

“For Tomorrow 2015”

New Mid-term Management Initiative (FY2011–2015)

November 2011
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President
Asahi Kasei Corporation

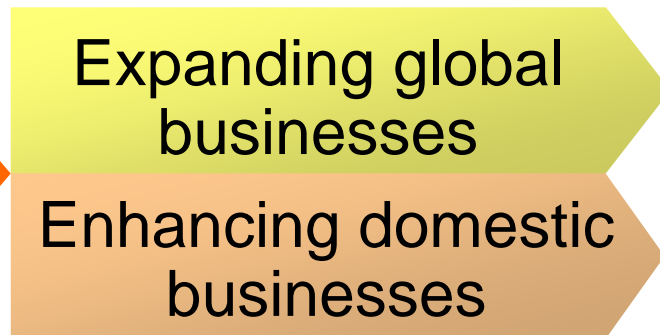
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Disclaimer:

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.

1. Review of “Growth Action – 2010”

Growth Action – 2010



(¥ billion)

	FY 2005 results	FY 2010 initial target
Net sales	1,498.6	1,800
Operating income	108.7	150
Net income	59.7	80
ROE	11.8%	≥10%

Implementation of strategy for further growth in line with economic changes

Expanding global businesses

- World competitive petrochemicals business
 - Construction of new acrylonitrile (AN) and MMA plants in Thailand, capacity expansion for AN in Korea, study on AN project in Saudi Arabia
 - Construction of new solution SBR plant in Singapore
- Electronics
 - Capacity expansion for Hipore™ Li-ion battery (LIB) separator
 - Electronic compass business, semiconductors for cell phones and smartphones (acquisition of Toko, Inc.'s semiconductor business, etc.)
- Health Care
 - Polysulfone hollow-fiber membrane artificial kidneys business (incl. tie-ups with Kawasumi Laboratories, Inc. and NxStage Medical)
 - Market entry in bioprocess equipment and advanced medical devices businesses

Enhancing domestic businesses

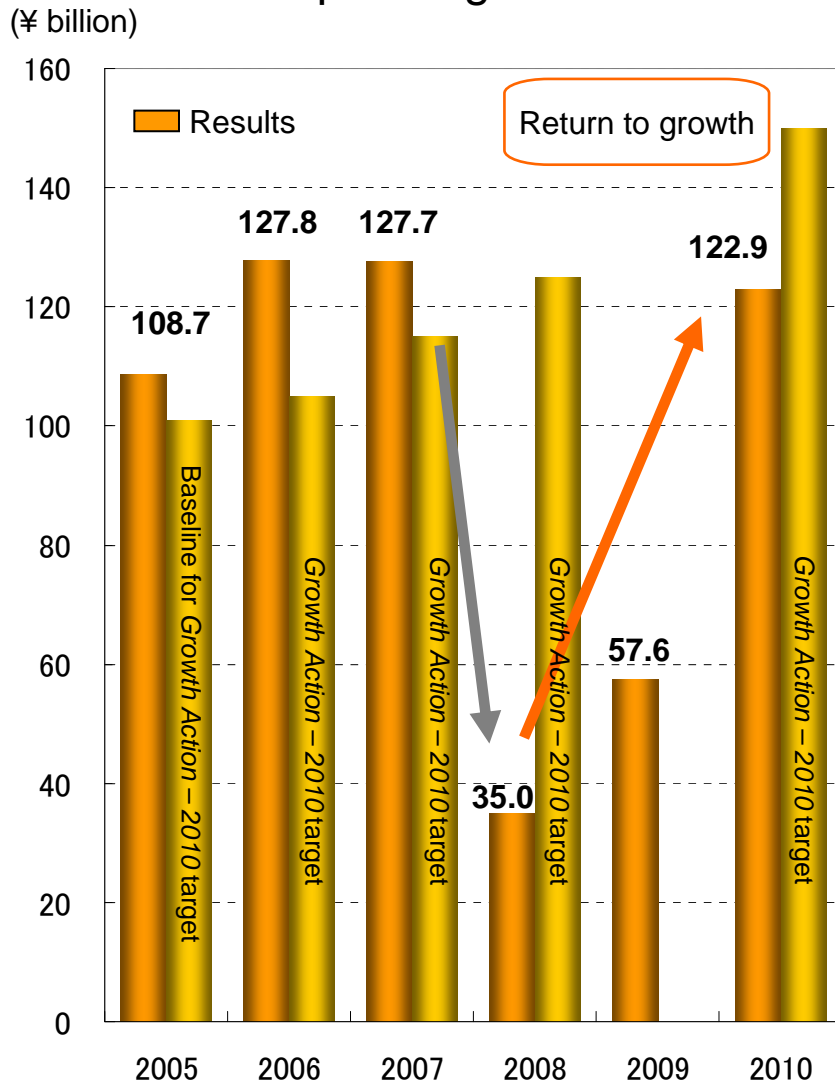
- Reinforcing pharmaceuticals business
 - Market launch of Recomodulin™ recombinant thrombomodulin and Famvir™ anti-herpes agent, application for approval to manufacture and sell Teribone™ (teriparatide acetate) as an osteoporosis drug
- Strengthening homes business (three-story houses for urban life, peripheral businesses, etc.)

Restructuring

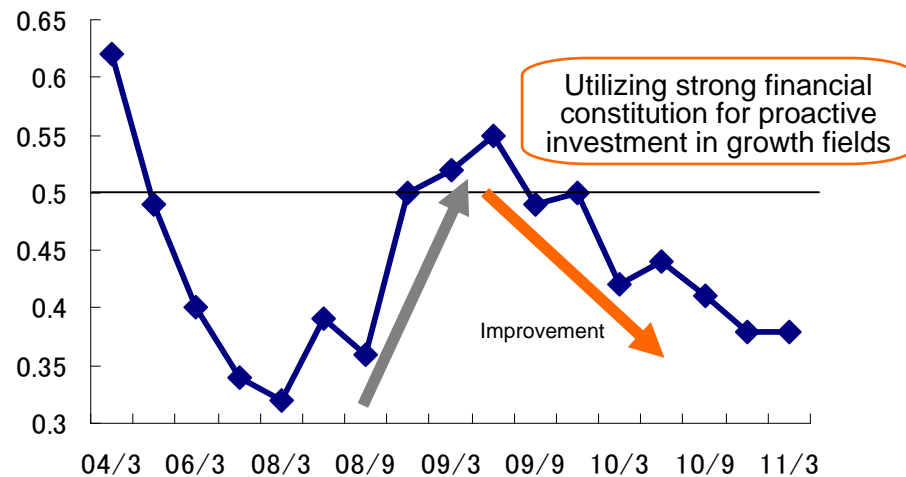
- Unified management of naphtha crackers in Mizushima, Japan; closure of polyester filament plant, etc.

State of financial performance

Operating income



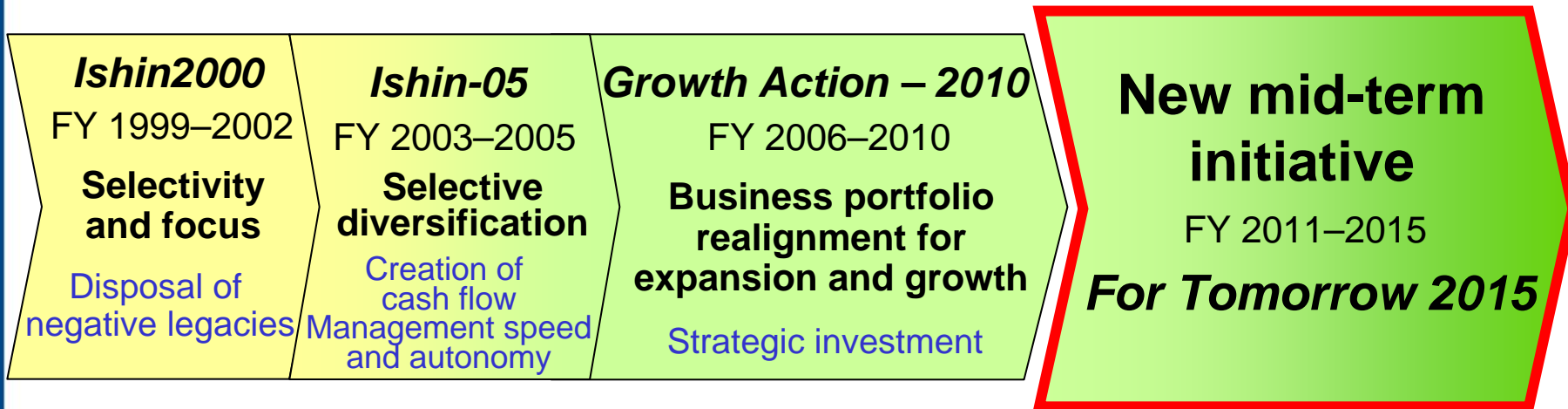
D/E ratio



(¥ billion)

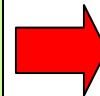
	FY 2010 results	FY 2010 initial target
Net sales	1,598.4	1,800
Operating income	122.9	150
Net income	60.3	80
ROE	9%	≥10%

Toward the new mid-term initiative



Overview of *Growth Action – 2010*

- Drastic changes in the economic climate resulted in partial underachievement of plans.
 - Initial targets not met
 - Strategy for further growth not completed
- Improvement in financial constitution providing sufficient strength for large investments in growth fields.



Framework of *For Tomorrow 2015*

- Go “back to basics” and determine the proper course of action in order to continue to offer value to the world
- ✓ Consider economic climate and trends
 - ✓ Find the appropriate way for Asahi Kasei
 - ✓ Pursue growth in our own way

2. Basic concepts of “For Tomorrow 2015”

Management climate

Megatrend	Threat	Opportunity
1. Growth of developing countries	<ul style="list-style-type: none">• Increasingly intense global competition• Accelerated speed of change	<ul style="list-style-type: none">• Growing demand in emerging markets
2. Maturing of the Japanese economy	<ul style="list-style-type: none">• Asahi Kasei Group's domestic sales account for 3/4 of overall sales• Unprecedented natural disaster	<ul style="list-style-type: none">• Proposal and contribution of new value for social systems
3. Limitations of the Earth		
1) Shortage of natural resources	<ul style="list-style-type: none">• Sharp rise in feedstock costs• Greater advantage in resource-rich countries	<ul style="list-style-type: none">• Creation of resources• Effective utilization of resources
2) Global warming	<ul style="list-style-type: none">• More stringent environmental regulations in advanced countries	<ul style="list-style-type: none">• New markets (for electric vehicles, batteries, insulation)
3) Environmental deterioration		
4. Aging population	<ul style="list-style-type: none">• Change in household structure and consumer behavior• Government efforts to cut medical costs	<ul style="list-style-type: none">• Emerging demand and social needs in healthcare, living, nursing care, etc.

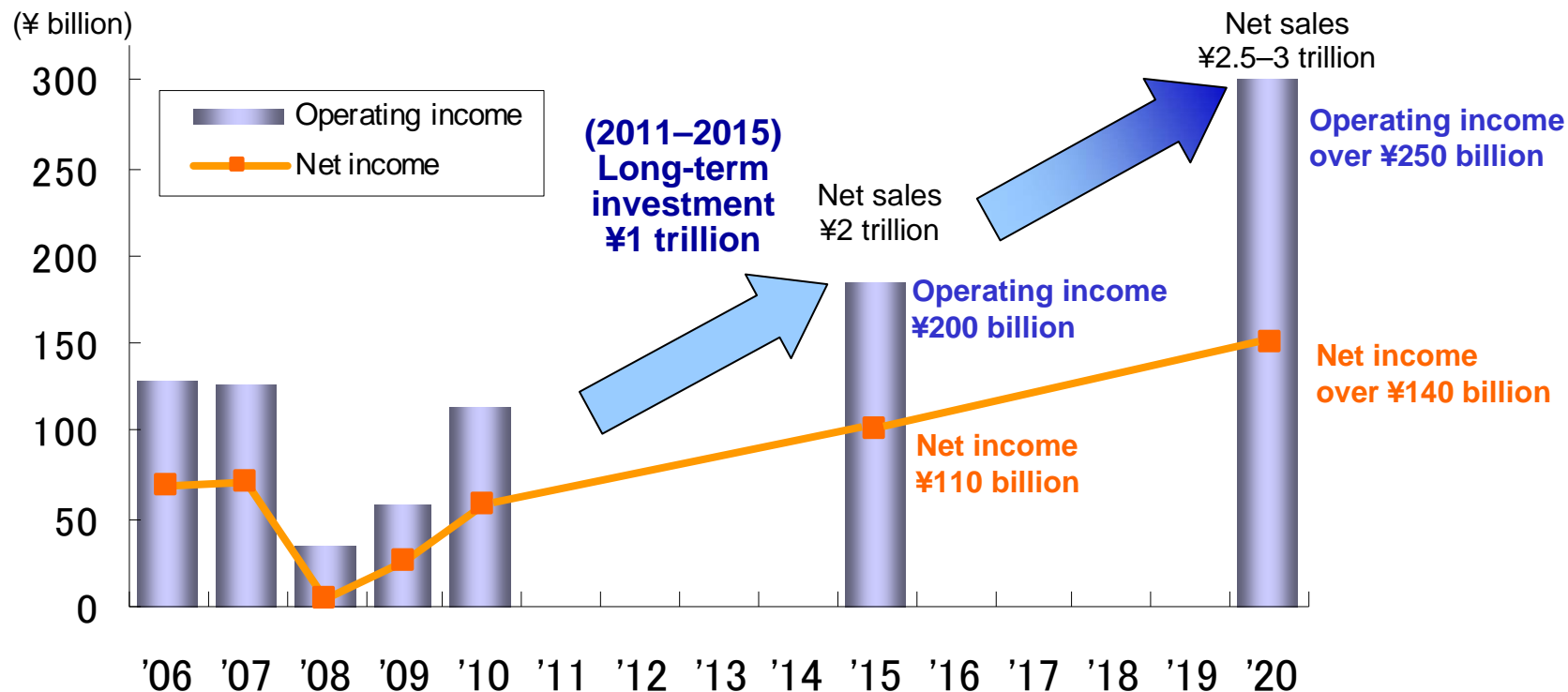
Based on megatrends, capturing new opportunities in anticipation of emerging social needs.



