

Fiscal quarter ended
December 2014
– supplementary financial summary –

February 5, 2015
Asahi Kasei Corporation

Consolidated results for fiscal quarter ended Dec. 2014

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Disclaimer

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

Consolidated results for fiscal quarter ended Dec. 2014

Summary of financial results

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(¥ billion)

	2013		2014		Oct.–Dec. 2014 vs. 2013		Apr.–Dec. 2014 vs. 2013		FY 2014 forecast in Nov. <i>b</i>	% of forecast <i>a/b</i>
	Oct.–Dec. ¹	Apr.–Dec.	Oct.–Dec.	Apr.–Dec. <i>a</i>	Increase (decrease)	% change	Increase (decrease)	% change		
Net sales	470.7	1,389.6	503.1	1,470.1	32.5	+6.9%	80.4	+5.8%	2,006.0	73.3%
Operating income	35.6	109.8	47.8	118.7	12.2	+34.4%	8.9	+8.1%	154.0	77.1%
Ordinary income	36.7	109.5	53.1	127.3	16.4	+44.6%	17.7	+16.2%	157.0	81.1%
Net income	19.5	66.1	38.9	88.4	19.3	+99.2%	22.3	+33.7%	100.0	88.4%

¹ The figures for Oct.–Dec. 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)	67,800	65,767	66,000	68,933
¥/US\$ exchange rate (market average)	100	99	115	107

Financial position

	At end of Mar. 2014	At end of Dec. 2014	Increase (decrease)
Total assets	1,915.1	2,077.2	162.1
Equity	912.7	1,042.2	129.5
Interest-bearing debt	303.9	337.7	33.8
Debt/equity ratio	0.33	0.32	(0.01)

Statements of income

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(¥ billion)

	2013				2014				Oct.-Dec. 2014 vs. 2013		Apr.-Dec. 2014 vs. 2013	
	Oct.-Dec. ¹		Apr.-Dec.		Oct.-Dec.		Apr.-Dec.		Increase (decrease)	% change	Increase (decrease)	% change
		% of sales		% of sales		% of sales		% of sales				
Net sales	470.7	100.0%	1,389.6	100.0%	503.1	100.0%	1,470.1	100.0%	32.5	+6.9%	80.4	+5.8%
Cost of sales	342.6	72.8%	1,008.3	72.6%	359.3	71.4%	1,066.3	72.5%	16.7	+4.9%	57.9	+5.7%
Gross profit	128.1	27.2%	381.3	27.4%	143.9	28.6%	403.8	27.5%	15.8	+12.3%	22.5	+5.9%
Selling, general and administrative expenses	92.5	19.7%	271.5	19.5%	96.1	19.1%	285.1	19.4%	3.6	+3.9%	13.6	+5.0%
Operating income	35.6	7.6%	109.8	7.9%	47.8	9.5%	118.7	8.1%	12.2	+34.4%	8.9	+8.1%
Net non-operating income (expenses)	1.1		(0.3)		5.3		8.5		4.1		8.8	
of which,												
net financing income	0.4		1.0		0.6		1.8		0.3		0.8	
net equity in earnings (losses) of affiliates	(1.3)		(3.1)		0.5		1.7		1.8		4.8	
foreign exchange income	2.6		2.3		4.0		6.0		1.4		3.7	
Ordinary income	36.7	7.8%	109.5	7.9%	53.1	10.5%	127.3	8.7%	16.4	+44.6%	17.7	+16.2%
Net extraordinary income (loss)	(6.5)		(8.1)		(1.0)		(1.0)		5.5		7.1	
Income before income taxes and minority interests	30.2	6.4%	101.4	7.3%	52.1	10.4%	126.2	8.6%	21.9	+72.3%	24.8	+24.5%
Income taxes	(10.6)		(34.7)		(12.9)		(37.0)		(2.3)		(2.3)	
Minority interests in income	(0.1)		(0.6)		(0.4)		(0.8)		(0.2)		(0.2)	
Net income	19.5	4.1%	66.1	4.8%	38.9	7.7%	88.4	6.0%	19.3	+99.2%	22.3	+33.7%

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

Extraordinary income and loss

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(¥ billion)

	2013		2014		Oct.–Dec. '14 vs. '13 Increase (decrease)	Apr.–Dec. '14 vs. '13 Increase (decrease)
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.		
Extraordinary income						
Gain on sales of investment securities	–	0.3	–	2.3	–	2.0
Gain on sales of noncurrent assets	0.0	1.5	0.1	0.4	0.1	(1.1)
Total extraordinary income	0.0	1.8	0.1	2.6	0.1	0.8
Extraordinary loss						
Loss on sales of investment securities	–	–	–	0.1	–	0.1
Loss on valuation of investment securities	0.0	0.6	0.0	0.5	0.0	(0.1)
Loss on disposal of noncurrent assets	1.1	2.5	0.5	1.7	(0.6)	(0.8)
Impairment loss	0.3	0.3	0.6	0.7	0.3	0.4
Business structure improvement expenses	0.6	2.0	0.0	0.6	(0.6)	(1.5)
Loss on discontinuation of development project	4.5	4.5	–	–	(4.5)	(4.5)
Total extraordinary loss	6.5	9.9	1.1	3.7	(5.4)	(6.3)
Net extraordinary income (loss)	(6.5)	(8.1)	(1.0)	(1.0)	5.5	7.1

Balance sheets

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(¥ billion)

	At end of Mar. 2014	At end of Dec. 2014	Increase (decrease)		At end of Mar. 2014	At end of Dec. 2014	Increase (decrease)
Current assets	890.4	963.0	72.6	Liabilities	989.3	1,020.4	31.1
Cash and deposits	151.5	122.2	(29.3)	Current liabilities	576.8	593.1	16.3
Notes and accounts receivable–trade	316.7	360.4	43.7	Noncurrent liabilities	412.5	427.3	14.7
Inventories	328.5	370.9	42.4	Net assets	925.8	1,056.8	131.1
Other current assets	93.7	109.5	15.9	Shareholders' equity	815.6	861.8	46.2
Noncurrent assets	1,024.7	1,114.2	89.5	Capital stock	103.4	103.4	–
Property, plant and equipment	480.5	502.0	21.4	Capital surplus	79.4	79.4	0.0
Intangible assets	258.4	287.2	28.7	Retained earnings	635.4	682.0	46.6
Investments and other assets	285.7	325.1	39.4	Treasury stock	(2.6)	(3.0)	(0.4)
				Accumulated other comprehensive income	97.1	180.4	83.3
				Minority interests	13.1	14.6	1.6
Total assets	1,915.1	2,077.2	162.1	Total liabilities and net assets	1,915.1	2,077.2	162.1

