

Fiscal quarter ended June 2014

– supplementary financial summary –

August 1, 2014
Asahi Kasei Corporation

Consolidated results for fiscal quarter ended June 2014

Summary of financial results	4
Statements of income	5
Balance sheets	6
Cash flows	7
Sales and operating income by segment	8
Sales and operating income by business category	9–10

Forecast for first half fiscal 2014

Consolidated operating performance forecast	12
Forecast by business category	13–14
Forecast by segment	15
Appendix	
Quarterly performance by business category	17–18
Extraordinary income and loss	19
Statements of comprehensive income	20
Overview of results by business category	21–30

Disclaimer

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

Consolidated results for fiscal quarter ended June 2014

Summary of financial results

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(¥ billion)

	Q1 2013 ¹	H1 2013 ¹	Q1 2014	H1 2014 forecast in May	Q1 2014 vs. Q1 2013	
					Increase (decrease)	% change
Net sales	430.0	919.0	447.1	973.0	17.2	+4.0%
Operating income	28.3	74.2	26.6	67.0	(1.7)	-5.9%
Ordinary income	27.5	72.8	27.3	67.0	(0.1)	-0.5%
Net income	19.6	46.6	17.0	39.0	(2.6)	-13.3%

¹ The figures for Q1 and H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Key operating factors

Naphtha price (¥/kL, domestic)	65,500	64,700	69,900	70,000
¥/US\$ exchange rate (market average)	99	99	102	100

Financial position

(¥ billion, except D/E ratio)

	At end of March 2014	At end of June 2014	Increase (decrease)
Total assets	1,915.1	1,901.2	(13.9)
Equity	912.7	907.9	(4.8)
Interest-bearing debt	303.9	315.3	11.4
D/E ratio	0.33	0.35	0.01

Statements of income

Asahi**KASEI**

(¥ billion)

	Q1 2013 ¹		Q1 2014		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	430.0	100.0%	447.1	100.0%	17.2	+4.0%
Cost of sales	313.3	72.9%	328.4	73.4%	15.0	+4.8%
Gross profit	116.6	27.1%	118.8	26.6%	2.2	+1.9%
Selling, general and administrative expenses	88.3	20.5%	92.2	20.6%	3.8	+4.3%
Operating income	28.3	6.6%	26.6	6.0%	(1.7)	-5.9%
Net non-operating income (expenses)	(0.8)		0.7		1.5	
of which,						
net financing income	0.5		0.8		0.3	
net equity in earnings (losses) of affiliates	(1.9)		0.8		2.7	
foreign exchange income (loss)	0.7		(0.7)		(1.5)	
Ordinary income	27.5	6.4%	27.3	6.1%	(0.1)	-0.5%
Net extraordinary income (loss)	0.7		(1.0)		(1.7)	
Income before income taxes and minority interests	28.2	6.6%	26.3	5.9%	(1.9)	-6.6%
Income taxes	(8.4)		(9.0)		(0.7)	
Minority interests in income	(0.2)		(0.3)		(0.1)	
Net income	19.6	4.6%	17.0	3.8%	(2.6)	-13.3%

¹ The figures for Q1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Balance sheets

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(¥ billion)

	At end of Mar. 2014	At end of Jun. 2014	Increase (decrease)		At end of Mar. 2014	At end of Jun. 2014	Increase (decrease)
Current assets	890.4	869.0	(21.4)	Liabilities	989.3	980.3	(9.0)
Cash and deposits	151.5	118.5	(33.0)	Current liabilities	576.8	548.0	(28.7)
Notes and accounts receivable-trade	316.7	303.8	(12.9)	Noncurrent liabilities	412.5	432.3	19.7
Inventories	328.5	352.5	24.0	Net assets	925.8	920.8	(4.9)
Other current assets	93.7	94.1	0.4	Shareholders' equity	815.6	803.4	(12.2)
Noncurrent assets	1,024.7	1,032.2	7.5	Capital stock	103.4	103.4	–
Property, plant and equipment	480.5	483.7	3.2	Capital surplus	79.4	79.4	0.0
Intangible assets	258.4	252.2	(6.2)	Retained earnings	635.4	623.2	(12.2)
Investments and other assets	285.7	296.3	10.5	Treasury stock	(2.6)	(2.6)	(0.0)
				Accumulated other comprehensive income	97.1	104.5	7.4
				Minority interests	13.1	13.0	(0.1)
Total assets	1,915.1	1,901.2	(13.9)	Total liabilities and net assets	1,915.1	1,901.2	(13.9)

Cash flows

(¥ billion)

	Q1 2013 ¹	Q1 2014
a. Net cash provided by (used in) operating activities	18.4	(11.2)
b. Net cash used in investing activities	(30.5)	(18.0)
c. Free cash flows [a+b]	(12.1)	(29.1)
d. Net cash provided by (used in) financing activities	3.8	(1.1)
e. Effect of exchange rate change on cash and cash equivalents	1.2	(0.1)
f. Net decrease in cash and cash equivalents [c+d+e]	(7.1)	(30.3)
g. Cash and cash equivalents at beginning of period	104.0	143.1
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	0.5	0.1
i. Cash and cash equivalents at end of period [f+g+h]	97.4	112.9

