

# Supplement

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.

**November/December 2004**  
**Asahi Kasei Corporation**

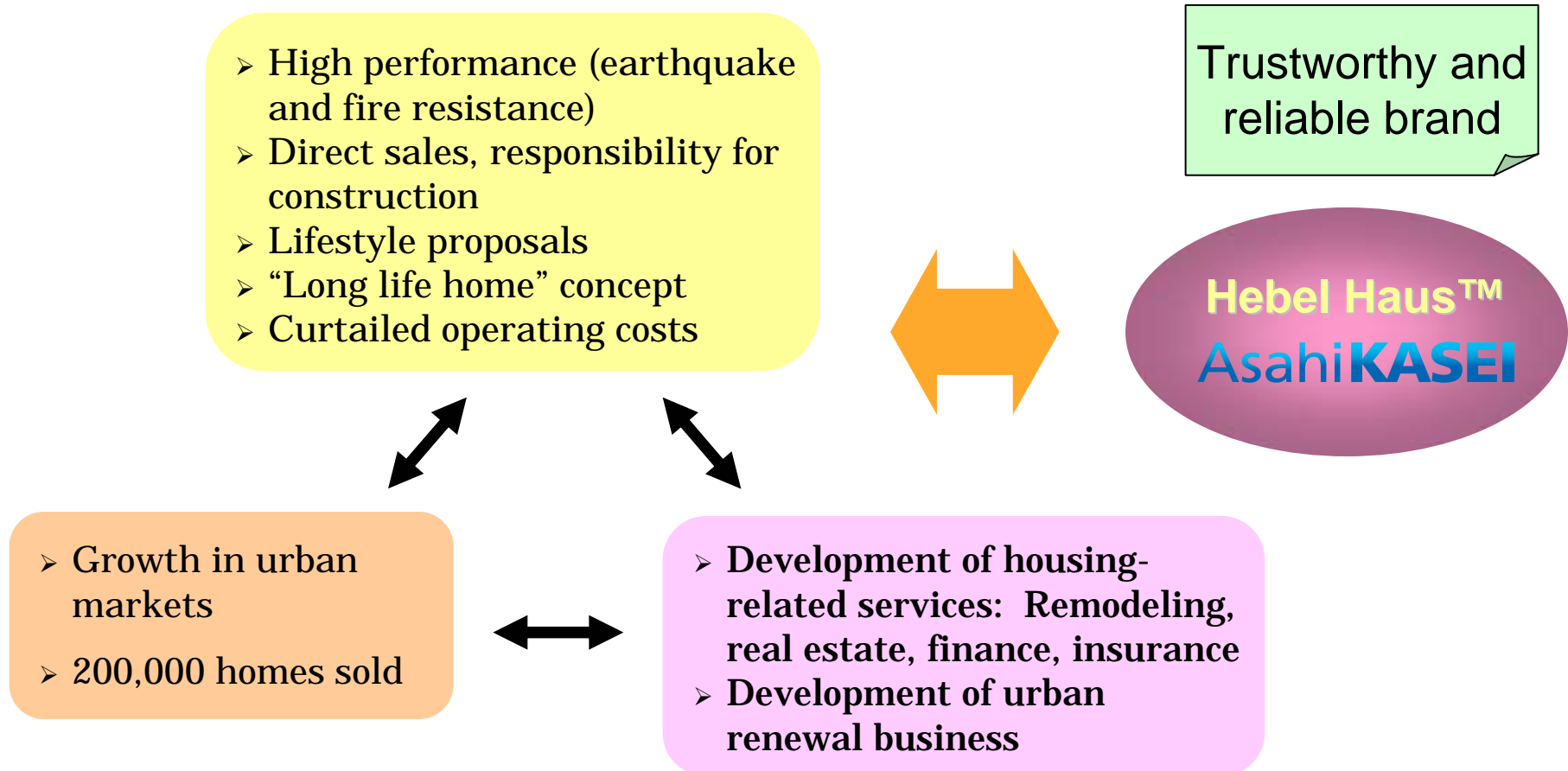
## Strength in monomers and specialties

(¥ billion)

