

# Fiscal quarter ended June 2010

– supplementary financial summary –

August 3, 2010

Asahi Kasei Corporation

## **Consolidated results for fiscal quarter ended June 2010**

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# Consolidated results for fiscal quarter ended June 2010

# Summary of financial results

Asahi**KASEI**

(¥ billion)

	April–June 2009	April–Sept. 2009	April–June 2010	April–Sept. 2010 forecast in May	April–June 2009 vs. 2010	
					Increase (decrease)	% change
Net sales	289.3	658.6	353.5	792.0	64.2	22.2
Operating income (loss)	(0.3)	18.0	22.8	31.5	23.2	–
Ordinary income (loss)	(1.7)	15.1	20.7	31.0	22.5	–
Net income (loss)	(1.7)	4.2	9.3	13.0	11.0	–

## Key operating factors

Naphtha price (¥/kL, domestic)	33,300	37,250	49,700	50,000
¥/US\$ exchange rate (market average)	97	95	92	90

## Financial position

	At end of March 2010	At end of June 2010	Increase (decrease)
Total assets	1,368.9	1,390.7	21.8
Equity	633.3	628.3	(5.0)
Interest-bearing debt	264.6	278.6	14.0
Debt/equity ratio	0.42	0.44	0.02

# Statements of income

Asahi**KASEI**

(¥ billion)

	April–June 2009		April–June 2010		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	289.3	100.0%	353.5	100.0%	64.2	22.2
Cost of sales	225.2	77.8%	262.5	74.3%	37.3	16.6
Gross profit	64.2	22.2%	91.0	25.7%	26.9	41.8
Selling, general and administrative expenses	64.5	22.3%	68.2	19.3%	3.7	5.7
Operating income (loss)	(0.3)	-0.1%	22.8	6.5%	23.2	–
Non-operating income (expenses)	(1.4)		(2.1)		(0.7)	
of which,						
financing income and expense	0.2		0.4		0.2	
equity in earnings (loss) of affiliates	(0.6)		0.4		1.0	
foreign exchange loss	(0.5)		(2.3)		(1.8)	
Ordinary income (loss)	(1.7)	-0.6%	20.7	5.9%	22.5	–
Extraordinary income (loss)	(1.3)		(6.9)		(5.7)	
Income before income taxes	(3.0)	-1.0%	13.8	3.9%	16.8	–
Income taxes	1.2		(4.1)		(5.3)	
Minority interests in income (loss)	0.1		(0.4)		(0.5)	
Net income (loss)	(1.7)	-0.6%	9.3	2.6%	11.0	–

# Balance sheets

AsahiKASEI

(¥ billion)

	At end of Mar. 2010	At end of Jun. 2010	Increase (decrease)		At end of Mar. 2010	At end of Jun. 2010	Increase (decrease)
Current assets	660.4	697.5	37.1	Liabilities	724.2	750.6	26.4
Cash and deposits	93.9	87.3	(6.6)	Current liabilities	434.8	471.3	36.4
Notes and accounts receivable, trade	238.9	256.2	17.3	Noncurrent liabilities	289.4	279.3	(10.0)
Inventories	251.1	279.5	28.4	Net assets	644.7	640.1	(4.6)
Other current assets	76.5	74.5	(2.0)	Shareholders' equity	612.9	615.4	2.5
Noncurrent assets	708.5	693.2	(15.3)	Capital stock	103.4	103.4	–
Property, plant and equipment	447.5	443.1	(4.4)	Capital surplus	79.4	79.4	0.0
Intangible assets	34.7	33.4	(1.2)	Retained earnings	432.1	434.6	2.5
Investments and other assets	226.3	216.7	(9.7)	Treasury stock	(2.0)	(2.0)	(0.0)
				Valuation and translation adjustments	20.5	12.9	(7.6)
				Minority interests	11.3	11.8	0.5
Total assets	1,368.9	1,390.7	21.8	Total liabilities and net assets	1,368.9	1,390.7	21.8

(¥ billion)

	Q1 2009	Q1 2010
a. Net cash provided by (used in) operating activities	(2.8)	1.8
b. Net cash provided by (used in) investing activities	(24.2)	(16.2)
c. Free cash flows [a+b]	(27.0)	(14.4)
d. Net cash provided by (used in) financing activities	3.7	5.9
e. Effect of exchange rate change on cash and cash equivalents	0.3	0.3
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(23.1)	(8.2)
g. Cash and cash equivalents at beginning of period	98.1	93.1
h. Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	0.4	0.9
i. Cash and cash equivalents at end of period [f+g+h]	75.4	85.8

