

Fiscal 2018  
Financial Results  
– supplementary financial summary –

May 10, 2019  
Asahi Kasei Corporation

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# Outline of fiscal year 2018 results (i)

## Results for fiscal 2018

- Highest ever net sales and operating income.
  - ✓ Operating income and net income attributable to owners of the parent above the forecast announced in February, revised downward from the original forecast reflecting impact of deterioration of market prices and slowdown in demand in the Material segment in the latter half of Q3.  
Certain market price recovery in the Material segment, and firm performance of the Homes segment and the Health Care segment in Q4.
  - ✓ Sales and operating income increased year-on-year, underpinned by the following improvements in operating profit.
    - Material: increased shipments of nonwovens such as Lamous microfiber suede and Bemliese continuous-filament cellulose nonwoven, and improved terms of trade in acrylonitrile and engineering plastics.
    - Homes: firm performance of rental management and condominium construction in real estate.
    - Health Care: increased shipments of defibrillators for professional use in Critical Care.
- Second highest net income attributable to owners of the parent, after FY 2017.
  - ✓ Absence of one-time positive effect of tax reform in the US posted in FY 2017, and decrease in gain on sales of investment securities.

## Outline of fiscal year 2018 results (ii)

- Major M&As in FY 2018
  - ✓ Sage Automotive Interiors, Inc., a US-based manufacturer of automotive interior material
  - ✓ Senseair AB, a Swedish manufacturer of gas sensor modules
  - ✓ Erickson Framing Operations LLC, a US-based supplier of pre-fabricated building products

### Shareholder returns

Dividend of ¥34 per share for FY 2018. Share buyback of ¥10 billion. Total return ratio at 39%.

# Outline of fiscal year 2019 forecast (i)

## Forecast for fiscal 2019

- Beginning with FY 2019, business categories in the Material segment are reclassified from the former Fibers, Chemicals, and Electronics, into Basic Materials, Performance Products, and Specialty Solutions. Refer to p. 23 for details.
- Under the uncertainty of business circumstances with US-China trade friction-related risks and slowdown of the world economy, realizing contribution from investments conducted under the former medium-term management initiative “Cs for Tomorrow 2018,” and aiming for sustainable growth capitalizing on Asahi Kasei’s strength as “a portfolio of high-profitability, high value-added businesses.”
- Increased sales, year-on-year
  - ✓ Continued expansion of Separators and Critical Care, and full-year effect of consolidation of Sage Automotive Interiors, Inc.

## Outline of fiscal year 2019 forecast (ii)

- Slightly decreased operating income, year-on-year.
  - ✓ Impact of deterioration in terms of trade for certain commodity products and maintenance shutdown of naphtha cracker, however, benefit from growth in high-value added businesses in Performance Products and Specialty Solutions, as well as Homes and Critical Care.

Material: growth in Li-ion battery separator and Sage-related businesses.

Homes: increased deliveries of order-built homes resulting from increased orders in the previous fiscal year, and firm performance of rental management and condominium construction in real estate.

Health Care: continued growth in Critical Care.

- Flat net income attributable to owners of the parent, year-on-year.

### Shareholder returns

- ✓ Dividend of ¥36 per share for FY 2019 planned, targeting stable and continuous dividend increases.
- ✓ Shareholder returns policy for the next three years from FY 2019 to FY 2021 will be introduced in the next medium-term management initiative to be announced on May 29, 2019.



# 1. Consolidated results for fiscal year 2018

# Summary of financial results

(¥ billion, unless otherwise specified)

	FY 2017	FY 2018		FY 2018 vs. FY 2017		Result vs. forecast in Feb.	
		Result	Forecast in Feb.	Increase (decrease)	% change	Increase (decrease)	% change
Net sales	2,042.2	2,170.4	2,171.0	128.2	+6.3%	(0.6)	-0.0%
Operating income	198.5	209.6	201.0	11.1	+5.6%	8.6	+4.3%
Ordinary income	212.5	220.0	209.0	7.4	+3.5%	11.0	+5.3%
Net income attributable to owners of the parent	170.2	147.5	145.0	(22.7)	-13.4%	2.5	+1.7%
Naphtha price (¥/kL, domestic)	41,925	49,400	49,350	7,475		50	
¥/US\$ exchange rate (market average)	111	111	111	0		0	
¥/€ exchange rate (market average)	130	128	128	(1)		0	
Net income per share (EPS) (¥)	121.93	105.66					
Dividends per share (¥)	34	34					
Payout ratio	27.9%	32.2%					
Net income per total assets (ROA)	7.4%	6.0%					
Net income per shareholders' equity (ROE)	14.0%	11.1%					



# Statements of income

(¥ billion)

	FY 2017		FY 2018		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	2,042.2	100.0%	2,170.4	100.0%	128.2	+6.3%
Cost of sales	1,393.1	68.2%	1,481.9	68.3%	88.7	+6.4%
Gross profit	649.1	31.8%	688.5	31.7%	39.4	+6.1%
Selling, general and administrative expenses	450.6	22.1%	479.0	22.1%	28.3	+6.3%
Operating income	198.5	9.7%	209.6	9.7%	11.1	+5.6%
Net non-operating income (expenses)	14.1		10.4		(3.7)	
of which,						
net financing income (expense)	4.0		4.7		0.7	
net equity in earnings (losses) of affiliates	13.1		12.1		(1.0)	
foreign exchange gains (loss)	(3.0)		(2.7)		0.3	
Ordinary income	212.5	10.4%	220.0	10.1%	7.4	+3.5%
Net extraordinary income (loss)	5.8		(9.6)		(15.4)	
Income before income taxes	218.3	10.7%	210.4	9.7%	(7.9)	-3.6%
Income taxes	(46.1)		(60.6)		(14.4)	
Net income attributable to non-controlling interests	(1.9)		(2.3)		(0.4)	
Net income attributable to owners of the parent	170.2	8.3%	147.5	6.8%	(22.7)	-13.4%

# Balance sheets

(¥ billion)

	At end of Mar. 2018	At end of Mar. 2019 <sup>1</sup>	Increase (decrease)		At end of Mar. 2018	At end of Mar. 2019 <sup>1</sup>	Increase (decrease)
Current assets	938.9	1,051.4	112.4	Liabilities	1,001.9	1,172.5	170.6
Cash and deposits	156.3	193.9	37.6	Current liabilities	589.1	681.9	92.7
Notes and accounts receivable–trade	341.4	350.7	9.3	Noncurrent liabilities <sup>2</sup>	412.8	490.6	77.8
Inventories	359.7	427.3	67.7	Net assets	1,305.2	1,402.7	97.5
Other current assets <sup>2</sup>	81.5	79.4	(2.1)	Shareholders' equity	1,160.8	1,256.7	95.9
Noncurrent assets	1,368.2	1,523.8	155.6	Capital stock	103.4	103.4	—
Property, plant and equipment	562.0	621.4	59.3	Capital surplus	79.4	79.7	0.3
Intangible assets	414.6	530.0	115.4	Retained earnings	981.9	1,077.6	95.7
Investments and other assets <sup>2</sup>	391.5	372.5	(19.1)	Treasury stock	(3.9)	(3.9)	(0.0)
				Accumulated other comprehensive income	126.6	124.7	(1.8)
				Non-controlling interests	17.8	21.2	3.4
Total assets <sup>2</sup>	2,307.2	2,575.2	268.0	Total liabilities and net assets <sup>2</sup>	2,307.2	2,575.2	268.0
Interest-bearing debt	301.7	424.9	123.1				
D/E ratio	0.23	0.31	0.07				

<sup>1</sup> Among the total assets at the end of March 2019, ¥143.5 billion is attributed to the effect of the consolidation, including acquisition-related goodwill, of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time).