¹ The figures for Q1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Sales and operating income by segment¹ **AsahiKASEI**

(¥ billion)

	Sales			Operating income		
	Q1 2013	Q1 2014	Increase (decrease)	Q1 2013 ²	Q1 2014	Increase (decrease)
Chemicals & Fibers	222.0	227.7	5.7	12.4	9.3	(3.1)
Homes & Construction Materials	111.4	117.8	6.4	7.9	8.9	1.0
Electronics	36.5	35.8	(0.7)	3.8	4.0	0.2
Health Care	56.1	59.0	2.9	7.5	7.8	0.3
Others	4.0	6.9	2.9	0.4	0.4	0.0
Corporate expenses and eliminations	–	–	–	(3.7)	(3.9)	(0.2)
Consolidated	430.0	447.1	17.2	28.3	26.6	(1.7)

¹ 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.

² The figures for Q1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Sales and operating income increases/decreases by business category¹ (i)

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(¥ billion)

		Q1 2013 ²	Q1 2014	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	193.1	196.9	3.7	2.8	1.6	2.6	(0.7)	–
	Operating income	10.2	7.1	(3.1)	(0.5)				–
Fibers	Sales	28.8	30.9	2.0	1.0	0.6	0.2	0.5	–
	Operating income	2.2	2.2	0.0	0.0				–
Homes	Sales	98.4	105.5	7.1	5.1	2.4	–	(0.4)	–
	Operating income	6.6	8.4	1.8	1.7				–
Construction Materials	Sales	13.1	12.3	(0.8)	(0.9)	0.1	–	–	–
	Operating income	1.3	0.9	(0.4)	(0.0)				–
Electronics	Sales	36.5	35.8	(0.7)	0.7	(1.4)	0.7	–	–
	Operating income	3.8	4.0	0.2	(0.0)				–

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for Q1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Sales and operating income increases/decreases by business category¹ (ii)

AsahiKASEI

(¥ billion)

		Q1 2013 ²	Q1 2014	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	38.3	35.7	(2.6)	(1.6)	(1.0)	0.5	-	-
	Operating income	9.0	8.1	(0.8)	(1.1)				-
Critical Care	Sales	17.8	23.3	5.5	5.5	(0.7)	0.1	0.6	-
	Operating loss	(1.5)	(0.3)	1.2	4.1			-	(2.2)
Others	Sales	4.0	6.9	2.9	2.9	-	-	-	-
	Operating income	0.4	0.4	0.0	0.3			-	(0.3)
Corporate expenses and eliminations	Operating loss	(3.7)	(4.2)	(0.5)	-	-	-	-	(0.5)
Consolidated	Sales	430.0	447.1	17.2	15.5	1.7	4.1	0.0	-
	Operating income	28.3	26.6	(1.7)	4.5			-	(7.9)

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for Q1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Forecast for first half fiscal 2014

Consolidated operating performance forecast

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(¥ billion)

	FY 2013			H1 2014 forecast			Increase (decrease) b-a	H1 2014 forecast in May c	Increase (decrease) b-c
	H1 ¹ a	H2 ¹	Total	Q1	Q2 forecast	Total b			
Net sales	919.0	978.8	1,897.8	447.1	528.9	976.0	57.0	973.0	3.0
Operating income	74.2	69.1	143.3	26.6	40.4	67.0	(7.2)	67.0	-
Ordinary income	72.8	70.1	142.9	27.3	39.7	67.0	(5.8)	67.0	-
Net income	46.6	54.7	101.3	17.0	24.5	41.5	(5.1)	39.0	2.5

¹ The figures for H1 and H2 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Key operating factors

Naphtha price (¥/kL, domestic)	64,700	69,900	67,300	69,900	72,200	71,050	6,350	70,000	1,050
¥/US\$ exchange rate (market average)	99	102	100	102	101	102	3	100	2

	FY 2013	H1 2014 (planned)
Dividends per share	¥17	¥8

Sales forecast by business category¹

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(¥ billion)

	FY 2013			FY 2014			Increase (decrease) b-a	H1 2014 forecast in May c	Increase (decrease) b-c	Increase (decrease) from Q1 to Q2 2014 forecast
	Q1	Q2	H1 a	Q1	Q2 forecast	H1 forecast b				
Chemicals	193.1	203.9	397.0	196.9	220.1	417.0	20.0	414.0	3.0	23.3
Fibers	28.8	31.0	59.8	30.9	32.1	63.0	3.2	62.0	1.0	1.3
Homes	98.4	140.0	238.4	105.5	151.5	257.0	18.6	257.0	–	46.0
Construction Materials	13.1	14.7	27.8	12.3	15.7	28.0	0.2	30.0	(2.0)	3.4
Electronics	36.5	38.2	74.7	35.8	39.2	75.0	0.3	76.0	(1.0)	3.5
Health Care	38.3	37.5	75.8	35.7	40.3	76.0	0.2	76.0	–	4.6
Critical Care	17.8	19.8	37.5	23.3	24.7	48.0	10.5	46.0	2.0	1.5
Others	4.0	4.0	8.0	6.9	5.1	12.0	4.0	12.0	–	(1.7)
Consolidated	430.0	489.0	919.0	447.1	528.9	976.0	57.0	973.0	3.0	81.7

¹ Corresponding to the former operating segments.

