrease)
Extraordinary income			
Gain on sales of investment securities	0.1	0.3	0.2
Gain on sales of noncurrent assets	0.2	1.7	1.4
Income from compensation for damage	–	53.5	53.5
Total extraordinary income	0.3	55.5	55.2
Extraordinary loss			
Loss on valuation of investment securities	0.5	1.2	0.7
Loss on disposal of noncurrent assets	4.0	5.6	1.6
Impairment loss	2.1	0.4	(1.6)
Environmental expenses	0.2	–	(0.2)
Business structure improvement expenses	6.4	22.5	16.2
Loss on discontinuation of development project	–	4.8	4.8
Total extraordinary loss	13.2	34.5	21.4
Net extraordinary income (loss)	(12.8)	21.0	33.8



# FY 2013 vs FY 2012 sales and operating income by segment<sup>1</sup>

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(¥ billion)

	Sales			Operating income			FY 2013 forecast in Feb.	
	FY 2012	FY 2013	Increase (decrease)	FY 2012	FY 2013	Increase (decrease)	Sales	Operating income
Chemicals	684.6	791.6	107.0	22.9	38.9	16.0	790.0	38.0
Fibers	109.6	120.9	11.3	4.0	8.6	4.5	122.0	8.5
Homes	486.2	534.4	48.2	54.3	63.0	8.7	534.0	62.0
Construction Materials	51.5	55.0	3.5	4.0	5.5	1.5	56.0	6.0
Electronics	131.1	145.0	13.8	2.8	14.2	11.4	145.0	14.0
Health Care	133.5	152.5	19.1	15.9	30.3	14.3	152.0	28.5
Critical Care <sup>2</sup>	52.1	79.8	27.7	(3.7)	(3.5)	0.1	79.0	(3.5)
Others	18.0	18.5	0.5	2.2	1.7	(0.5)	18.0	1.5
Corporate expenses and eliminations	–	–	–	(10.5)	(15.3)	(4.8)	–	(15.0)
Consolidated	1,666.6	1,897.8	231.1	92.0	143.3	51.4	1,896.0	140.0

<sup>1</sup> Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

<sup>2</sup> In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

# Overseas sales by segment<sup>1</sup>

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(¥ billion)

	FY 2012			FY 2013			Increase (decrease)	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		% change
Chemicals	684.6	290.2	42.4%	791.6	354.8	44.8%	64.6	+22.3%
Fibers	109.6	38.6	35.2%	120.9	48.3	39.9%	9.6	+25.0%
Homes	486.2	–	–	534.4	–	–	–	–
Construction Materials	51.5	–	–	55.0	–	–	–	–
Electronics	131.1	74.9	57.1%	145.0	90.4	62.4%	15.5	+20.7%
Health Care	133.5	28.6	21.4%	152.5	35.2	23.1%	6.6	+23.0%
Critical Care <sup>2</sup>	52.1	51.9	99.5%	79.8	79.3	99.3%	27.4	+52.9%
Others	18.0	1.0	5.5%	18.5	0.7	3.7%	(0.3)	-31.5%
Total	1,666.6	485.2	29.1%	1,897.8	608.7	32.1%	123.5	+25.5%
Sales to East Asia <sup>3</sup>		284.1	17.0%		340.5	17.9%	56.4	+19.9%
of which, sales to China		155.6	9.3%		187.2	9.9%	31.7	+20.4%

Sales, excluding Homes  
and Construction Materials

1,129.0      485.2      43.0%      1,308.4      608.7      46.5%

<sup>1</sup> Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

<sup>2</sup> In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

<sup>3</sup> China, Korea, and Taiwan.

# Sales and operating income increases/decreases by segment<sup>1</sup>, FY 2013 vs FY 2012 (i)

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(¥ billion)

		FY 2012	FY 2013	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	684.6	791.6	107.0	33.5	49.7	49.5	23.8	–
	Operating income	22.9	38.9	16.0	3.7				–
Fibers	Sales	109.6	120.9	11.3	6.9	7.0	6.0	(2.6)	–
	Operating income	4.0	8.6	4.5	0.9				–
Homes	Sales	486.2	534.4	48.2	31.1	7.5	–	9.6	–
	Operating income	54.3	63.0	8.7	9.5				–
Construction Materials	Sales	51.5	55.0	3.5	3.0	0.5	–	–	–
	Operating income	4.0	5.5	1.5	1.1				–
Electronics	Sales	131.1	145.0	13.8	9.1	4.6	15.4	0.1	–
	Operating income	2.8	14.2	11.4	6.3				–

<sup>1</sup> Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

# Sales and operating income increases/decreases by segment<sup>1</sup>, FY 2013 vs FY 2012 (ii)

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(¥ billion)

		FY 2012	FY 2013	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Health Care	Sales	133.5	152.5	19.1	13.3	5.8	5.8	-	-
	Operating income	15.9	30.3	14.3	11.9				-
Critical Care <sup>2</sup>	Sales	52.1	79.8	27.7	11.5	(0.3)	0.1	16.5	-
	Operating loss	(3.7)	(3.5)	0.1	8.1				-
Others	Sales	18.0	18.5	0.5	0.5	-	-	-	-
	Operating income	2.2	1.7	(0.5)	0.1				-
Corporate expenses and eliminations	Operating loss	(10.5)	(15.3)	(4.8)	-	-	-	-	(4.8)
Consolidated	Sales	1,666.6	1,897.8	231.1	108.9	74.8	76.8	47.4	-
	Operating income	92.0	143.3	51.4	41.5				-

<sup>1</sup> Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

<sup>2</sup> In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

# Balance sheets

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(¥ billion)

	At end of Mar. 2013	At end of Mar. 2014	Increase (decrease)		At end of Mar. 2013	At end of Mar. 2014	Increase (decrease)
Current assets	819.5	890.4	70.9	Liabilities	975.7	989.3	13.6
Cash and deposits	109.5	151.5	42.0	Current liabilities	602.9	576.8	(26.1)
Notes and accounts receivable–trade	306.2	316.7	10.5	Noncurrent liabilities	372.9	412.5	39.7
Inventories	309.7	328.5	18.9	Net assets	824.5	925.8	101.3
Other current assets	94.1	93.7	(0.4)	Shareholders' equity	733.9	815.6	81.7
Noncurrent assets	980.7	1,024.7	44.0	Capital stock	103.4	103.4	–
Property, plant and equipment	461.6	480.5	19.0	Capital surplus	79.4	79.4	0.0
Intangible assets	255.4	258.4	3.0	Retained earnings	553.6	635.4	81.8
Investments and other assets	263.7	285.7	22.0	Treasury stock	(2.4)	(2.6)	(0.2)
				Accumulated other comprehensive income	78.2	97.1	18.9
				Minority interests	12.4	13.1	0.7
Total assets	1,800.2	1,915.1	114.9	Total liabilities and net assets	1,800.2	1,915.1	114.9