- Group Mission** The Asahi Kasei Group's unchanging reason for being
- Group Values** Shared values that must be held by the people who work in the Asahi Kasei Group
- Group Vision** The direction in which Asahi Kasei Group business activities advance

Vision for the Asahi Kasei Group

Offering new value based on *living in health and comfort and harmony with the natural environment* in anticipation of changing social needs. Continuously enhancing the corporate value of the Asahi Kasei Group.



ROE	9%
ROIC	7%
Overseas sales ratio (excl. Homes & Const. Mat.)	28% (39%)

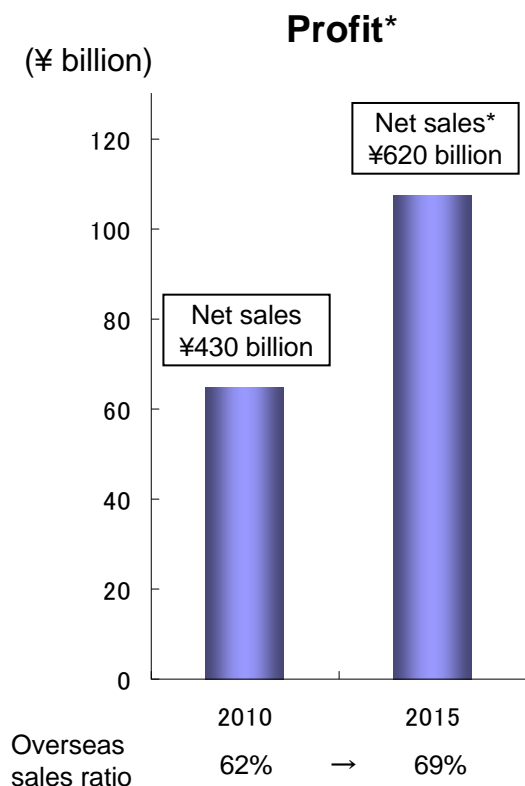
≥10%
≥7%
32% (45%)



3. Business Strategy

Expand businesses to serve global demand growth

Proactive expansion of global No. 1 & No. 2 businesses to serve global demand growth in emerging markets



Acrylonitrile (AN)

- Thailand – Plant start-up in 2011
- Korea – Capacity expansion scheduled in 2013 at Tong Suh Petrochemical
- Saudi Arabia – Joint venture to study AN project
→ Expansion focused on growing Asian market to gain No. 1 position in the global AN market

Production capacity

FY 2010: 750 thousand tons/year → FY 2015: 1.4 million tons/year
Market share in Asia: 25% in FY 2010 → 40% in FY 2015

Solution SBR (S-SBR)

- Plant start-up in Singapore (Phase I) in 2013
- Plant start-up in Singapore (Phase II) in 2015
→ Meeting rapidly increasing demand for fuel-efficient tires

Estimated share of capacity

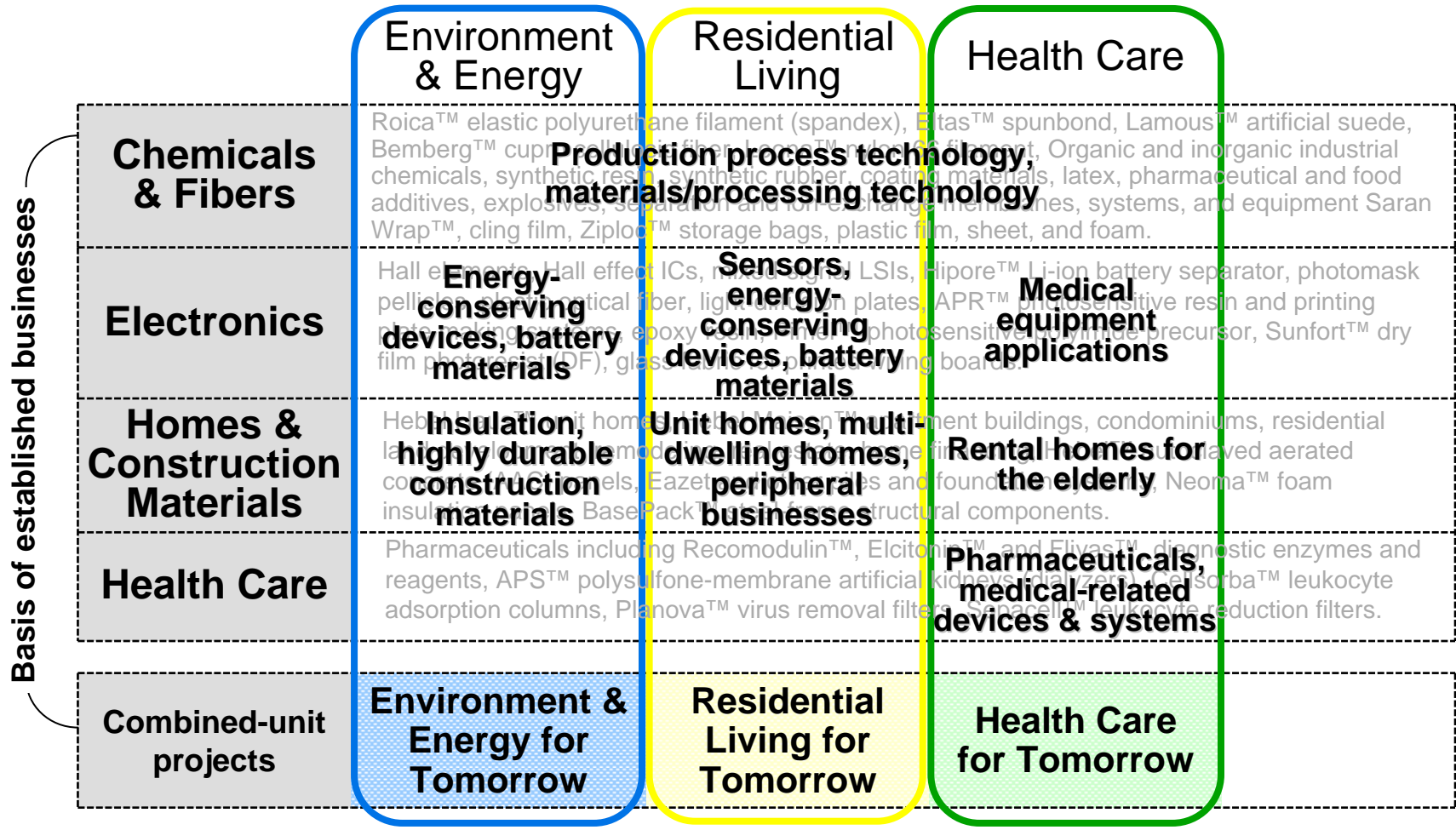
FY 2010: 18% → FY 2015: 26%

* Net sales and operating income of each business plus equity in sales and earnings of AN affiliates.

Other world-leading businesses include Hipore™ Li-ion battery separator, LSIs, dry film photoresist, artificial kidneys, Planova™ virus removal filters, Roica™ elastic polyurethane filament, photomask pellicles, etc.

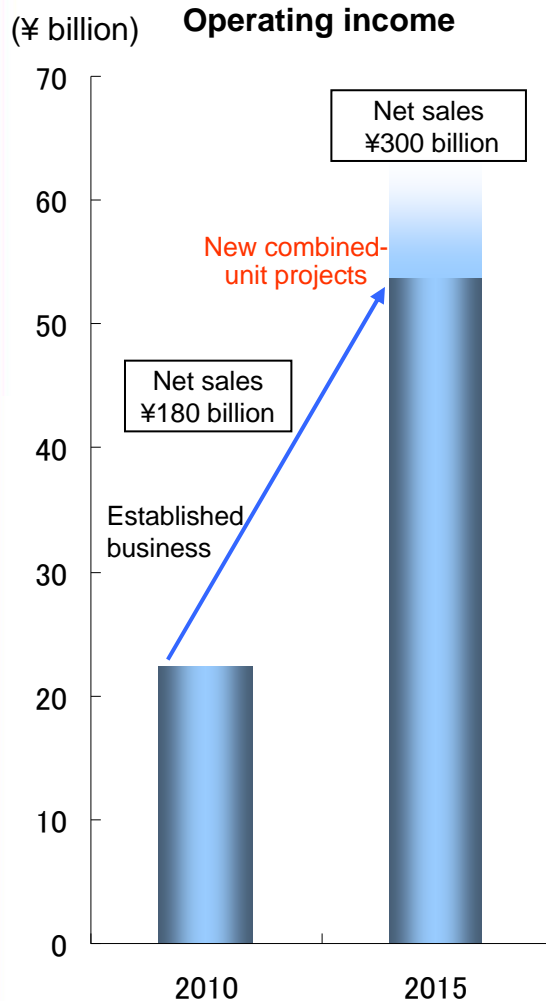
Creation of new social value

Fields of focus



Combining businesses across different business units, responding to new social needs.

Pushing diverse technology to tackle environmental challenges



Hipore™ LIB separator

In addition to No. 1 position in LIBs for electronics, establishing firm lead in technology & market for automotive LIBs.

Sensors, power-saving LSIs

Expansion of application fields and geographic markets. Broad provision of new value with unique technology.

Currently:

Centered on consumer electronics

Centered on Japan

From now:

⇒ Greater focus on infrastructure, automotive

⇒ Accelerated globalization

Insulation materials

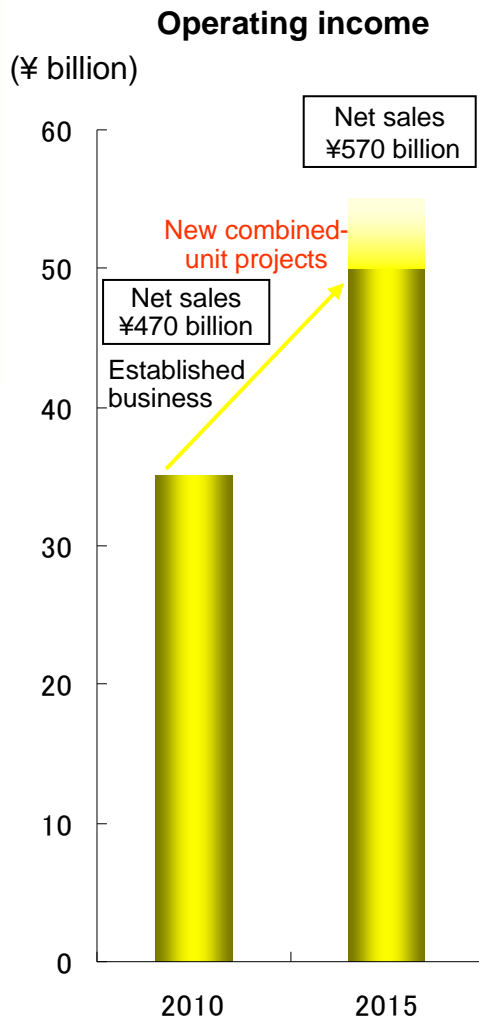
Contributing to energy-saving society with world-leading level insulation performance (wall, roof, and floor applications)

Water treatment/membrane business

Development of markets in China, etc.

Creation of new businesses through combined-unit projects

Providing comfortable living to more customers, more quickly



Houses, apartments

- Superior structural technology and lifestyle innovation to anticipate emerging needs in three-story and two-generation urban homes.
- Development of unique apartment buildings for the elderly, single women, pet owners, etc.
- Increased market share through marketing meticulously aligned with each area.

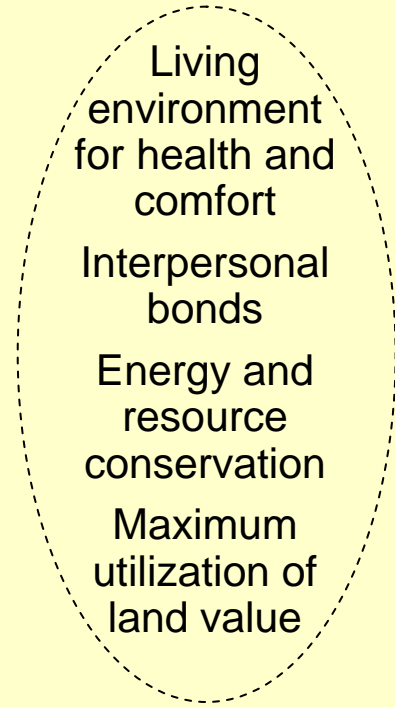
Real estate (condominium development, brokerage, subleasing)

- Maximum utilization of land value through consensus-building among diverse interested parties.

Remodeling

- Providing greater satisfaction to Hebel Haus™ owners through renovation aligned to lifestyle changes.

Fulfillment in living in a mature urban setting



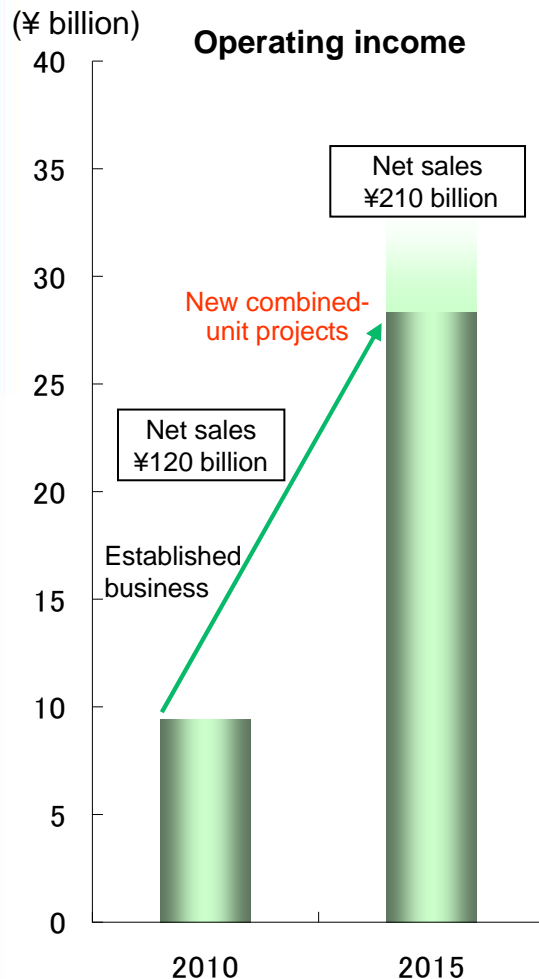
Creation of new businesses through combined-unit projects

(2) Creation of new value for society

Expansion of health care-related businesses

AsahiKASEI

Unique products & technologies for healthy & lively longevity



Pharmaceuticals

- Expansion of Recomedulin™, launch & expansion of Teribone™
- Reinforcing pipeline by in-licensing new drugs
- Strengthening clinical development capability in US
 - ⇒ Step 1: sales expanding to ¥100 billion scale
 - ⇒ Step 2: global reach with new drugs, emergence as a global specialty pharma player

Blood purification (hemodialysis, apheresis)

- Full coverage of Europe, North America, and emerging markets
- Enhanced cost competitiveness (overseas manufacturing alliances)
- Higher product performance (launch of innovative products)

Bioprocess-related business

- Lineup of distinctive membrane modules
- Expanded sales together with bioprocess equipment
 - ⇒ World-leading process equipment and media for biologics

Creation of new businesses through combined-unit projects

(2) Creation of new value for society
Creation of new value through
“For Tomorrow” projects

In anticipation of emerging social needs, Asahi Kasei will offer distinctive solutions that make the most of its diversity in business and technology.