Operating income forecast by business category¹

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(¥ billion)

	FY 2013 ²			FY 2014			Increase (decrease) b-a	H1 2014 forecast in May c	Increase (decrease) b-c	Increase (decrease) from Q1 to Q2 2014 forecast
	Q1	Q2	H1 a	Q1	Q2 forecast	H1 b				
Chemicals	10.2	13.0	23.2	7.1	14.4	21.5	(1.7)	22.5	(1.0)	7.4
Fibers	2.2	2.2	4.4	2.2	1.8	4.0	(0.4)	4.0	-	(0.4)
Homes	6.6	19.9	26.5	8.4	18.1	26.5	(0.0)	26.0	0.5	9.7
Construction Materials	1.3	1.7	3.1	0.9	1.1	2.0	(1.1)	2.5	(0.5)	0.2
Electronics	3.8	5.5	9.3	4.0	3.5	7.5	(1.8)	7.0	0.5	(0.5)
Health Care	9.0	7.4	16.4	8.1	4.9	13.0	(3.4)	13.0	-	(3.3)
Critical Care	(1.5)	(0.5)	(2.0)	(0.3)	0.3	0.0	2.0	(0.5)	0.5	0.6
Others	0.4	0.4	0.8	0.4	0.1	0.5	(0.3)	0.5	-	(0.4)
Corporate expenses and eliminations	(3.7)	(3.6)	(7.3)	(4.2)	(3.8)	(8.0)	(0.7)	(8.0)	-	0.4
Consolidated	28.3	45.9	74.2	26.6	40.4	67.0	(7.2)	67.0	-	13.7

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for Q1, Q2, and H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Sales and operating income forecast by segment¹

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Sales forecast

(¥ billion)

	FY 2013		FY 2014 forecast		Increase (decrease) c-a	Increase (decrease) d-b
	Q1 a	H1 b	Q1 c	H1 d		
Chemicals & Fibers	222.0	456.8	227.7	480.0	5.7	23.2
Homes & Construction Materials	111.4	266.2	117.8	285.0	6.4	18.8
Electronics	36.5	74.7	35.8	75.0	(0.7)	0.3
Health Care	56.1	113.3	59.0	124.0	2.9	10.7
Others	4.0	8.0	6.9	12.0	2.9	4.0
Consolidated	430.0	919.0	447.1	976.0	17.2	57.0

Operating income forecast

(¥ billion)

	FY 2013 ²		FY 2014 forecast		Increase (decrease) c-a	Increase (decrease) d-b
	Q1 a	H1 b	Q1 c	H1 d		
Chemicals & Fibers	12.4	27.6	9.3	25.5	(3.1)	(2.1)
Homes & Construction Materials	7.9	29.6	8.9	28.5	1.0	(1.1)
Electronics	3.8	9.3	4.0	7.5	0.2	(1.8)
Health Care	7.5	14.3	7.8	13.0	0.3	(1.3)
Others	0.4	0.8	0.4	0.5	0.0	(0.3)
Corporate expenses and eliminations	(3.7)	(7.3)	(3.9)	(8.0)	(0.2)	(0.7)
Consolidated	28.3	74.2	26.6	67.0	(1.7)	(7.2)

¹ 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.

² The figures for Q1 and H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Appendix

Quarterly sales by business category¹

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(¥ billion)

	FY 2012				FY 2013				FY 2014	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Chemicals	161.1	171.3	169.0	183.2	193.1	203.9	201.4	193.2	196.9	220.1
Fibers	26.3	27.6	27.5	28.3	28.8	31.0	30.1	31.0	30.9	32.1
Homes	86.3	126.7	117.4	155.7	98.4	140.0	121.8	174.2	105.5	151.5
Construction Materials	11.5	13.2	14.4	12.3	13.1	14.7	15.0	12.2	12.3	15.7
Electronics	34.0	33.0	33.2	31.0	36.5	38.2	36.6	33.7	35.8	39.2
Health Care	32.4	32.4	36.1	32.6	38.3	37.5	41.2	35.6	35.7	40.3
Critical Care ²	9.1	13.8	13.3	16.0	17.8	19.8	20.1	22.2	23.3	24.7
Others	4.4	4.5	4.2	5.0	4.0	4.0	4.5	6.0	6.9	5.1
Total	365.0	422.5	415.1	464.0	430.0	489.0	470.7	508.1	447.1	528.9

¹ Corresponding to the former operating segments.

² 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.