# Cash flows and primary investments

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Cash flows		(¥ billion)	
	FY 2012	FY 2013	
a. Net cash provided by (used in) operating activities	126.0	244.2	
b. Net cash provided by (used in) investing activities	(278.5)	(103.8)	
c. Free cash flows [a+b]	(152.5)	140.4	
d. Net cash provided by (used in) financing activities	166.2	(105.1)	
e. Effect of exchange rate change on cash and cash equivalents	(0.9)	3.3	
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	12.9	38.6	
g. Cash and cash equivalents at beginning of period	96.4	104.0	
h. Increase in cash and cash equivalents resulting from change in scope of consolidation	0.1	0.5	
i. Effect of change in the reporting period of consolidated subsidiaries and affiliates	(5.3)	–	
j. Cash and cash equivalents at end of period [f+g+h+i]	104.0	143.1	
Primary investments		(¥ billion)	
	FY 2012	FY 2013	
Capital expenditure (tangible)	92.3	82.5	
Capital expenditure (intangible)	21.5	9.9	
Total capital expenditure	113.8	92.4	
Depreciation and amortization excluding goodwill	80.0	86.1	
Amortization of goodwill	7.0	8.8	
Total depreciation and amortization	87.0	94.9	
R&D expenditures	71.1	71.1	

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# Forecast for Fiscal Year 2014



# Consolidated operating performance forecast

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(¥ billion)

	FY 2012	FY 2013			FY 2014 forecast			Increase (decrease)
		H1	H2	Total	H1	H2	Total	
Net sales	1,666.6	919.0	978.8	1,897.8	973.0	1,043.0	2,016.0	118.2
Operating income	92.0	74.3	69.1	143.3	67.0	83.0	150.0	6.7
Ordinary income	95.1	72.9	70.0	142.9	67.0	84.0	151.0	8.1
Net income	53.7	46.6	54.6	101.3	39.0	51.0	90.0	(11.3)

Naphtha price (¥/kL, domestic)	57,500	64,700	69,900	67,300	70,000	70,000	70,000	2,700
¥/US\$ exchange rate (market average)	83	99	102	100	100	100	100	(0)

	FY 2012	FY 2013	FY 2014
Dividends per share	¥14	¥17	¥17 (planned)
Payout ratio	36.4%	23.5%	26.4%

# Sales and operating income forecast by segment

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Beginning with FY 2014, the former Chemicals segment and the former Fibers segment are combined as a new Chemicals & Fibers segment, the former Homes segment and the former Construction Materials segment are combined as a new Homes & Construction Materials segment, and the former Health Care segment and the former Critical Care segment are combined as a new Health Care segment.

## Sales forecast by segment

(¥ billion)

	FY 2013			FY 2014 forecast			Increase (decrease) b-a
	H1	H2	Total a	H1	H2	Total b	
Chemicals & Fibers	456.8	455.7	912.5	476.0	500.0	976.0	63.5
Homes & Construction Materials	266.2	323.2	589.4	287.0	324.0	611.0	21.6
Electronics	74.7	70.3	145.0	76.0	76.0	152.0	7.0
Health Care	113.3	119.1	232.4	122.0	134.0	256.0	23.6
Others	8.0	10.5	18.5	12.0	9.0	21.0	2.5
Consolidated	919.0	978.8	1,897.8	973.0	1,043.0	2,016.0	118.2

## Operating income forecast by segment

(¥ billion)

	FY 2013			FY 2014 forecast			Increase (decrease) b-a
	H1	H2	Total a	H1	H2	Total b	
Chemicals & Fibers	27.6	19.9	47.4	26.5	32.5	59.0	11.6
Homes & Construction Materials	29.6	38.9	68.5	28.5	32.5	61.0	(7.5)
Electronics	9.3	4.9	14.2	7.0	8.0	15.0	0.8
Health Care	14.3	12.4	26.7	12.5	17.0	29.5	2.8
Others	0.8	0.9	1.7	0.5	1.0	1.5	(0.2)
Corporate expenses and eliminations	(7.3)	(8.0)	(15.3)	(8.0)	(8.0)	(16.0)	(0.7)
Consolidated	74.3	69.1	143.3	67.0	83.0	150.0	6.7

# Sales forecast by business category<sup>1</sup>

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(¥ billion)

	FY 2013			FY 2014 forecast			Increase (decrease)
	H1	H2	Total	H1	H2	Total	
Chemicals	397.0	394.6	791.6	414.0	434.0	848.0	56.4
Fibers	59.8	61.1	120.9	62.0	66.0	128.0	7.1
Homes	238.4	296.0	534.4	257.0	294.0	551.0	16.6
Construction Materials	27.8	27.2	55.0	30.0	30.0	60.0	5.0
Electronics	74.7	70.3	145.0	76.0	76.0	152.0	7.0
Health Care	75.8	76.8	152.5	76.0	82.0	158.0	5.5
Critical Care	37.5	42.3	79.8	46.0	52.0	98.0	18.2
Others	8.0	10.5	18.5	12.0	9.0	21.0	2.5
Consolidated	919.0	978.8	1,897.8	973.0	1,043.0	2,016.0	118.2

<sup>1</sup> Corresponding to the former operating segments.