Group configuration for combined-unit projects

**(i) Environment & Energy
for Tomorrow**

**Innovative materials,
devices, and systems for
generation, storage, and
consumption of energy**

Battery materials,
energy-saving devices

LICs,
Sensors

Harmony with the natural environment

**(ii) Residential Living
for Tomorrow**

**Physical and emotional
health & comfort
Creation of social bonds
in urban areas**

Environmental
friendliness
Human interaction
Adjacency to
hospitals
Living support

Living in health and comfort

**(iii) Health Care
for Tomorrow**

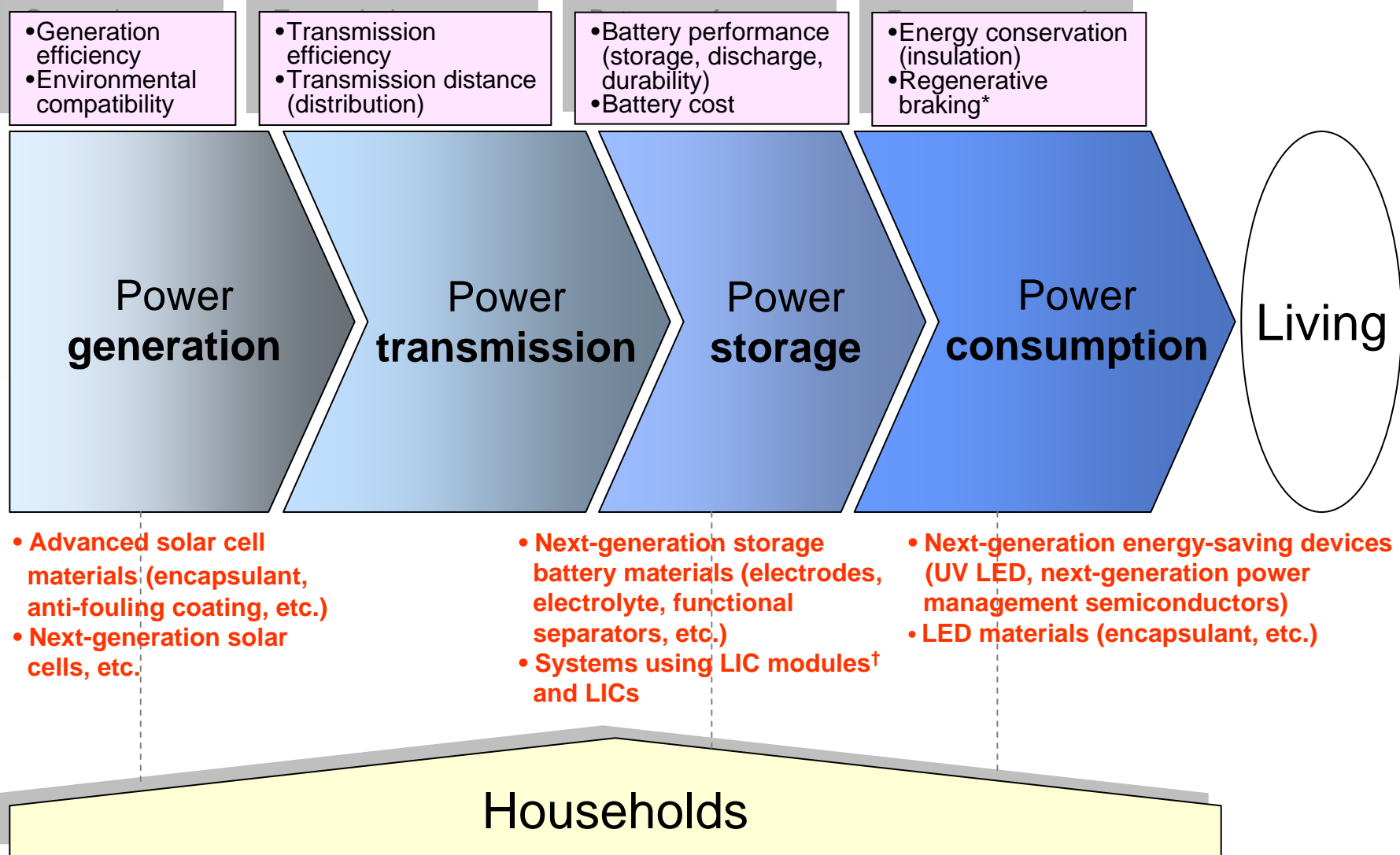
**Seamless advanced
medical treatment from
acute/emergency to
chronic level**

At-home
treatment
Medical IT

Emergency and
critical care
Cell culturing

(i) Environment & Energy for Tomorrow **AsahiKASEI**

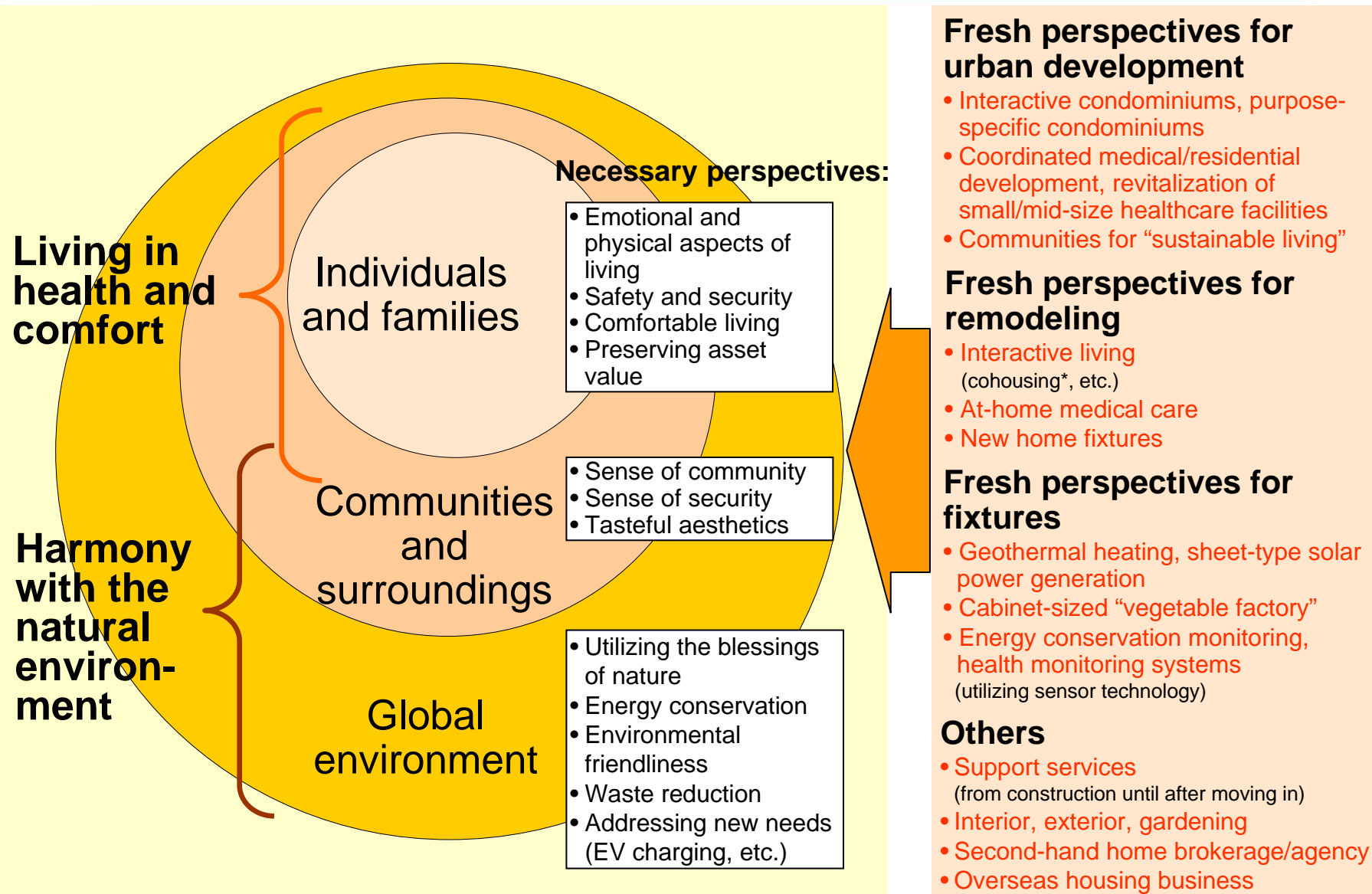
Necessary perspectives:



* Converting heat energy generated from braking into electrical energy, and storing it as power.

[†] Modules combining LICs and control circuits, for use in backup power supplies, electric vehicles (EVs), hybrid electric vehicles (HEVs), etc.