Quarterly operating income by business category¹

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(¥ billion)

	FY 2012				FY 2013				FY 2014	
	Q1	Q2	Q3	Q4	Q1 ²	Q2 ²	Q3 ²	Q4	Q1	Q2 forecast
Chemicals	4.3	10.2	2.9	5.5	10.2	13.0	10.0	5.7	7.1	14.4
Fibers	0.6	1.1	1.3	1.0	2.2	2.2	2.3	1.8	2.2	1.8
Homes	3.6	15.2	13.0	22.5	6.6	19.9	12.2	24.2	8.4	18.1
Construction Materials	0.5	1.1	1.7	0.7	1.3	1.7	2.0	0.5	0.9	1.1
Electronics	(0.4)	0.4	1.4	1.4	3.8	5.5	3.6	1.4	4.0	3.5
Health Care	4.7	2.8	7.0	1.5	9.0	7.4	10.0	3.9	8.1	4.9
Critical Care ³	(0.5)	(0.6)	(1.2)	(1.3)	(1.5)	(0.5)	(0.7)	(0.8)	(0.3)	0.3
Others	0.8	0.3	0.5	0.6	0.4	0.4	0.2	0.8	0.4	0.1
Corporate expenses and eliminations	(2.9)	(3.0)	(2.2)	(2.3)	(3.7)	(3.6)	(4.0)	(4.0)	(4.2)	(3.8)
Total	10.8	27.5	24.2	29.4	28.3	45.9	35.6	33.5	26.6	40.4

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for Q1, Q2, and Q3 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

³ 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.

Extraordinary income and loss

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(¥ billion)

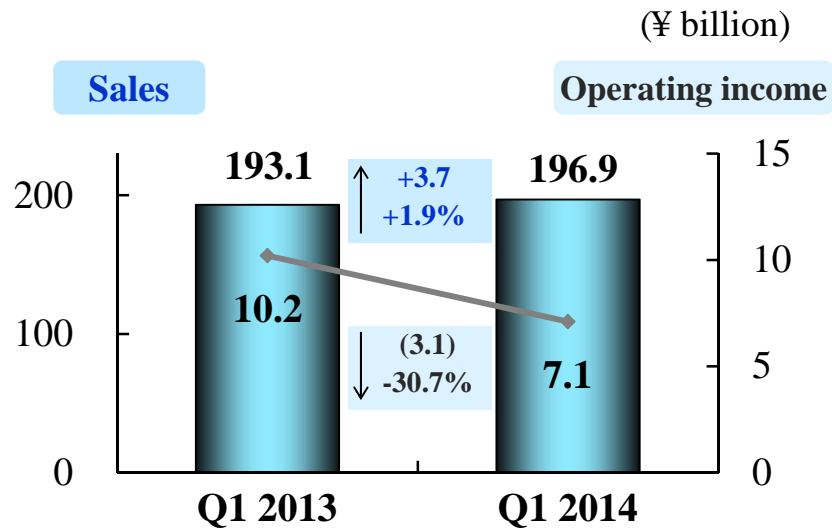
	Q1 2013	Q1 2014	Increase (decrease)
Extraordinary income			
Gain on sales of investment securities	0.0	–	(0.0)
Gain on sales of noncurrent assets	1.5	0.2	(1.2)
Total extraordinary income	1.5	0.2	(1.3)
Extraordinary loss			
Loss on sales of investment securities	–	0.1	0.1
Loss on valuation of investment securities	–	0.5	0.5
Loss on disposal of noncurrent assets	0.5	0.5	0.0
Business structure improvement expenses	0.4	0.2	(0.2)
Total extraordinary loss	0.8	1.3	0.5
Net extraordinary income (loss)	0.7	(1.0)	(1.7)

Statements of comprehensive income

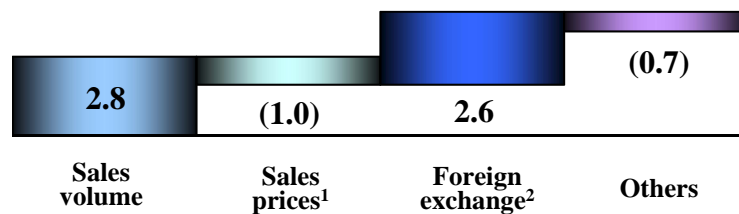
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	Q1 2013 ¹	Q1 2014	(¥ billion)
			Increase (decrease)
a: Income before minority interests	19.8	17.3	(2.5)
Net unrealized gain on other securities	6.8	8.6	1.8
Deferred gains or losses on hedges	0.2	0.0	(0.2)
Foreign currency translation adjustment	12.0	(2.0)	(14.0)
Remeasurements of defined benefit plans, net of tax	–	0.9	0.9
Share of other comprehensive income of affiliates accounted for using equity method	0.4	(0.2)	(0.6)
b: Other comprehensive income	19.5	7.4	(12.1)
Comprehensive income [a+b]	39.2	24.6	(14.6)
Comprehensive income attributable to owners of the parent	38.9	24.4	(14.5)
Comprehensive income attributable to minority interests	0.3	0.2	(0.1)

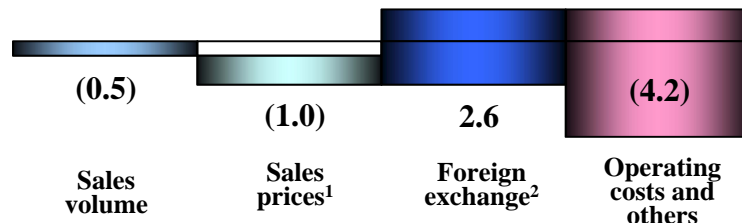
¹ The figures for Q1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.



Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

Review of operations

Sales increase, but operating income decrease.