<sup>2</sup> “Partial Amendments to Accounting Standard for Tax Effect Accounting” is applied from FY 2018. Accordingly, all deferred tax assets are shown under investments and other assets, and all deferred tax liabilities are shown under noncurrent liabilities. The figures at the end of March 2018 have been revised retroactively to reflect the amendments.

# Cash flows

(¥ billion)

	FY 2017	FY 2018
a. Net cash provided by (used in) operating activities	249.9	212.1
b. Net cash used in investing activities	(110.3)	(198.9)
c. Free cash flows [a+b]	139.6	13.1
d. Net cash provided by (used in) financing activities	(134.4)	17.4
e. Effect of exchange rate change on cash and cash equivalents	(0.9)	0.5
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	4.2	31.1
g. Cash and cash equivalents at beginning of period	144.1	148.6
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	0.3	0.8
i. Cash and cash equivalents at end of period [f+g+h]	148.6	180.5

# Sales and operating income by segment<sup>1</sup>

(¥ billion)

		Sales			Operating income			FY 2018 forecast in Feb.	
		FY 2017	FY 2018	Increase (decrease)	FY 2017	FY 2018	Increase (decrease)	Sales	Operating income
Material segment	Fibers <sup>2</sup>	135.9	171.0	35.1	12.1	14.8	2.7	174.0	14.5
	Chemicals	799.3	853.6	54.2	100.1	107.0	6.9	853.0	103.0
	Electronics	152.5	151.7	(0.8)	9.7	7.8	(1.9)	155.0	9.0
Material segment		1,087.7	1,176.2	88.5	121.9	129.6	7.6	1,182.0	126.5
Homes segment	Homes	588.3	604.7	16.4	60.2	63.5	3.3	600.0	61.0
	Construction Materials	52.7	55.1	2.3	4.0	4.7	0.7	55.0	4.0
Homes segment		641.0	659.8	18.8	64.4	68.2	3.8	655.0	65.0
Health Care segment	Health Care	135.7	135.5	(0.2)	19.7	18.4	(1.2)	137.0	18.5
	Critical Care	160.5	180.7	20.1	19.8	23.4	3.6	177.0	23.5
Health Care segment		296.3	316.2	19.9	39.5	41.8	2.4	314.0	42.0
Others		17.3	18.3	1.0	1.9	2.4	0.5	20.0	2.0
Corporate expenses and eliminations		—	—	—	(29.1)	(32.4)	(3.2)	—	(34.5)
Consolidated		2,042.2	2,170.4	128.2	198.5	209.6	11.1	2,171.0	201.0

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Sales and operating income increase/decrease by business category<sup>1</sup> (i)

(¥ billion)

		FY 2017	FY 2018	Net Increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Fibers <sup>2</sup>	Sales	135.9	171.0	35.1	6.4	2.0	(0.2)	26.7	—
	Operating income	12.1	14.8	2.7	0.8				—
Chemicals	Sales	799.3	853.6	54.2	8.5	41.7	0.0	4.0	—
	Operating income	100.1	107.0	6.9	(0.3)				—
Electronics	Sales	152.5	151.7	(0.8)	0.6	(4.2)	(0.5)	2.8	—
	Operating income	9.7	7.8	(1.9)	(0.5)				—
Homes	Sales	588.3	604.7	16.4	6.3	1.8	—	8.4	—
	Operating income	60.2	63.5	3.3	1.7				—
Construction Materials	Sales	52.7	55.1	2.3	2.0	0.3	—	—	—
	Operating income	4.0	4.7	0.7	0.9				—

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Sales and operating income increase/decrease by business category<sup>1</sup> (ii)

(¥ billion)

		FY 2017	FY 2018	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	135.7	135.5	(0.2)	3.5	(2.5)	0.0	(1.2)	—
	Operating income	19.7	18.4	(1.2)	3.0				—
Critical Care	Sales	160.5	180.7	20.1	14.8	0.9	(0.7)	4.5	—
	Operating income	19.8	23.4	3.6	6.8			—	(4.1)
Others	Sales	17.3	18.3	1.0	1.0	—	—	—	—
	Operating income	1.9	2.4	0.5	0.9			—	(0.4)
Corporate expenses and eliminations	Operating income	(29.0)	(32.4)	(3.4)	—	—	—	—	(3.4)
Consolidated	Sales	2,042.2	2,170.4	128.2	43.1	40.0	(1.4)	45.1	—
	Operating income	198.5	209.6	11.1	15.2			—	(44.1)

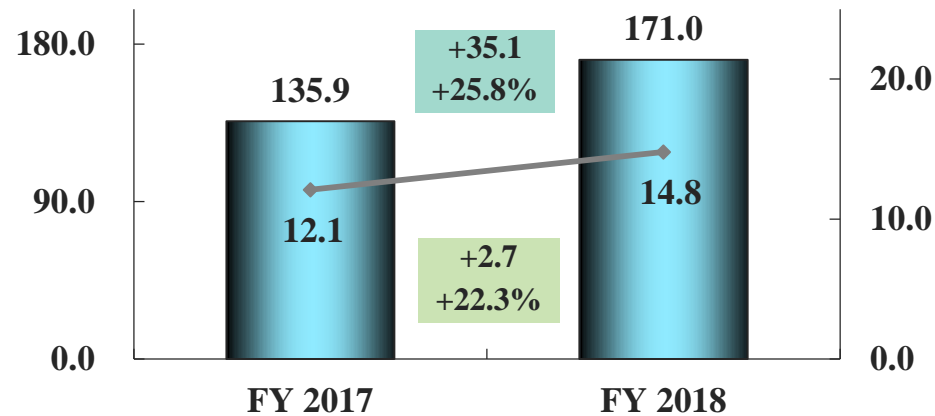
<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

# Fibers<sup>1</sup>

(¥ billion)

## Sales

## Operating income

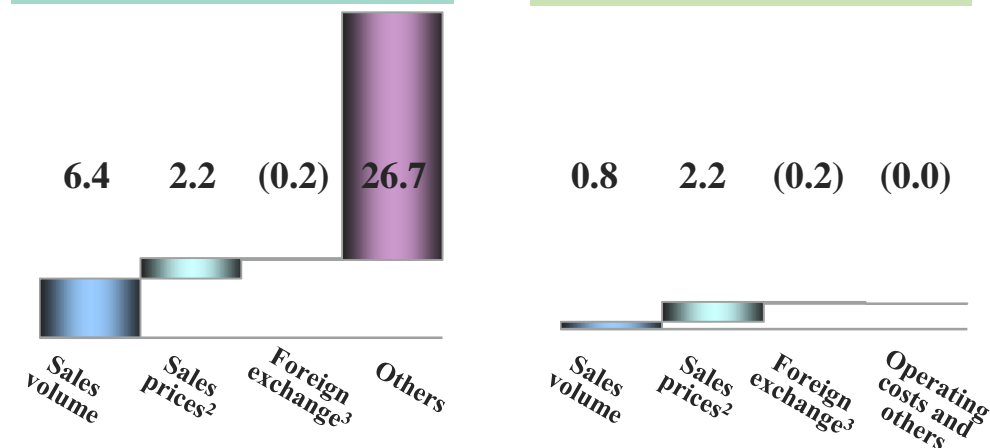


## Review of operations

Impact of higher feedstock costs. Increased shipments of Lamous microfiber suede, Bemliese continuous-filament cellulose nonwoven, and other products. Improved terms of trade for Bemberg cupro fiber. Effect of consolidation of Sage Automotive Interiors, Inc. Sales and operating income increase.