Cash flows

(¥ billion)

	2013		2014	
	Oct.–Dec. ¹	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.
a. Net cash provided by (used in) operating activities	13.7	100.9	(1.9)	41.2
b. Net cash provided by (used in) investing activities	(28.2)	(77.6)	(31.2)	(79.0)
c. Free cash flows [a+b]	(14.5)	23.2	(33.1)	(37.9)
d. Net cash provided by (used in) financing activities	10.8	(23.9)	33.6	(6.4)
e. Effect of exchange rate change on cash and cash equivalents	3.0	4.8	3.7	5.6
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(0.7)	4.1	4.2	(38.7)
g. Cash and cash equivalents at beginning of period	109.3	104.0	100.4	143.1
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	–	0.5	0.5	0.6
i. Cash and cash equivalents at end of period [f+g+h]	108.6	108.6	105.0	105.0

¹ The figures for Oct.–Dec. 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, Oct.–Dec. 2013 and 2014

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(¥ billion)

	Sales			Operating income		
	Oct.–Dec. 2013	Oct.–Dec. 2014	Increase (decrease)	Oct.–Dec. 2013 ²	Oct.–Dec. 2014	Increase (decrease)
Chemicals & Fibers	231.4	250.8	19.4	12.3	20.6	8.3
Homes & Construction Materials	136.8	138.4	1.5	14.1	13.1	(1.0)
Electronics	36.6	39.9	3.2	3.6	5.9	2.3
Health Care	61.3	69.6	8.3	9.3	11.8	2.4
Others	4.5	4.6	0.1	0.2	0.2	0.0
Corporate expenses and eliminations	–	–	–	(3.9)	(3.8)	0.2
Consolidated	470.7	503.1	32.5	35.6	47.8	12.2

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 Oct.–Dec. 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, Apr.–Dec. 2013 and 2014

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(¥ billion)

	Sales			Operating income		
	Apr.–Dec. 2013	Apr.–Dec. 2014	Increase (decrease)	Apr.–Dec. 2013	Apr.–Dec. 2014	Increase (decrease)
Chemicals & Fibers	688.2	728.3	40.0	39.9	47.2	7.3
Homes & Construction Materials	403.0	420.8	17.8	43.7	41.9	(1.8)
Electronics	111.3	113.9	2.5	12.8	13.3	0.4
Health Care	174.6	191.0	16.4	23.7	26.8	3.1
Others	12.5	16.2	3.7	1.0	0.9	(0.1)
Corporate expenses and eliminations	–	–	–	(11.2)	(11.2)	(0.0)
Consolidated	1,389.6	1,470.1	80.4	109.8	118.7	8.9

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.

Sales and operating income increases/decreases by business category¹, Oct.–Dec. 2014 vs. 2013 (i)

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(¥ billion)

		Oct.–Dec. 2013	Oct.–Dec. 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	201.4	217.9	16.5	8.3	4.7	9.1	3.5	–
	Operating income	10.0	18.0	8.1	1.8			–	1.6
Fibers	Sales	30.1	32.9	2.9	1.9	0.9	0.8	–	–
	Operating income	2.3	2.6	0.3	0.7			–	(1.3)
Homes	Sales	121.8	124.2	2.4	1.5	5.0	–	(4.1)	–
	Operating income	12.2	11.9	(0.4)	0.5			–	(5.9)
Construction Materials	Sales	15.0	14.1	(0.9)	(1.1)	0.2	–	–	–
	Operating income	2.0	1.4	(0.6)	(0.4)			–	(0.4)
Electronics	Sales	36.6	39.9	3.2	4.8	(1.5)	2.6	–	–
	Operating income ²	3.6	5.9	2.3	3.3			–	0.5

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 Oct.–Dec. 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, Oct.–Dec. 2014 vs. 2013 (ii)

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(¥ billion)

		Oct.–Dec. 2013	Oct.–Dec. 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	41.2	39.7	(1.4)	(0.8)	(0.7)	0.7	–	–
	Operating income	10.0	9.3	(0.7)	(1.0)			–	0.9
Critical Care	Sales	20.1	29.8	9.7	6.4	0.6	(0.2)	2.8	–
	Operating income (loss)	(0.7)	2.4	3.1	4.3			–	(1.8)
Others	Sales	4.5	4.6	0.1	0.1	–	–	–	–
	Operating income	0.2	0.2	0.0	0.1	–	–	–	(0.1)
Corporate expenses and eliminations	Operating loss	(4.0)	(3.9)	0.1	–	–	–	–	0.1
Consolidated	Sales	470.7	503.1	32.5	21.2	9.1	13.0	2.2	–
	Operating income ²	35.6	47.8	12.2	9.5			–	(6.4)

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 Oct.–Dec. 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, Apr.–Dec. 2014 vs. 2013 (i)

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(¥ billion)

		Apr.–Dec. 2013	Apr.–Dec. 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	598.4	631.0	32.6	13.3	10.7	15.2	8.6	–
	Operating income	33.1	40.0	6.9	1.1			–	(4.9)
Fibers	Sales	89.9	97.3	7.4	4.5	1.9	1.4	1.0	–
	Operating income	6.7	7.3	0.6	1.1			–	(2.5)
Homes	Sales	360.2	380.2	20.0	5.0	13.2	–	1.7	–
	Operating income	38.8	38.8	0.0	1.0			–	(14.2)
Construction Materials	Sales	42.8	40.6	(2.2)	(2.7)	0.5	–	–	–
	Operating income	5.1	3.5	(1.6)	(0.6)			–	(1.5)
Electronics	Sales	111.3	113.9	2.5	8.7	(6.2)	4.3	–	–
	Operating income	12.8	13.3	0.4	6.0			–	0.6

