

**Asahi Kasei Corporation**

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## Consolidated Results for Fiscal Year 2010: April 1, 2010 – March 31, 2011

(All figures in millions of yen, rounded to the nearest million, unless otherwise specified)

**I. Summary of Consolidated Results**

## 1. Operating results (percent change from previous year in brackets)

	FY 2010	FY 2009
Net sales	1,598,387 [+11.5%]	1,433,595 [-7.7%]
Operating income	122,927 [+113.3%]	57,622 [+64.8%]
Ordinary income	118,219 [+109.7%]	56,367 [+73.4%]
Net income	60,288 [+138.4%]	25,286 [+433.0%]
Net income per share*	43.11	18.08
Diluted net income per share*	—	—
Net income/shareholders' equity	9.3%	4.1%
Ordinary income/total assets	8.5%	4.1%
Operating income/net sales	7.7%	4.0%

\* Yen

Note:

- Comprehensive income—  
¥45,088 million during fiscal 2010, ¥41,492 million during fiscal 2009.
- Equity in earnings of affiliates—  
¥2,212 million during fiscal 2010, ¥1,151 million during fiscal 2009.

## 2. Financial position

At fiscal year end, March	2011	2010
Total assets	1,425,879	1,368,892
Net assets	675,602	644,688
Net worth/total assets	46.5%	46.3%
Net worth per share*	474.59	452.91

\* Yen

Note:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth as of March 31, 2011, was ¥663,566 million; as of March 31, 2010, ¥633,343 million.

## 3. Cash flows

	FY 2010	FY 2009
Cash flows from operating activities	148,128	169,308
Cash flows from investing activities	(78,838)	(100,185)
Cash flows from financing activities	(26,144)	(75,071)
Cash and cash equivalents at end of period	134,450	93,125

## II. Cash Dividends

Fiscal year	Cash dividends per share*					Total annual dividend amount	Dividends/consolidated net income	Dividends/consolidated net worth
	Q1	Q2	Q3	Q4	Total annual			
2009	—	5.00	—	5.00	10.00	13,984	55.3%	2.2%
2010	—	5.00	—	6.00	11.00	15,381	25.5%	2.4%
2011 (forecast)	—	6.00	—	7.00	13.00		26.4%	

\* Yen

## III. Forecast for Fiscal 2011 (April 1, 2011 – March 31, 2012)

(percent change from same period of previous year in brackets)

	For Q1–Q2	For the fiscal year
Net sales	827,000 [+8.1%]	1,724,000 [+7.9%]
Operating income	50,500 [–20.5%]	120,000 [–2.4%]
Ordinary income	50,500 [–15.2%]	122,500 [+3.6%]
Net income	28,500 [+0.1%]	69,000 [+14.5%]
Net income per share*	20.38	49.35

\*Yen

Note:

Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.

## IV. Other Information

1. Changes in significant subsidiaries which affected scope of consolidation during the fiscal year: None.
2. Changes in accounting principles/procedures, changes in methods of presentation
  - 1) Application of Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method
 

Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16) and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (PITF No. 24) have been applied beginning from the fiscal year ended March 31, 2011. This change had no effect on the consolidated financial statements.
  - 2) Application of Accounting Standard for Asset Retirement Obligations
 

Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18) and Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21) have been applied beginning from the fiscal year ended March 31, 2011. As a result, income before income taxes was ¥1,738 million lower than it would have been if the previous method had been used. The impact on operating income and ordinary income was immaterial.
  - 3) Application of Accounting Standard for Business Combinations and related matters

Accounting Standard for Business Combinations (ASBJ Statement No. 21), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23), Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7), Revised Accounting Standard for Equity

Method of Accounting for Investments (ASBJ Statement No. 16), and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10) have been applied beginning from the fiscal year ended March 31, 2011. With the application of Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22), the evaluation method for assets and liabilities of consolidated subsidiaries changed from the partial fair value evaluation method to the full fair value evaluation method. The impact of this change on the consolidated financial statements was immaterial.