### Sales increases/decreases due to:

### Operating income increases/decreases due to:



## Highlights

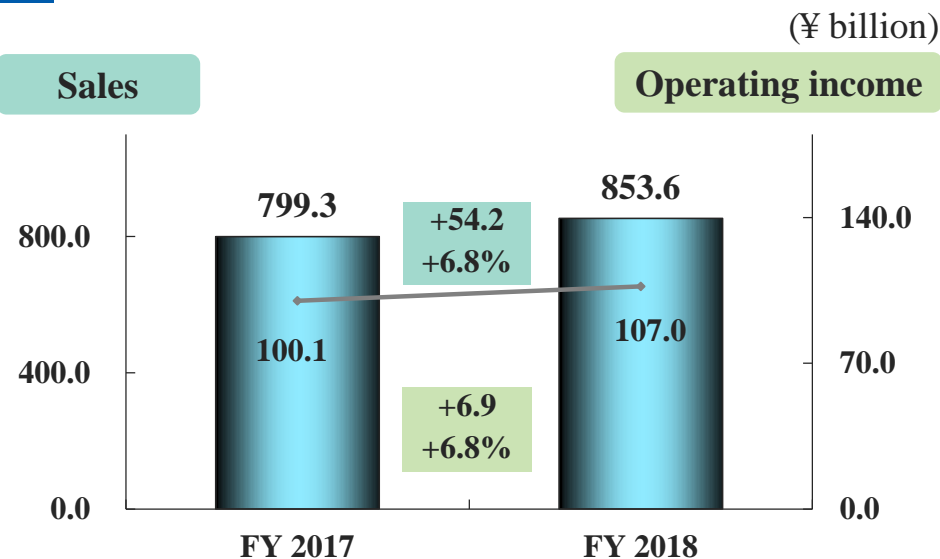
- July, decision to acquire Sage Automotive Interiors, Inc., a US-based manufacturer of automotive interior material; consolidated in September.
- March, decision to increase production capacity for spunbond nonwovens in Thailand.

<sup>1</sup> Including results of Sage Automotive Interiors, Inc. etc. from Q3 2018.

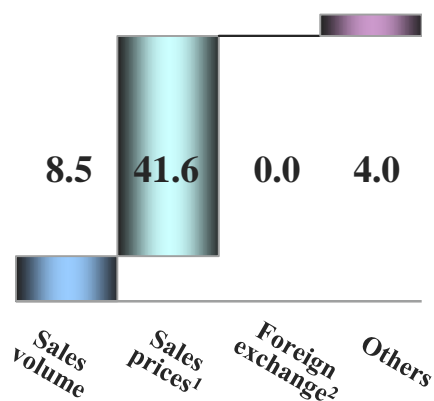
<sup>2</sup> Increase (decrease) in sales prices excluding impact of foreign exchange.

<sup>3</sup> Impact of foreign exchange on sales prices.

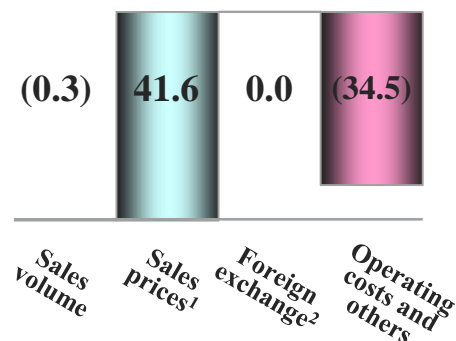
# Chemicals



Sales increases/decreases due to:



Operating income increases/decreases due to:



## Review of operations

### Petrochemicals:

Improved terms of trade for acrylonitrile. Absence of impact of maintenance turnaround at naphtha cracker of Asahi Kasei Mitsubishi Chemical Ethylene Corp. Sales and operating income increase.

### Performance polymers:

Firm sales of engineering plastics. Impact of fallback from the previous year's favorable terms of trade for synthetic rubber. Sales increase, and operating income flat.

### Performance materials & consumables:

Firm sales of ion-exchange membranes, Saran Wrap cling film, and other products. Decreased shipments of electronic materials. Sales increase, but operating income decrease.

## Highlights

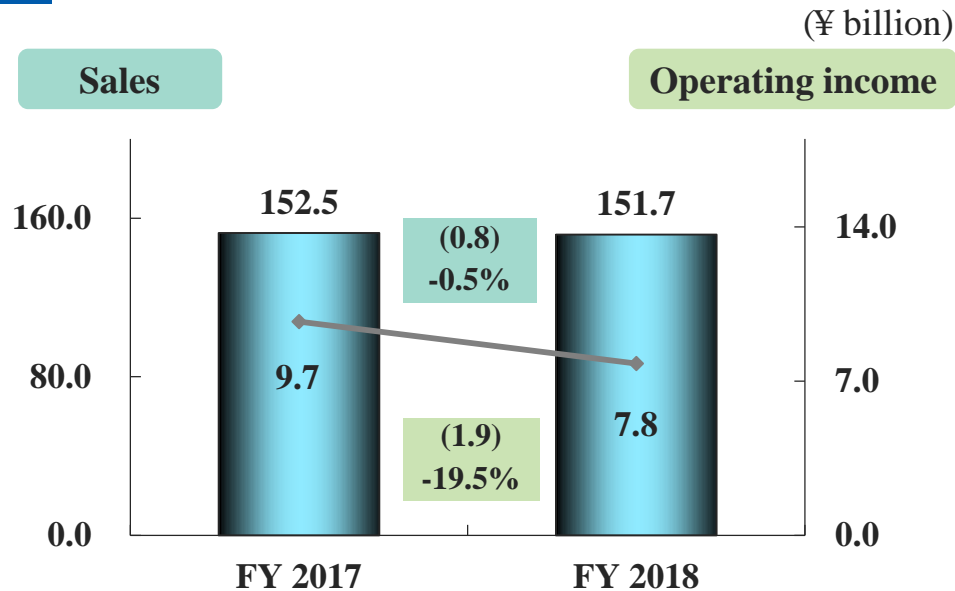
- July, receipt of Altair Enlighten Award 2018 for a Glass Fiber Reinforced Polyamide 66 Pedal Bracket.