	FY 2004 forecast		FY 2008 target	
	Sales	Operating profit rate	Sales	Operating profit rate
Monomers	260	/	/	/
Polymers	160			
Monomers & polymers subtotal	420	4%	450–500	5%
Specialty products & systems	100	15%	200	15%
Chemicals total	520	–	650–700	–

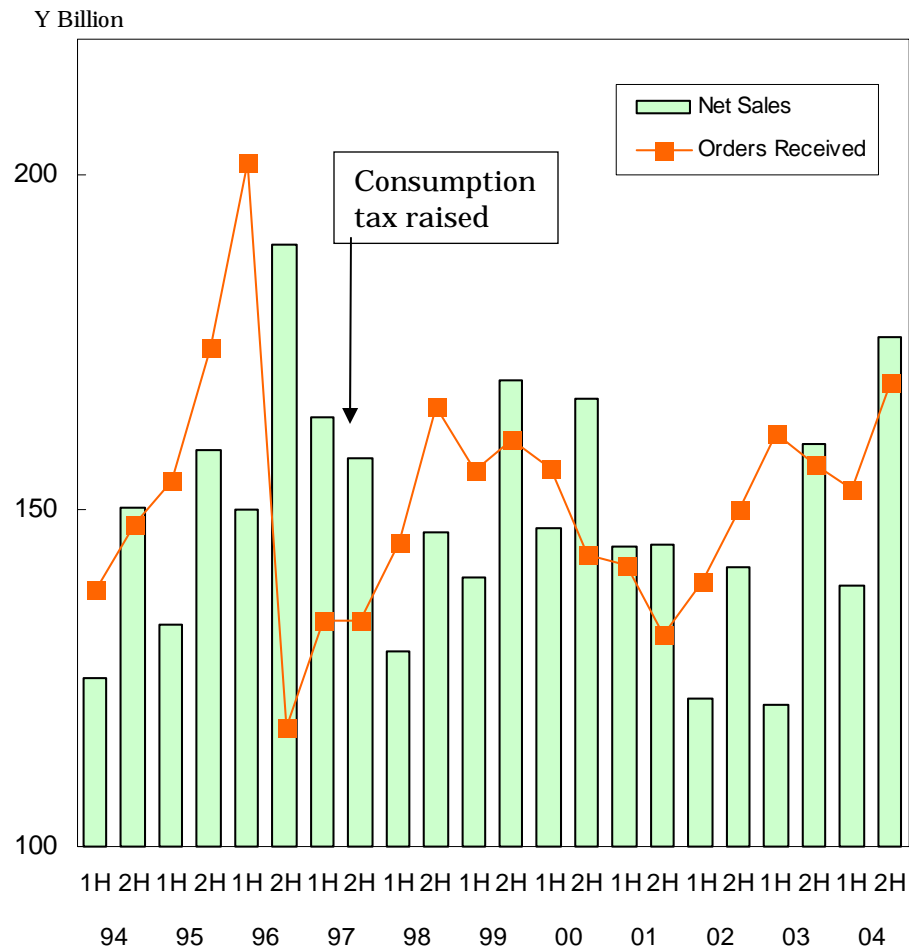
Based on current plans as of October 2004.

## Self-reinforcing cycle of growth



# AsahiKASEI Recovery projected in home contracts

## Growing demand for Hebel Haus™



		Net sales		Orders received		Order backlog
94	1H	125	0.9%	138	4.6%	284
	2H	150	3.0%	148	2.7%	281
95	1H	133	6.5%	154	11.7%	303
	2H	159	5.6%	174	17.8%	319
96	1H	150	12.8%	202	30.7%	370
	2H	190	19.3%	118	-32.5%	299
97	1H	164	9.0%	134	-33.7%	269
	2H	158	-16.7%	134	13.7%	245
98	1H	129	-21.3%	145	8.5%	261
	2H	147	-7.0%	165	23.7%	280
99	1H	140	8.7%	156	7.4%	296
	2H	169	15.4%	161	-3.0%	287
00	1H	147	5.1%	156	0.3%	296
	2H	167	-1.6%	143	-10.7%	273
01	1H	145	-1.8%	142	-9.3%	270
	2H	145	-13.0%	131	-8.4%	256
02	1H	122	-15.8%	139	-1.7%	273
	2H	141	-2.4%	150	14.2%	282
03	1H	121	-0.6%	161	15.9%	322
	2H	160	13.1%	157	4.5%	319
04	1H	139	14.6%	153	-5.1%	333
	2H	176	9.9%	169	7.9%	326

**Growth driven by services**

(¥ billion)

	FY 01	FY 02	FY 03	FY 04 forecast
Sales of order-built homes	290	263	281	315
Sales of pre-built homes	16	17	37	22
Subtotal	306	280	318	337
Related services*	36	40	43	46
Total sales	342	320	361	383

\* Home maintenance and remodeling (Asahi Kasei Reform), home leasing and real estate brokering (Asahi Kasei Real Estate).