# Operating income forecast by business category<sup>1</sup>

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(¥ billion)

	FY 2013			FY 2014 forecast			Increase (decrease)
	H1	H2	Total	H1	H2	Total	
Chemicals	23.2	15.7	38.9	22.5	27.5	50.0	11.1
Fibers	4.4	4.2	8.6	4.0	5.0	9.0	0.4
Homes	26.5	36.4	63.0	26.0	30.0	56.0	(7.0)
Construction Materials	3.1	2.4	5.5	2.5	2.5	5.0	(0.5)
Electronics	9.3	4.9	14.2	7.0	8.0	15.0	0.8
Health Care	16.4	13.9	30.3	13.0	16.0	29.0	(1.3)
Critical Care	(2.0)	(1.5)	(3.5)	(0.5)	1.0	0.5	4.0
Others	0.8	0.9	1.7	0.5	1.0	1.5	(0.2)
Corporate expenses and eliminations	(7.3)	(8.0)	(15.3)	(8.0)	(8.0)	(16.0)	(0.7)
Consolidated	74.3	69.1	143.3	67.0	83.0	150.0	6.7

<sup>1</sup> Corresponding to the former operating segments.

# Forecast by business category<sup>1</sup>

	(¥billion)	FY 13	FY 14 forecast	Outlook
Chemicals	Sales	791.6	848.0	Improved market price for acrylonitrile in chemicals and derivative products. Increased shipments of synthetic rubber and engineering plastics in polymer products. Effect of strengthening of domestic petrochemical operations. Sales and operating income increase.
	Operating income	38.9	50.0	
Fibers	Sales	120.9	128.0	Increased shipments of nonwovens and Roica™ elastic polyurethane filament. Sales and operating income increase.
	Operating income	8.6	9.0	
Homes	Sales	534.4	551.0	Increased deliveries of Hebel Maison™ apartment buildings. Higher costs for building materials and construction work. Sales increase, but operating income decrease.
	Operating income	63.0	56.0	
Construction Materials	Sales	55.0	60.0	Increased shipments of Hebel™ autoclaved aerated concrete panels and other products. Impact of depreciation of the new production line for Neoma™ high-performance phenolic foam insulation panels. Sales increase, but operating income decrease.
	Operating income	5.5	5.0	
Electronics	Sales	145.0	152.0	Electronic devices: Increased shipments of products for smartphones and automobiles. Electronic materials: Reduced sales prices. Increased shipments in each product category. Sales and operating income increase in Electronics overall.
	Operating income	14.2	15.0	
Health Care	Sales	152.5	158.0	Pharmaceuticals: Increased shipments of Teribone™ osteoporosis drug and other products. Impact of reduced NHI prices and higher SG&A expenses such as R&D expenses. Devices: Increased shipments of Planova™ virus removal filters and other products. Sales increase, but operating income decrease in Health Care overall.
	Operating income	30.3	29.0	
Critical Care	Sales	79.8	98.0	Continued expansion of operations centered on LifeVest™ wearable defibrillators. Increased sales and gross operating income before PPA <sup>2</sup> impact. Turning a profit in terms of consolidated operating income, after amortization and depreciation of goodwill and other intangible assets, etc., from PPA <sup>2</sup> revaluation.
	Operating income (loss)	(3.5)	0.5	

<sup>1</sup> Corresponding to the former operating segments.

<sup>2</sup> Purchase price allocation.

# Appendix

# Quarterly sales by business category<sup>1</sup>

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(¥ billion)

	FY 2012				FY 2013				FY 2014	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	H1 forecast	H2 forecast
Chemicals	161.1	171.3	169.0	183.2	193.1	203.9	201.4	193.2	414.0	434.0
Fibers	26.3	27.6	27.5	28.3	28.8	31.0	30.1	31.0	62.0	66.0
Homes	86.3	126.7	117.4	155.7	98.4	140.0	121.8	174.2	257.0	294.0
Construction Materials	11.5	13.2	14.4	12.3	13.1	14.7	15.0	12.2	30.0	30.0
Electronics	34.0	33.0	33.2	31.0	36.5	38.2	36.6	33.7	76.0	76.0
Health Care	32.4	32.4	36.1	32.6	38.3	37.5	41.2	35.6	76.0	82.0
Critical Care <sup>2</sup>	9.1	13.8	13.3	16.0	17.8	19.8	20.1	22.2	46.0	52.0
Others	4.4	4.5	4.2	5.0	4.0	4.0	4.5	6.0	12.0	9.0
<b>Total</b>	<b>365.0</b>	<b>422.5</b>	<b>415.1</b>	<b>464.0</b>	<b>430.0</b>	<b>489.0</b>	<b>470.7</b>	<b>508.1</b>	<b>973.0</b>	<b>1,043.0</b>

<sup>1</sup> Corresponding to the former operating segments.

<sup>2</sup> In the Critical Care category, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

# Quarterly operating income by business category<sup>1</sup>

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(¥ billion)

	FY 2012				FY 2013				FY 2014	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	H1 forecast	H2 forecast
Chemicals	4.3	10.2	2.9	5.5	10.2	13.0	10.0	5.7	22.5	27.5
Fibers	0.6	1.1	1.3	1.0	2.2	2.2	2.3	1.8	4.0	5.0
Homes	3.6	15.2	13.0	22.5	6.6	19.9	12.2	24.2	26.0	30.0
Construction Materials	0.5	1.1	1.7	0.7	1.3	1.7	2.0	0.5	2.5	2.5
Electronics	(0.4)	0.4	1.4	1.4	3.8	5.5	3.5	1.4	7.0	8.0
Health Care	4.7	2.8	7.0	1.5	9.0	7.4	10.0	3.9	13.0	16.0
Critical Care <sup>2</sup>	(0.5)	(0.6)	(1.2)	(1.3)	(1.5)	(0.5)	(0.7)	(0.8)	(0.5)	1.0
Others	0.8	0.3	0.5	0.6	0.4	0.4	0.2	0.8	0.5	1.0
Corporate expenses and eliminations	(2.9)	(3.0)	(2.2)	(2.3)	(3.7)	(3.6)	(4.0)	(4.0)	(8.0)	(8.0)
<b>Total</b>	<b>10.8</b>	<b>27.5</b>	<b>24.2</b>	<b>29.4</b>	<b>28.3</b>	<b>46.0</b>	<b>35.5</b>	<b>33.5</b>	<b>67.0</b>	<b>83.0</b>

<sup>1</sup> Corresponding to the former operating segments.

<sup>2</sup> In the Critical Care category, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.