Petrochemicals:

Improved market prices for acrylonitrile. Impact of major plant maintenance turnarounds. High feedstock prices for chemical products overall.

Performance polymers:

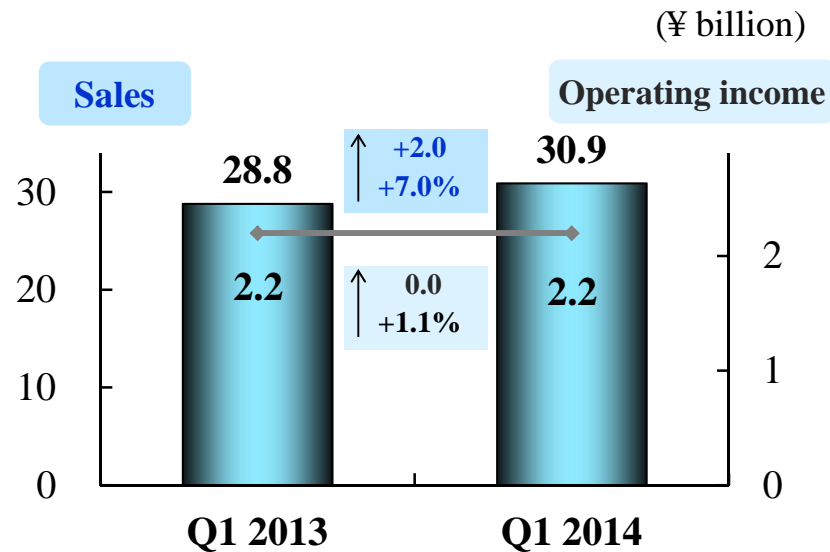
Firm sales of engineering plastics and of synthetic rubber for fuel-efficient tires. Low overseas market prices for synthetic rubber for other applications.

Specialty products:

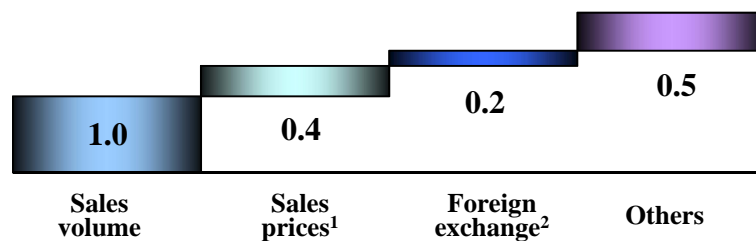
Firm sales of ion-exchange membranes. Increased advertising expenses for Saran Wrap™ cling film and other consumables.

Highlights

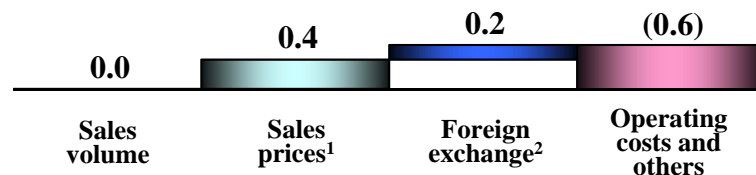
- May, decision to construct a second plant for plastic compounds in the US.
- June, decision to construct manufacturing facilities for AZP™, a new transparent polymer featuring zero birefringence for optical applications.



Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

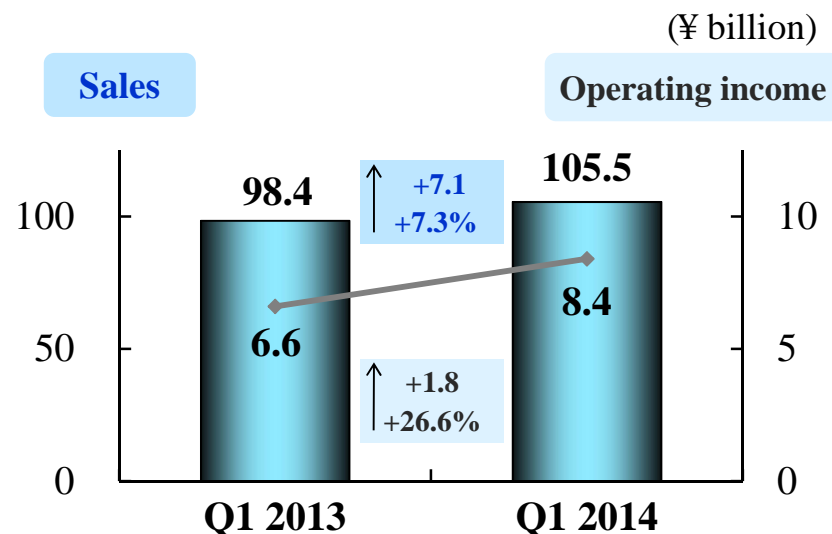
Review of operations

Sales increase, but operating income flat.

Firm sales of Roica™ elastic polyurethane filament and of Bemliese™ continuous-filament cellulosic nonwoven for facial masks etc. High costs for naphtha-derived feedstocks for spunbond and Leona™ nylon 66 filament. Increased depreciation expenses for a new production facility for Bemberg™ cupro fiber.

Highlights

- May, decision to expand production capacity for spunbond in Thailand.
- June, start of commercial operation of new production facility for Bemberg™.