### 3. Number of shares outstanding

Fiscal year ended March	2011	2010
Number of shares outstanding at end of period	1,402,616,332	1,402,616,332
Number of shares of treasury stock at end of period	4,420,688	4,228,468
Average number of shares outstanding during period	1,398,311,136	1,398,462,917

## V. Summary of Non-Consolidated Results

### 1. Results for fiscal 2010 (April 1, 2010 – March 31, 2011)

#### (1) Operating results (percent change from previous year in brackets)

	FY 2010	FY 2009
Revenue	29,009 [+41.3%]	17,034 [-45.9%]
Operating income	14,160 [+77.4%]	3,204 [-80.9%]
Ordinary income	14,753 [+68.5%]	4,643 [-74.5%]
Net income	15,694 [+58.6%]	6,502 [-62.3%]
Net income per share*	11.22	4.65
Diluted net income per share*	—	—

\* Yen

#### (2) Financial position

At fiscal year end, March	2011	2010
Total assets	709,600	718,645
Net assets	382,952	388,195
Net worth/total assets	54.0%	54.0%
Net worth per share*	273.89	277.60

\* Yen

### 2. Forecast for fiscal 2011 (April 1, 2011 – March 31, 2012) (percent change from same period of previous year in brackets)

	For Q1–Q2	For the fiscal year
Revenue	21,500 [+52.4%]	45,500 [+56.8%]
Operating income	13,000 [+96.8%]	29,000 [+104.8%]
Ordinary income	14,000 [+90.4%]	30,500 [+106.7%]
Net income	15,000 [+110.8%]	33,000 [+110.3%]
Net income per share*	10.73	23.60

\* Yen

Note:

Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.

## VI. Overview of Consolidated Results

### 1. Consolidated group results

The Japanese economy was recovering in the first half as corporate performance improved with the effect of government stimulus measures and thanks to economic recovery in emerging markets. In the second half, however, the economy was severely affected by the rapid rise of the yen, a decline in automotive sales due to the expiration of government subsidies for fuel-efficient vehicles, high feedstock prices driven by political unrest in North Africa and the Middle East, and the impact of the Great East Japan Earthquake, resulting in uncertainty regarding the economic outlook.

Consolidated results of Asahi Kasei Corp. and its consolidated subsidiaries and equity-method affiliates (the Asahi Kasei Group) reflected substantially stronger performance buoyed by higher market prices and increased overseas demand in the Chemicals segment as well as favorable performance in the Homes and Electronics segments. Net sales were ¥1,598.4 billion, an increase of ¥164.8 billion (11.5%) from a year ago. Operating income increased by ¥65.3 billion (113.3%) from a year ago to ¥122.9 billion. Ordinary income increased by ¥61.9 billion (109.7%) to ¥118.2 billion. Net income increased by ¥35.0 billion (138.4%) to ¥60.3 billion.

### 2. Results by operating segment

Beginning from the quarter ended June 30, 2010, Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17) and Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20) have been applied, resulting in six reporting segments: Chemicals, Homes, Health Care, Fibers, Electronics, and Construction Materials.

In describing the state of the Asahi Kasei Group's businesses by major business classification, businesses not included in the above six reporting segments are categorized as "Others." The "Others" category is equivalent to the previous Services, Engineering and Others segment, including plant engineering and environmental engineering, research and analysis, and employment agency/staffing operations.

The operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others have been included in "corporate expenses and eliminations" beginning from the quarter ended June 30, 2010. The impact of this, which is the only change, is immaterial.

#### CHEMICALS

Sales increased by ¥120.1 billion (19.3%) from a year ago to ¥742.2 billion and operating income increased by ¥38.3 billion (147.0%) to ¥64.4 billion.

Operating income in chemicals and derivative products operations increased as market prices for acrylonitrile and adipic acid remained high, buoyed by favorable demand in Asia. Operating income in polymer products operations increased as demand recovery in automotive and electronics applications led to greater shipments. Operating income in specialty products operations increased as home-use products such as Saran Wrap™ as well as functional additives and coating materials performed well.