# Sales and operating income by segment **AsahiKASEI**

(¥ billion)

	Sales			Operating income		
	Q1 2009	Q1 2010	Increase (decrease)	Q1 2009	Q1 2010	Increase (decrease)
Chemicals	132.9	178.4	45.4	2.2	15.3	13.1
Homes	58.5	64.5	6.0	(3.0)	(0.9)	2.0
Health Care	28.5	28.7	0.2	3.1	3.3	0.3
Fibers	22.4	26.5	4.1	(1.5)	1.2	2.7
Electronics	31.5	40.9	9.4	(0.6)	5.2	5.8
Construction Materials	11.6	11.0	(0.6)	(0.0)	0.3	0.4
Others*	3.9	3.5	(0.4)	0.4	0.3	(0.1)
Corporate Expenses and Eliminations	–	–	–	(1.0)	(2.0)	(1.0)
Consolidated	289.3	353.5	64.2	(0.3)	22.8	23.2

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).



# Sales increases/decreases by segment

AsahiKASEI

(¥ billion)

	Sales		Increase (decrease) due to:				Net increase (decrease)
	Q1 2009	Q1 2010	Sales volume	Sales prices	of which, due to foreign exchange	Others	
Chemicals	132.9	178.4	11.5	25.1	(1.6)	8.9	45.4
Homes	58.5	64.5	2.9	1.0	–	2.1	6.0
Health Care	28.5	28.7	(0.4)	(0.8)	(0.5)	1.4	0.2
Fibers	22.4	26.5	5.1	0.0	(0.2)	(1.0)	4.1
Electronics	31.5	40.9	13.5	(4.2)	(0.4)	0.0	9.4
Construction Materials	11.6	11.0	(0.5)	(0.1)	–	0.0	(0.6)
Others*	3.9	3.5	(0.4)	0.0	0.0	0.0	(0.4)
<b>Total</b>	<b>289.3</b>	<b>353.5</b>	<b>31.7</b>	<b>21.0</b>	<b>(2.7)</b>	<b>11.4</b>	<b>64.2</b>

\* Others category replaces the former Services, Engineering and Others segment.

# Operating income increases/decreases by segment **AsahiKASEI**

(¥ billion)

	Operating income		Increase (decrease) due to:				Net increase (decrease)
	Q1 2009	Q1 2010	Sales volume	Sales prices	of which, due to foreign exchange	Operating costs and others	
Chemicals	2.2	15.3	2.9	25.1	(1.6)	(14.9)	13.1
Homes	(3.0)	(0.9)	0.6	1.0	–	0.4	2.0
Health Care	3.1	3.3	0.4	(0.8)	(0.5)	0.7	0.3
Fibers	(1.5)	1.2	1.4	0.0	(0.2)	1.3	2.7
Electronics	(0.6)	5.2	6.5	(4.2)	(0.4)	3.5	5.8
Construction Materials	(0.0)	0.3	(0.0)	(0.1)	–	0.5	0.4
Others*	0.4	0.3	(0.1)	0.0	0.0	(0.0)	(0.1)
Corporate Expenses and Eliminations	(1.0)	(2.0)	–	–	–	(1.0)	(1.0)
<b>Total</b>	<b>(0.3)</b>	<b>22.8</b>	<b>11.7</b>	<b>21.0</b>	<b>(2.7)</b>	<b>(9.6)</b>	<b>23.2</b>

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

# Forecast for first fiscal half 2010

# Consolidated operating performance

Asahi**KASEI**

(¥ billion)

	FY 2009			H1 2010 forecast			Increase (decrease) b-a	H1 2010 forecast in May c	Increase (decrease) b-c
	H1 a	H2	Total	Q1	Q2 forecast	b			
Net sales	658.6	774.9	1,433.6	353.5	435.5	789.0	130.4	792.0	(3.0)
Operating income	18.0	39.7	57.6	22.8	29.2	52.0	34.0	31.5	20.5
Ordinary income	15.1	41.3	56.4	20.7	27.3	48.0	32.9	31.0	17.0
Net income	4.2	21.0	25.3	9.3	13.7	23.0	18.8	13.0	10.0

