

# 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.

**May/June 2005**  
**Asahi Kasei Corporation**

# Chemicals segment breakdown

Basic chemicals & monomers		Polymers & elastomers		Specialty chemicals & systems	
Basic chemicals	Olefin Benzene Caustic soda, Chlorine NH3 & by-products Nitric acid Fertilizers	General-purpose polymers	HDPE LDPE ABS, AS SB latex Polystyrene PMMA pellet PMMA sheet Synthetic rubbers	Performance chemicals	Duranate™ Aluminum paste Acrylic latex Epoxy resin Saran latex Specialty paper MCC (Additives) Industrial cleaning agents Amino surfactant
Monomers	Styrene monomer Acrylonitrile MMA Cyclohexanol				
Fine chemicals etc.	Adipic acid Hydrocyanic acid Sodium cyanide MAN CHMA PCDL	Performance plastics & high value-added polymers etc.	Tenac™ (H, C) Xyron™ Leona™ Sunfine™ Creolex™ Light-guiding plate SOE™ Asaclean™ Polymer compounds	Specialty products	Filtration membranes Hipore™ WTB APR™ AFP™
Share of sales	80%			Share of sales	20%
Share of OP*	60%			Share of OP*	40%
				Systems etc.	Ion-exchange membranes & systems Industrial explosives Defense explosives Metal cladding

\* Operating profit prior to amortization of actuarial differences in retirement benefits.

Business fields	Products	Position
Membranes and environment	Hipore™ (microporus membrane)	No.1 World share: 50%
	Microsa™ (UF and MF membranes) and systems	No.1 World share: 30%
	Aciplex™ (ion-exchange membranes)	No.1 World share: 30%
	Electrolysis systems	No.2 World share
Systems	Explosives	No.1 Domestic share
	APR™ (photo sensitive resin), AFP™ (photo sensitive plates) and printing plate making system	APR: No.2 World share
Functional materials	Duranate™ (non-yellowing polyisocyanate)	No.1 Domestic share
	Aluminum paste	No.2 Domestic share
	AER™ (epoxy resin), Novacure™ (epoxy hardener)	
	Ceolus™ (microcrystalline cellulose)	No.3 World share
	Elise™ (industrial cleaning compound)	
	Polydurex™ (silicone-modified acrylic latex), Saran™ (PVDC) latex	Saran™: No.3 World share: 20%

## Advancement of Long Life Home strategy

- High performance (earthquake and fire resistance)
- Direct sales, responsibility for construction
- Focus on urban and metropolitan area
- Lifestyle proposals (Ex. Dual family homes)

Trustworthy and reliable brand

Hebel Haus™  
Asahi**KASEI**

➤ 200,000 homes sold

- Development of housing-related services: Remodeling, real estate, finance, insurance
- Development of urban renewal business

# Recovery projected in home contracts

## Sales and order trends

(¥ billion, percent change from same period of previous year shown at right)

		Sales of order-built homes	Sales of pre-built homes	Other sales*	Total sales	Value of new orders during the term	Order backlog
FY 00	1H	147.3 (+5.1%)	9.3 (+32.9%)	–	156.6 (+6.4%)	156.3 (+0.3%)	295.8
	2H	166.6 (-1.6%)	10.4 (+15.6%)	–	177.0 (-0.7%)	143.3 (-10.7%)	272.6
	annual	313.9 (+1.4%)	19.7 (+23.1%)	–	333.6 (+2.5%)	299.6 (-5.3%)	
FY 01	1H	144.7 (-1.8%)	7.5 (-19.4%)	–	152.3 (-2.7%)	141.7 (-9.3%)	269.5
	2H	144.9 (-13.0%)	9.0 (-13.5%)	–	153.9 (-13.1%)	131.3 (-8.4%)	255.9
	annual	289.6 (-7.7%)	16.5 (-16.2%)	–	306.2 (-8.2%)	273.0 (-8.9%)	
FY 02	1H	121.9 (-15.8%)	6.5 (-13.3%)	–	128.4 (-15.7%)	139.3 (-1.7%)	273.3
	2H	141.4 (-2.4%)	10.2 (+13.3%)	–	151.6 (-1.5%)	150.0 (+14.2%)	282.0
	annual	263.3 (-9.1%)	16.7 (+1.2%)	–	280.0 (-8.6%)	289.3 (+6.0%)	
FY 03	1H	121.2 (-0.6%)	5.3 (-18.5%)	0.5	126.9 (-1.3%)	161.4 (+15.9%)	322.2
	3Q	76.8 (+51.7%)	9.4 (+184.8%)	0.3	86.5 (+60.2%)	70.7 (+2.2%)	315.8
	4Q	83.1 (-6.8%)	21.3 (+208.7%)	0.3	104.8 (+7.4%)	86.0 (+6.4%)	319.0
	annual	281.1 (+6.8%)	36.0 (+117.0%)	1.1	318.2 (+13.5%)	318.1 (+9.9%)	
FY 04	1H	138.9 (+14.6%)	6.6 (+25.3%)	0.5	146.0 (+15.0%)	153.1 (-5.1%)	333.2
	3Q	77.0 (+0.3%)	3.8 (-59.7%)	0.3	81.1 (-6.2%)	64.1 (-9.4%)	320.3
	4Q	94.8 (+14.1%)	9.8 (-54.3%)	0.3	104.9 (+0.1%)	84.6 (-1.6%)	310.1
	annual	310.7 (+10.6%)	20.1 (-44.1%)	1.1	332.0 (+4.3%)	301.8 (-5.1%)	
FY 05 forecast		306.0 (-1.5%)	35.9 (+78.6%)	1.1	343.0 (+3.3%)	308.0 (+2.1%)	312.1

\* Including commissions on property insurance.