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

Sales and operating income increases/decreases by business category¹, Apr.–Dec. 2014 vs. 2013 (ii)

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(¥ billion)

		Apr.–Dec. 2013	Apr.–Dec. 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	117.0	113.0	(4.0)	(1.3)	(2.7)	1.6	–	–
	Operating income	26.4	24.0	(2.4)	(1.6)			–	1.9
Critical Care	Sales	57.6	78.0	20.3	16.2	(0.2)	(0.0)	4.4	–
	Operating income (loss)	(2.7)	2.7	5.4	11.9			–	(6.3)
Others	Sales	12.5	16.2	3.7	3.7	–	–	–	–
	Operating income	1.0	0.9	(0.1)	0.4			–	(0.5)
Corporate expenses and eliminations	Operating loss	(11.4)	(11.7)	(0.4)	–	–	–	–	(0.4)
Consolidated	Sales	1,389.6	1,470.1	80.4	47.5	17.2	22.4	15.7	–
	Operating income	109.8	118.7	8.9	19.3			–	(27.6)

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

Forecast for fiscal year 2014

Consolidated operating performance

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(¥ billion)

	FY 2013			FY 2014 revised forecast					FY 2014 forecast in Nov.
	H1 ¹	H2 ¹	Total	H1	H2		Total		
					Oct.–Dec.	Jan.–Mar.		forecast	
Net sales	919.0	978.8	1,897.8	966.9	503.1	520.9	1,024.1	1,991.0	2,006.0
Operating income	74.2	69.1	143.3	70.9	47.8	39.3	87.1	158.0	154.0
Ordinary income	72.8	70.1	142.9	74.2	53.1	36.7	89.8	164.0	157.0
Net income	46.6	54.7	101.3	49.5	38.9	14.6	53.5	103.0	100.0

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)	64,750	69,900	67,325	70,400	66,000	45,000	55,500	62,950	67,200
¥/US\$ exchange rate (market average)	99	102	100	103	115	115	115	109	104

	FY 2013	FY 2014
Dividends per share	¥17	¥18 (planned)
Payout ratio	23.5%	24.4%

Sales forecast by business category¹

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(¥ billion)

	FY 2013			FY 2014 revised forecast					FY 2014 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	397.0	394.6	791.6	413.1	217.9	196.0	413.9	827.0	847.0	(20.0)
Fibers	59.8	61.1	120.9	64.4	32.9	33.7	66.6	131.0	129.0	2.0
Homes	238.4	296.0	534.4	256.0	124.2	170.8	295.0	551.0	551.0	–
Construction Materials	27.8	27.2	55.0	26.5	14.1	12.4	26.5	53.0	55.0	(2.0)
Electronics	74.7	70.3	145.0	74.0	39.9	38.1	78.0	152.0	150.0	2.0
Health Care	75.8	76.8	152.5	73.3	39.7	34.0	73.7	147.0	150.0	(3.0)
Critical Care	37.5	42.3	79.8	48.1	29.8	31.0	60.9	109.0	103.0	6.0
Others	8.0	10.5	18.5	11.6	4.6	4.8	9.4	21.0	21.0	–
Consolidated	919.0	978.8	1,897.8	966.9	503.1	520.9	1,024.1	1,991.0	2,006.0	(15.0)

¹ Corresponding to the former operating segments.

Operating income forecast by business category¹

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(¥ billion)

	FY 2013			FY 2014 revised forecast					FY 2014 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1 ²	H2 ²	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals	23.2	15.7	38.9	22.0	18.0	14.0	32.0	54.0	52.0	2.0
Fibers	4.4	4.2	8.6	4.7	2.6	2.2	4.8	9.5	9.0	0.5
Homes	26.5	36.4	63.0	27.0	11.9	19.7	31.5	58.5	58.0	0.5
Construction Materials	3.1	2.4	5.5	2.1	1.4	0.5	1.9	4.0	4.0	–
Electronics	9.3	5.0	14.2	7.4	5.9	2.7	8.6	16.0	15.0	1.0
Health Care	16.4	13.9	30.3	14.7	9.3	2.5	11.8	26.5	27.5	(1.0)
Critical Care	(2.0)	(1.5)	(3.5)	0.3	2.4	1.3	3.7	4.0	2.5	1.5
Others	0.8	0.9	1.7	0.7	0.2	0.6	0.8	1.5	1.5	–
Corporate expenses and eliminations	(7.3)	(8.0)	(15.3)	(7.8)	(3.9)	(4.3)	(8.2)	(16.0)	(15.5)	(0.5)
Consolidated	74.2	69.1	143.3	70.9	47.8	39.3	87.1	158.0	154.0	4.0

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 H1 and H2 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 revised forecast					FY 2014 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 & Fibers	456.8	455.7	912.5	477.5	250.8	229.7	480.5	958.0	976.0	(18.0)
Homes & Construction Materials	266.2	323.2	589.4	282.5	138.4	183.2	321.5	604.0	606.0	(2.0)
Electronics	74.7	70.3	145.0	74.0	39.9	38.1	78.0	152.0	150.0	2.0
Health Care	113.3	119.1	232.4	121.4	69.6	65.0	134.6	256.0	253.0	3.0
Others	8.0	10.5	18.5	11.6	4.6	4.8	9.4	21.0	21.0	–
Consolidated	919.0	978.8	1,897.8	966.9	503.1	520.9	1,024.1	1,991.0	2,006.0	(15.0)

Operating income forecast

(¥ billion)

	FY 2013			FY 2014 revised forecast					FY 2014 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1 ²	H2 ²	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals & Fibers	27.6	19.9	47.4	26.6	20.6	16.3	36.9	63.5	61.0	2.5
Homes & Construction Materials	29.6	38.9	68.5	28.8	13.1	20.6	33.7	62.5	62.0	0.5
Electronics	9.3	5.0	14.2	7.4	5.9	2.7	8.6	16.0	15.0	1.0
Health Care	14.3	12.4	26.7	15.0	11.8	3.7	15.5	30.5	30.0	0.5
Others	0.8	0.9	1.7	0.7	0.2	0.6	0.8	1.5	1.5	–
Corporate expenses and eliminations	(7.3)	(8.0)	(15.3)	(7.5)	(3.8)	(4.8)	(8.5)	(16.0)	(15.5)	(0.5)
Consolidated	74.2	69.1	143.3	70.9	47.8	39.3	87.1	158.0	154.0	4.0