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

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



# Electronics



## Review of operations

### Separators:

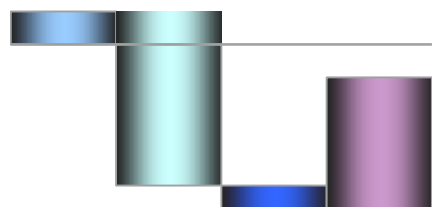
Increased shipments of Li-ion battery separator.  
Decreased shipments of lead-acid battery separator due to global slowdown in automotive market. Sales increase, but operating income decrease.

### Electronic devices:

Decreased sales of camera-module devices for smartphones. Sales and operating income decrease.

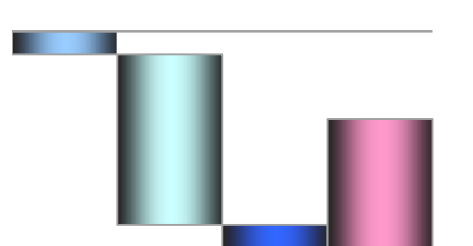
### Sales increases/decreases due to:

0.6 (3.7) (0.5) 2.8



### Operating income increases/decreases due to:

(0.5) (3.7) (0.5) 2.8



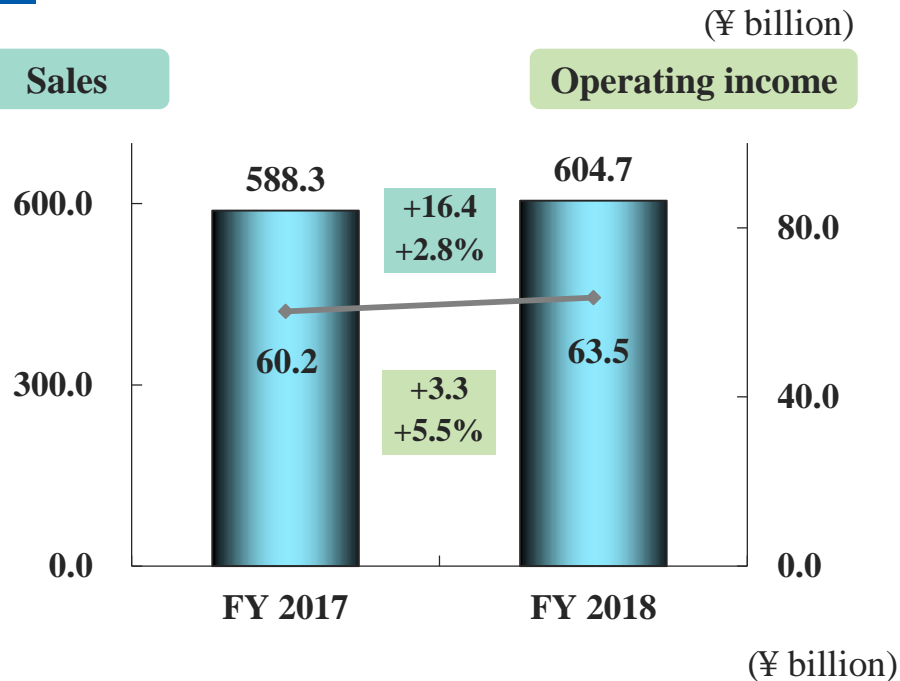
## Highlights

- April 2018, consolidation of Senseair AB, a Swedish manufacturer of gas-sensor modules.
- March 2019, announcement to enhance manufacturing infrastructure for LIB separator.

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

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

# Homes



## Review of operations

Order-built homes:

- Decreased deliveries of Hebel Haus unit homes. Reduction of costs. Sales decrease, and operating income flat.
- Year-on-year 11.3% increase in value of new orders. Firm orders for unit homes. Some rush demand for multi-dwelling homes ahead of the consumption tax hike.

Real estate, remodeling and others:

Firm performance of both rental management and condominium construction in real estate. Sales and operating income increase.

## Highlights

- November, addition of brick vermilion to Hebel Haus exterior wall color variation.
- November, decision to acquire Erickson Framing Operations LLC, a US-based supplier of pre-fabricated building products; consolidated in December.
- April 2019, launch of housing with home-care services provided for the elderly in need of care.

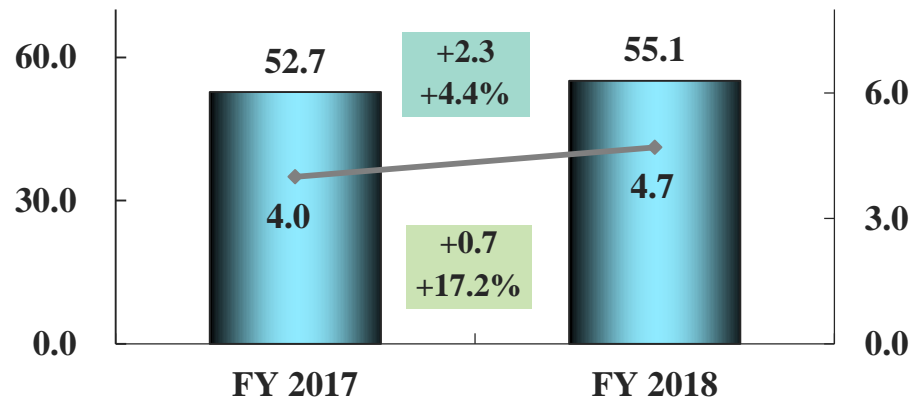
	FY 2017		FY 2018		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	406.8	41.1	403.7	41.4	(3.1)	0.3
Real estate (Asahi Kasei Realty & Residence)	124.1	11.1	135.4	13.8	11.4	2.7
Remodeling (Asahi Kasei Reform)	55.2	5.8	58.4	6.2	3.2	0.4
Other housing-related, etc.	2.2	2.3	7.1	2.1	5.0	(0.2)
<b>Total</b>	<b>588.3</b>	<b>60.2</b>	<b>604.7</b>	<b>63.5</b>	<b>16.4</b>	<b>3.3</b>

# Construction Materials

(¥ billion)

## Sales

## Operating income

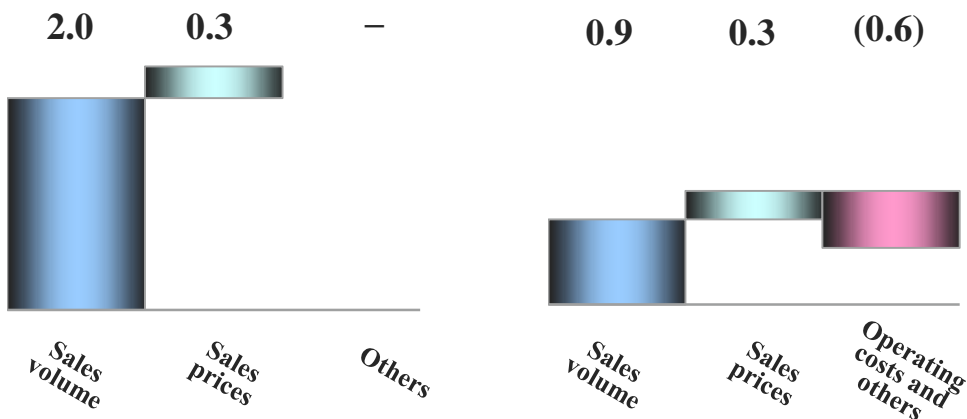


## Review of operations

Increased shipments of each product. Sales and operating income increase.