Review of operations

Sales and operating income increase.

In 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. Decreased orders in remodeling in reaction to the surge in demand prior to the consumption tax increase. Good performance in rental management in real estate.

Value of new orders in order-built homes decreasing 11.3% year-on-year, as a result of high level of orders received in the first quarter a year ago due to the surge in demand prior to the consumption tax increase.

Results by product category

(¥ billion)

	Q1 2013		Q1 2014		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	71.7	5.1	77.2	6.1	5.5	1.0
Real estate (Asahi Kasei Fudousan Residence)	15.1	1.5	15.9	2.3	0.8	0.7
Remodeling (Asahi Kasei Reform)	11.2		11.8		0.6	
Other housing-related, etc.	0.3		0.6		0.2	
Total	98.4	6.6	105.5	8.4	7.1	1.8

Highlights

- May, adoption of newly developed seismic damping system as standard equipment for Hebel Haus™ Frex steel-framed three-story houses.

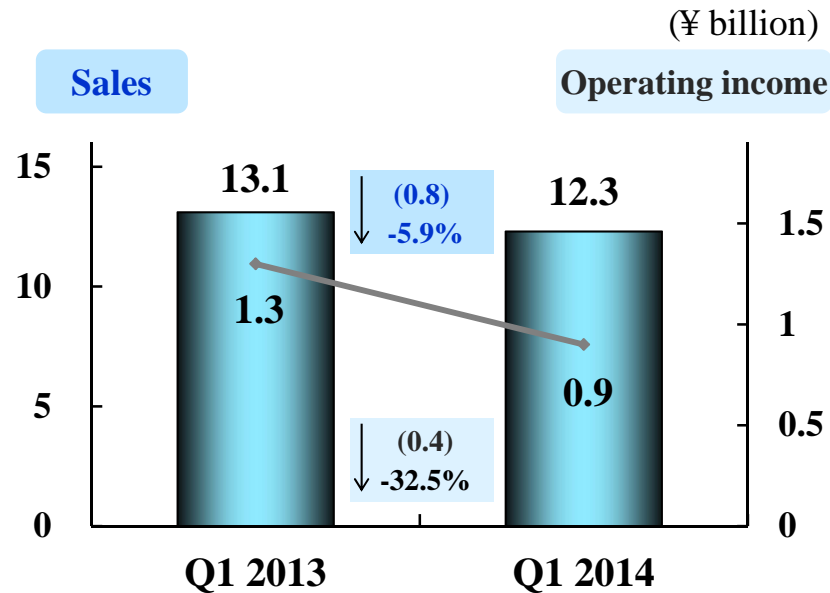
Homes – sales¹ and order trends

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

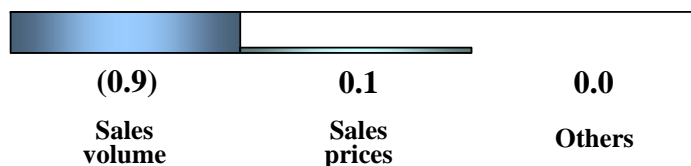
		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes		Other sales	Consolidated subsidiaries	Consolidated	Order backlog
FY10	H1	181.7 (+17.6%)	125.5 (+8.3%)	9.4	(+79.8%)	1.1	37.5 (+4.8%)	173.5 (+10.0%)	363.4
	H2	172.8 (+13.4%)	176.6 (+6.1%)	18.4	(-31.7%)	1.5	39.2 (+4.5%)	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	Q1	111.8 (+10.8%)	71.7 (+16.8%)	1.6	12.8	0.7	15.1	11.2	0.3	98.4 (+14.0%)	486.4
	Q2	140.1 (+31.5%)	109.3 (+9.2%)	2.9	13.4	0.7	16.9	13.4	0.5	140.0 (+10.5%)	519.9
	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%)	
	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	Q1	99.2 (-11.3%)	77.2 (+7.7%)	0.9	14.4	0.6	15.9	11.8	0.6	105.5 (+7.3%)	505.7
	Q2 forecast	102.8 (-26.6%)	112.1 (+2.6%)	8.9	15.0	0.8	24.7	14.6	0.1	151.5 (+8.2%)	499.8
	H1 forecast	202.0 (-19.8%)	189.3 (+4.6%)	9.9	29.4	1.4	40.6	26.4	0.7	257.0 (+7.8%)	

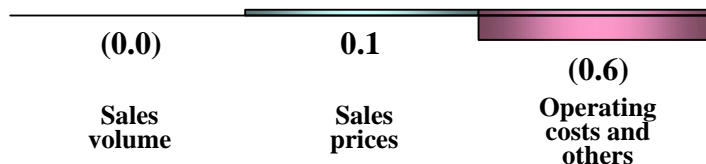
¹ Product categories are revised from FY 2012. A portion of sales previously included in pre-built homes is now included in order-built homes, etc. Otherwise, sales in the previous pre-built homes category are now included in real estate.