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

Appendix

Sales and operating income by business category¹, Oct.–Dec. 2013 and 2014

Asahi**KASEI**

(¥ billion)

	Sales			Operating income		
	Oct.–Dec. 2013	Oct.–Dec. 2014	Increase (decrease)	Oct.–Dec. 2013 ²	Oct.–Dec. 2014	Increase (decrease)
Chemicals	201.4	217.9	16.5	10.0	18.0	8.1
Fibers	30.1	32.9	2.9	2.3	2.6	0.3
Homes	121.8	124.2	2.4	12.2	11.9	(0.4)
Construction Materials	15.0	14.1	(0.9)	2.0	1.4	(0.6)
Electronics	36.6	39.9	3.2	3.6	5.9	2.3
Health Care	41.2	39.7	(1.4)	10.0	9.3	(0.7)
Critical Care	20.1	29.8	9.7	(0.7)	2.4	3.1
Others	4.5	4.6	0.1	0.2	0.2	0.0
Corporate expenses and eliminations	–	–	–	(4.0)	(3.9)	0.1
Consolidated	470.7	503.1	32.5	35.6	47.8	12.2
Overseas sales	149.4	178.1	28.7			
% of total	31.7%	35.4%	3.7%			

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 Oct.–Dec. 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Sales and operating income by business category¹, Apr.–Dec. 2013 and 2014

AsahiKASEI

(¥ billion)

	Sales			Operating income		
	Apr.–Dec. 2013	Apr.–Dec. 2014	Increase (decrease)	Apr.–Dec. 2013	Apr.–Dec. 2014	Increase (decrease)
Chemicals	598.4	631.0	32.6	33.1	40.0	6.9
Fibers	89.9	97.3	7.4	6.7	7.3	0.6
Homes	360.2	380.2	20.0	38.8	38.8	0.0
Construction Materials	42.8	40.6	(2.2)	5.1	3.5	(1.6)
Electronics	111.3	113.9	2.5	12.8	13.3	0.4
Health Care	117.0	113.0	(4.0)	26.4	24.0	(2.4)
Critical Care	57.6	78.0	20.3	(2.7)	2.7	5.4
Others	12.5	16.2	3.7	1.0	0.9	(0.1)
Corporate expenses and eliminations	–	–	–	(11.4)	(11.7)	(0.4)
Consolidated	1,389.6	1,470.1	80.4	109.8	118.7	8.9
Overseas sales	460.1	503.6	43.6			
% of total	33.1%	34.3%	1.2%			

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

Quarterly sales by business category¹

Asahi**KASEI**

(¥ billion)

	FY 2013				FY 2014			FY 2014
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	193.1	203.9	201.4	193.2	196.9	216.2	217.9	196.0
Fibers	28.8	31.0	30.1	31.0	30.9	33.5	32.9	33.7
Homes	98.4	140.0	121.8	174.2	105.5	150.5	124.2	170.8
Construction Materials	13.1	14.7	15.0	12.2	12.3	14.2	14.1	12.4
Electronics	36.5	38.2	36.6	33.7	35.8	38.2	39.9	38.1
Health Care	38.3	37.5	41.2	35.6	35.7	37.5	39.7	34.0
Critical Care	17.8	19.8	20.1	22.2	23.3	24.9	29.8	31.0
Others	4.0	4.0	4.5	6.0	6.9	4.8	4.6	4.8
Total	430.0	489.0	470.7	508.1	447.1	519.8	503.1	520.9

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

Quarterly operating income by business category¹

Asahi**KASEI**

	FY 2013				FY 2014			(¥ billion)
	Q1 ²	Q2 ²	Q3 ²	Q4	Q1	Q2	Q3	FY 2014 Q4 forecast
Chemicals	10.2	13.0	10.0	5.7	7.1	14.9	18.0	14.0
Fibers	2.2	2.2	2.3	1.8	2.2	2.5	2.6	2.2
Homes	6.6	19.9	12.2	24.2	8.4	18.5	11.9	19.7
Construction Materials	1.3	1.7	2.0	0.5	0.9	1.2	1.4	0.5
Electronics	3.8	5.5	3.6	1.4	4.0	3.4	5.9	2.7
Health Care	9.0	7.4	10.0	3.9	8.1	6.6	9.3	2.5
Critical Care	(1.5)	(0.5)	(0.7)	(0.8)	(0.3)	0.6	2.4	1.3
Others	0.4	0.4	0.2	0.8	0.4	0.3	0.2	0.6
Corporate expenses and eliminations	(3.7)	(3.6)	(4.0)	(4.0)	(4.2)	(3.6)	(3.9)	(4.3)
Total	28.3	45.9	35.6	33.5	26.6	44.3	47.8	39.3

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.

Overseas sales by business category¹, Apr.–Dec. 2013 and 2014

AsahiKASEI

(¥ billion)

	Apr.–Dec. 2013			Apr.–Dec. 2014			Increase (decrease) in overseas sales	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		% change
Chemicals	598.4	269.5	45.0%	631.0	285.4	45.2%	15.9	+5.9%
Fibers	89.9	35.8	39.8%	97.3	40.1	41.2%	4.3	+12.0%
Homes	360.2	–	–	380.2	–	–	–	–
Construction Materials	42.8	–	–	40.6	–	–	–	–
Electronics	111.3	69.9	62.7%	113.9	72.4	63.6%	2.5	+3.6%
Health Care	117.0	27.1	23.2%	113.0	27.9	24.7%	0.8	+2.8%
Critical Care	57.6	57.3	99.4%	78.0	77.2	99.0%	19.9	+34.8%
Others	12.5	0.5	4.1%	16.2	0.7	4.3%	0.2	+37.0%
Total	1,389.6	460.1	33.1%	1,470.1	503.6	34.3%	43.6	+9.5%
Sales to East Asia ²		261.1	18.8%		272.3	18.5%	11.2	+4.3%
of which, sales to China		145.9	10.5%		150.9	10.3%	5.0	+3.4%