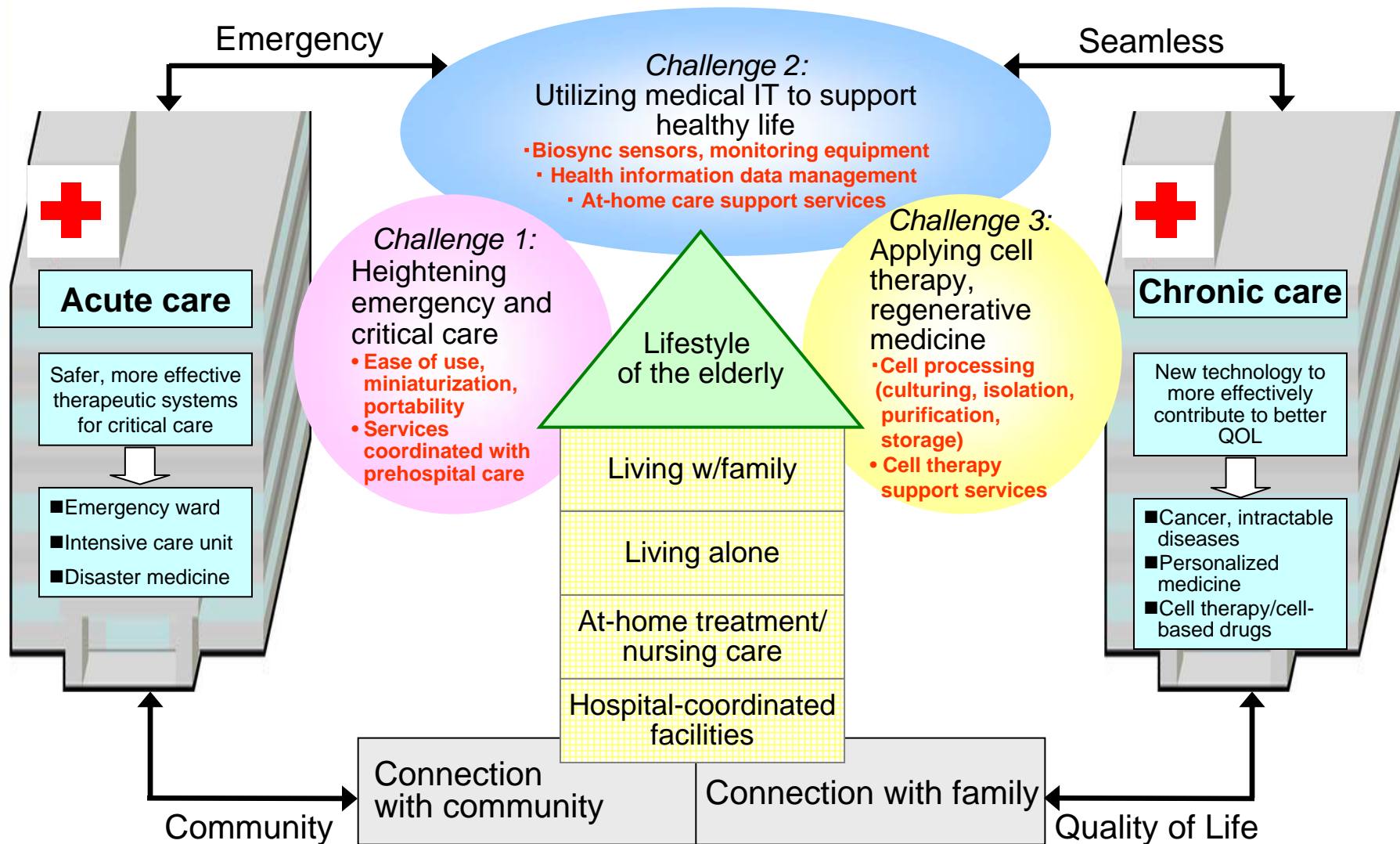
(ii) Residential Living for Tomorrow



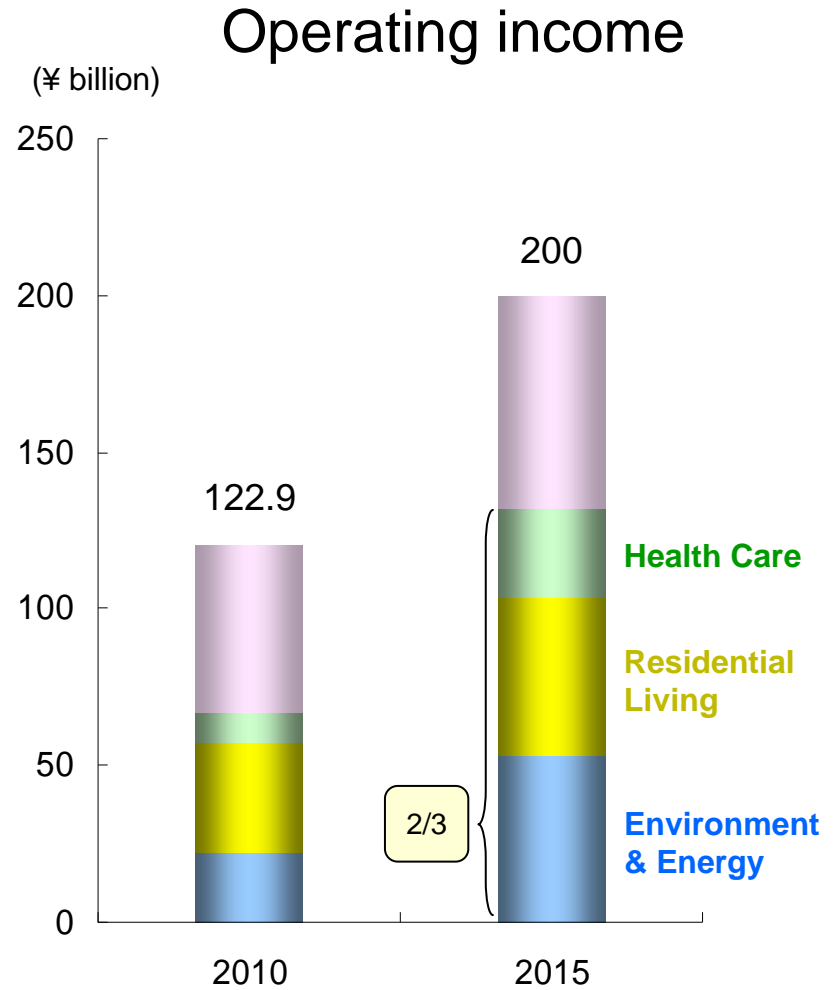
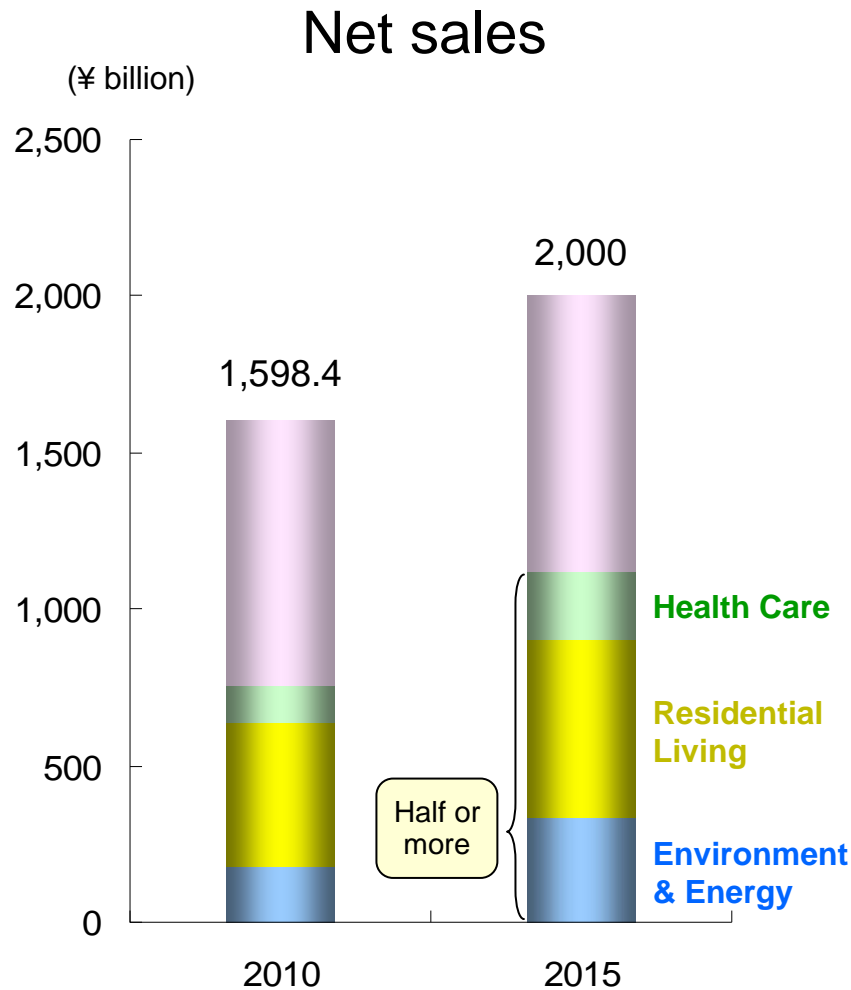
* A type of collaborative housing combining private living space with shared facilities.

(iii) Health Care for Tomorrow

Tackling three challenges for a healthy society of longevity



Reweighting the composition of businesses



Recent actions and advances

Environment & Energy

- Establishment of a joint venture with FDK Corp. in October 2011 for lithium ion capacitor business, to further strengthen R&D and supply capabilities by combining technologies.
- Hipore™ lithium-ion battery separator: Total capacity increased to 205 million m²/y in H1 2011. World's largest line with 50 million m²/y capacity under construction, to be completed in spring 2013.
- Investment in Crystal IS, Inc., US-based venture company developing UV LEDs: Joint development of LEDs for disinfection and water purification. Aiming for commercialization in medical and water treatment fields.



Residential Living

- Prototype model home for Residential Living project under construction at housing R&D center in Fuji. To be completed in 2011, will be utilized to demonstrate combinations of the three “For Tomorrow” projects.
- Operation of Asahi Kasei Fudousan Residence Corp. started in Oct. 2011, integrating real estate-related businesses (condominiums, rental homes, etc.) Offering comprehensive services to provide optimum solutions for urban living and asset enhancement.



Health Care

- Start of sale of AED (automated external defibrillator) in Aug. 2011, based on agreement with US-based ZOLL Medical Corp. for exclusive sales rights in Japan. Developing business in the field of emergency and critical care.
- Launch of joint R&D with tella, inc. in Sept. 2011, for cell processing equipment for cancer treatment.
- Approval for manufacture and sale of Teribone™ osteoporosis drug in Japan in Sept. 2011. Start of Phase III clinical trial for AK-156 (zoledronic acid) for osteoporosis.



4. Plans by business sector

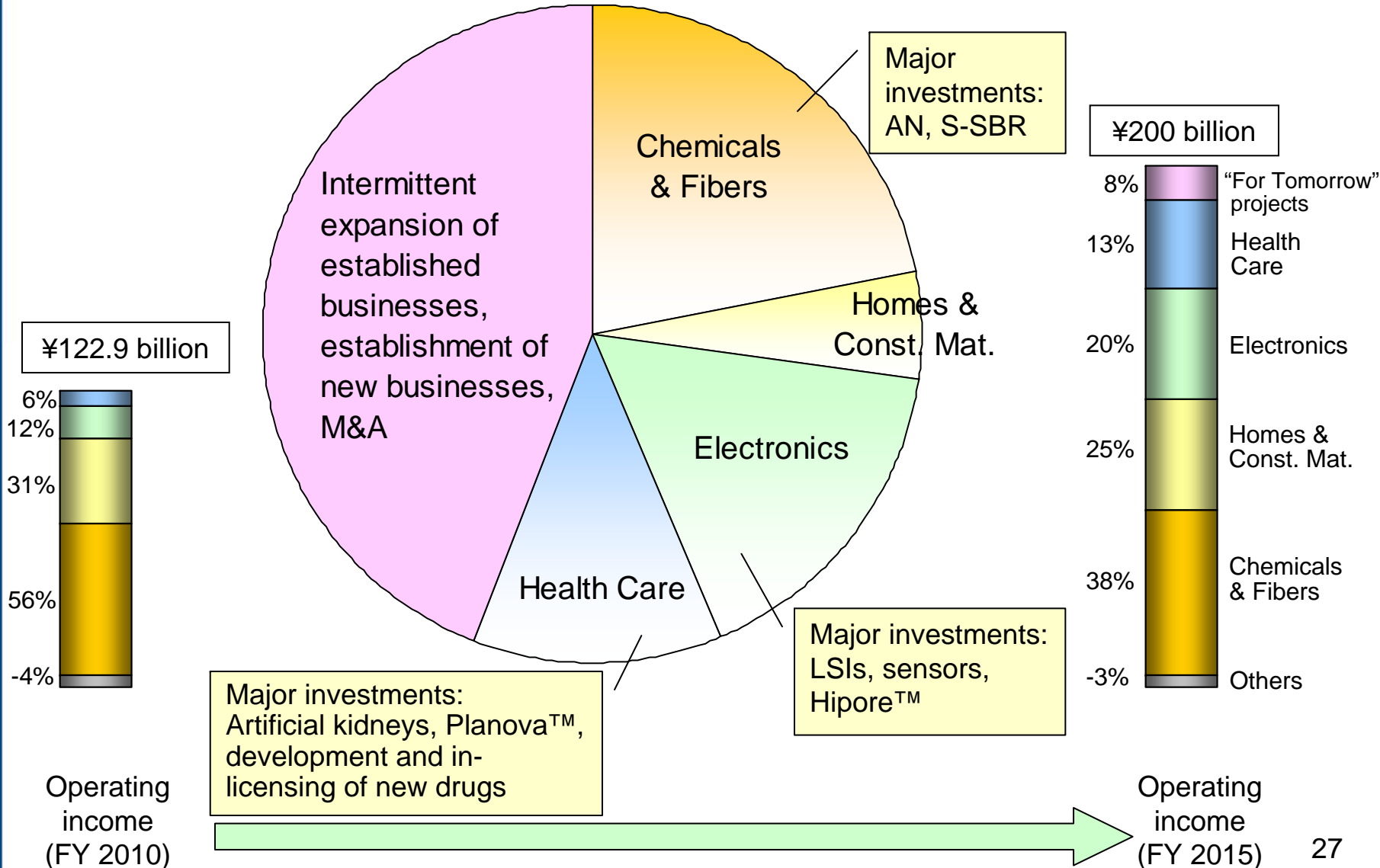
Performance plan by business sector

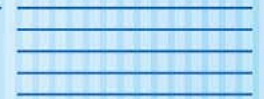
(¥ billion)

	Net sales				Operating income				Proportion of operating income	
	FY 2010	FY2011 forecast	FY 2015	vs. FY 2010	FY 2010	FY2011 forecast	FY 2015	vs. FY 2010	'10	'15
Chemicals & Fibers	851.0	881.0	880.0	+29.0	68.6	61.5	75.0	+6.4	56%	38%
Homes & Const. Mat.	456.6	502.0	570.0	+113.4	38.6	49.5	50.0	+11.4	31%	25%
Electronics	158.3	158.0	250.0	+91.7	14.3	12.0	40.0	+25.7	12%	20%
Health Care	116.4	124.0	180.0	+63.6	7.0	8.5	25.0	+18.0	6%	13%
Others	16.0	19.0	20.0	+4.0	(5.5)	(7.5)	(5.0)	+0.5	-4%	-3%
Subtotal	1,598.4	1,684.0	1,900.0	+301.6	122.9	124.0	185.0	+62.1		
"For Tomorrow" projects			100.0	+100.0			15.0	+15.0		8%
				(FY 2020) approx. 300				(FY 2020) approx. 50		
Total	1,598.4	1,684.0	2,000.0	+401.6	122.9	124.0	200.0	+77.1		

Long-term investment plan

Long-term investment of some ¥1 trillion over 5-year period





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.”