Sales increases/decreases due to:



Operating income increases/decreases due to:



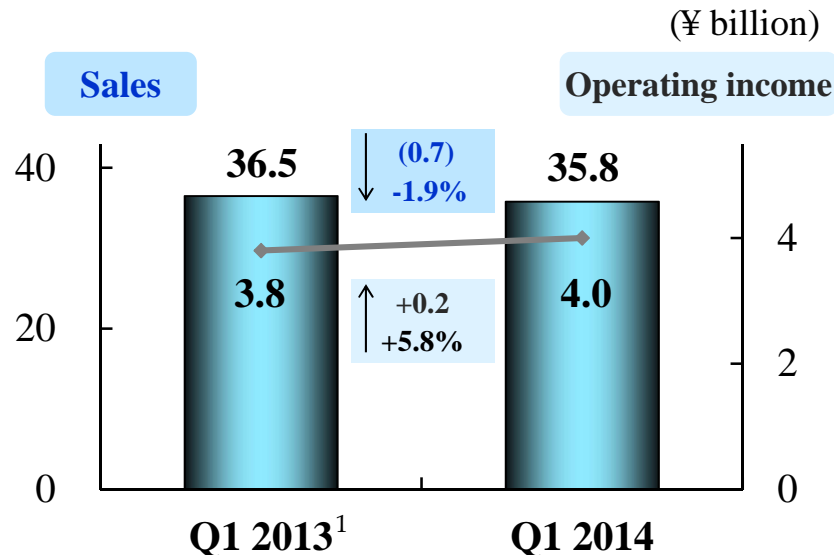
Review of operations

Sales and operating income decrease.

Increased shipments of Hebel™ autoclaved aerated concrete (AAC) panels. For Neoma™ high-performance phenolic foam panels, decreased shipments in reaction to the surge in demand prior to the consumption tax increase, and increased depreciation expenses for a new production line.

Highlights

- June, launch of Neoma™ panel for insulation retrofitting that enables residents to continue living in the house during installation.



¹ The figures for Q1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

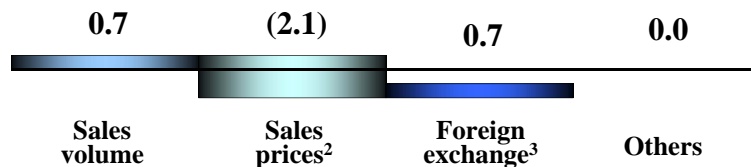
Review of operations

Sales decrease, but operating income increase.

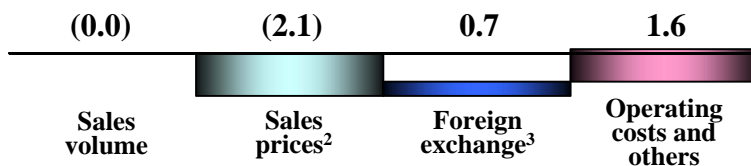
Electronic devices: Increased shipments of electronic compasses and magnetic sensors for smartphones and other mobile applications. Decreased shipments of crystal oscillator ICs.

Electronic materials: Decreased sales prices mainly for Hipore™ Li-ion battery separator. Firm sales of high-end products in each product category. Improved operating rates.

Sales increases/decreases due to:



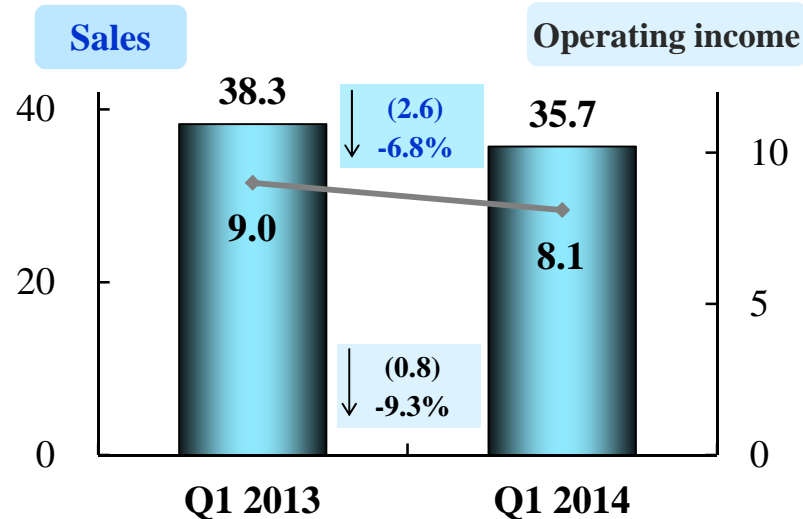
Operating income increases/decreases due to:



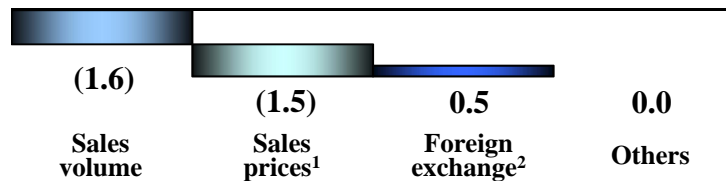
² Increase (decrease) in sales prices excluding impact of foreign exchange

³ Impact of foreign exchange on sales prices

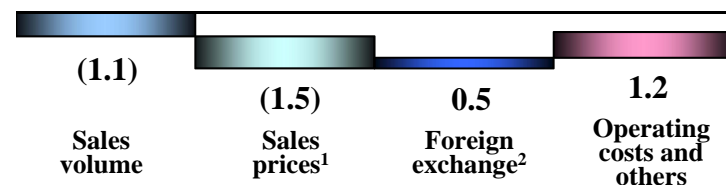
(¥ billion)



Sales increases/decreases due to:



Operating income increases/decreases due to:



Review of operations

Sales and operating income decrease.