## Key operating factors

Naphtha price (¥/kL, domestic)	37,250	45,100	41,175	49,700	43,000	46,350	9,100	50,000	(3,650)
¥/US\$ exchange rate (market average)	95	90	93	92	88	90	(5)	90	0

	FY 2009	H1 2010 (planned)
Dividends per share	¥10	¥5

# Sales forecast by segment

AsahiKASEI

(¥ billion)

	FY 2009			FY 2010			Increase (decrease)	H1 2010 forecast in May	Increase (decrease)
	Q1	Q2	1st half	Q1	Q2 forecast	1st half forecast			
Chemicals	132.9	160.3	293.3	178.4	207.6	386.0	92.7	391.0	(5.0)
Homes	58.5	99.2	157.7	64.5	109.5	174.0	16.3	176.0	(2.0)
Health Care	28.5	27.8	56.3	28.7	29.3	58.0	1.7	59.0	(1.0)
Fibers	22.4	26.3	48.7	26.5	26.5	53.0	4.3	51.0	2.0
Electronics	31.5	37.0	68.5	40.9	44.1	85.0	16.5	81.0	4.0
Construction Materials	11.6	13.0	24.6	11.0	13.0	24.0	(0.6)	25.0	(1.0)
Others*	3.9	5.7	9.6	3.5	5.5	9.0	(0.6)	9.0	–
Consolidated	289.3	369.3	658.6	353.5	435.5	789.0	130.4	792.0	(3.0)

\* Others category replaces the former Services, Engineering and Others segment.

# Operating income forecast by segment

AsahiKASEI

(¥ billion)

	FY 2009			FY 2010			Increase (decrease)	H1 2010 forecast in May	Increase (decrease)
	Q1	Q2	1st half	Q1	Q2 forecast	1st half forecast			
Chemicals	2.2	9.3	11.5	15.3	16.7	32.0	20.5	15.5	16.5
Homes	(3.0)	7.1	4.1	(0.9)	9.4	8.5	4.4	7.0	1.5
Health Care	3.1	0.3	3.4	3.3	0.2	3.5	0.1	3.5	–
Fibers	(1.5)	(1.4)	(2.9)	1.2	0.3	1.5	4.4	0.5	1.0
Electronics	(0.6)	3.4	2.8	5.2	4.3	9.5	6.7	7.5	2.0
Construction Materials	(0.0)	0.6	0.6	0.3	0.7	1.0	0.4	1.0	–
Others*	0.4	0.6	1.0	0.3	0.2	0.5	(0.5)	0.5	–
Corporate Expenses and Eliminations	(1.0)	(1.7)	(2.6)	(2.0)	(2.5)	(4.5)	(1.9)	(4.0)	(0.5)
Consolidated	(0.3)	18.3	18.0	22.8	29.2	52.0	34.0	31.5	20.5

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

# Appendix

# Extraordinary income and loss

Asahi**KASEI**

(¥ billion)

	Q1 2009	Q1 2010	Increase (decrease)
Total extraordinary income	—	—	—
Extraordinary loss			
Loss on valuation of investment securities	0.0	0.1	0.1
Loss on disposal of noncurrent assets	0.2	1.1	0.8
Impairment loss	0.1	0.0	(0.0)
Environmental expenses	—	0.6	0.6
Loss on adjustment for changes of accounting for asset retirement obligations	—	1.2	1.2
Business structure improvement expenses	1.0	3.9*	2.9
Total extraordinary loss	1.3	6.9	5.7
Net extraordinary income (loss)	(1.3)	(6.9)	(5.7)

\* Mainly expenses related to closure of ammonia and benzene plants.



# Quarterly sales by segment

Asahi**KASEI**

(¥ billion)

	FY2008*				FY2009				FY2010	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Chemicals	195.0	227.2	156.7	110.4	132.9	160.3	159.0	169.8	178.4	207.6
Homes	63.7	106.6	112.1	127.5	58.5	99.2	96.0	136.0	64.5	109.5
Health Care	34.6	28.2	29.6	27.2	28.5	27.8	29.6	27.3	28.7	29.3
Fibers	30.7	33.4	28.1	24.2	22.4	26.3	25.9	26.6	26.5	26.5
Electronics	39.6	39.1	31.2	19.8	31.5	37.0	37.4	36.8	40.9	44.1
Construction Materials	14.7	16.6	16.7	12.9	11.6	13.0	12.4	10.1	11.0	13.0
Others†	7.7	6.2	5.4	8.0	3.9	5.7	3.8	4.3	3.5	5.5
Total	386.0	457.2	379.8	330.1	289.3	369.3	364.1	410.9	353.5	435.5

\* FY 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

† Others category replaces the former Services, Engineering and Others segment.