Sales, excluding Homes and
Construction Materials

986.6 460.1 46.6% 1,049.3 503.6 48.0%

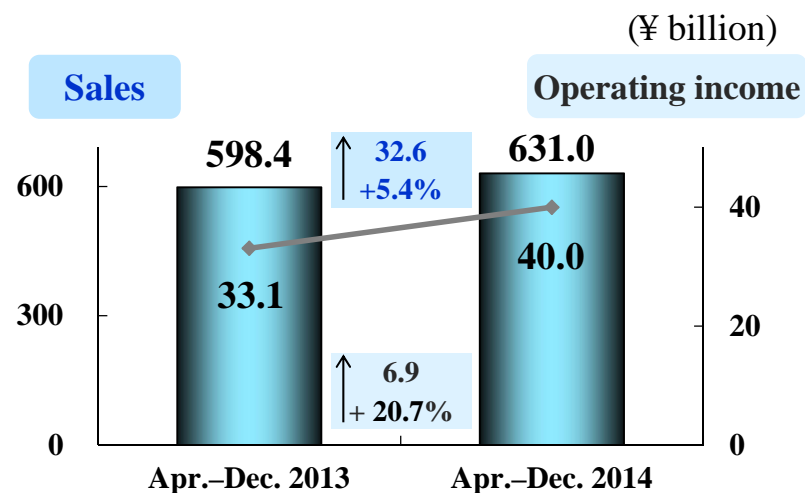
¹ Corresponding to the former operating segments.

² China, Korea, and Taiwan.

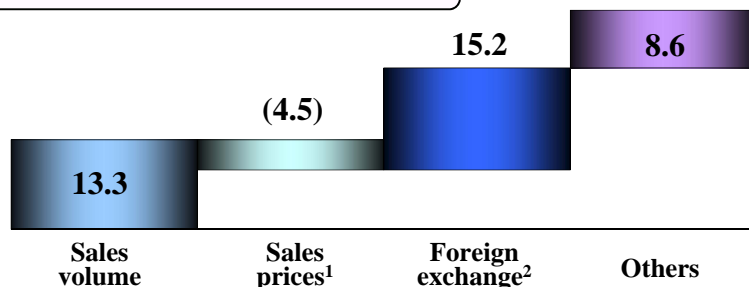
Statements of comprehensive income

Asahi**KASEI**

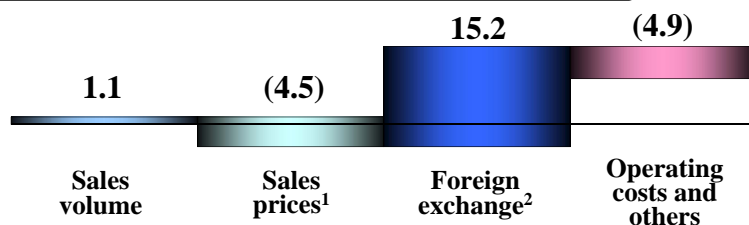
(¥ billion)			
	2013 Apr.–Dec.	2014 Apr.–Dec.	Increase (decrease)
a: Income before minority interests	66.7	89.2	22.5
Net increase or decrease in unrealized gain on other securities	22.8	25.0	2.2
Deferred gains or losses on hedges	0.4	0.0	(0.4)
Foreign currency translation adjustment	38.6	51.9	13.3
Remeasurements of defined benefit plans, net of tax	–	2.8	2.8
Share of other comprehensive income of affiliates accounted for using equity method	1.8	4.5	2.7
b: Other comprehensive income	63.6	84.2	20.6
Comprehensive income [a+b]	130.3	173.4	43.0
Comprehensive income attributable to owners of the parent	129.2	171.6	42.4
Comprehensive income attributable to minority interests	1.1	1.8	0.6



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

Petrochemicals:

Declined market prices for styrene monomer. Improved market prices for acrylonitrile. Positive effects of strengthening of petrochemical operations in Japan. Sales and operating income increase.

Performance polymers:

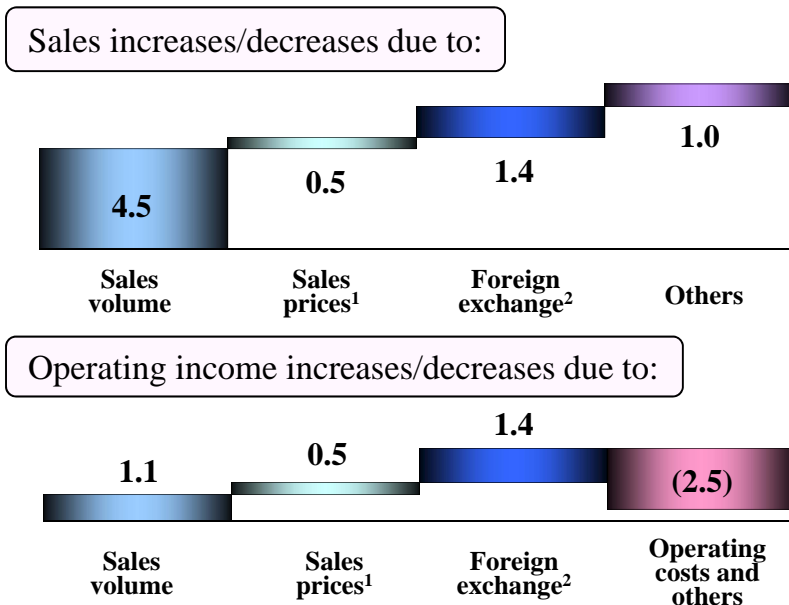
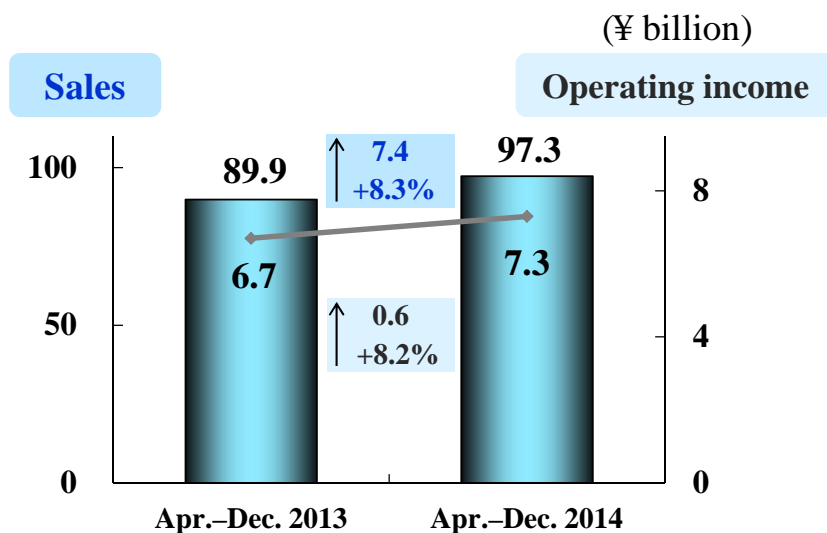
Benefit from weaker yen. Firm sales of engineering plastics. Synthetic rubber impacted by lower market prices for general-purpose products. Sales increase, and operating income flat.