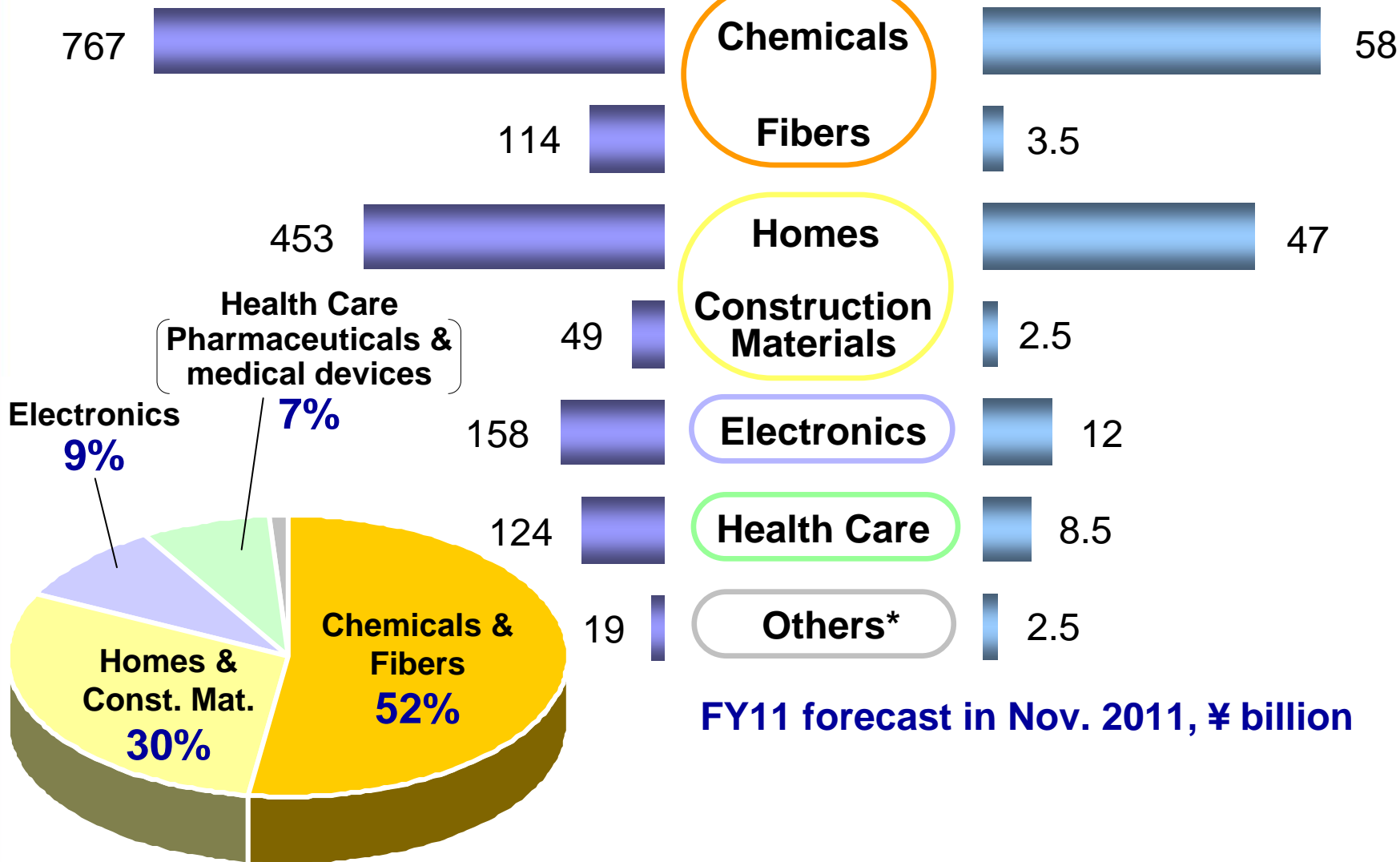
Reference

Sales and operating income by segment

AsahiKASEI

Sales: 1,684

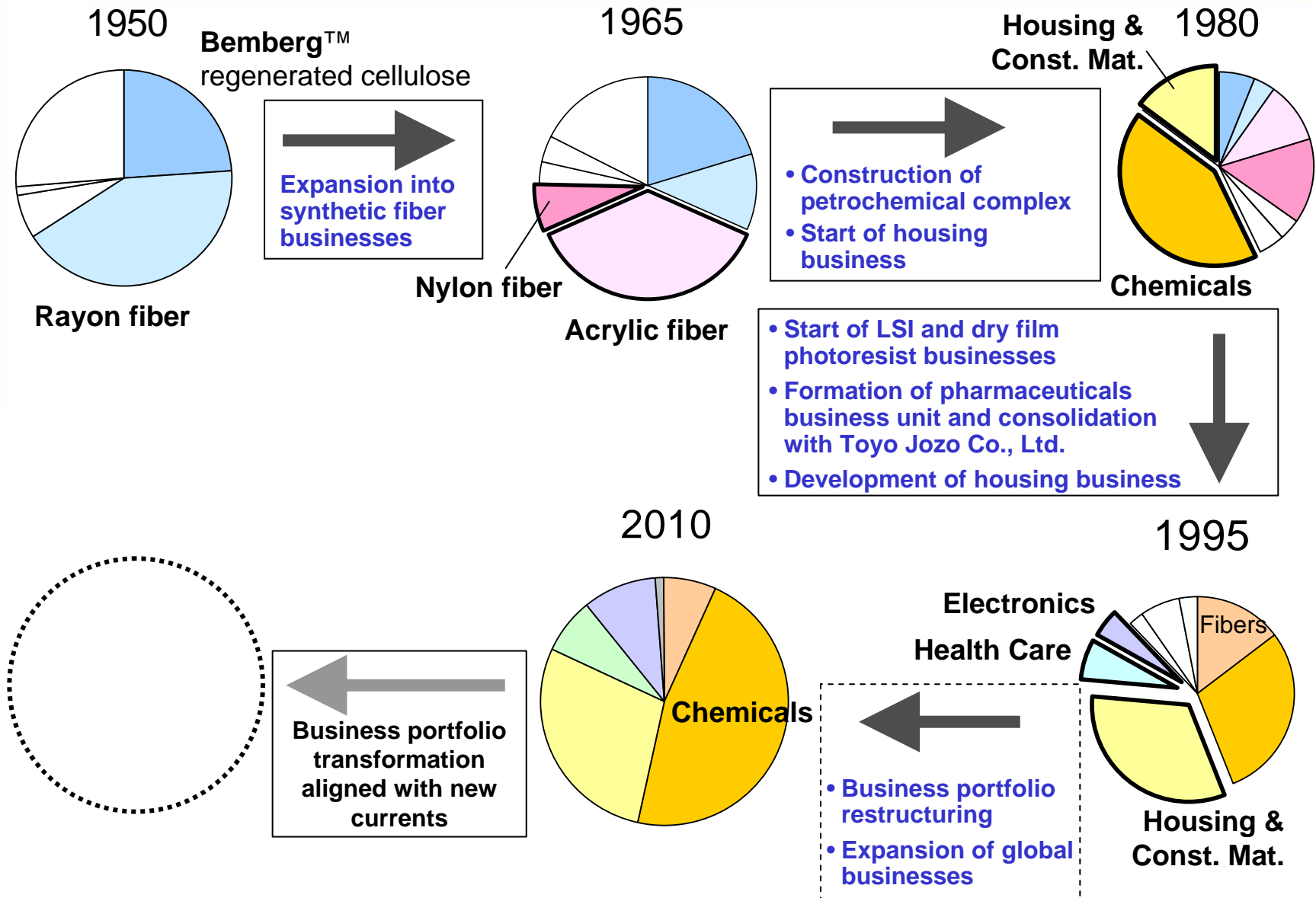
Operating Income: 124



FY11 forecast in Nov. 2011, ¥ billion

Share of sales by business sector

History of business portfolio transformation, change in sales composition

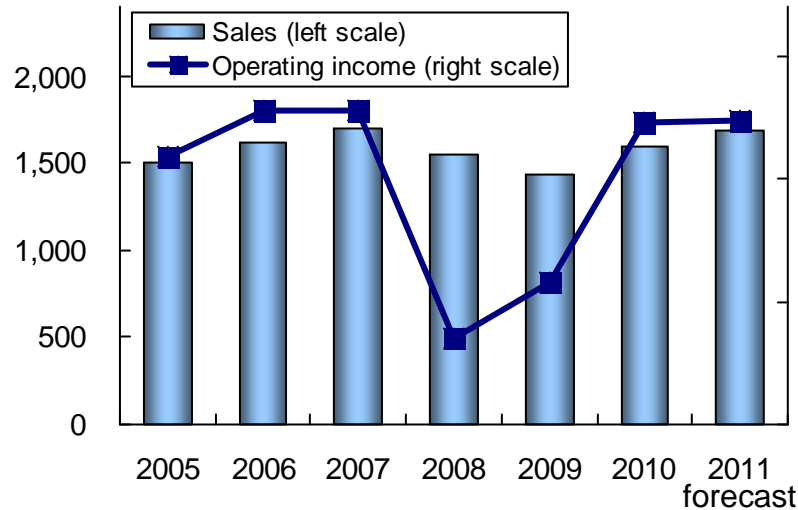


Sales and operating income in yen and in US\$

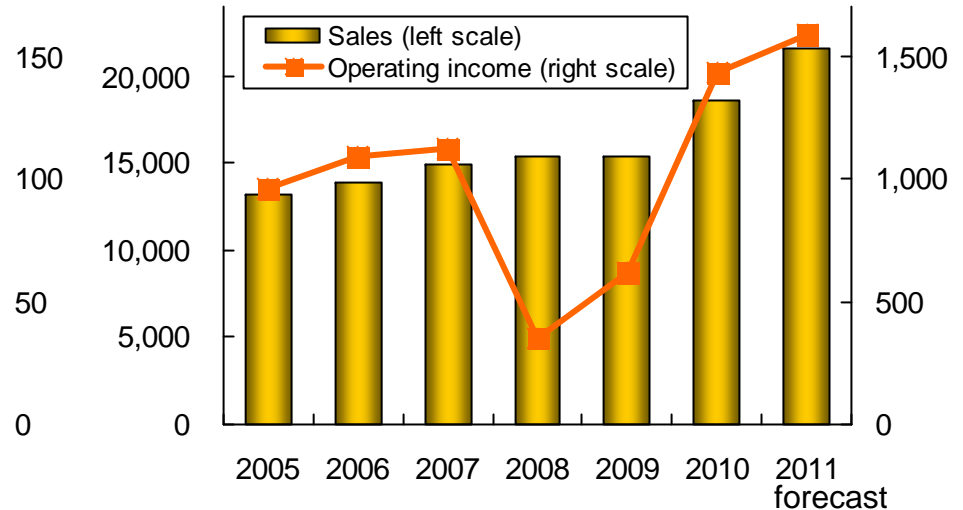
Sales & operating income in yen

Sales & operating income in US\$

(¥ billion)



(US\$ million)



(¥ billion)

	2005	2006	2007	2008	2009	2010	2011 forecast
Sales	1,489.6	1,623.8	1,696.8	1,553.1	1,433.6	1,598.4	1,684
Operating income	108.7	127.8	127.7	35.0	57.6	122.9	124

(US\$ million)

	2005	2006	2007	2008	2009	2010	2011 forecast
Sales	13,262	13,879	14,884	15,377	15,415	18,586	21,590
Operating income	962	1,092	1,120	347	619	1,429	1,590
¥/US\$ exchange rate	113	117	114	101	93	86	78

Promotion of “one AK” management

Basic concepts

Previously (since Oct. 2003)

Autonomy of each core operating company

Objectives:

- Autonomy
- Optimization to match each industry
- Emphasis on cash flow management
- Accelerated transformation of business portfolio
- Speed

Results:

- Improved cash flow
- Speedy management
- Investment in growing fields

Room for improvement:

- Group strategy
- Longer-term emphasis
- Efficiency



For Tomorrow 2015

“one AK” management

Implementing dynamic strategy for growth by bringing together the power of the Asahi Kasei Group

- Expansion of world-leading businesses
- Creation of new value for society

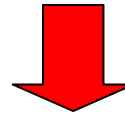
Significant change in economic climate
Increasingly intense competition
Emergence of global issues

Acceleration of business strategy

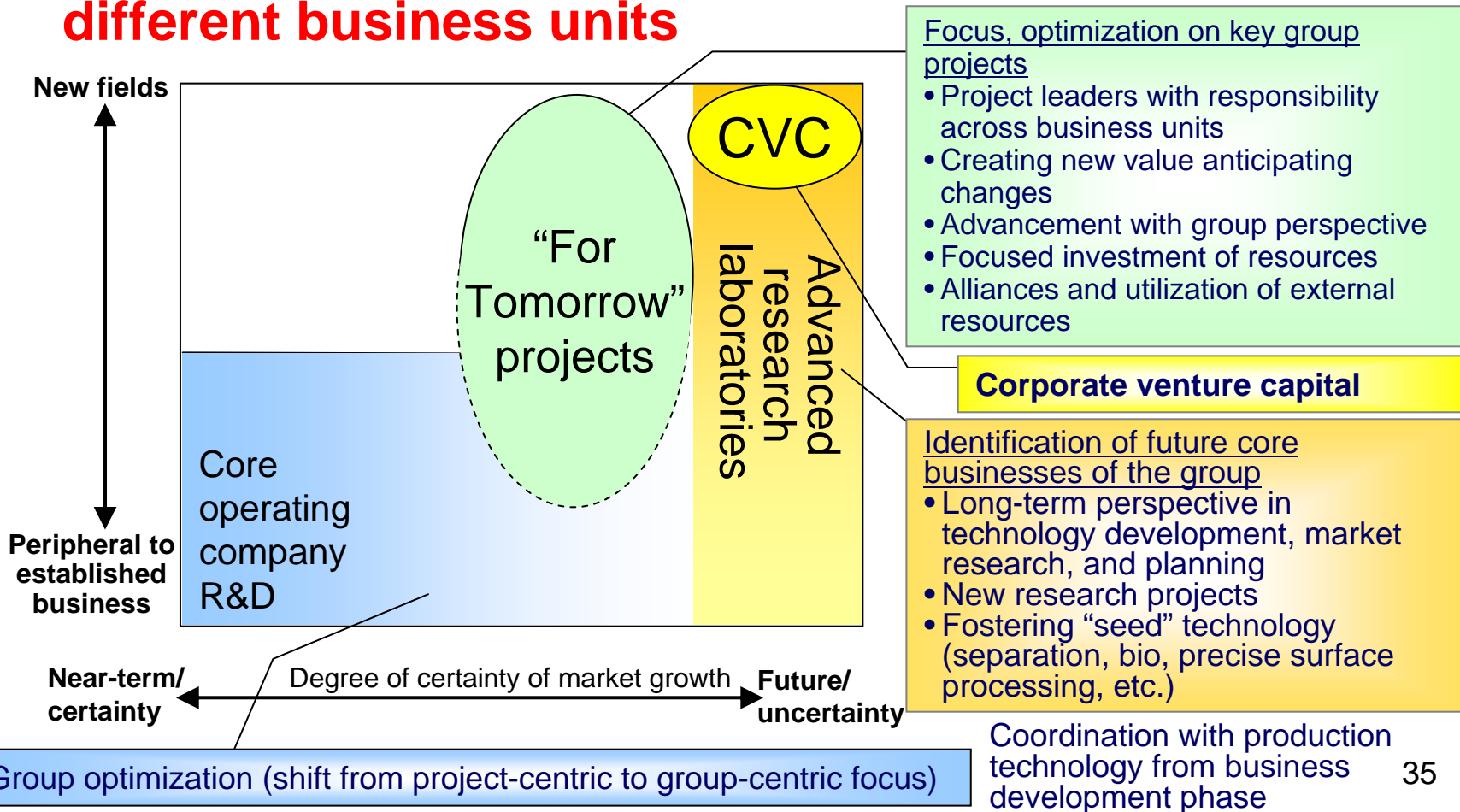


New business development strategy

Previous Core operating companies: Market-focused R&D related to each business
 Holding company: R&D other than the above



Configuration for key projects extending across different business units



Acrylonitrile

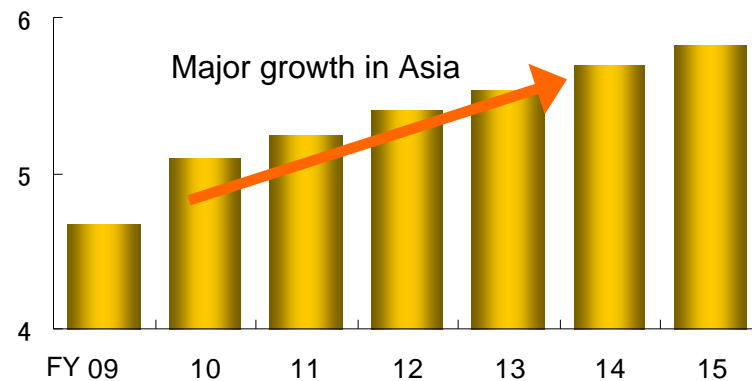
Basic strategy

Business expansion in growing Asian market as the No.1 supplier

	Current status	Future outlook
Technological strength	No.1 - World's highest production yield - Production process	Reinforcement of catalyst technology
Cost-competitiveness	Top level - Plant in Thailand, using low-cost propane as feedstock - Tong Suh in Korea (earnings from by-product)	<ul style="list-style-type: none"> Plant start-up in Thailand More plants in locations with superior cost-competitiveness
Supply capacity	No.1 in Asia Mostly in the Far East	<ul style="list-style-type: none"> Strengthened position in the Far East Supply expansion ASEAN, India, and the Middle East.
Customer service	No.1 in the Far East	