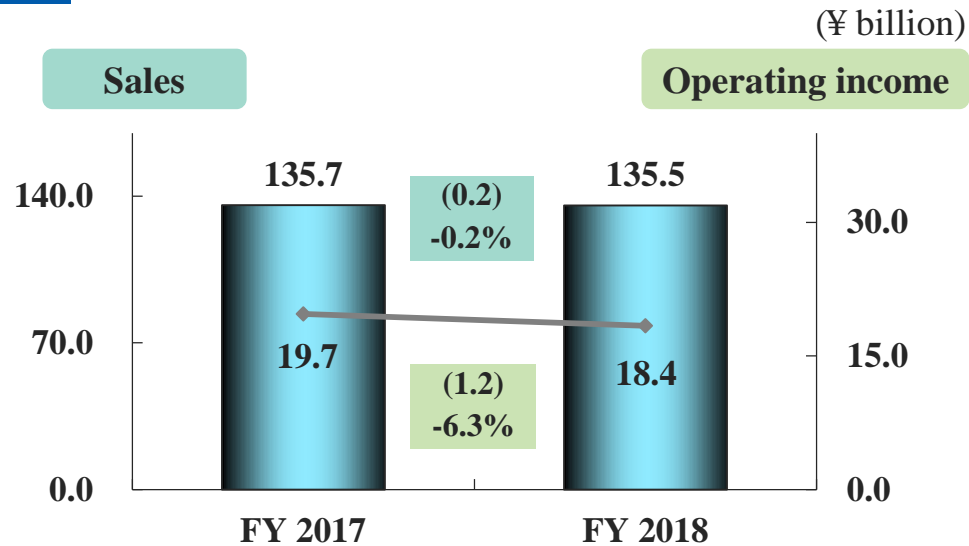
### Sales increases/decreases due to:

### Operating income increases/decreases due to:



# Health Care

## Review of operations



### Pharmaceuticals:

Increased shipments of newer drugs such as Teribone osteoporosis drug, and Kevzara agent for rheumatoid arthritis. Decreased sales of long-listed drugs due to impact of reduced reimbursement prices and competition from generics. Sales and operating income decrease.

### Devices:

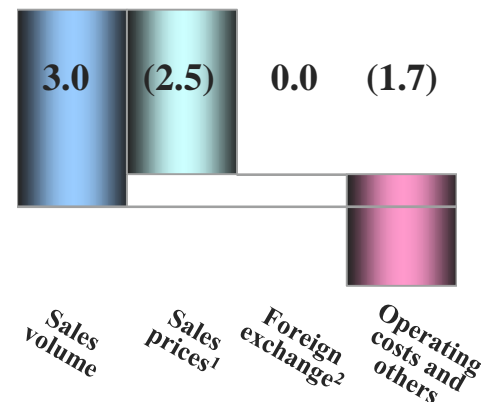
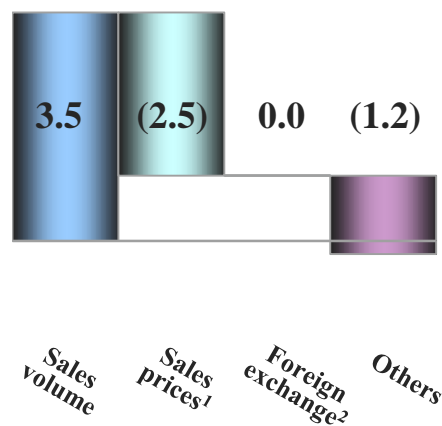
Increased shipments of Planova virus removal filters. Impact of reduced reimbursement prices for dialysis-related products. Sales increase, but operating income decrease.

## Highlights

- July, entry into distribution agreement with Stanbio Laboratory for the marketing of Lucica Glycated Albumin-L in the US.
- August, announcement of preliminary results of overseas Phase III clinical study for ART-123 (recombinant thrombomodulin alfa) for the treatment of severe sepsis with coagulopathy.
- October, application for approval to manufacture and sell Teribone autoinjector in Japan.
- December, launch of Kevzara autoinjector for treatment of rheumatoid arthritis in Japan.
- February, launch of Ribotest Legionella, extracorporeal diagnostic kits in Japan.
- February, obtaining partial change of approval for famciclovir for the treatment of recurrent herpes simplex.

### Sales increases/decreases due to:

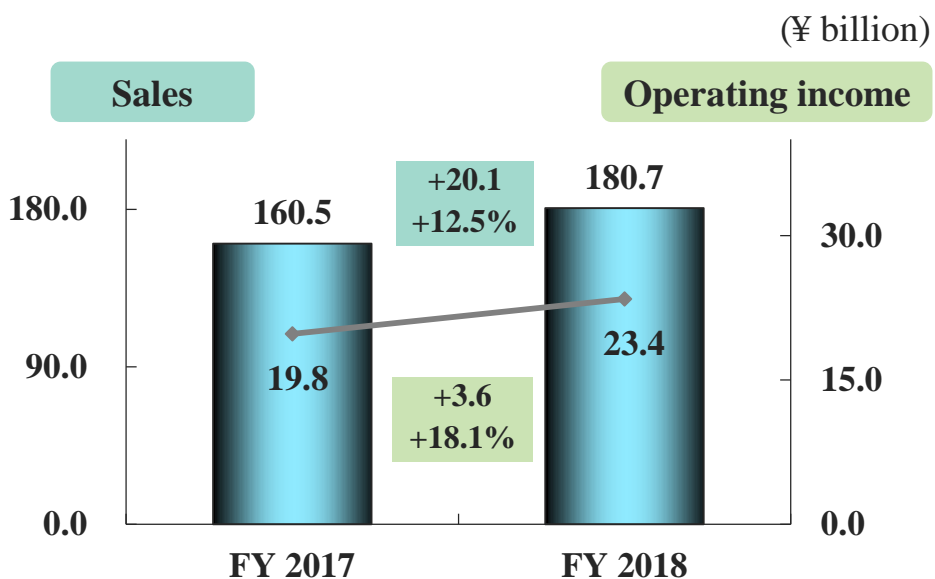
### Operating income increases/decreases due to:



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

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

# Critical Care



## Review of operations

Increased shipments of defibrillators for professional use. Sales and operating income increase.

## Financial performance of Critical Care business category

(\$ million)

	H1	H2	FY 2017	H1	H2	FY 2018
Net sales	686	762	1,448	780	848	1,629
Gross operating income before PPA <sup>1</sup> impact	138	162	300	163	170	333
Amortization/depreciation from PPA <sup>1</sup> revaluation	(61)	(61)	(122)	(60)	(62)	(122)
Goodwill	(38)	(38)	(75)	(37)	(38)	(75)
Other intangible assets, etc.	(23)	(23)	(47)	(23)	(24)	(47)
Consolidated operating income	77	102	179	103	108	211

<sup>1</sup> Purchase price allocation



## 2. Forecast for fiscal year 2019

# Revision of business categories

Beginning with FY 2019, the business categories in the Material segment are reclassified from the former Fibers, Chemicals, and Electronics into Basic Materials, Performance Products, and Specialty Solutions.