#### HOMES

Sales increased by ¥19.5 billion (5.0%) from a year ago to ¥409.2 billion and operating income increased by ¥11.1 billion (43.9%) to ¥36.5 billion. Orders for order-built homes increased by ¥47.7 billion to ¥354.5 billion

Operating income in order-built and pre-built homes operations increased with a rise in orders resulting in greater deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings, and with continuous cost reductions. Although our in-house mortgage securitization business was impacted by an increase in the proportion of customers utilizing the "Flat 35" fixed-rate mortgage, remodeling and real estate businesses performed well and operating income in housing-related operations was level with a year ago.

#### HEALTH CARE

Sales increased by ¥3.2 billion (2.8%) from a year ago to ¥116.4 billion and operating income increased by ¥3.0 billion (76.1%) to ¥7.0 billion.

Operating income in pharmaceuticals operations increased as Recomedulin™ recombinant thrombomodulin made a substantial contribution to results, and as shipments of the Flivas™ therapy for benign prostatic hyperplasia increased although NHI price revisions had a negative impact on product prices. Operating income in devices-related operations increased with greater shipments of APS™ polysulfone-membrane artificial kidneys and of therapeutic apheresis devices, although the strong yen had an impact on performance in each product category.

#### FIBERS

Sales increased by ¥7.6 billion (7.5%) from a year ago to ¥108.8 billion and operating income increased by ¥7.0 billion to ¥4.2 billion.

Operations throughout the segment were impacted by the strong yen and high feedstock costs. Operating income from Bemberg™ regenerated cellulose increased with substantially greater shipments in non-lining applications such as innerwear and outerwear. Operating income from Roica™ elastic polyurethane filament increased with growing sales of functional yarns, from nonwovens with growing shipments in disposable diaper applications, and from Leona™ nylon 66 filament with growing shipments in automotive applications.

#### ELECTRONICS

Sales increased by ¥15.6 billion (11.0%) from a year ago to ¥158.3 billion and operating income increased by ¥7.0 billion (96.9%) to ¥14.3 billion.

Operating income in electronic devices operations increased as growth in shipments of LSIs for smartphones and other portable devices, particularly overseas, outweighed a sharp impact from the strong yen. In electronic materials operations, although shipments grew, most notably in Hipore™ Li-ion battery separator, operating income decreased slightly with the impact of declining product prices and high feedstock costs.

#### CONSTRUCTION MATERIALS

Sales increased by ¥0.4 billion (0.8%) from a year ago to ¥47.4 billion and operating income increased by ¥0.9 (74.0%) billion to ¥2.1 billion.

Although operating costs in housing and building materials operations were reduced, operating income decreased with fewer shipments of Hebel™ autoclaved aerated concrete panels. Operating income in foundation system operations increased with growing shipments of Eazet™ and ATT Column™ small-scale piles in new applications. Operating income in insulation materials operations increased as shipments of Neoma™ phenolic foam insulation panels grew substantially, supported by government policy such as the eco-point program for energy conservation. Operating income in structural materials operations increased with growing shipments of the BasePack™ earthquake-resistant column base attachment system.

#### OTHERS

Sales decreased by ¥1.6 billion (9.2%) from a year ago to ¥16.0 billion and operating income decreased by ¥0.1 billion (6.4%) to ¥1.7 billion.