Specialty products:

Firm sales of ion-exchange membranes. Impact of consumption tax increase for Saran Wrap cling film and other consumables. Sales increase, but operating income decrease.

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.
- November, start-up of a new plant for Duranol polycarbonatediol in China.
- January, decision to construct a validation plant at Mizushima Works in Okayama, Japan, for a newly developed process to produce diphenyl carbonate, a monomer of polycarbonate, via dialkyl carbonate obtained from CO₂ and alcohol.



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

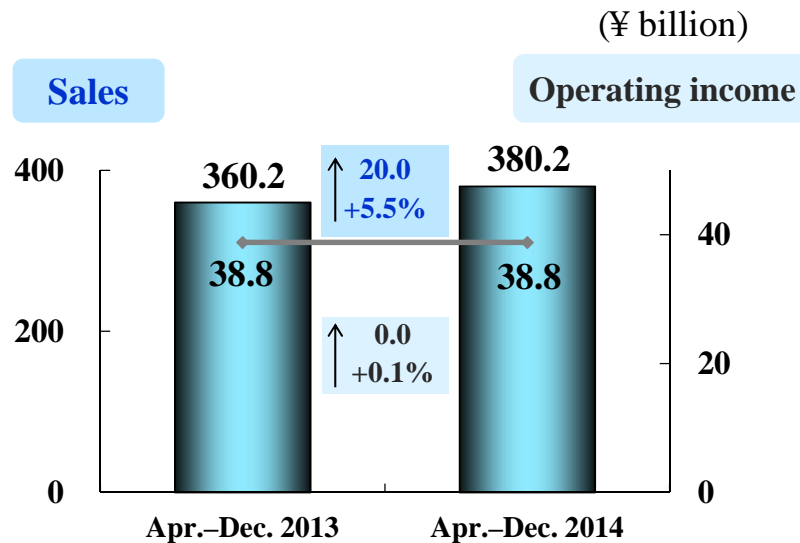
² Impact of foreign exchange on sales prices.

Review of operations

High feedstock costs for spunbond nonwoven and Leona nylon 66 filament. Increased depreciation expenses for a new production facility for Bemberg cupro fiber. Firm sales of Bemliese continuous-filament cellulosic nonwoven for facial masks etc. and of Roica elastic polyurethane filament. Sales and operating income increase.

Highlights

- May, decision to expand production capacity for spunbond nonwoven in Thailand.
- June, start of commercial operation of new production facility for Bemberg.
- September, launch of Roboden elastic electric wire using Roica.
- October, opening of Cupro Lining Museum+.
- December, commercialization of NanoAct cellulose nanobeads as labels for lateral flow immunoassay.



Review of operations

Order-built homes:

- Increased deliveries mainly for Hebel Maison apartment buildings based on strong orders in the previous fiscal year. Increased advertising expenses. Sales increase, and operating income flat.
- Despite recent recovering order trends from decline as a reaction to the surge in demand prior to the consumption tax increase, value of new orders decreased by 2.2% year-on-year as a result of high level of orders received in the same period a year ago.

Real estate, remodeling and others:

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

Results by product category

(¥ billion)

	Apr.-Dec. 2013		Apr.-Dec. 2014		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	266.3	29.7	278.5	28.0	12.2	(1.7)
Real estate (Asahi Kasei Fudousan Residence, etc.)	54.5	3.5	60.4	4.7	6.0	1.2
Remodeling (Asahi Kasei Reform)	38.2	4.7	39.6	4.4	1.5	(0.3)
Other housing-related, etc.	1.3	0.9	1.6	1.7	0.3	0.8
Total	360.2	38.8	380.2	38.8	20.0	0.0

Highlights

- May, adoption of newly developed seismic damping system as standard equipment for Hebel Haus Frex steel-framed three-story houses.
- August, launch of Hebel Haus Cut&Gable as a new addition to the Hebel Haus Frex series, featuring a gable-shaped wall for more varied appearance and greater flexibility in spatial design.

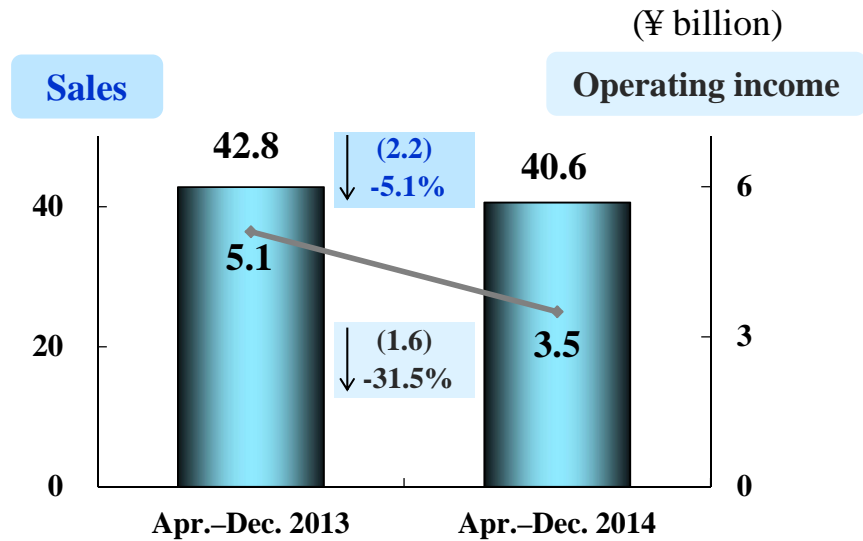
Homes (ii)