Segments	Business categories		
	Former		New
Material	<b>Fibers</b>		<b>Basic Materials</b> (Former petrochemicals)
	<b>Chemicals</b> (Petrochemicals, performance polymers, performance materials and consumables)		<b>Performance Products</b> (Former Fibers, performance polymers, consumables)
	<b>Electronics</b> (Separators, electronic devices)		<b>Specialty Solutions</b> (Former performance materials, separators, electronic devices)
			<b>Others</b>
Homes	No change		
Health Care			
Others			
Corporate expenses and eliminations			

For purposes of comparison with FY 2019 forecasts, FY 2018 results are hereinafter recalculated in accordance with the new classifications.

# Consolidated operating performance forecast

(¥ billion)

	FY 2017	FY 2018			FY 2019			Increase (decrease) b-a
		H1	H2	Total a	H1	H2	Total b	
Net sales	2,042.2	1,041.5	1,128.9	2,170.4	1,088.0	1,180.0	2,268.0	97.6
Operating income	198.5	104.3	105.3	209.6	97.5	107.5	205.0	(4.6)
Ordinary income	212.5	110.3	109.7	220.0	102.0	112.0	214.0	(6.0)
Net income attributable to owners of the parent	170.2	78.9	68.6	147.5	67.0	80.5	147.5	—

Naphtha price (¥/kL, domestic)	41,925	51,100	47,700	49,400	47,000	47,000	47,000	(2,400)
¥/US\$ exchange rate (market average)	111	110	112	111	110	110	110	(1)
¥/€ exchange rate (market average)	130	130	127	128	125	125	125	(3)

Net income per share (EPS) (¥)	121.93		105.66		105.66
Dividends per share (¥)	34		34		36 (planned)
Payout ratio	27.9%		32.2%		34.1%



# Sales forecast by business category

(¥ billion)

	FY 2018 (recalculated)			FY 2019 forecast			Increase (decrease)
	H1	H2	Total	H1	H2	Total	
Basic Materials	205.5	194.2	399.7	173.0	178.0	351.0	(48.7)
Performance Products <sup>1</sup>	214.2	242.9	457.1	245.0	254.0	499.0	41.9
Specialty Solutions	158.2	162.7	320.8	169.0	179.0	348.0	27.2
Others	0.2	(1.7)	(1.5)	1.0	(2.0)	(1.0)	0.5
<b>Material segment</b>	<b>578.1</b>	<b>598.1</b>	<b>1,176.2</b>	<b>588.0</b>	<b>609.0</b>	<b>1,197.0</b>	<b>20.8</b>
Homes	271.8	332.9	604.7	302.0	368.0	670.0	65.3
Construction Materials	26.9	28.2	55.1	28.0	29.0	57.0	1.9
<b>Homes segment</b>	<b>298.7</b>	<b>361.1</b>	<b>659.8</b>	<b>330.0</b>	<b>397.0</b>	<b>727.0</b>	<b>67.2</b>
Health Care	68.4	67.1	135.5	70.0	68.0	138.0	2.5
Critical Care	86.0	94.6	180.7	92.0	97.0	189.0	8.3
<b>Health Care segment</b>	<b>154.5</b>	<b>161.7</b>	<b>316.2</b>	<b>162.0</b>	<b>165.0</b>	<b>327.0</b>	<b>10.8</b>
<b>Others</b>	<b>10.2</b>	<b>8.1</b>	<b>18.3</b>	<b>8.0</b>	<b>9.0</b>	<b>17.0</b>	<b>(1.3)</b>
<b>Consolidated</b>	<b>1,041.5</b>	<b>1,128.9</b>	<b>2,170.4</b>	<b>1,088.0</b>	<b>1,180.0</b>	<b>2,268.0</b>	<b>97.6</b>

<sup>1</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

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

(¥ billion)

	FY 2018 (recalculated)			FY 2019 forecast			Increase (decrease)
	H1	H2	Total	H1	H2	Total	
Basic Materials	32.8	20.3	53.1	20.0	16.5	36.5	(16.6)
Performance Products <sup>2</sup>	22.7	24.6	47.4	24.0	24.5	48.5	1.1
Specialty Solutions	18.9	14.1	33.0	16.5	19.0	35.5	2.5
Others	(2.3)	(1.6)	(3.9)	0.5	0.0	0.5	4.4
<b>Material segment</b>	<b>72.1</b>	<b>57.4</b>	<b>129.6</b>	<b>61.0</b>	<b>60.0</b>	<b>121.0</b>	<b>(8.6)</b>
Homes	24.3	39.2	63.5	27.5	40.5	68.0	4.5
Construction Materials	1.9	2.9	4.7	2.0	2.5	4.5	(0.2)
<b>Homes segment</b>	<b>26.0</b>	<b>42.1</b>	<b>68.2</b>	<b>29.5</b>	<b>43.0</b>	<b>72.5</b>	<b>4.3</b>
Health Care	10.6	7.8	18.4	10.5	5.5	16.0	(2.4)
Critical Care	11.4	12.0	23.4	11.5	14.0	25.5	2.1
<b>Health Care segment</b>	<b>22.0</b>	<b>19.8</b>	<b>41.8</b>	<b>22.0</b>	<b>19.5</b>	<b>41.5</b>	<b>(0.3)</b>
<b>Others</b>	<b>1.2</b>	<b>1.2</b>	<b>2.4</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>	<b>(0.4)</b>
<b>Corporate expenses and eliminations</b>	<b>(17.1)</b>	<b>(15.3)</b>	<b>(32.4)</b>	<b>(16.0)</b>	<b>(16.0)</b>	<b>(32.0)</b>	<b>0.4</b>
<b>Consolidated</b>	<b>104.3</b>	<b>105.3</b>	<b>209.6</b>	<b>97.5</b>	<b>107.5</b>	<b>205.0</b>	<b>(4.6)</b>

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

## – 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.



## 3. Appendix

# Primary investments by business category

(¥ billion)

	Capital expenditures			Depreciation and amortization <sup>1</sup>			R&D expenditures		
	FY 2017	FY 2018	FY 2019 forecast	FY 2017	FY 2018	FY 2019 forecast	FY 2017	FY 2018	FY 2019 forecast
Fibers <sup>2</sup>	9.4	15.2		8.2	8.8		2.9	4.1	
Chemicals	32.4	44.0		32.2	27.3		17.9	18.2	
Electronics	18.0	27.4		15.6	14.4		11.4	11.5	
Homes	15.9	14.9		6.9	7.0		2.7	2.9	
Construction Materials	2.5	2.7		2.6	2.1		1.0	0.9	
Health Care	6.9	8.1		7.1	5.7		21.4	21.9	
Critical Care	5.3	9.3		12.3	12.3		12.9	15.3	
Others	1.2	1.6		1.7	1.4		0.2	0.1	
Corporate assets and eliminations	9.7	13.0		8.9	5.6		15.3	15.1	
<b>Total</b>	<b>101.3</b>	<b>136.2</b>	<b>148.0</b>	<b>95.4</b>	<b>84.6</b>	<b>97.0</b>	<b>85.7</b>	<b>90.1</b>	<b>98.0</b>

Amortization of goodwill

18.0 19.5

<sup>1</sup> Amortization of goodwill is excluded and shown separately below the table.