# Primary investments by business category<sup>1</sup>

AsahiKASEI

(¥ billion)

	Capital expenditures			Depreciation and amortization <sup>2</sup>			R&D expenditures		
	FY 2012	FY 2013	FY 2014 forecast	FY 2012	FY 2013	FY 2014 forecast	FY 2012	FY 2013	FY 2014 forecast
Chemicals	47.3	30.8	37.0	30.0	31.1		15.9	15.2	
Fibers	6.8	8.0	6.0	6.1	5.9		2.8	3.1	
Homes	9.5	8.7	10.0	5.3	5.9		2.2	2.2	
Construction Materials	2.2	6.4	1.5	2.3	2.2		1.0	0.9	
Electronics	17.0	14.6	16.0	15.0	14.3		17.6	16.4	
Health Care	14.3	9.5	12.0	10.5	10.0		20.0	19.7	
Critical Care <sup>3</sup>	5.4	8.7	7.0	6.9	10.0		3.9	6.2	
Others	1.1	1.4	1.5	0.9	1.0		0.1	0.1	
Corporate expenses, assets, and eliminations	10.1	4.5	5.0	3.1	5.7		7.5	7.5	
<b>Total</b>	<b>113.8</b>	<b>92.4</b>	<b>96.0</b>	<b>80.0</b>	<b>86.1</b>	<b>90.0</b>	<b>71.1</b>	<b>71.1</b>	<b>82.0</b>

Amortization of goodwill<sup>4</sup>

7.0 8.8

<sup>1</sup> Corresponding to the former operating segments.

<sup>2</sup> Amortization of goodwill, which was previously included in depreciation and amortization, is shown separately below the table since Q2 2012.

<sup>3</sup> In the Critical Care category, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

<sup>4</sup> Amortization of goodwill related to acquisition of ZOLL Medical Corp. incurred from FY 2012.

## Completed in FY 2013

- Solution-SBR – new 50,000 ton/y plant in Singapore, Apr. 2013.\*
- Hipore™ Li-ion battery separator – 50 million m<sup>2</sup>/y capacity increase in Hyuga, Japan, Jul. 2013.\*
- New research complex for pharmaceuticals in Ohito, Japan, Oct. 2013.
- Sunfort™ photosensitive dry film – new 120 million m<sup>2</sup>/y plant in Changshu, China, Oct. 2013.\*
- Acetonitrile – new 11,000 ton/y plant in Korea, Jan. 2014.
- Neoma™ high-performance phenolic foam insulation panels – capacity increase by 80% in Sakai, Japan, Mar. 2014.\*

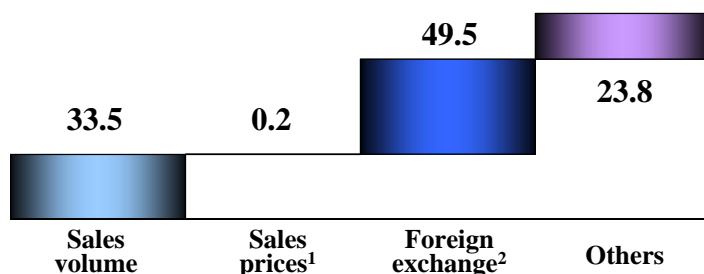
## Under construction at FY 2013 year-end

- Bemberg™ cupro regenerated cellulose – capacity increase in Nobeoka, Japan, Apr. 2014.\*
- Solution-SBR – 50,000 ton/y capacity increase in Singapore, first half 2015.\*

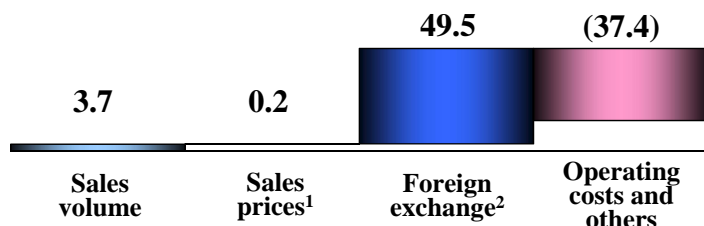
\* Investment of ¥3 billion or more.



Sales increases/decreases due to:



Operating income increases/decreases due to:



<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange

<sup>2</sup> Impact of foreign exchange on sales prices

## Review of operations

### Volume products:

Chemicals and derivative products – Impact of low market prices for acrylonitrile (AN) and high feedstock prices. Effect of depreciation of the yen and improved market prices for styrene monomer (SM). Sales and operating income increase.

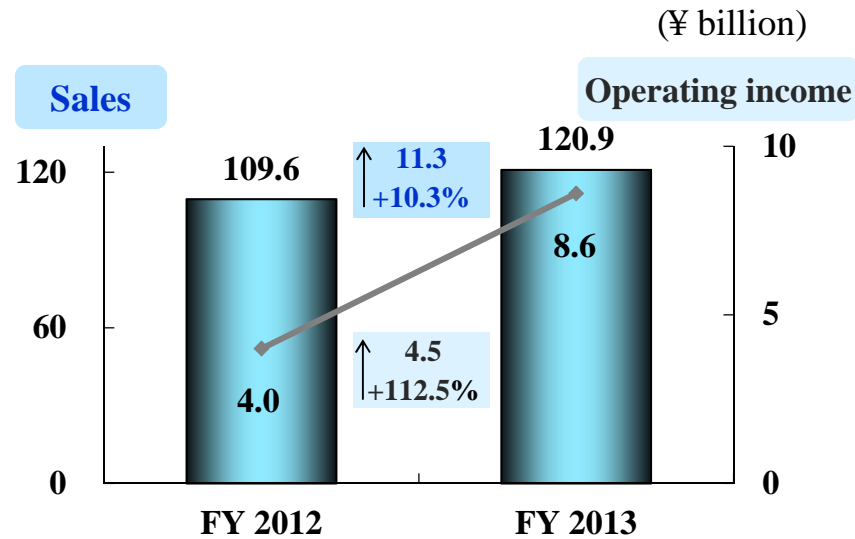
Polymer products – Impact of high feedstock prices for polyethylene and other products. Effect of depreciation of the yen and firm shipments of engineering plastics and of synthetic rubber for fuel-efficient tires. Sales and operating income increase.

### Specialty products:

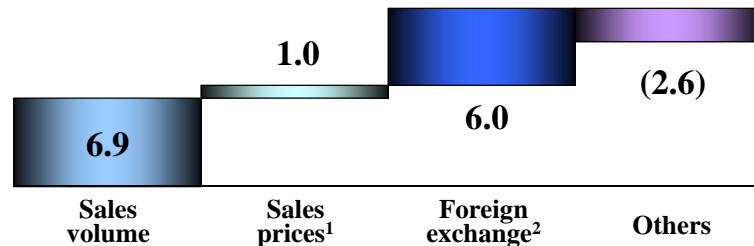
Effect of depreciation of the yen, most notably for ion-exchange membranes. Firm shipments of coating materials and of functional chemicals for pharmaceutical manufacture. Sales and operating income increase.