## Targeting world no. 2 position in artificial kidneys

- Expanding capacity for polysulfone hollow-fiber membranes: 20 million modules capacity by fall 05, 30 million by FY 10.
- New assembly plant in China: 4 million modules capacity by 05/1, final capacity 14 million.
- Asahi Kasei Medical America established 04/7: Enhanced marketing function.



Targeting 20% world share.

Currently:

1. Fresenius 35%
2. Gambro 19%
3. Asahi Kasei Medical 18% (Asahi Kasei estimate)

## Strategic expansion of new products

Growth of Cellsorba™ leukocyte adsorption column

*In Japan:*

- Approved for ulcerative colitis 01/10.
- Approved for rheumatoid arthritis 04/4.

*Overseas:*

- CE mark acquired, sale in EU begun.

## Application-specific devices

- **Digital/analog mixed-signal LSIs for specialized applications:**  
Flat panel displays, digital cameras (video and still), cell phones, and data storage
- **Hybrid magnetic sensors combining Hall elements and LSI circuitry:**  
Electronic compasses and pointing devices for cell phones

World share in  
Hall elements:  
75%

## Expanding applications for materials

- **Pimel™ photosensitive polyimide precursor**  
Semiconductor buffer coats
- **Sunfort™ dry film resist**  
From printed wiring boards to plasma display panels

World share:  
55%

No. 1 world share:  
25%

# AsahiKASEI Expansion of electronics-related operations

## Expanding functional materials operations in growth fields

Establishment of marketing center  
for FPC and FPD materials (04/10)

**Objective:**  
Rapid development of operations for  
packaging materials and display materials.

**Current projects:**

- 2-layer flexible copper-clad laminate for flexible printed circuit boards.
- Functional materials for flat panel displays.

**Asahi Kasei's edge:**  
Broad range of technology and know-how  
from materials science to applied electronics.

**Technological superiority:**  
Photosensitive polymers,  
microfabrication.

**Market insight:**  
Dry film resist,  
photosensitive polyimide precursor,  
light-guide plates.

**Key development approach:**

- Concentrate resources of Asahi Kasei EMD, Asahi Kasei Chemicals, and Corporate R&D.
- Prepare dedicated lab, use clean-room facility for prototype production.
- Supplement core technology through M&A and alliances.
- Build business model coordinating tech support and marketing.

## Developing new businesses in the field of medicine

Establishment of medical service support center (04/11)

***Objective:***

Development of new businesses serving hospitals and medical clinics.

***Current projects:***

- Implementation of hospital management support systems for hemodialysis.
- Support systems for opening hemodialysis clinics.

***Asahi Kasei's edge:***

Broad range of technology and know-how from pharmaceuticals and medical devices to building construction and information systems.

***Technological superiority:***

World's no. 3, Japan's no. 1 artificial kidney business.

***Elements of synergy:***

- Network of contacts with physicians and hospitals.
- Electronic medical chart system (Asahi Kasei Information Systems).
- Strong reputation in building construction (Asahi Kasei Homes).

**Financial health restored**

- Three-year amortization of unrecognized transition amount resulting from change in accounting standards (FY 00–02)
- Accumulated unrecognized actuarial difference fully amortized with ¥126.0 billion special loss (FY 02)
- Unrecognized actuarial differences are now amortized in the fiscal year following their occurrence (from FY 02)
- Reversion of proxy execution of portion of national pension (FY 02, 03)
- Assumed interest rate on plan assets reduced from 4.5% to 3% (FY 02)

Projected benefit obligations: ¥288 billion (04/9)

Fair value of plan assets: ¥150 billion (04/9)