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Major investments

## Completed in FY 2018

- Hipore Li-ion battery separator\*  
60 million m<sup>2</sup>/y capacity increase in Moriyama-shi, Shiga, Japan, H1 FY 2018.
- Solution-polymerized styrene-butadiene rubber (S-SBR)\*  
30,000 t/y capacity increase in Singapore, Jan. 2019.

## Under construction at FY 2018 year-end

- Hipore Li-ion battery separator\*  
200 million m<sup>2</sup>/y capacity increase in Moriyama-shi, Shiga, Japan, H1 FY 2019.
- Lamous microfiber suede\*  
3 million m<sup>2</sup>/y capacity increase in Nobeoka-shi, Miyazaki, Japan, H1 FY 2019.
- Li-ion battery separator\*  
Celgard – 150 million m<sup>2</sup>/y capacity increase in North Carolina, the US, H2 2018; Hipore – 90 million m<sup>2</sup>/y capacity increase in Moriyama-shi, Shiga, Japan, H1 FY 2020.
- Leona nylon 66 filament  
5,000 t/y capacity expansion in Nobeoka-shi, Miyazaki, Japan, H1 FY 2019.
- Planova virus removal filters\*  
40,000 m<sup>2</sup>/y capacity expansion for cellulose hollow-fiber in Nobeoka-shi, Miyazaki, Japan, May 2019.

\* Investment of ¥3 billion or more.

# Overseas sales by business category

(¥ billion)

	FY 2017			FY 2018			Increase (decrease)	% change
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		
Fibers <sup>1</sup>	135.9	62.3	45.8%	171.0	94.0	55.0%	31.7	+50.8%
Chemicals	799.3	395.2	49.4%	853.6	429.0	50.3%	33.8	+8.6%
Electronics	152.5	105.5	69.2%	151.7	106.7	70.3%	1.2	+1.1%
Homes	588.3	–	–	604.7	4.5	0.7%	4.5	–
Construction Materials	52.7	0.1	0.1%	55.1	0.1	0.2%	0.0	+68.9%
Health Care	135.7	42.8	31.5%	135.5	44.8	33.1%	2.0	+4.7%
Critical Care	160.5	158.3	98.6%	180.7	178.5	98.8%	20.2	+12.7%
Others	17.3	3.5	20.3%	18.3	1.7	9.2%	(1.8)	-52.1%
<b>Total</b>	<b>2,042.2</b>	<b>767.7</b>	<b>37.6%</b>	<b>2,170.4</b>	<b>859.3</b>	<b>39.6%</b>	<b>91.6</b>	<b>+11.9%</b>
Asia		443.5	21.7%		483.2	22.3%	39.7	+9.0%
of which, sales to China		183.4	9.0%		211.5	9.7%	28.1	+15.3%
The Americas		209.6	10.3%		249.9	11.5%	40.3	+19.2%
Europe		94.9	4.6%		104.5	4.8%	9.6	+10.1%
Other countries		19.6	1.0%		21.6	1.0%	2.0	+10.1%

Sales, excluding Homes  
and Construction Materials

1,401.2    767.6    54.8%    1,510.6    854.6    56.6%

<sup>1</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Homes: Sales and order trends

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

		Value of new orders during the term	Sales of order-built homes, etc. <sup>1</sup>	Sales of real estate <sup>1</sup>				Sales of remodeling	Other sales	Consolidated	Order backlog
				Pre-built homes	Rental housing	Other	Total				
FY15	H1	217.3 (-0.2%)	183.8 (-2.2%)	10.4	33.5	1.7	45.6	27.8	0.9	258.0 (+0.8%)	554.6
	H2	183.1 (-12.0%)	227.7 (+5.3%)	27.7	39.0	1.8	68.4	28.1	0.7	325.0 (+9.9%)	513.1
	annual	400.4 (-5.9%)	411.5 (+1.8%)	38.1	72.5	3.5	114.1	55.9	1.6	583.0 (+5.7%)	
FY16	H1	206.6 (-4.9%)	183.5 (-0.1%)	11.8	41.2	1.8	54.8	27.0	(0.5)	264.8 (+2.6%)	538.8
	H2	194.3 (+6.1%)	220.8 (-3.1%)	9.5	43.5	1.6	54.6	29.1	0.8	305.3 (-6.1%)	515.8
	annual	400.9 (+0.1%)	404.3 (-1.8%)	21.3	84.7	3.4	109.4	56.1	0.4	570.2 (-2.2%)	
FY17	H1	193.1 (-6.5%)	182.7 (-0.4%)	12.0	45.3	1.6	59.0	26.8	1.1	269.6 (+1.8%)	528.9
	H2	212.5 (+9.4%)	224.1 (+1.5%)	14.7	47.8	2.5	65.1	28.4	1.1	318.7 (+4.4%)	520.9
	annual	405.6 (+1.2%)	406.8 (+0.6%)	26.8	93.2	4.2	124.1	55.2	2.2	588.3 (+3.2%)	
FY18	H1	210.1 (+8.8%)	175.5 (-4.0%)	16.8	49.7	1.6	68.1	27.2	1.0	271.8 (+0.8%)	557.8
	H2	241.5 (+13.6%)	228.2 (+1.8%)	13.2	52.1	2.1	67.4	31.2	6.1	332.9 (+4.5%)	575.0
	annual	451.6 (+11.3%)	403.7 (-0.8%)	29.9	101.8	3.7	135.4	58.4	7.1	604.7 (+2.8%)	
FY19	annual	451.6 (-)	431.0 (+6.8%)	37.0	110.5	6.5	154.0	63.5	21.5	670.0 (+10.8%)	613.6

<sup>1</sup> As the rental management operation of Asahi Kasei Homes was transferred to Asahi Kasei Realty & Residence, the corresponding sales previously included in order-built homes, etc., are combined with rental housing under real estate beginning with H2 2015.



# Homes: Breakdown of sales and orders (i)

## FY 2018 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	216.6	-2.3%	6,721	-3.2%	229.0	+8.5%	6,852	+4.1%
	3+ story	82.7	-0.6%	3,127	-0.1%	90.0	+3.7%	3,134	-2.4%
	Total	299.3	-1.9%	9,848	-2.3%	319.0	+7.1%	9,986	+2.0%
Multi-dwelling homes	1-2 story	33.4	+9.0%	2,292	+7.3%	40.1	+19.5%	2,792	+18.9%
	3+ story	64.8	-0.3%	4,440	-0.1%	92.4	+24.7%	5,788	+17.5%
	Total	98.1	+2.7%	6,732	+2.3%	132.6	+23.0%	8,580	+17.9%
Order-built homes total		397.4	-0.8%	16,580	-0.5%	451.6	+11.3%	18,566	+8.8%
Other <sup>1</sup>		6.3	-0.7%	10	-33.3%	—	—	—	—
Asahi Kasei Homes total		403.7	-0.8%	16,590	-0.5%	451.6	+11.3%	18,566	+8.8%

<sup>1</sup> Includes certain parcel sales and insurance commissions, etc.