## Highlights

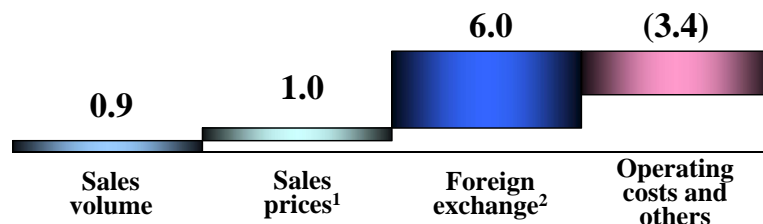
- April, start of commercial operation of a new plant in Singapore for solution-polymerized styrene-butadiene rubber (S-SBR) for fuel-efficient tires.
- June, decision to obtain full ownership of a joint venture for production and sale of polyacetal in China by a share transfer from DuPont.
- August, decision to construct a new plant in China for Duranol™ polycarbonatediol (PCD).
- January, start of commercial operation of a new plant for acetonitrile in Korea.
- February, agreement with Mitsubishi Chemical Corp. on unification of naphtha crackers in Mizushima; unification on Mitsubishi facility and disposal of Asahi Kasei facility in April 2016.
- February, decision to strengthen petrochemical operations in Japan by establishing the optimum production configuration including closure of older AN and SM plants, etc.



Sales increases/decreases due to:



Operating income increases/decreases due to:



<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange

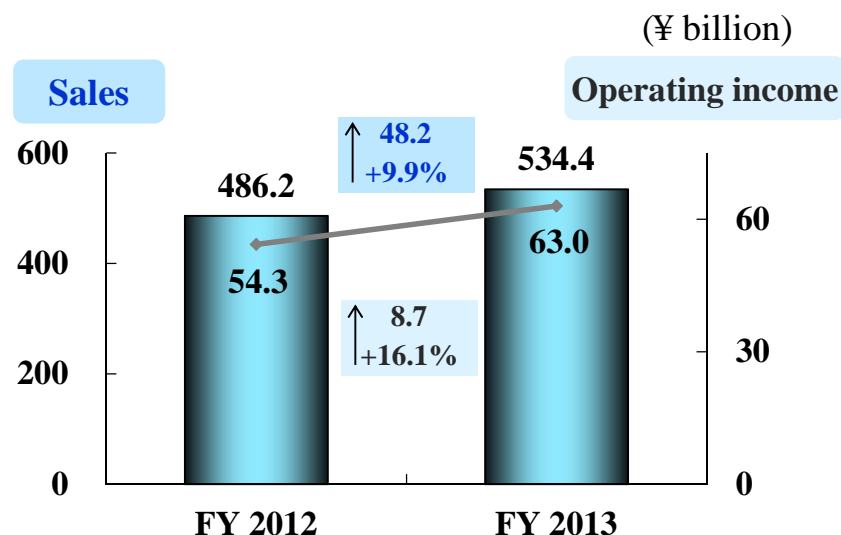
<sup>2</sup> Impact of foreign exchange on sales prices

## Review of operations

Impact of higher cost of various feedstocks. Effect of depreciation of the yen and firm shipments of nonwovens such as Lamous™ artificial suede for automotive upholstery and of Roica™ elastic polyurethane filament. Sales and operating income increase.

## Highlights

- March, award ceremony for the *Asahi Kasei Award for Fashion Design Creativity in China* together with a fashion show.



### Results by product category

(¥ billion)

	FY 2012		FY 2013		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	367.3	42.6	394.1	49.1	26.7	6.5
Real estate (Asahi Kasei Fudousan Residence)	70.6	4.5	85.8	5.8	15.2	1.3
Remodeling (Asahi Kasei Reform)	46.3	6.1	52.6	6.5	6.3	0.4
Other housing-related, etc.	1.9	1.1	1.9	1.6	(0.0)	0.5
<b>Total</b>	<b>486.2</b>	<b>54.3</b>	<b>534.4</b>	<b>63.0</b>	<b>48.2</b>	<b>8.7</b>

## Review of operations

### Order-built homes:

- Increased deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings based on strong orders in the previous fiscal year. Sales and operating income increase.
- Year-on-year, value of new orders increased 2.2%, with a 21.4% increase in Apr.–Sep. due to a last-minute surge in demand ahead of the consumption tax hike, and a 17.3% decrease in Oct.–Mar. in reaction.

### Real estate, remodeling and others:

Firm performance in rental management in real estate operations. Strong orders for exterior wall painting work in remodeling operations. Sales and operating income increase.

## Highlights

- May, launch of Hebel Haus™ FREX RESIDENCE high-grade houses for large plots.
- August, launch of two-generation Hebel Haus™ homes with features adapting to newer lifestyles of families.
- November, launch of NEXT HEBEL HAUS™ as a new line of products.
- March, decision to participate in a joint development project with Formosa Plastics Corp. including construction of a prototype single-unit house in Taiwan.

# Homes (i)

## Sales<sup>1</sup> and order trends

(¥ billion, % indicates year-on-year comparison)

		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes		Other sales	Consolidated subsidiaries	Consolidated	Order backlog		
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		
	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				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
	H2	204.9 (+12.3%)	205.9	16.2	24.5	1.1	41.9	24.7	0.7	273.1 (+8.4%)	444.6
	annual	412.4 (+10.9%)	367.3	20.6	47.8	2.2	70.6	46.3	1.9	486.2 (+7.6%)	
FY13	H1	251.9 (+21.4%)	181.0 (+12.1%)	4.5	26.2	1.4	32.1	24.5	0.8	238.4 (+11.9%)	519.9
	H2	169.4 (-17.3%)	213.1 (+3.5%)	24.8	27.9	1.1	53.7	28.1	1.1	296.0 (+8.4%)	481.5
	annual	421.3 (+2.2%)	394.1 (+7.3%)	29.3	54.1	2.5	85.8	52.6	1.9	534.4 (+9.9%)	
FY14 forecast		406.0 (-3.6%)	399.0 (+1.2%)	29.0	60.5	3.0	92.5	58.0	1.5	551.0 (+3.1%)	498.5

<sup>1</sup> 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.