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	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
	Q3	69.2 (-21.4%)	85.3 (+2.2%)	8.5	13.4	0.5	22.4	13.6	0.5	121.8 (+3.8%)	505.9
	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	H1	217.6 (-13.6%)	187.9 (+3.9%)	9.8	29.3	1.4	40.6	26.3	1.1	256.0 (+7.4%)	516.3
	Q3	96.4 (+39.4%)	90.6 (+6.2%)	3.7	15.3	0.8	19.8	13.3	0.5	124.2 (+2.0%)	524.8
	H2 forecast	224.4 (+32.5%)	215.6 (+1.2%)	18.2	31.7	2.1	51.9	27.2	0.4	295.0 (-0.3%)	531.5
	annual forecast	442.0 (+4.9%)	403.5 (+2.4%)	28.0	61.0	3.5	92.5	53.5	1.5	551.0 (+3.1%)	

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.



Review of operations

Increased shipments of Hebel autoclaved aerated concrete panels. For Neoma high-performance phenolic foam insulation panels, decreased shipments as an effect of the consumption tax increase, and increased depreciation expenses for a new production line. Sales and operating income decrease.

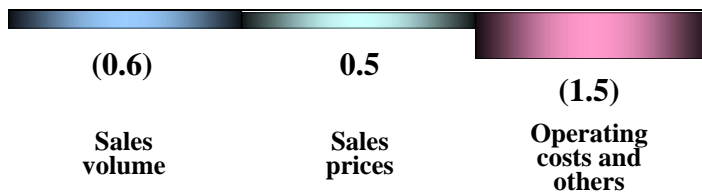
Highlights

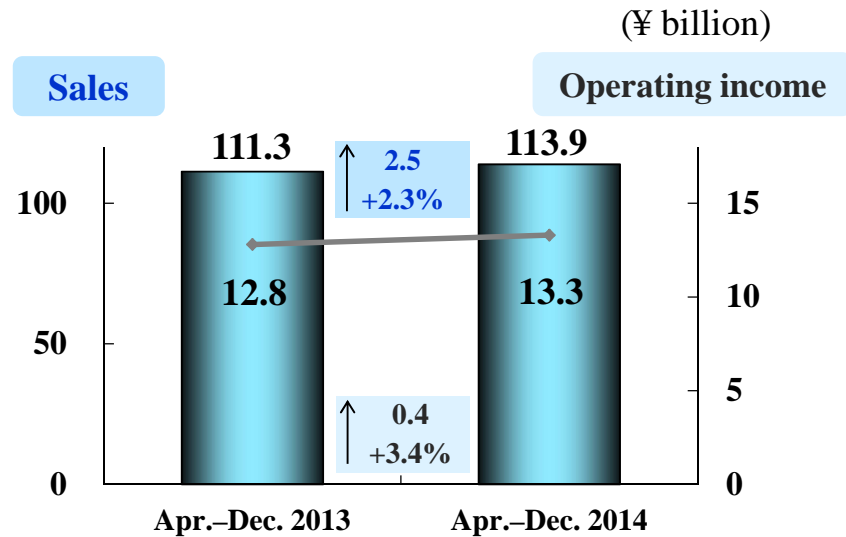
- June, launch of Neoma panel for insulation retrofitting that enables residents to continue living in the house during installation.

Sales increases/decreases due to:

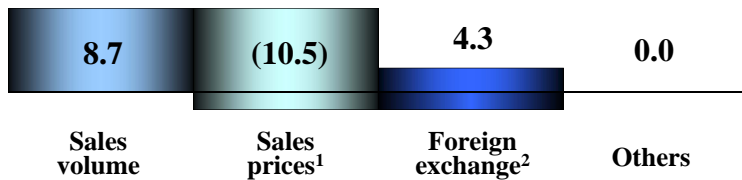


Operating income increases/decreases due to:

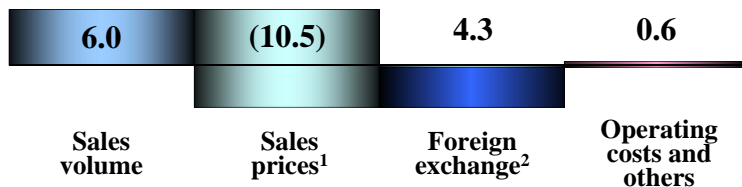




Sales increases/decreases due to:



Operating income increases/decreases due to:



Review of operations

Electronic devices:

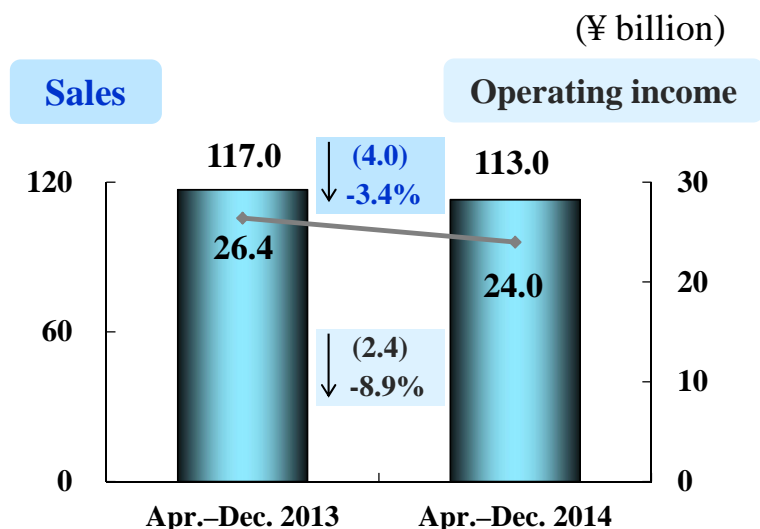
Benefit from weaker yen. Increased shipments of electronic compasses and other electronic devices for smartphones. Decreased shipments of crystal oscillator ICs. Sales increase, and operating income flat.