## VII. Consolidated Financial Statements

### 1. Balance sheets

	At end of March 2010	At end of March 2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	93,928	140,319
Notes and accounts receivable, trade	238,931	273,414
Short-term investment securities	985	371
Merchandise and finished goods	124,557	129,898
Work in process	75,044	76,551
Raw materials and supplies	51,484	49,799
Deferred tax assets	23,106	23,131
Other	54,027	63,240
Allowance for doubtful accounts	(1,654)	(1,072)
<b>Total current assets</b>	<b>660,408</b>	<b>755,651</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	404,974	409,263
Accumulated depreciation	(224,608)	(231,474)
Buildings and structures, net	180,366	177,789
Machinery, equipment and vehicles	1,169,979	1,192,132
Accumulated depreciation	(1,005,094)	(1,047,912)
Machinery, equipment and vehicles, net	164,885	144,220
Land	55,031	55,243
Lease assets	5,808	8,581
Accumulated depreciation	(1,132)	(3,118)
Lease assets, net	4,676	5,463
Construction in progress	27,380	22,173
Other	115,024	118,718
Accumulated depreciation	(99,867)	(105,252)
Other, net	15,158	13,466
<b>Subtotal</b>	<b>447,497</b>	<b>418,354</b>
<b>Intangible assets</b>		
Goodwill	5,927	5,087
Other	28,729	26,015
<b>Subtotal</b>	<b>34,656</b>	<b>31,101</b>
<b>Investments and other assets</b>		
Investment securities	175,059	166,317
Long-term loans receivable	6,074	5,181
Deferred tax assets	15,383	22,005
Other	29,962	27,507
Allowance for doubtful accounts	(147)	(237)
<b>Subtotal</b>	<b>226,331</b>	<b>220,773</b>
<b>Total noncurrent assets</b>	<b>708,485</b>	<b>670,228</b>
<b>Total assets</b>	<b>1,368,892</b>	<b>1,425,879</b>

	At end of March 2010	At end of March 2011
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable, trade	121,409	136,407
Short-term loans payable	93,962	108,889
Commercial paper	19,000	23,000
Lease obligations	1,123	1,522
Income taxes payable	12,160	24,085
Accrued expenses	91,371	97,745
Advances received	37,815	52,346
Provision for repairs	8,191	3,239
Provision for product warranties	3,607	2,465
Asset retirement obligations	—	512
Other	46,189	39,668
Total current liabilities	434,827	489,878
Noncurrent liabilities		
Bonds payable	25,000	25,000
Long-term loans payable	121,921	91,722
Lease obligations	3,593	3,802
Deferred tax liabilities	7,597	6,374
Provision for retirement benefits	109,450	107,309
Provision for directors' retirement benefits	1,225	1,119
Provision for repairs	169	2,131
Asset retirement obligations	—	3,316
Long-term guarantee deposited	18,321	18,340
Other	2,101	1,284
Total noncurrent liabilities	289,378	260,399
Total liabilities	724,204	750,277
<b>Net assets</b>		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,403	79,402
Retained earnings	432,114	478,681
Treasury stock	(2,017)	(2,115)
Total shareholders' equity	612,888	659,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,692	29,647
Deferred gains or losses on hedges	(109)	(140)
Foreign currency translation adjustment	(16,128)	(25,299)
Total accumulated other comprehensive income	20,455	4,209
Minority interests	11,346	12,036
Total net assets	644,688	675,602
Total liabilities and net assets	1,368,892	1,425,879

## 2. Statements of income and statements of comprehensive income

### (1) Statements of income

	FY 2009	FY 2010
Net sales	1,433,595	1,598,387
Cost of sales	1,100,688	1,193,646
Gross profit	332,907	404,741
Selling, general and administrative expenses	275,285	281,814
Operating income	57,622	122,927
Non-operating income		
Interest income	1,071	1,118
Dividends income	2,276	2,273
Equity in earnings of affiliates	1,151	2,212
Other	3,394	4,248
Total non-operating income	7,891	9,851
Non-operating expenses		
Interest expense	3,714	3,313
Foreign exchange losses	702	3,880
Litigation expenses	—	1,908
Other	4,730	5,458
Total non-operating expenses	9,146	14,560
Ordinary income	56,367	118,219
Extraordinary income		
Gain on sales of investment securities	112	416
Gain on sales of noncurrent assets	152	463
Reversal of allowance for doubtful accounts	—	84
Gain on change in equity	153	—
Gain on transfer of business	—	736
Gain on arbitration award	6,502	—
Total extraordinary income	6,919	1,699
Extraordinary loss		
Loss on sales of investment securities	—	380
Loss on valuation of investment securities	1,918	651
Loss on disposal of noncurrent assets	2,944	4,879
Impairment loss	836	2,404
Environmental expenses	1,482	1,185
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,240
Loss on disaster	—	821
Business structure improvement expenses	10,050	10,016
Total extraordinary loss	17,230	21,576
Income before income taxes	46,056	98,342
Income taxes—current	17,107	39,628
Income taxes—deferred	3,377	(2,952)
Total income taxes	20,483	36,675
Income before minority interests	—	61,667
Minority interests in income	286	1,379
Net income	25,286	60,288