# Homes: Breakdown of sales and orders (ii)

FY 2019 sales and order forecast 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	219.0	+1.1%	6,800	+1.2%	235.4	+2.8%	7,050	+2.9%
	3+ story	83.5	+1.0%	3,130	+0.1%	93.4	+3.8%	3,350	+6.9%
	Total	302.5	+1.1%	9,930	+0.8%	328.9	+3.1%	10,400	+4.1%
Multi-dwelling homes	1-2 story	36.0	+7.9%	2,490	+8.6%	34.2	-14.9%	2,375	-14.9%
	3+ story	74.5	+15.0%	5,070	+14.2%	88.6	-4.2%	5,445	-5.9%
	Total	110.5	+12.6%	7,560	+12.3%	122.7	-7.4%	7,820	-8.9%
Order-built homes total		413.0	+3.9%	17,490	+5.5%	451.6	—	18,220	-1.9%
Other <sup>1</sup>		18.0	+187.9%	15	+50.0%	—	—	—	—
Asahi Kasei Homes total		431.0	+6.8%	17,505	+5.5%	451.6	—	18,220	-1.9%

<sup>1</sup> Includes certain parcel sales and maintenance, etc.

# Health Care: Breakdown of sales

## Sales of Health Care business category

(¥ billion)

		FY 2017			FY 2018		
		H1	H2	Total	H1	H2	Total
	Domestic pharmaceuticals	30.5	29.6	60.1	29.4	29.0	58.3
	Others	2.8	2.9	5.7	2.8	3.4	6.1
Asahi Kasei Pharma consolidated		33.3	32.5	65.8	32.2	32.3	64.5
Devices <sup>1</sup>		33.0	36.9	70.0	36.3	34.8	71.0
Total		66.3	69.4	135.7	68.4	67.1	135.5

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

## Main pharmaceuticals domestic sales

(¥ billion)

	FY 2017			FY 2018		
	H1	H2	Total	H1	H2	Total
Teribone	13.3	13.5	26.8	14.4	13.9	28.3
Recomodulin	5.8	6.1	11.8	6.0	5.8	11.8
Flivas	2.5	2.1	4.6	1.8	1.5	3.3
Bredinin	1.9	1.7	3.6	1.6	1.4	3.0
Elcitonin	1.9	1.5	3.4	1.2	1.1	2.3
Reclast	0.5	0.6	1.1	0.7	0.7	1.4
Kevzara	—	0.0	0.0	0.3	1.0	1.3

# Health Care: Main pharmaceutical products

	Generic name	Classifications	Indication	Formulation
Teribone	Teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis with high risk of fracture	Injection
Reclast	Zoledronic acid	Osteoporosis drug	Osteoporosis	Injection
Recomodulin	Recombinant thrombomodulin alfa	Anticoagulant	Disseminated intravascular coagulation	Injection
Kevzara	Sarilumab (rDNA origin)	Interleukin-6 inhibitor	Rheumatoid arthritis not responding well to conventional treatments	Injection
Flivas	Naftopidil	Dysuria treatment	Benign prostatic hyperplasia	Tablet
Elcitonin	Elcatonin	Eel calcitonin derivative	Osteoporosis pain	Injection
Bredinin	Mizoribine	Immunosuppressant	Rheumatoid arthritis, kidney transplantation, nephrotic syndrome, lupus nephritis	Tablet

# Health Care: Pharmaceutical pipeline

Development stage	Code name, form, generic name	Classifications	Indication	Region	Origin	Remarks
Pending approval	MN-10-T, autoinjection, teriparatide acetate	Osteoporosis drug	Osteoporosis with high risk of fracture	Japan	In-house	New formulation; new dose
Phase III	AK1820, injection/capsule, isavuconazole	Antifungal agent	Invasive fungal infections	Japan	Licensed	
Phase II	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Chemotherapy-induced peripheral neuropathy (CIPN)	Japan	In-house	Additional indication
Pending approval (overseas)	Flivas, tablet, naftopidil	Dysuria treatment	Benign prostatic hyperplasia	China	In-house	
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Severe sepsis with coagulopathy	United States, Europe, etc.	In-house	
	HE-69, tablet, mizoribine	Immunosuppressant	Lupus nephritis, nephrotic syndrome	China	In-house	Additional indication

# Extraordinary income and loss

(¥ billion)

	FY 2017	FY 2018	Increase (decrease)
Gain on sales of investment securities	15.2	11.6	(3.6)
Gain on sales of noncurrent assets	0.5	0.7	0.1
<b>Total extraordinary income</b>	<b>15.7</b>	<b>12.2</b>	<b>(3.5)</b>
Loss on valuation of investment securities	0.0	0.2	0.1
Loss on disposal of noncurrent assets	6.3	6.6	0.4
Impairment losses	2.2	11.1	8.9
Business structure improvement expenses	1.5	3.9	2.5
<b>Total extraordinary loss</b>	<b>9.9</b>	<b>21.8</b>	<b>11.9</b>
<b>Net extraordinary income (loss)</b>	<b>5.8</b>	<b>(9.6)</b>	<b>(15.4)</b>

# Quarterly sales by business category

(¥ billion)

	FY 2017				FY 2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fibers <sup>1</sup>	32.0	34.1	34.7	35.1	36.2	36.7	49.6	48.5
Chemicals	178.3	196.8	214.1	210.1	205.6	221.7	221.5	204.7
Electronics	36.5	41.2	39.8	35.0	38.4	39.5	40.2	33.6
Homes	115.6	154.0	134.7	183.9	115.7	156.1	132.8	200.1
Construction Materials	12.6	13.5	14.5	12.1	13.0	13.9	15.4	12.8
Health Care	32.7	33.6	36.7	32.7	34.7	33.8	35.6	31.5
Critical Care	37.3	38.8	40.8	43.5	41.7	44.4	45.9	48.7
Others	3.6	4.0	4.4	5.2	4.6	5.6	4.4	3.7
<b>Total</b>	<b>448.7</b>	<b>516.0</b>	<b>519.8</b>	<b>557.7</b>	<b>489.8</b>	<b>551.7</b>	<b>545.3</b>	<b>583.7</b>

<sup>1</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

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

AsahiKASEI

(¥ billion)

	FY 2017				FY 2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fibers <sup>2</sup>	3.5	3.1	3.0	2.6	3.9	3.4	3.8	3.8
Chemicals	22.5	26.0	30.1	21.4	28.6	30.7	27.2	20.5
Electronics	2.0	3.6	3.7	0.4	2.5	3.1	3.3	(1.1)
Homes	6.9	17.3	11.9	24.0	7.1	17.2	11.1	28.1
Construction Materials	0.7	1.1	1.7	0.5	0.8	1.1	1.9	0.9
Health Care	5.3	4.6	8.2	1.6	7.2	3.5	6.5	1.2
Critical Care	3.7	4.8	5.4	5.9	5.1	6.3	5.6	6.5
Others	0.0	0.6	0.4	0.8	0.6	0.6	0.4	0.8
Corporate expenses and eliminations	(6.9)	(6.4)	(7.9)	(7.9)	(7.8)	(9.4)	(7.4)	(7.8)
Total	37.9	54.8	56.5	49.3	47.9	56.4	52.4	52.9

<sup>1</sup> Figures for operating income by business category include intragroup transactions which are eliminated from the segment totals.

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.



# *Creating for Tomorrow*

The commitment of the Asahi Kasei Group:

To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.

Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.

This is what we mean by “Creating for Tomorrow.”

**AsahiKASEI**