Global demand forecast (Asahi Kasei estimate)

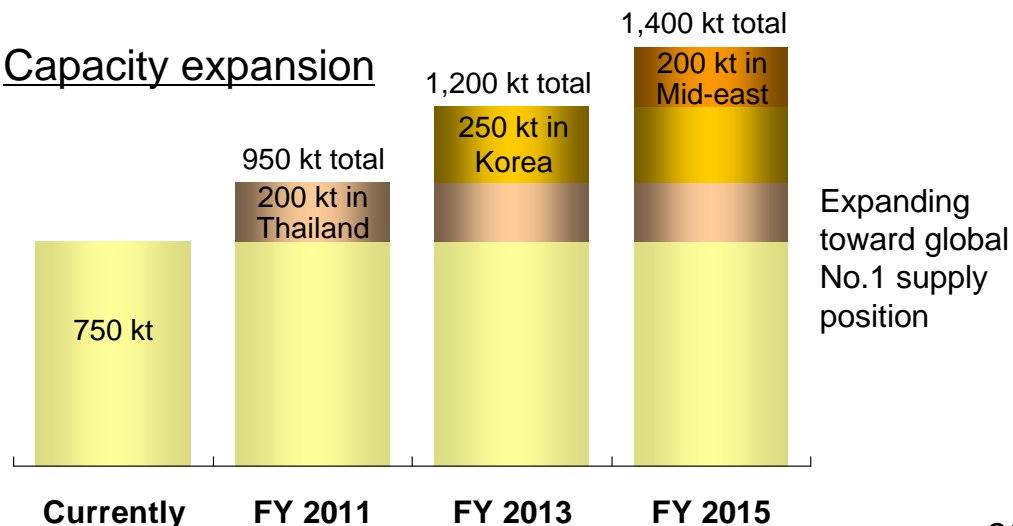
(million tons)



Annual growth rate 3%, mainly in ABS resins



Capacity expansion

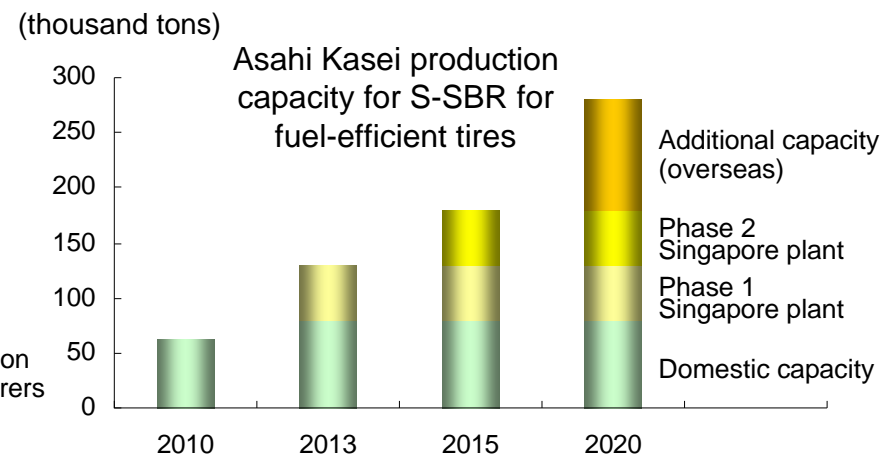
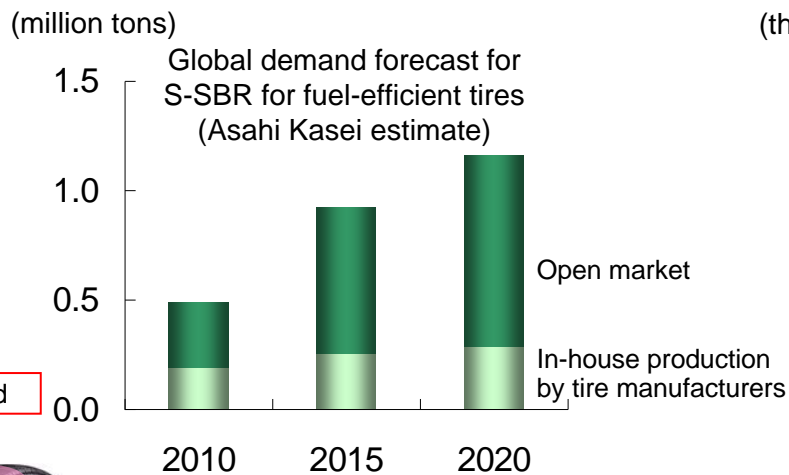


Expanding toward global No.1 supply position

Market share in Asia 25% → 40%

Synthetic rubber: solution-polymerized SBR (S-SBR)

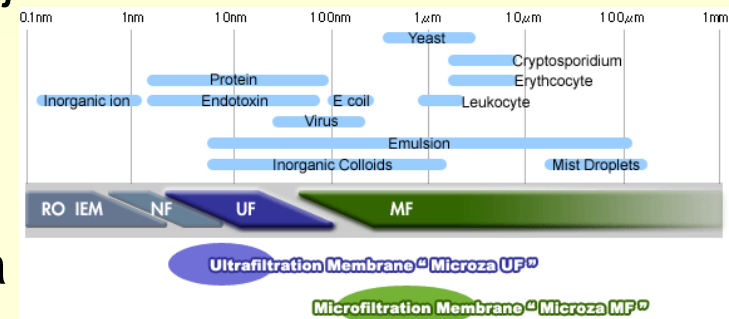
- ✓ Top share in Asian market for S-SBR* for fuel-efficient tires.
- ✓ Continuous-polymerization process to provide S-SBR with well-balanced fuel efficiency and grip performance.
- ✓ Growing demand for fuel-efficient tires with more stringent environmental standards, especially in developed countries.
- ✓ Capacity expansion mainly overseas, in line with demand growth. New plant in Singapore—50 kt/y in 2013 and 50 kt/y expansion in 2015.



* SBR is mainly used for tire tread. S-SBR is the optimum material to enable high fuel efficiency to be achieved while maintaining high grip performance.

Microza™ hollow-fiber membrane for filtration

- ✓ Top-tier world share: 22%
- ✓ Rapid demand growth in municipal water & sewage treatment, wastewater recovery
 - More stringent drinking water regulation in US from 2011: requirement to remove 99.9997% of *Cryptosporidium parvum*
 - Increasing water pollution/shortages in China
- ✓ Accelerated development of wastewater recycling business
 - Operation start-up at first and second projects in China
- ✓ 2 production sites, Japan and China
 - 30,000 module/y plant in Fuji, Japan
 - 30,000 module/y assembly plant in China



Business portfolio of Chemicals

Volume products				Specialty products	
Chemicals & derivative products		Polymer products			
Basic chemicals	Caustic soda	General-purpose polymers	PE	Membranes	Microza™ MF/UF membranes
	Chlorine		ABS, SAN		
	Ammonia		PMMA pellet & sheet		Ion-exchange membranes & systems
	Nitric acid		Synthetic rubber & elastomer	Performance chemicals	Duranate™ HDI-based polyisocyanate
Monomers	Acrylonitrile	Performance polymers	Tenac™ POM		Aluminum paste
	Styrene		Xyron™ mPPE		SB latex
	MMA		Leona™ nylon 66	Functional additives	Ceolus™ microcrystalline cellulose
	Cyclohexanol			Explosives	Explosives
	Adipic acid				Metal cladding
				Home-use/Consumables	Saran Wrap™ cling film Packaging products
Share of sales*	75%		Share of sales*	25%	

* Based on results for FY 2010.

Main products of chemicals & derivative products in Chemicals

As of Nov. 1, 2010

	Asahi Kasei Chemicals		Main competitors			Main applications	Asahi Kasei's position/strengths
	Capacity (kt/y)	Share* (%)	Company	Capacity† (kt/y)	Share* (%)		
Acrylonitrile	750	13	Ineos	1,324	23	Acrylic fiber, ABS resin; captive use for ABS, adiponitrile	2nd largest producer in the world
Styrene	710	2	Shell Ineos Dow	2,070 2,052 1,969	7 7 6	EPS, ABS, SB latex, unsaturated polyester, SBR; captive use for PS, ABS, SB latex, SBR	Largest production capacity in Japan
Methyl methacrylate	100	3	Mitsubishi Rayon	1,356	36	MS, MBS, coating materials; captive use for PMMA	Proprietary, cost-competitive C4 process
Adipic acid	170	6	Invista Rhodia	640 455	22 16	Polyurethane; captive use for nylon 66	Top-tier producer in Asia

* Share of production capacity, Asahi Kasei estimate.

† Asahi Kasei estimate.

Specialty products in Chemicals

Business field	Product	Position
Membranes	Microza™ UF and MF membranes and systems	Top-tier world share: 22%
	Aciplex™ ion-exchange membranes	No. 1 world share: 45%
	Electrolysis plants	No. 1 world share: 30%
Performance chemicals	Duranate™ HDI-based polyisocyanate	No. 1 domestic share
	Aluminum paste	No. 2 domestic share
	Polydurex™ silicone-modified acrylic latex, PVDC latex	PVDC latex, No. 2 world share: 20%
Functional additives	Ceolus™ microcrystalline cellulose	No. 3 world share

Main products in Fibers

✓ Roica™ high-function spandex

- Acquisition of spandex plants in Germany and US from Lanxess of Germany in Nov. 05, application of Roica™ technology at the plants
- World's No. 3 share; global development of high-function and high-quality brand; production plants in Japan, Taiwan, China, Thailand, Germany, and US



✓ Bemberg™ regenerated cellulose fiber

- Only producer in the world
- Shift from domestic lining market to global markets and non-lining applications



✓ Full product lineup of nonwovens

- Sales expansion with focus on Precisé™ multifunctional nonwoven

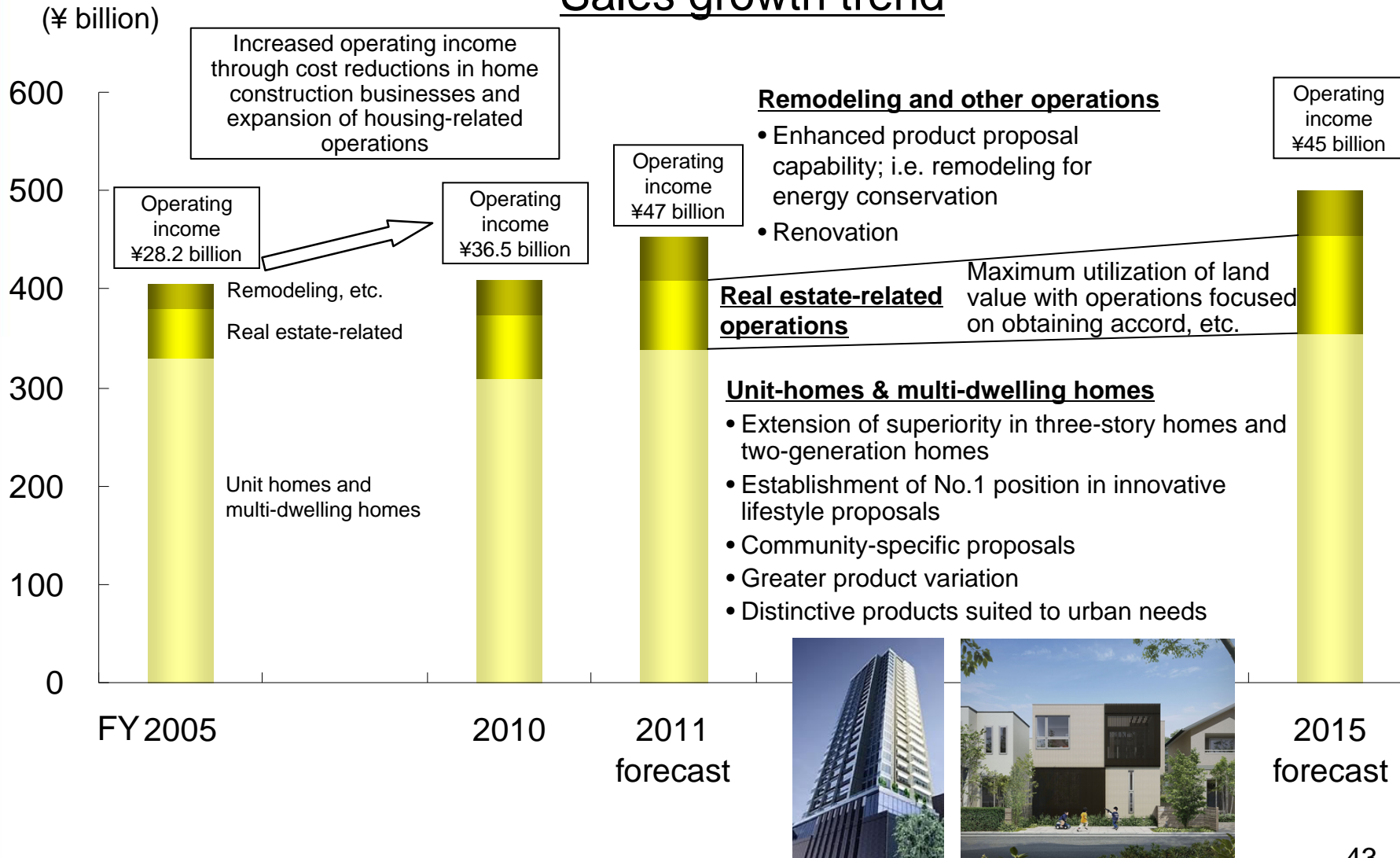
✓ Leona™ nylon 66 filament with superior strength and thermal resistance

- Sales expansion in automotive airbag application in addition to tire cord application