Electronic materials:

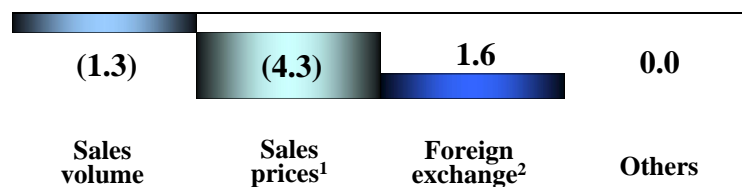
Benefit from weaker yen. Increased sales of high-end products in each product category. Decreased sales prices mainly for Hipore Li-ion battery separator. Sales and operating income increase.

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

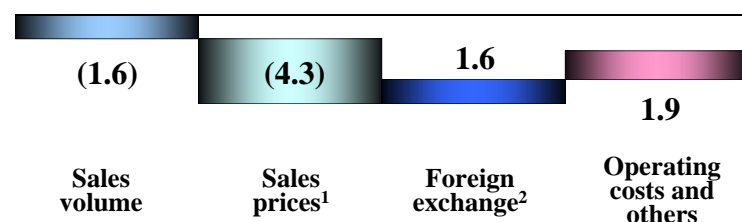
² Impact of foreign exchange on sales prices.



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

Pharmaceuticals:

Reduced reimbursement prices for pharmaceutical products excluding new drugs. Decreased shipments of Teribone osteoporosis drug and Recomodulin recombinant thrombomodulin in reaction to the surge in demand prior to the consumption tax increase. Sales and operating income decrease.

Devices:

Firm sales of dialysis products and of therapeutic apheresis devices. Increased shipments of Planova virus removal filters. Benefit from weaker yen. Sales and operating income increase.

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.
- December, agreement with Dong-A ST Co., Ltd. granting the company exclusive rights in Korea for the development and sale of Teribone.

Health Care (ii)

Sales of Health Care segment

(¥ billion)

		FY 2013			FY 2014	
		Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
	Domestic pharmaceuticals	22.4	63.3	82.2	20.8	58.9
	Others	1.7	5.0	5.8	1.6	4.0
Asahi Kasei Pharma consolidated		24.1	68.2	88.0	24.0	62.9
Devices ¹		17.1	48.8	64.5	17.4	50.1
Total		41.2	117.0	152.5	39.7	113.0

¹ Asahi Kasei Medical and its affiliate companies.

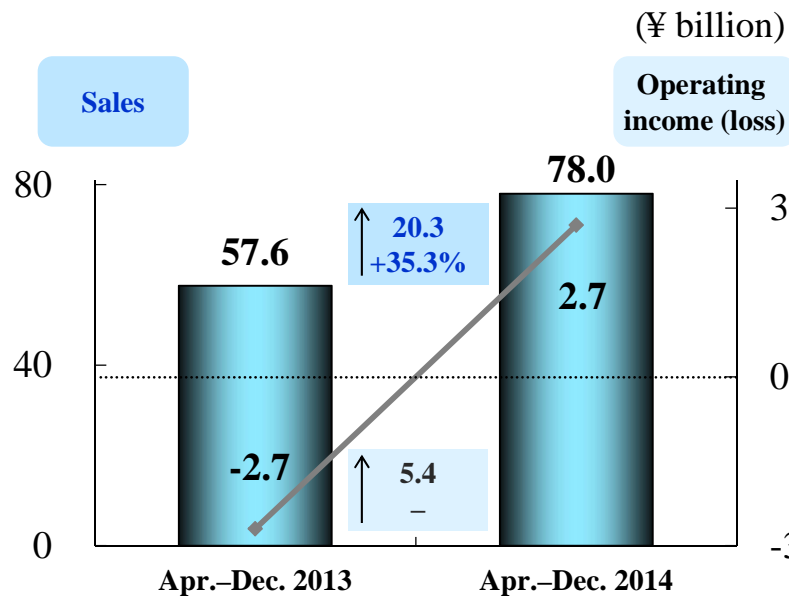
Main pharmaceuticals domestic sales

(¥ billion)

	FY 2013			FY 2014	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Teribone	7.2	20.0	26.9	6.9	19.4
Flivas	3.9	10.9	14.2	3.6	10.1
Recomodulin	3.9	9.7	12.6	3.7	9.2
Elcitonin	2.0	6.3	7.9	1.5	4.8
Bredinin	1.7	4.9	6.3	1.5	4.3

Pharmaceutical pipeline

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
	HE-69, mizoribine	Additional indication	Immunosuppressant	Lupus nephritis, nephrosis syndrome	In-house
Phase II (overseas)	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house



Review of operations

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. Sales and operating income increase.

Highlights

- June, approval in Japan for manufacturing and marketing of the R Series defibrillator for hospital use.
- October, agreement to purchase substantially all assets of Impact Instrumentation, Inc., a U.S. manufacturer of respiratory care products.
- November, agreement to purchase substantially all assets of InnerCool temperature management business of Royal Philips, of the Netherlands.
- November, application for approval of a new indication for the Thermogard intravascular temperature management system with Japan's Pharmaceuticals and Medical Devices Agency.
- December, agreement to acquire Advanced Circulatory Systems, Inc., a U.S. manufacturer of intrathoracic pressure regulation products.

Financial performance of Critical Care segment

(¥ billion)

	FY 2013			FY 2014 forecast		
	Oct.-Dec.	Apr.-Dec.	FY 2013	Oct.-Dec.	Apr.-Dec.	FY 2014 forecast
Net sales	20.1	57.6	79.8	29.8	78.0	109.0
Gross operating income before PPA ¹ impact	2.5	7.1	9.5	6.0	12.6	17.4
Amortization/depreciation from PPA ¹ revaluation	(3.2)	(9.8)	(13.0)	(3.5)	(9.8)	(13.4)
Goodwill	(1.8)	(5.3)	(7.1)	(2.1)	(5.7)	(7.8)
Other intangible assets, etc.	(1.4)	(4.5)	(5.9)	(1.5)	(4.1)	(5.5)
Consolidated operating income (loss)	(0.7)	(2.7)	(3.5)	2.4	2.7	4.0

¹ Purchase price allocation.