(2) Statements of comprehensive income

	FY 2009	FY 2010
Income before minority interests	—	61,667
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(7,059)
Deferred gains or losses on hedges	—	(31)
Foreign currency translation adjustment	—	(7,114)
Share of other comprehensive income of associates accounted for using equity method	—	(2,375)
Total other comprehensive income	—	(16,579)
Comprehensive income	—	45,088
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	44,042
Comprehensive income attributable to minority interests	—	1,047

### 3. Statements of changes in net assets

	FY 2009	FY 2010
Shareholders' equity		
Capital stock		
Balance at end of previous fiscal year	103,389	103,389
Balance at end of fiscal year	103,389	103,389
Capital surplus		
Balance at end of previous fiscal year	79,404	79,403
Changes during the fiscal year		
Disposal of treasury stock	(1)	(0)
Total changes of items during the period	(1)	(0)
Balance at end of fiscal year	79,403	79,402
Retained earnings		
Balance at end of previous fiscal year	418,292	432,114
Changes during the fiscal year		
Dividends from surplus	(11,188)	(13,984)
Net income	25,286	60,288
Change of scope of consolidation	(10)	307
Change of scope of equity method	(267)	(43)
Total changes of items during the period	13,821	46,568
Balance at end of fiscal year	432,114	478,681
Treasury stock		
Balance at end of previous fiscal year	(1,946)	(2,017)
Changes during the fiscal year		
Purchase of treasury stock	(96)	(116)
Disposal of treasury stock	25	18
Total changes of items during the period	(71)	(98)
Balance at end of fiscal year	(2,017)	(2,115)
Total shareholders' equity		
Balance at end of previous fiscal year	599,139	612,888
Changes during the fiscal year		
Dividends from surplus	(11,188)	(13,984)
Net income	25,286	60,288
Purchase of treasury stock	(96)	(116)
Disposal of treasury stock	24	18
Change of scope of consolidation	(10)	307
Change of scope of equity method	(267)	(43)
Total changes of items during the period	13,749	46,469
Balance at end of fiscal year	612,888	659,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at end of previous fiscal year	23,301	36,692
Changes during the fiscal year		
Net changes of items other than shareholders' equity	13,391	(7,045)
Total changes of items during the period	13,391	(7,045)
Balance at end of fiscal year	36,692	29,647

	FY 2009	FY 2010
Deferred gains or losses on hedges		
Balance at end of previous fiscal year	(178)	(109)
Changes during the fiscal year		
Net changes of items other than shareholders' equity	68	(31)
Total changes of items during the period	68	(31)
Balance at end of fiscal year	(109)	(140)
Foreign currency translation adjustment		
Balance at end of previous fiscal year	(18,416)	(16,128)
Changes during the fiscal year		
Net changes of items other than shareholders' equity	2,287	(9,170)
Total changes of items during the period	2,287	(9,170)
Balance at end of fiscal year	(16,128)	(25,299)
Total accumulated other comprehensive income		
Balance at end of previous fiscal year	4,708	20,455
Changes during the fiscal year		
Net changes of items other than shareholders' equity	15,747	(16,246)
Total changes of items during the period	15,747	(16,246)
Balance at end of fiscal year	20,455	4,209
Minority interest		
Balance at end of previous fiscal year	7,504	11,346
Changes during the fiscal year		
Net changes of items other than shareholders' equity	3,841	691
Total changes of items during the period	3,841	691
Balance at end of fiscal year	11,346	12,036
Total net assets		
Balance at end of previous fiscal year	611,351	644,688
Changes during the fiscal year		
Dividends from surplus	(11,188)	(13,984)
Net income	25,286	60,288
Purchase of treasury stock	(96)	(116)
Disposal of treasury stock	24	18
Change of scope of consolidation	(10)	307
Change of scope of equity method	(267)	(43)
Net changes of items other than shareholders' equity	19,588	(15,555)
Total changes of items during the period	33,338	30,914
Balance at end of fiscal year	644,688	675,602