Financial performance and actions in Homes

Sales growth trend



“Long Life Home” strategy for Hebel Haus™ AsahiKASEI

- ✓ Hebel Haus™ high-end urban homes
- ✓ Exceptional resistance to earthquake and fire
- ✓ 60-year inspection system
- ✓ Pioneer of urban three-story homes and two-generation homes
 - Launch of Hebel Haus™ Frex “G3” three-story homes featuring next-generation energy conservation performance
 - Launch of Hebel Haus™ “i_co_i” as the latest two-generation homes
- ✓ Strategic marketing
 - Development of urban markets from Kanto westward
 - Focus on rebuilding demand
 - More than 7 million houses in 3 largest areas are non-compliant with current earthquake resistance standards
 - Promotion with Hebel Haus™ “street-corner showrooms”
- ✓ Services for the ≈300,000 units sold to date
 - Steady increase in orders at remodeling business
 - Increased units under rent guarantee at real-estate business



Hebel Haus™ Frex “G3”



Sales and order trends in Homes

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

		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes *	Other sales †	Consolidated subsidiaries	Consolidated	Order backlog
FY 07	H1	153.6 (-1.5%)	131.2 (-2.6%)	5.0 (-16.5%)	0.4	30.3 (+8.2%)	166.9 (-1.3%)	312.3
	H2	152.5 (+3.5%)	165.9 (-9.3%)	19.5 (-15.1%)	0.5	33.3 (+10.3%)	219.3 (-7.3%)	298.8
	annual	306.1 (+0.9%)	297.1 (-6.5%)	24.5 (-15.4%)	1.0	63.7 (+9.5%)	386.2 (-4.8%)	
FY 08	H1	157.1 (+2.3%)	129.4 (-1.4%)	6.0 (+19.7%)	0.7	34.3 (+13.2%)	170.3 (+2.0%)	326.6
	H2	133.9 (-12.1%)	177.9 (+7.2%)	24.0 (+22.8%)	0.9	36.9 (+10.8%)	239.6 (+9.3%)	282.6
	annual	291.1 (-4.9%)	307.3 (+3.4%)	29.9 (+22.2%)	1.5	71.2 (+11.8%)	409.9 (+6.1%)	
FY 09	H1	154.6 (-1.6%)	115.8 (-10.5%)	5.2 (-12.6%)	0.8	35.8 (+4.4%)	157.7 (-7.4%)	321.3
	H2	152.3 (+13.7%)	166.5 (-6.4%)	26.9 (+12.4%)	1.1	37.5 (+1.7%)	232.0 (-3.2%)	307.1
	annual	306.9 (+5.4%)	282.3 (-8.1%)	32.1 (+7.4%)	1.9	73.4 (+3.0%)	389.7 (-4.9%)	
FY 10	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%)	
FY 11	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 forecast	174.1 (+0.8%)	193.0 (+9.3%)	13.6 (-26.0%)	46.4 (+13.9%)		253.0 (+7.3%)	384.1
	annual	363.5 (+2.6%)	339.0 (+12.2%)	25.5 (-8.3%)	88.5 (+11.6%)		453.0 (+10.7%)	

* Beginning with H2 2011, sum of pre-built homes businesses of Asahi Kasei Homes Corp. and Asahi Kasei Fudousan Residence Corp. (housing development business transferred from the former to the latter on Oct. 1, 2011).

† Including commissions on property insurance.

Pharmaceuticals (1)



World's first recombinant thrombomodulin formulation

Used to treat disseminated intravascular coagulation (DIC) accompanying cancer, infection, etc.

Potential patients: over 70 thousand people in Japan

Osteoporosis drug for weekly administration to inhibit vertebral fracture with increased bone density (approval expected in 2011)

Potential patients: over 10 million people estimated to have osteoporosis in Japan, including those not receiving treatment

Sales of ¥60 billion **2011**

Completion of all-case survey

Teribone™
Approval/market launch in 2011 (planned)

Recomodulin™
Nationwide expansion in 2011

FY 2011

Over ¥30 billion in sales of 2 new drugs in FY 2015

Sales of some ¥100 billion **2015**

Famvir™: approval for herpes simplex

Recomodulin™
Approval/market launch in Europe, US, and Asia

Teribone™: addition of new dosage form

Recomodulin™: expansion of indication

Recomodulin™ & *AK106*: development in Europe and US

Flivas™ & *Recomodulin™*: reinforcement of sales infrastructure in China and Korea

2015

Sales of over ¥150 billion

2020

Global supply of new drugs

Approval and market launch of pentosan for osteoarthritis, zoledronic acid for osteoporosis, and *AK106* for rheumatoid arthritis

2020

Pharmaceuticals (2)

Main products

	Generic name	Mechanism/substance class	Indication	Formulation	FY09 sales (¥ billion)	FY10 sales (¥ billion)
Flivas™	Naftopidil	Selective α -1 blocker	Benign prostatic hypertrophy	Tablet	13.7	13.9
Elcitonin™	Elcatonin	Eel calcitonin derivative	Osteoporosis pain	Injection	14.0	13.4
Recomodulin™	Recombinant thrombomodulin alpha	Blood coagulation	Disseminated intravascular coagulation	Injection	1.2	4.2
Bredinin™	Mizoribine	Immunosuppressant	Rheumatoid arthritis, kidney transplantation, nephrosis syndrome, lupus nephritis	Tablet	6.5	6.5
Toledomin™	Milnacipran hydrochloride	SNRI	Depression	Tablet	5.0	3.5
EriL™	Fasudil	Rho-kinase inhibitor	Cerebral vasospasm after subarachnoid hemorrhage surgery	Injection	1.4	1.5
Famvir™ Distributed by Maruho	Famciclovir	Antiviral	Shingles (zoster)	Tablet	—	—

Pharmaceuticals (3)

Product pipeline

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Approved	MN-10-T, injection, teriparatide acetate	New route of administration, new efficacy, new dose; once-weekly administration	Synthetic human parathyroid hormone (PTH)	Osteoporosis	In-house
Phase III	AK-156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
	AK-120, oral, famciclovir	Additional indication	Antiviral	Herpes simplex	Licensed
Phase II	AT-877, oral, fasudil hydrochloride hydrate	Additional indication, new dosage form	Rho-kinase inhibitor	Pulmonary arterial hypertension	In-house
	AK150, injection, pentosan polysulfate sodium	New chemical entity	Anti-osteoarthritic	Osteoarthritis	Licensed
Phase II (overseas)	ART-123, injection, recombinant thrombomodulin alpha	New biologic	Recombinant human thrombomodulin	Sepsis with disseminated intravascular coagulation	In-house
	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house

Medical devices (1) Artificial kidneys

✓ World's No. 2 share: 18%; Japan's No. 1 share: 40%

✓ Plant expansions for polysulfone hollow-fiber membrane artificial kidneys

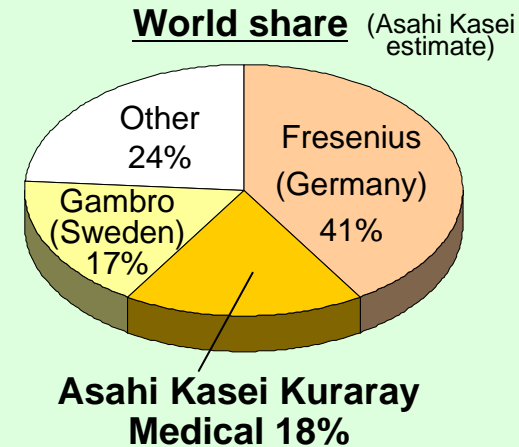
- Integration of spinning and assembly lines in a new 5.5 million module/y plant for dry-pack polysulfone-membrane dialyzers in Nov. 08
- Hollow-fiber spinning capacity increase by 6 million module/y to 34 million module/y in Dec. 09
- 7.5 million module/y assembly plant in China

✓ Integration of dialyzer business with Kuraray Medical in Oct. 07

- New 2.6 million module/y plant for EVOH hollow-fiber membrane in June 08

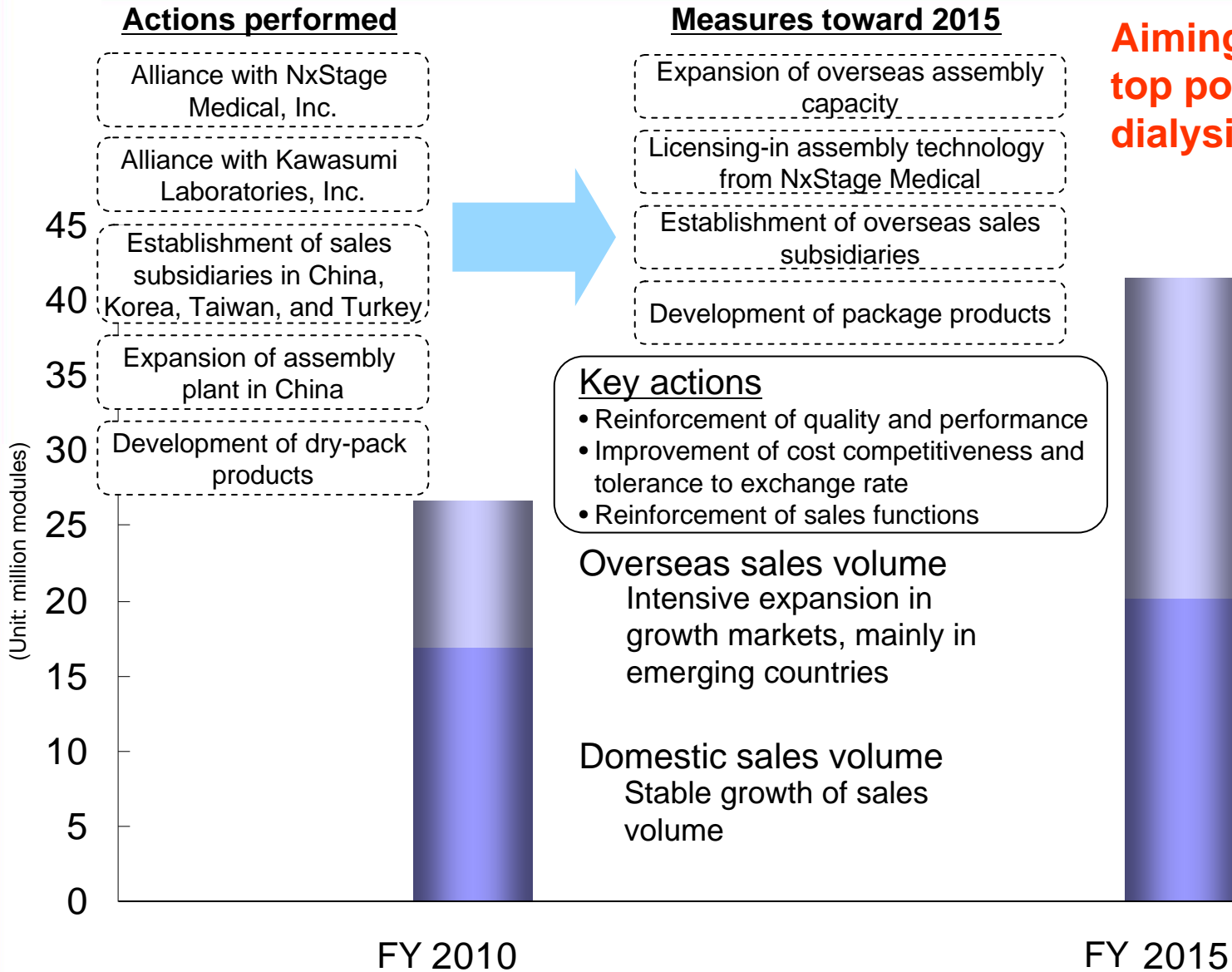
✓ Business alliance with NxStage Medical, Inc. in May 09.

✓ Acquisition of all shares of Med-tech Inc., making it a consolidated subsidiary of Asahi Kasei Kuraray Medical. In Oct.09.



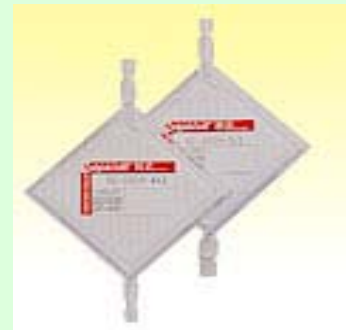
Medical devices (2) Artificial kidneys

Aiming for global top position in dialysis systems

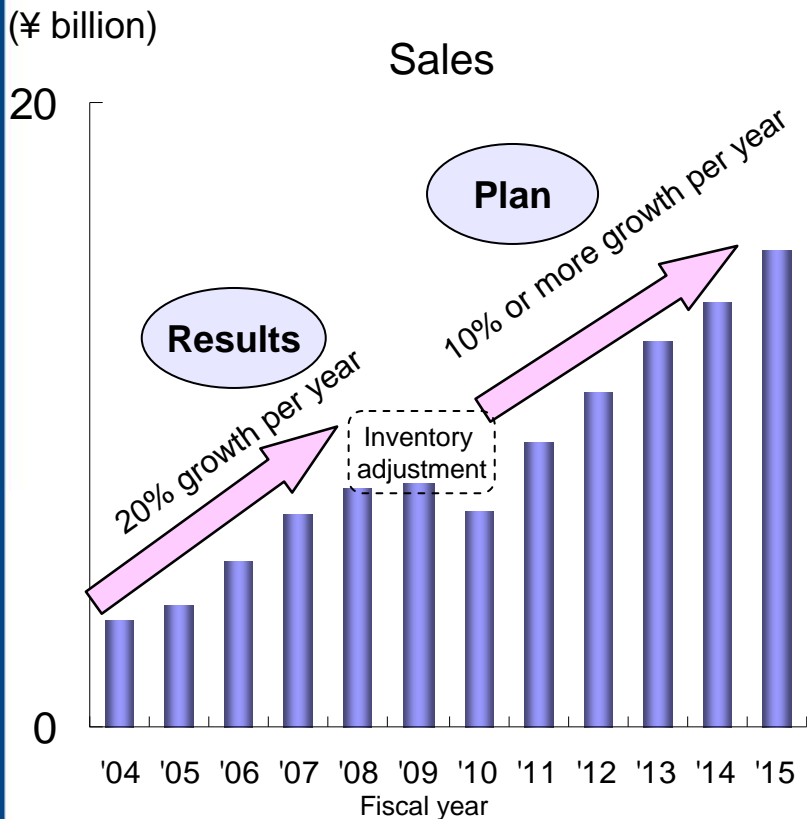


Medical devices (3) Therapeutic apheresis devices, leukocyte reduction filters, and virus removal filters **AsahiKASEI**