# Homes (ii)

## Breakdown of FY 2013 sales and orders of Asahi Kasei Homes

(% change from previous year)

		Net sales		Number of units sold		Orders received			
		(¥ billion)	(% change)	(units)	(% change)	(¥ billion)	(% change)	(units)	(% change)
Unit homes	1-2 story	226.2	+4.8%	7,458	+5.2%	219.9	-7.1%	7,192	-10.7%
	3+ story	85.5	+5.0%	3,344	+4.0%	102.6	+8.9%	4,048	+5.4%
	Total	311.7	+4.9%	10,802	+4.8%	322.4	-2.5%	11,240	-5.5%
Multi-dwelling homes	1-2 story	27.7	+24.7%	2,184	+21.9%	35.4	+19.9%	2,788	+18.2%
	3+ story	44.9	+11.6%	3,352	+3.3%	63.5	+21.9%	4,781	+21.4%
	Total	72.6	+16.3%	5,536	+9.9%	98.9	+21.2%	7,569	+20.2%
Order-built homes total		384.3	+6.9%	16,338	+6.5%	421.3	+2.2%	18,809	+3.4%
Other <sup>1</sup>		9.8	+26.1%	36	+5.9%	-	-	-	-
Asahi Kasei Homes total		394.1	+7.3%	16,374	+6.5%	421.3	+2.2%	18,809	+3.4%

<sup>1</sup> Includes sales of street-corner showrooms and land for Hebel Haus™ construction, insurance commissions, etc.

# Homes (iii)

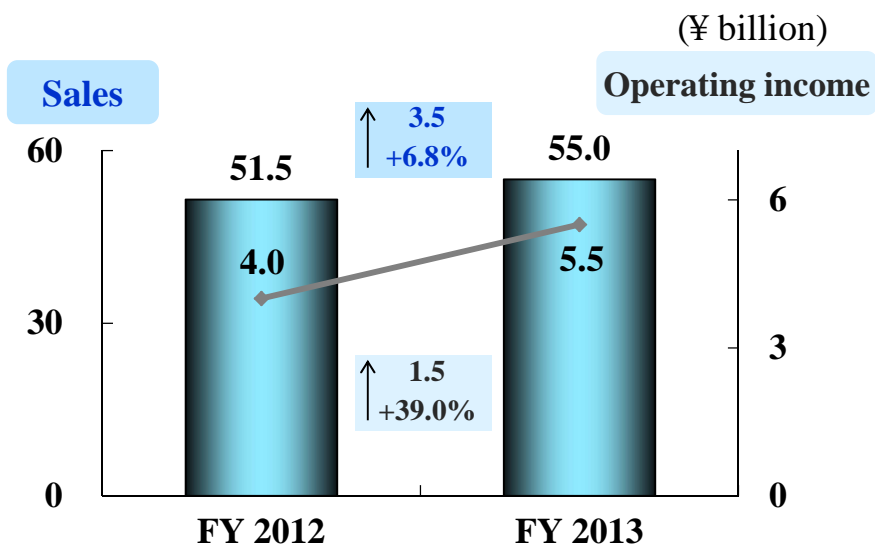
## Breakdown of sales and order forecast of Asahi Kasei Homes for FY 2014

(% change from previous year)

		Net sales		Number of units sold		Orders received			
		(¥ billion)	(% change)	(units)	(% change)	(¥ billion)	(% change)	(units)	(% change)
Unit homes	1-2 story	199.0	-12.0%	6,760	-9.4%	211.0	-4.0%	6,920	-3.8%
	3+ story	94.0	+10.0%	3,680	+10.0%	100.0	-2.5%	3,930	-2.9%
	Total	293.0	-6.0%	10,440	-3.4%	311.0	-3.5%	10,850	-3.5%
Multi-dwelling homes	1-2 story	36.0	+29.8%	2,790	+27.7%	34.0	-3.9%	2,660	-4.6%
	3+ story	60.0	+33.7%	3,740	+11.6%	61.0	-3.9%	4,590	-4.0%
	Total	96.0	+32.2%	6,530	+18.0%	95.0	-3.9%	7,250	-4.2%
Order-built homes total		389.0	+1.2%	16,970	+3.9%	406.0	-3.6%	18,100	-3.8%
Other <sup>1</sup>		10.0	+2.5%	30	-16.7%	-	-	-	-
Asahi Kasei Homes total		399.0	+1.2%	17,000	+3.8%	406.0	-3.6%	18,100	-3.8%

<sup>1</sup> Includes sales of street-corner showrooms and land for Hebel Haus™ construction, insurance commissions, etc.





## Review of operations

Increased sales of Hebel™ autoclaved aerated concrete panels. Increased shipments of Neoma™ high-performance phenolic foam insulation panels. Expanded orders for Eazet™ and ATT Column™ piling systems for small-scale construction, with development of new applications. Firm sales of structural materials. Sales and operating income increase.

## Highlights

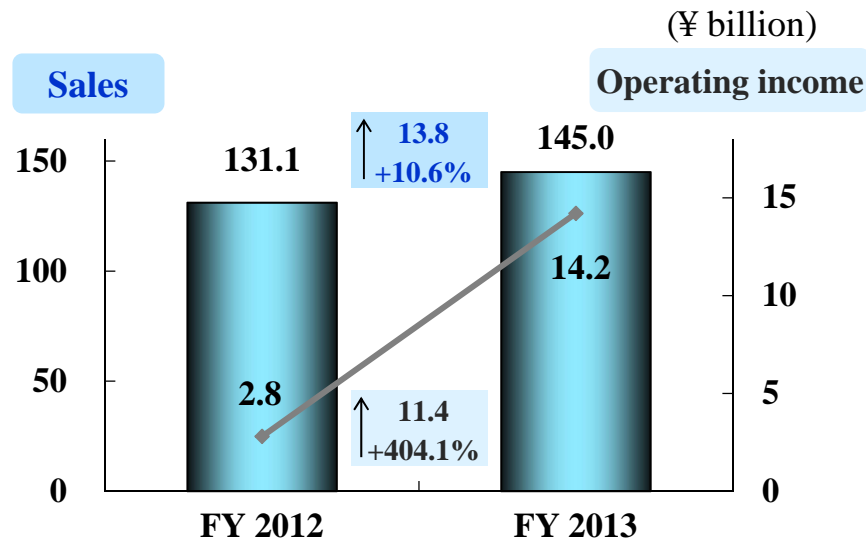
- March, completion and start-up of a new production line for Neoma™.