#### 4. Statements of cash flows

	FY 2009	FY 2010
<b>Cash flows from operating activities</b>		
Income before income taxes	46,056	98,342
Depreciation and amortization	86,166	84,092
Impairment loss	836	2,404
Amortization of goodwill	1,089	1,073
Amortization of negative goodwill	(190)	(266)
Increase (decrease) in provision for repairs	2,187	(2,990)
Increase (decrease) in provision for product warranties	(5,790)	(1,139)
Increase (decrease) in provision for retirement benefits	(1,284)	(2,050)
Interest and dividend income	(3,347)	(3,391)
Interest expense	3,714	3,313
Equity in (earnings) losses of affiliates	(1,151)	(2,212)
Loss (gain) on sales of investment securities	(112)	(36)
Loss (gain) on valuation of investment securities	1,918	651
Loss (gain) on sales of noncurrent assets	(152)	(463)
Loss (gain) on disposal of noncurrent assets	2,944	4,879
Loss (gain) on transfer of business	—	(736)
Gain on arbitration award	(6,502)	—
Decrease (increase) in notes and accounts receivable, trade	(25,106)	(36,454)
Decrease (increase) in inventories	33,994	(4,841)
Increase (decrease) in notes and accounts payable, trade	1,603	13,618
Increase (decrease) in accrued expenses	2,555	6,676
Increase (decrease) in advances received	(2,476)	15,309
Other, net	20,048	(3,405)
Subtotal	157,003	172,376
Interest and dividend income, received	4,418	4,458
Interest expense, paid	(3,758)	(3,424)
Proceeds from arbitration award	6,502	—
Income taxes (paid) refund	5,143	(25,282)
Net cash provided by (used in) operating activities	169,308	148,128
<b>Cash flows from investing activities</b>		
Payments into time deposits	—	(11,720)
Proceeds from withdrawal of time deposits	—	6,773
Purchase of property, plant and equipment	(84,482)	(63,651)
Proceeds from sales of property, plant and equipment	675	1,092
Purchase of intangible assets	(6,876)	(5,333)
Purchase of investment securities	(11,291)	(7,619)
Proceeds from sales of investment securities	5,272	1,303
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	914	—
Additional purchase of investments in consolidated subsidiaries	—	(408)
Proceeds from transfer of business	—	2,538
Payments of loans receivable	(12,623)	(5,840)
Collection of loans receivable	11,665	6,513
Other, net	(3,438)	(2,486)
Net cash provided by (used in) investing activities	(100,185)	(78,838)

	FY 2009	FY 2010
Cash flows from financing activities		
Increase in short-term loans payable	7,744	71,335
Decrease in short-term loans payable	(9,956)	(72,682)
Proceeds from issuance of commercial paper	59,000	46,000
Redemption of commercial paper	(95,000)	(42,000)
Proceeds from long-term loans payable	5,633	6,910
Repayment of long-term loans payable	(29,863)	(19,878)
Proceeds from issuance of bonds	20,000	—
Redemption of bonds	(20,000)	—
Repayments of lease obligations	(908)	(1,345)
Purchase of treasury stock	(99)	(119)
Proceeds from disposal of treasury stock	24	18
Cash dividends paid	(11,188)	(13,984)
Cash dividends paid to minority shareholders	(342)	(547)
Other	(115)	147
Net cash provided by (used in) financing activities	(75,071)	(26,144)
Effect of exchange rate change on cash and cash equivalents	620	(2,698)
Net increase (decrease) in cash and cash equivalents	(5,327)	40,449
Cash and cash equivalents at beginning of period	98,092	93,125
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	360	876
Cash and cash equivalents at end of period	93,125	134,450