- ✓ Advancing development in therapeutic apheresis
 - Expansion of difficult-to-treat indications to include ulcerative colitis, rheumatoid arthritis, and Hepatitis C
 - Advancing overseas development
- ✓ Expansion of Sepacell™ leukocyte reduction filter business
 - 4 million modules/y capacity increase to 20 million modules/y in Apr. 09
- ✓ Expansion of Planova™ virus removal filter business
 - Growing demand in production of plasma derivatives and biopharmaceuticals
 - Expansion of hollow-fiber spinning plant by 40 thousand m²/y to 70 thousand m²/y in Mar. 09
 - Expansion of assembly plant by 40 thousand m²/y to 80 thousand m²/y in Mar. 10
 - Acquisition of TechniKrom, Inc., a leading supplier of bioprocess equipment



Medical devices (4) Planova™ virus removal filters



Market of biopharmaceuticals and plasma derivatives

- Growing by more than 10% per year over medium term
- Expanding global demand for bioprocess products in biopharmaceuticals and plasma derivative applications
- Tightening regulations for virus removal, proliferation of biosimilar products
- Growth in emerging markets (China, India, South America)

✓ Renewed growth from 2011 after completion of inventory adjustment; record-high monthly sales in April 2011 with adoption in process for drugs entering large-scale manufacture

✓ Reinforced development of Chinese and Asian markets in addition to main markets of Europe and US

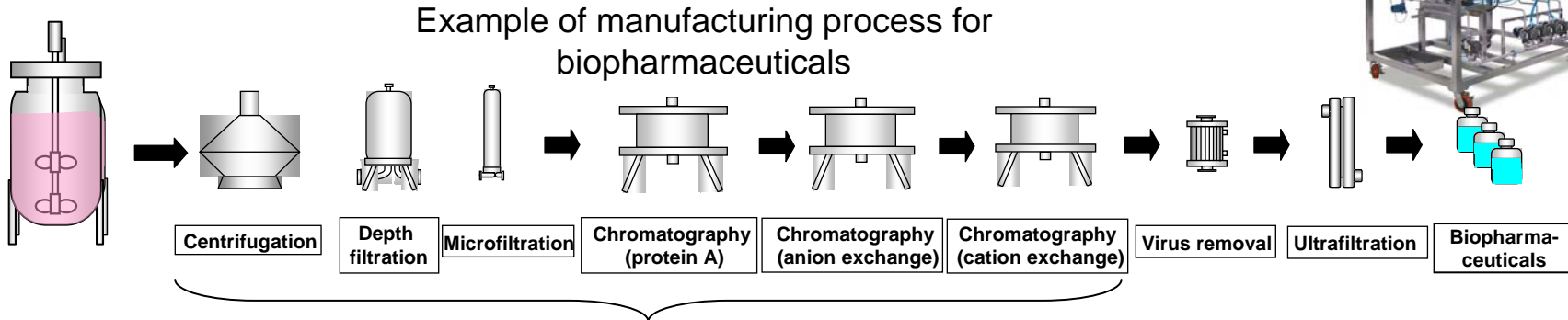
- China: expansion in plasma derivatives field
- Korea and India: expansion in biosimilars field



Newly launched BioEX

Medical devices (5) Bioprocess business & therapeutic apheresis business

1. Development of bio-process business



Provision of high-yield manufacturing process for biopharmaceuticals

- Full product line to meet various market needs
- Reinforcement of overseas technical service personnel
- Alliances and M&A

- Asahi Kasei Bioprocess, Inc. (US)
- Technical centers in US (Chicago) and Germany (Cologne)
- Membrane technology of Asahi Kasei Group
- Integration of outside resources by M&A

2. Expansion of therapeutic apheresis business

Some medical needs cannot be met with drugs

← Apheresis (“take away”) therapy

- ✓ Packaging
- ✓ Development of applications, dissemination of apheresis therapy
- ✓ Expansion in China and Europe

Metabolic waste removal

Example indications

Ascites

Virus removal

Hepatitis C

Leukocyte removal

Ulcerative colitis

Blood viscosity reduction

Arteriosclerosis

Electronic materials (1) Hipore™ lithium-ion battery separator

Basic strategy

- Proactive expansion in line with market growth
 - Maintaining market share of 50% or more in mobile applications
 - Full-fledged marketing in automotive applications, expanding sales with rapid demand growth
- (Capacity expansion from 205 million m²/y at the end of Sep. 2011 to 255 million m²/y in spring 2013.)
- Provision of membranes suited to various needs

Technological development

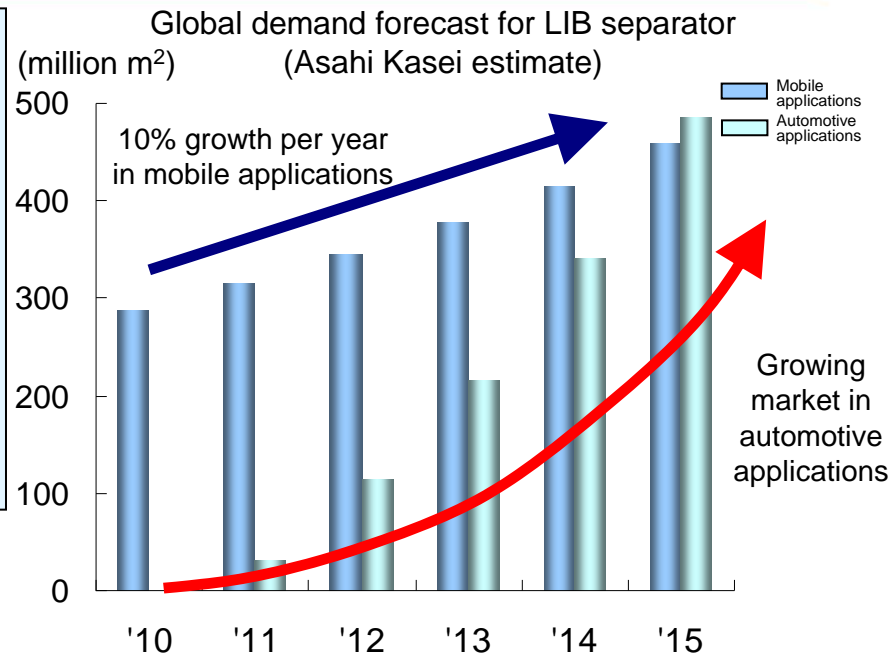
- Timely development of high-function membranes suited to customer needs
- Achieving lower cost through high productivity

Production

Hyuga: capacity expansion as high-volume production site
 Moriyama: production of high-function membranes, mother plant for production technology innovation
 Other: establishment of overseas production capability

Marketing

1. Mobile applications
 - Complete customization mainly for Japanese and Korean customers
 - Reinforcement of local sales functions
2. Automotive applications
 - Development of membranes suited to needs of automotive applications
 - Establishment of supply to major producers of LIBs for automotive applications



Market share in 2010

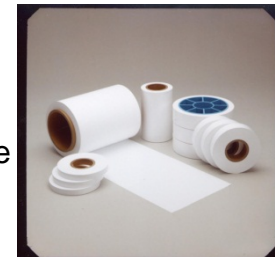
Fiscal year

Mobile applications

Maintaining market lead with share of 50% or more

Automotive applications

Gaining top position in rapid-growing automotive applications, utilizing technical strength* and customer service capability established in mobile applications



* Phase separation, membrane forming, polymer composition, etc.

Electronic materials (2)

- ✓ Sunfort™ dry film photoresist (DF) for printed wiring boards
 - World top-3 share: 30%
 - The world's largest DF plant in China – capacity expanded of 100 million m²/y in Jun. 08 to 280 million m²/y
 - Total capacity 370 million m²/y, combined with Fuji plant of 90 million m²/y capacity
- ✓ Expansion of ultra-thin glass fabric
- ✓ Pimel™ semiconductor buffer coats
 - World's No. 1 share
 - Expansion of alkaline type
 - New plant in Feb. 08
- ✓ Photomask pellicles for LSIs and LCDs
 - World top-3 share, and world's No.1 supplier for large LCDs
 - New production line for pellicles for 10G LCD panels in Nov. 08



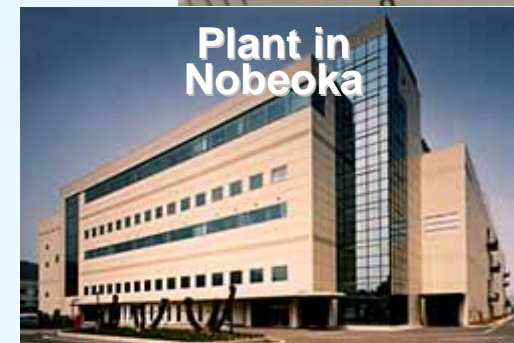
Electronic devices (1)

Analog/digital mixed-signal LSIs

- ✓ Development in cell phone/communications and multimedia fields
 - World's No. 1 share in audio devices in mixed-signal LSIs
 - World's No. 1 share in TCXO ICs
 - World's No. 1 share in electronic compass, with expansion in smartphones and other portable terminals
- ✓ Reinforcement of design functions
 - Advantage in analog design – 2 years to fully develop a digital-circuit design engineer, 10 years for an analog-circuit design engineer (design centers in Atsugi and Miyazaki)
- ✓ Strengthening of marketing bases in Korea, China, Taiwan, and Europe
- ✓ Acquisition of semiconductor business from Toko Inc. in Apr. 09



Electronic compass



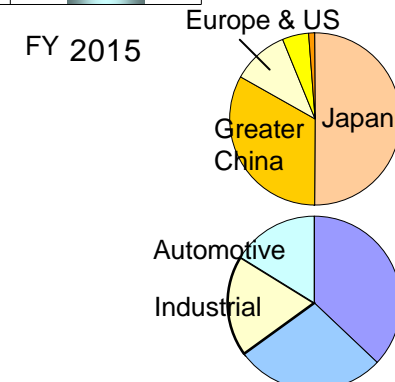
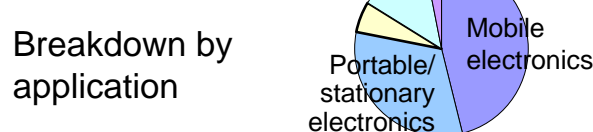
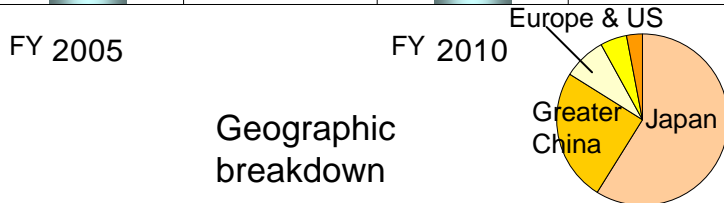
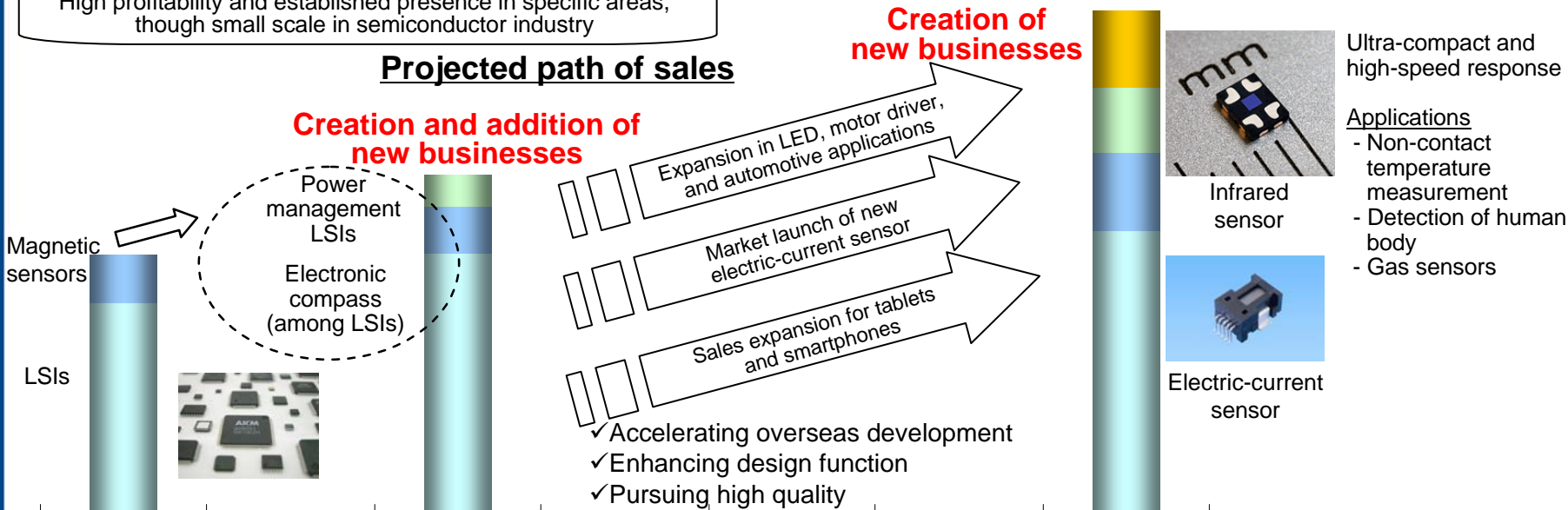
Electronic devices (2)

Strengths of our LSI business	Weaknesses	Opportunities
<ul style="list-style-type: none"> • Analog signal processing • Strong record in magnetic sensors • Compound semiconductor technology 	<ul style="list-style-type: none"> • Mainly limited to mobile electronics • Inadequate development of overseas business 	<p>Large undeveloped market</p>

Infrared sensors, LSIs for sensor control, LSIs for next-generation communication, etc.

High profitability and established presence in specific areas, though small scale in semiconductor industry

Projected path of sales



Electronic products

Business field	Product	Position
Electronic devices	Mixed-signal LSIs	World's No. 1 share in TCXOs*, electronic compasses, and audio devices
	Hall elements (magnetic sensors)	World's No. 1 share: 70%
Electronic materials	Hipore™ Li-ion rechargeable battery separator	World's No. 1 share: 50%
	Dry film photoresist	World top-3 share: 30%
	Glass fabric	World's No. 1 share in ultra-thin glass fabric
	Pimel™ semiconductor buffer coats	World's No. 1 share in photosensitive products
	Photomask pellicles	World top-3 share, and world's No. 1 share for LCD panels
	APR™ photosensitive resin, AFP™ photosensitive plates, printing plate making systems	World's No. 2 share in photosensitive resin

* Temperature compensated crystal oscillators.