Sales increases/decreases due to:

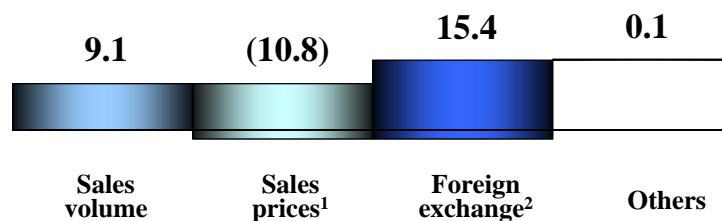


Operating income increases/decreases due to:

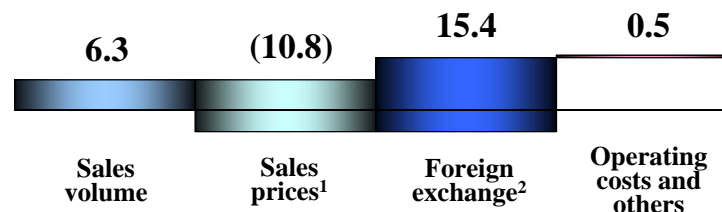




Sales increases/decreases due to:



Operating income increases/decreases due to:



<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange

<sup>2</sup> Impact of foreign exchange on sales prices

## Review of operations

### Electronic devices:

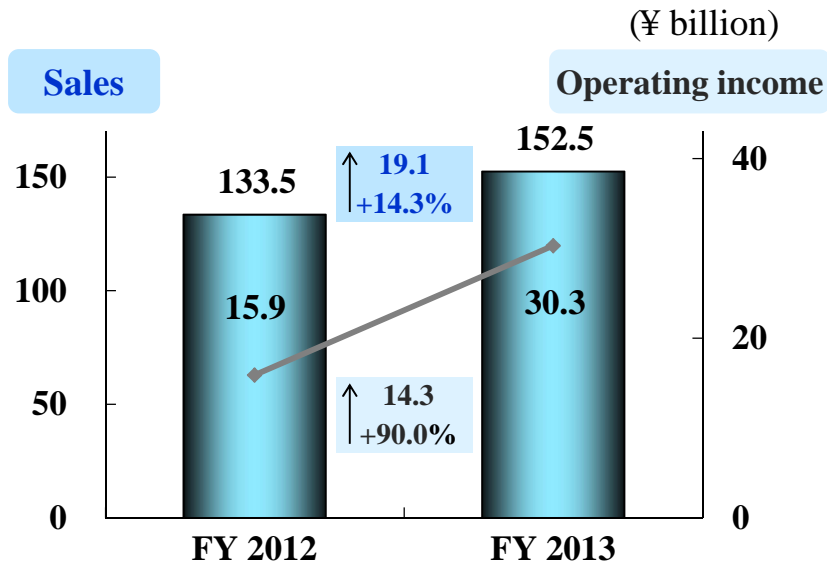
Impact of reduced sales prices in each product category. Effect of depreciation of the yen. Increased shipments of electronic compasses and magnetic sensors for smartphones and other mobile applications. Sales and operating income increase.

### Electronic materials:

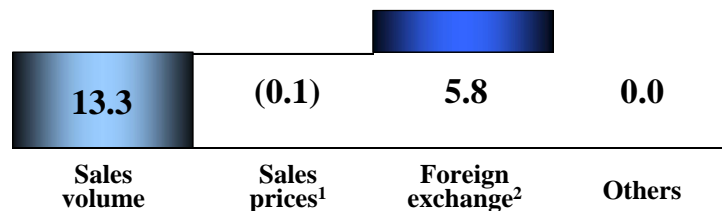
Impact of reduced sales prices, especially for Hipore™ Li-ion battery separator. Effect of depreciation of the yen and increased sales of high-end products in each product category. Sales and operating income increase.

## Highlights

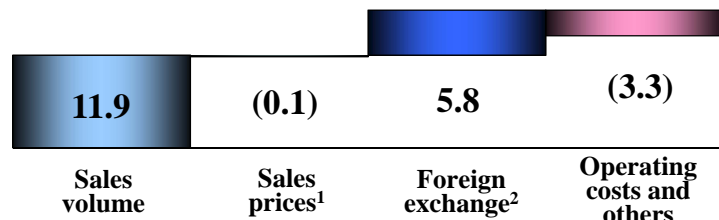
- October, launch of a new 3-axis electronic compass for portable appliances in world's smallest size of 1.2 mm<sup>2</sup>.
- October, start-up of a new plant for Sunfort™ photosensitive dry film in Changshu, Jiangsu, China.



Sales increases/decreases due to:



Operating income increases/decreases due to:



## Review of operations

**Pharmaceuticals:** Higher SG&A expenses such as R&D expenses. Increased shipments of Teribone™ osteoporosis drug and Recomodulin™ recombinant thrombomodulin. Sales and operating income increase.

**Devices:** Effect of depreciation of the yen. Increased sales of dialysis products and of therapeutic apheresis devices. Increased shipments of Planova™ virus removal filters. Sales and operating income increase.

## Highlights

- August, launch of Ribotest™ Mycoplasma, a rapid diagnostic test kit to aid the diagnosis of mycoplasma infection.
- September, conclusion of an agreement with Pfizer Japan Inc. for co-promotion in Japan of Recomodulin™ anticoagulant intravenous infusion 12800 (recombinant thrombomodulin alpha).
- October, launch of drug discovery collaboration with Vernalis plc against a target in autoimmune diseases including rheumatoid arthritis.
- October, completion of a new research complex.
- January, decision to discontinue the development of a transdermal patch formulation of Teribone™ human parathyroid hormone.
- February, completion of second manufacturing facility at the Nagoya Pharmaceuticals Plant; for production of Teribone™ and Recomodulin™.
- March, decision of the Supreme Court of California to deny a petition for review filed by Actelion Ltd. of Switzerland, upholding the Superior Court's judgement ordering Actelion to pay US\$415.7 million to Asahi Kasei Pharma for damages.
- April 2014, agreement for business alliance in the field of hemodiafiltration (HDF) with JMS Co., Ltd.