## VIII. Segment Information

### 1. Reporting segments

#### (1) Fiscal 2009

	Reporting segments							Others	Total
	Chemicals	Homes	Health Care	Fibers	Electronics	Construction Materials	Subtotal		
<i>Sales</i>									
Customers	622,093	389,728	113,207	101,201	142,700	47,024	1,415,953	17,642	1,433,595
Intersegment	16,495	24	96	1,772	1,159	13,048	32,593	23,541	56,134
<b>Total</b>	<b>638,588</b>	<b>389,752</b>	<b>113,303</b>	<b>102,973</b>	<b>143,859</b>	<b>60,072</b>	<b>1,448,547</b>	<b>41,182</b>	<b>1,489,729</b>
Operating income (loss)	26,068	25,340	3,999	(2,764)	7,243	1,202	61,087	1,822	62,909
Assets	533,296	232,031	164,161	110,426	174,131	39,981	1,254,027	46,506	1,300,533
<i>Other items</i>									
Depreciation	31,968	4,309	11,556	7,719	23,587	3,263	82,403	799	83,201
Amortization of goodwill	447	—	635	—	6	—	1,089	—	1,089
Investments in associates accounted for using equity method	17,302	—	356	4,228	2,315	—	24,202	16,489	40,691
Increase in property, plant and equipment, and intangible assets	27,649	6,009	9,173	4,556	22,761	1,191	71,339	927	72,266

#### (2) Fiscal 2010

	Reporting segments							Others	Total
	Chemicals	Homes	Health Care	Fibers	Electronics	Construction Materials	Subtotal		
<i>Sales</i>									
Customers	742,243	409,224	116,387	108,761	158,337	47,418	1,582,370	16,017	1,598,387
Intersegment	18,657	160	81	1,732	729	14,152	35,510	23,950	59,461
<b>Total</b>	<b>760,899</b>	<b>409,384</b>	<b>116,468</b>	<b>110,493</b>	<b>159,066</b>	<b>61,570</b>	<b>1,617,880</b>	<b>39,968</b>	<b>1,657,848</b>
Operating income	64,379	36,476	7,045	4,197	14,258	2,091	128,444	1,706	130,151
Assets	563,034	265,342	165,277	102,163	178,739	39,570	1,314,126	49,268	1,363,394
<i>Other items</i>									
Depreciation	31,460	4,266	10,833	6,945	23,882	2,795	80,181	862	81,043
Amortization of goodwill	443	—	610	5	14	—	1,073	—	1,073
Investments in associates accounted for using equity method	36,295	—	272	4,124	2,759	—	43,450	15,975	59,425
Increase in property, plant and equipment, and intangible assets	23,174	6,304	7,427	3,668	20,267	1,684	62,524	981	63,505

2. Differences between total amounts of reporting segments and recorded amounts on consolidated financial statements

Sales	Fiscal 2009	Fiscal 2010
Total of reporting segments	1,448,547	1,617,880
Net sales in "Others" category	41,182	39,968
Elimination of intersegment sales	(56,134)	(59,461)
Net sales on consolidated statements of income	1,433,595	1,598,387

Operating income	Fiscal 2009	Fiscal 2010
Total of reporting segments	61,087	128,444
Operating income in "Others" category	1,822	1,706
Elimination of intersegment sales	1,438	708
Corporate expenses, etc.*	(6,726)	(7,932)
Operating income on consolidated statements of income	57,622	122,927

\* Corporate expenses, etc. include corporate revenue, basic research expense, and group management expense, etc. which are not allocated to reporting segments.

Assets	Fiscal 2009	Fiscal 2010
Total of reporting segments	1,254,027	1,314,126
Assets in "Others" category	46,506	49,268
Elimination of intersegment sales	(164,202)	(167,618)
Corporate assets*	232,562	230,103
Total net assets on consolidated balance sheets	1,368,892	1,425,879

\* Corporate assets include assets of Asahi Kasei Corp. and those of a financial subsidiary—surplus operating funds (cash and deposits), long-term investment capital (investment securities, etc.), and land, etc.

## IX. Geographic information

(1) Net sales

Fiscal 2010	Japan	China	Other regions	Total
Net sales	1,149,098	169,637	279,652	1,598,387

(2) Property, plant and equipment

Geographic information is not shown because over 90% of the amount of property, plant and equipment on the consolidated balance sheets is located in Japan.