Pharmaceuticals:

Decreased shipments of Teribone™ osteoporosis drug and Recomodulin™ recombinant thrombomodulin in reaction to the surge in demand prior to the consumption tax increase. Impact of reduced reimbursement prices for other pharmaceutical products.

Devices:

Firm sales of dialysis products and of therapeutic apheresis devices. Increased shipments of Planova™ virus removal filters.

Highlights

- May, decision to construct a new manufacturing facility for recombinant thrombomodulin alpha, the active ingredient of Recomodulin™ anticoagulant intravenous infusion 12800, in Fuji, Japan.
- July, application in Japan for manufacturing and marketing of XIAFLEX™ for Dupuytren's contracture.

¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

Health Care – breakdown of sales

Sales of Health Care business category (¥ billion)

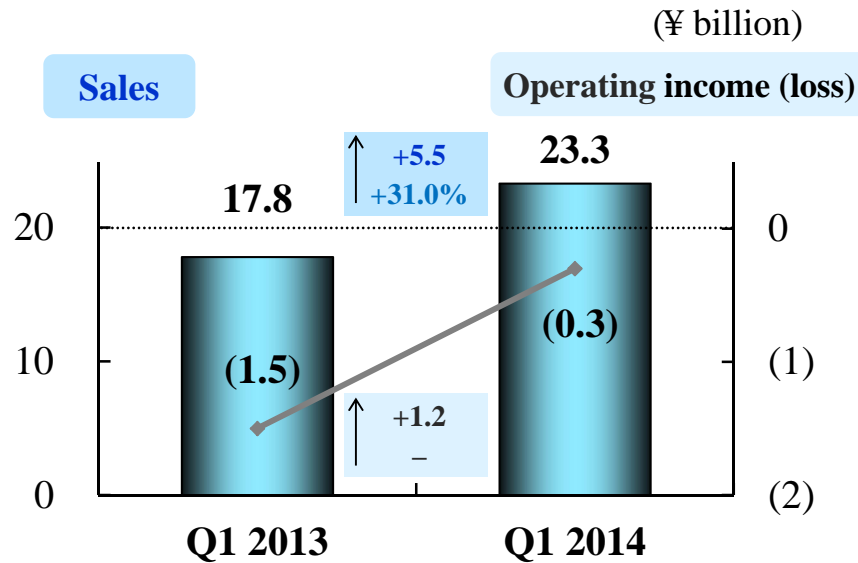
		FY 2013		FY 2014
		Q1	H1	Q1
	Domestic pharmaceuticals	20.9	40.8	18.0
	Others	1.2	3.3	1.1
Asahi Kasei Pharma consolidated		22.1	44.1	19.1
Devices ¹		16.3	31.7	16.6
Total		38.3	75.8	35.7

¹ Asahi Kasei Medical and affiliated companies.

Main pharmaceuticals domestic sales (¥ billion)

	FY 2013		FY 2014
	Q1	H1	Q1
Teribone™	6.4	12.8	5.6
Flivas™	3.6	7.0	3.3
Recomodulin™	2.8	5.9	2.5
Elcitonin™	2.2	4.3	1.6
Bredinin™	1.7	3.2	1.4

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Pending approval	AK-160, injection	New biologic	Collagenase clostridium histolyticum	Dupuytren's contracture	Licensed
Phase III	AK-156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
Phase II	AT-877, oral, fasudil hydrochloride hydrate	Additional indication, new dosage form	Rho-kinase inhibitor	Pulmonary arterial hypertension	In-house
	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	Sepsis with disseminated intravascular coagulation	In-house
Phase II (overseas)	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house



Review of operations

Sales increase and consolidated operating loss decrease. Continued smooth expansion of LifeVest™ wearable defibrillator operations. Increased sales of other products such as defibrillators and related accessories. Increased selling, general and administrative expenses with reinforced sales activity.

Highlights

- June, approval in Japan for manufacturing and marketing of the R Series™ defibrillator for hospital use.

Financial performance of Critical Care

(¥ billion)

	FY2013				FY 2014	
	Q1	H1	H2	Total	Q1	H1 forecast
Net sales	17.8	37.5	42.3	79.8	23.3	48.0
Gross operating income before PPA ¹ impact [a]	1.8	4.6	4.9	9.5	2.9	6.2
Amortization/depreciation from PPA ¹ revaluation [b]	(3.3)	(6.6)	(6.4)	(13.0)	(3.2)	(6.2)
Goodwill	(1.7)	(3.5)	(3.6)	(7.1)	(1.8)	(3.6)
Other intangible assets, etc.	(1.6)	(3.1)	(2.8)	(5.9)	(1.3)	(2.6)
Consolidated operating income (loss) [a-b]	(1.5)	(2.0)	(1.5)	(3.5)	(0.3)	0.0

¹ Purchase price allocation.