<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange

<sup>2</sup> Impact of foreign exchange on sales prices

# Health Care (i)

## Sales of Health Care category

(¥ billion)

		FY 2012			FY 2013		
		H1	H2	Total	H1	H2	Total
	Domestic pharmaceuticals	34.2	36.6	70.8	40.8	41.4	82.2
	Others	2.3	2.6	4.9	3.3	2.6	5.8
Asahi Kasei Pharma consolidated		36.5	39.2	75.7	44.1	43.9	88.0
Devices <sup>1</sup>		28.3	29.5	57.8	31.7	32.8	64.5
Total		64.8	68.6	133.5	75.8	76.8	152.5

<sup>1</sup>Asahi Kasei Medical and its affiliate companies.

## Main pharmaceuticals domestic sales

(¥ billion)

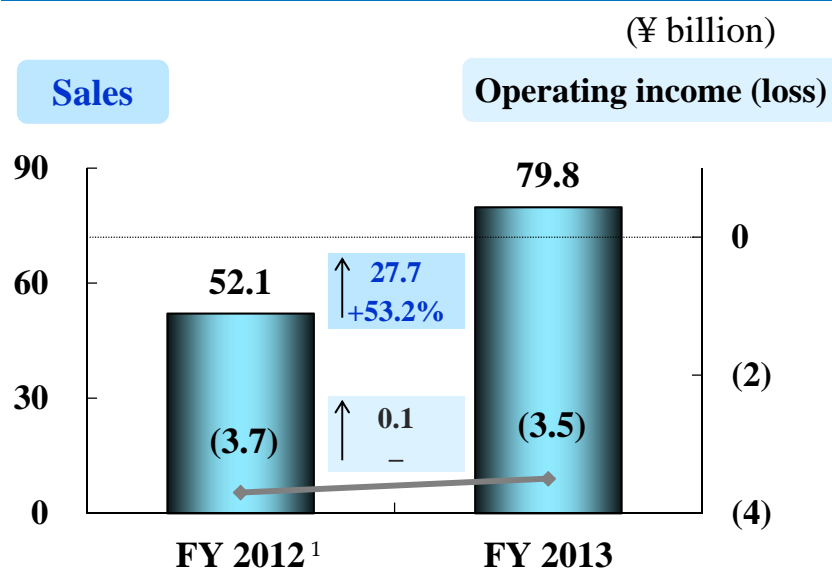
	FY 2012			FY 2013		
	H1	H2	Total	H1	H2	Total
Teribone™	7.3	9.7	17.0	12.8	14.1	26.9
Flivas™	7.0	7.2	14.2	7.0	7.2	14.2
Recomodulin™	4.3	5.2	9.4	5.9	6.7	12.6
Elcitonin™	5.3	4.7	10.0	4.3	3.6	7.9
Bredinin™	3.1	2.9	6.0	3.2	3.1	6.3

## Main pharmaceutical products

	Generic name	Mechanism/ substance class	Indication	Formulation
Teribone™	Teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis with high risk of fracture	Injection
Flivas™	Naftopidil	Selective $\alpha$ -1 blocker	Benign prostatic hypertrophy	Tablet
Recomodulin™	Recombinant thrombomodulin alpha	Anticoagulant	Disseminated intravascular coagulation	Injection
Elcitonin™	Elcatonin	Eel calcitonin derivative	Osteoporosis pain	Injection
Bredinin™	Mizoribine	Immunosuppressant	Rheumatoid arthritis, kidney transplantation, nephrosis syndrome, lupus nephritis	Tablet

## Pharmaceutical pipeline

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
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



## Review of operations

Impact of higher SG&A expenses with reinforced sales activity and of difference in the period subject to consolidation. Smooth expansion of LifeVest™ wearable defibrillator operations and increased sales of other products such as defibrillators for professional use. Sales increase, and consolidated operating loss decrease.

## Highlights

- July, approval in Japan for manufacturing and marketing of LifeVest™.
- November, approval in Japan for manufacturing and marketing of X Series™ defibrillator for emergency medical and hospital use.
- April 2014, launch of service offering LifeVest™ in Japan.

## Financial performance of Critical Care segment<sup>2</sup>

(¥ billion)

	H1	H2	FY 2012 <sup>1</sup>	H1	H2	FY 2013
	(May-Sep.)	(Oct.-Mar.)		(Apr.-Sep.)	(Oct.-Mar.)	
Net sales	22.9	29.3	52.1	37.5	42.3	79.8
Gross operating income before PPA <sup>3</sup> impact [a]	4.1	3.2	7.3	4.6	4.9	9.5
Amortization/depreciation from PPA <sup>3</sup> revaluation [b]	(5.2)	(5.8)	(11.0)	(6.6)	(6.4)	(13.0)
Goodwill	(2.3)	(3.0)	(5.3)	(3.5)	(3.6)	(7.1)
Other intangible assets, etc. [c]	(2.9)	(2.7)	(5.7)	(3.1)	(2.8)	(5.9)
Consolidated operating income (loss) [a-b]	(1.1)	(2.6)	(3.7)	(2.0)	(1.5)	(3.5)

<sup>1</sup> ZOLL Medical Corp. was consolidated on Apr. 27, 2012.

<sup>2</sup> Amount for amortization of intangible assets that had been incurred prior to Asahi Kasei's acquisition, which was formerly included in [b] and [c], is now excluded from those items and deducted from [a].

<sup>3</sup> Purchase price allocation.

# Statements of comprehensive income

Asahi**KASEI**

			(¥ billion)
	FY 2012	FY 2013	increase (decrease)
a: Income before minority interests	53.9	102.1	48.2
Net increase or decrease in unrealized gain on other securities	22.4	13.0	(9.4)
Deferred gains or losses on hedges	0.8	0.7	(0.1)
Foreign currency translation adjustment	34.6	29.1	(5.5)
Share of other comprehensive income of affiliates accounted for using equity method	5.8	1.2	(4.6)
b: Other comprehensive income	63.6	44.0	(19.6)
Comprehensive income [a+b]	117.5	146.1	28.6
Comprehensive income attributable to owners of the parent	116.5	145.0	28.5
Comprehensive income attributable to minority interests	1.0	1.1	0.1