## Sales trends of housing segment

					Total sales	Operating profit †
	Orde-built homes	Pre-built homes and others	Sub-total	Related services *		
FY 00	3,139	197	3,336	326	3,662	254
FY 01	2,896	165	3,062	363	3,425	138
FY 02	2,632	169	2,801	404	3,205	139
FY 03	2,811	371	3,181	431	3,613	235
FY 04	3,107	212	3,320	438	3,758	256
FY 05 forecast	3,060	370	3,430	470	3,900	283

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

† Operating profit prior to amortization of actuarial differences in retirement benefits.

# Pharma segment breakdown

Sales of Asahi Kasei Pharma Corporation

(¥ billion)

		FY 2003			FY 2004		
		1st half	2nd half		1st half	2nd half	
	Pharmaceuticals	24.6	24.7	49.3	23.8	24.2	47.9
	Others	6.7	4.9	11.6	7.0	6.7	13.6
Non-consolidated		31.3	29.6	60.9	30.8	30.8	61.6
Asahi Kasei Medical		19.5	19.4	38.9	19.4	18.2	37.6
Others		3.1	3.1	6.2	2.6	2.2	4.7
Consolidated		53.9	52.1	106.0	52.8	51.2	103.9

Main pharmaceuticals domestic sales

(¥ billion)

	FY 2003			FY 2004		
	1st half	2nd half		1st half	2nd half	
Elcitonin™	10.0	8.8	18.8	8.4	7.7	16.1
Bredinin™	3.3	3.2	6.5	3.2	3.1	6.3
Flivas™	3.4	3.8	7.2	3.9	4.1	8.0
Toledomin™	2.1	2.7	4.8	2.7	3.0	5.7
Exacin™	0.7	0.8	1.5	0.7	0.7	1.4
Ricamycin™	0.4	0.7	1.1	0.4	0.5	0.9
Eril™	0.7	0.7	1.4	0.7	0.8	1.4

## Overview of main products

	Generic name	Mechanism/ substance class	Indication	Formulation	Co-development partner
Elcitonin <sup>TM</sup>	Elcatonin	Eel calcitonin derivative	Osteoporosis pain	Injection	–
Bredinin <sup>TM</sup>	Mizoribine	Immunosuppressant	Kidney transplantation, lupus nephritis, nephrosis syndrome, rheumatoid arthritis	Tablet	–
Flivas <sup>TM</sup>	Naftopidil	Selective $\alpha$ -1 blocker	Benign prostatic hypertrophy	Tablet	Nippon Organon
Toledomin <sup>TM</sup>	Milnacipran hydrochloride	SNRI	Depression	Tablet	–
Exacin <sup>TM</sup>	Isepamicin sulfate	Aminoglycoside antibiotic	Infection	Injection	Schering-Plough
Ricamycin <sup>TM</sup>	Rokitamycin	Macrolide antibiotic	Infection	Tablet, dry syrup	–
Eril <sup>TM</sup>	Fasudil	Rho kinase inhibitor	Cerebral vasospasm after subarachnoid hemorrhage surgery	Injection	–

## Product pipeline

Development stage	Product	Objective	Class	Indication
Pre-registration	AT-877 (injection)	Additional indication	Rho-kinase inhibitor	Acute cerebral thrombosis
Phase III	PTH (injection)	Additional indication	Synthetic human parathyroid hormone	Osteoporosis
	ART-123 (injection)	New biologic	Recombinant human thrombomodulin	Disseminated intravascular coagulation
Phase II	AT-877 (Oral)	New dosage form	Rho-kinase inhibitor	Angina pectoris
	AP-521 (Oral)	New molecular entity	5HTA1 receptor partial agonist	Anxiety
Phase II (overseas)	ART-123 (Injection)	New biologic	Recombinant human thrombomodulin	Deep vein thrombosis

## Securing world no. 2 position in artificial kidneys

- Expanding capacity for polysulfone hollow-fiber membranes: 20 million modules capacity by Oct 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. Asahi Kasei Medical 18%
  3. Gambro 18%
- (Feb 04, Kalorama report)

Domestic share No.1 36%  
(Asahi Kasei estimates)

## 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.

## 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).

## 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%

## 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.

## 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: ¥291 billion (Mar 05)

Fair value of plan assets: ¥172 billion (Mar 05)