# Quarterly operating income by segment **AsahiKASEI**

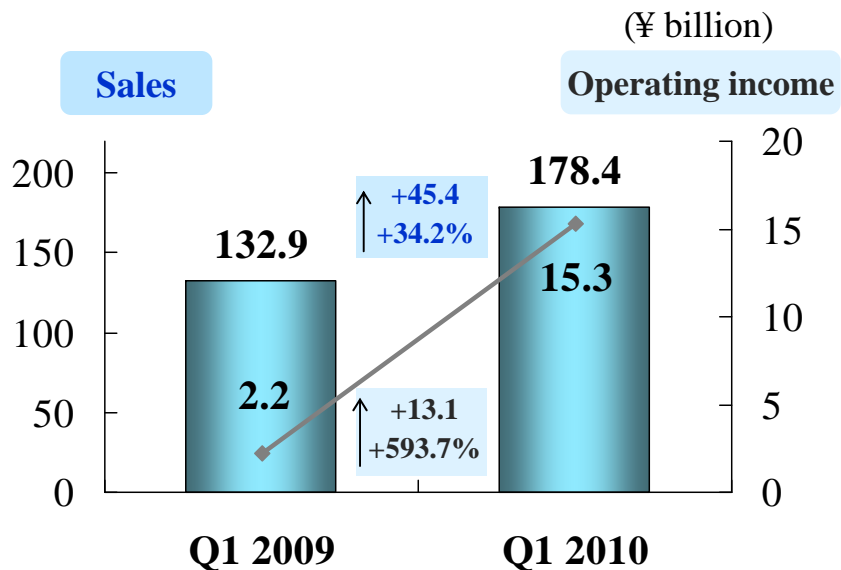
(¥ billion)

	FY2008*				FY2009				FY2010	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Chemicals	6.2	6.9	(2.3)	(17.3)	2.2	9.3	10.3	4.2	15.3	16.7
Homes	(3.7)	6.8	7.7	11.1	(3.0)	7.1	6.7	14.5	(0.9)	9.4
Health Care	9.0	1.2	2.8	(0.9)	3.1	0.3	2.9	(2.3)	3.3	0.2
Fibers	1.1	0.2	(0.5)	(2.2)	(1.5)	(1.4)	(0.0)	0.1	1.2	0.3
Electronics	6.8	5.8	1.2	(6.6)	(0.6)	3.4	2.6	1.8	5.2	4.3
Construction Materials	0.3	0.5	1.0	(0.2)	(0.0)	0.6	1.1	(0.5)	0.3	0.7
Others†	1.3	1.8	1.0	1.5	0.4	0.6	0.1	0.7	0.3	0.2
Corporate Expenses and Eliminations	(1.6)	(2.4)	(1.1)	(0.5)	(1.0)	(1.7)	(1.7)	(0.9)	(2.0)	(2.5)
<b>Total</b>	<b>19.4</b>	<b>20.7</b>	<b>9.9</b>	<b>(15.1)</b>	<b>(0.3)</b>	<b>18.3</b>	<b>22.0</b>	<b>17.7</b>	<b>22.8</b>	<b>29.2</b>

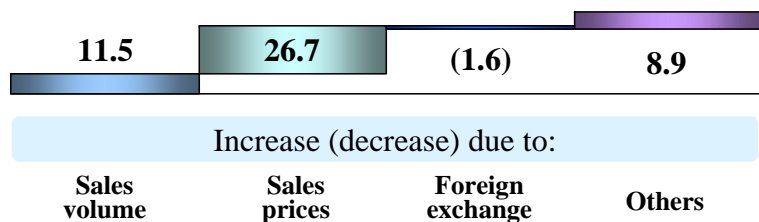
\* FY 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of R&D for electronics materials such as Marketing Center for FPC/FPD Materials from corporate expenses, and Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

† Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

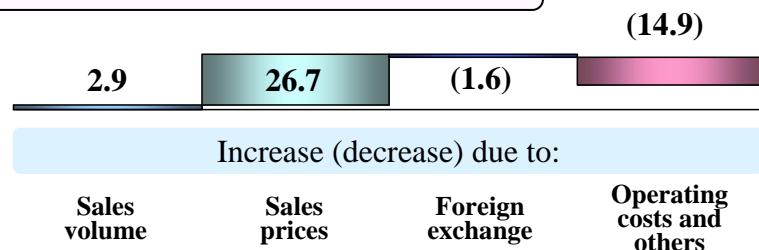


### Sales increases/decreases



### Increase (decrease) due to:

### Operating income increases/decreases



### Increase (decrease) due to:

## Review of operations

### Volume products:

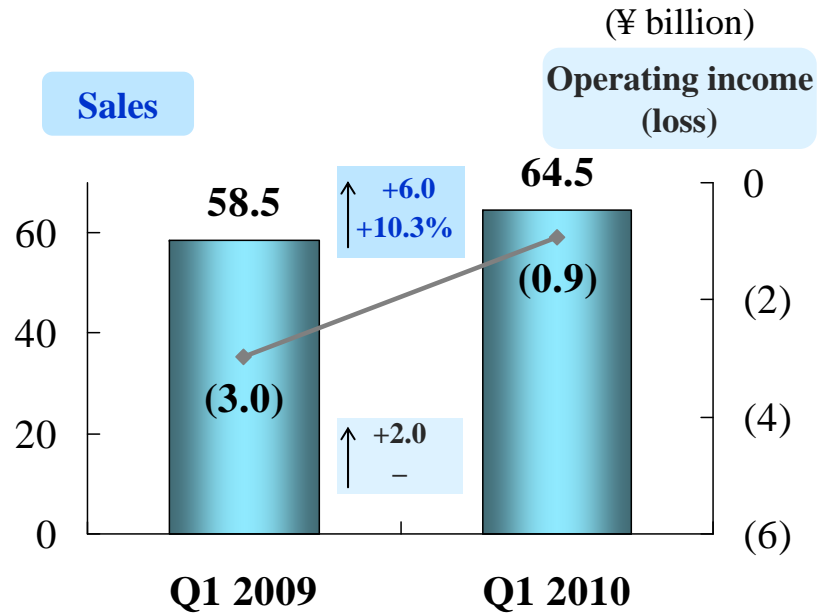
Impact of maintenance turnaround. Generally strong demand. Overseas market prices for acrylonitrile (AN) and adipic acid increased substantially. Increased shipments of polymer products for automotive and electronic applications with recovery of demand; improved plant operating rate. Sales and operating income increase.

### Specialty products:

Good performance in home-use products such as Saran Wrap™. Sales and operating income increase.

## Highlights

- May, MOU for establishment of joint venture with Mitsubishi Chemical Holdings Corp. for unified naphtha cracker operations in Mizushima; start of joint venture operation in April 2011.
- June, Microza™ hollow-fiber membrane system selected for Asia's largest membrane-process water clarification plant, a drinking water plant in Hangzhou, China.



Results by product category\*

	Q1 2009		Q1 2010		Increase (decrease)	
	Sales	Operating income (loss)	Sales	Operating income (loss)	Sales	Operating income (loss)
Order-built homes	37.9	/	40.8	/	2.9	/
Pre-built homes	2.6	/	4.6	/	2.0	/
Others	0.3	/	0.4	/	0.1	/
<b>Total homes</b>	<b>40.8</b>	<b>(4.4)</b>	<b>45.8</b>	<b>(2.2)</b>	<b>5.0</b>	<b>2.2</b>
Housing-related	17.7	1.4	18.7	1.2	1.0	(0.2)
<b>Total</b>	<b>58.5</b>	<b>(3.0)</b>	<b>64.5</b>	<b>(0.9)</b>	<b>6.0</b>	<b>2.0</b>

\* Product category division unaudited, simplified calculation.

## Review of operations

Good performance of order-built Hebel Haus™ unit homes and Hebel Maison™ apartment buildings with recovery of orders from FY 2009. Sales increase and operating loss decrease.

Market launch of new products. Effect of government policy to support home purchases. Value of new orders increasing 16.9% from the first quarter a year ago.

## Highlights

- May, market launch of Hebel Haus™ “i\_co\_i” two-generation homes with features to facilitate raising grandchildren.
- July, market launch of Hebel Haus™ RONDO two-generation homes integrating rental units, with features to adapt to changing family structure.

# Homes (ii)

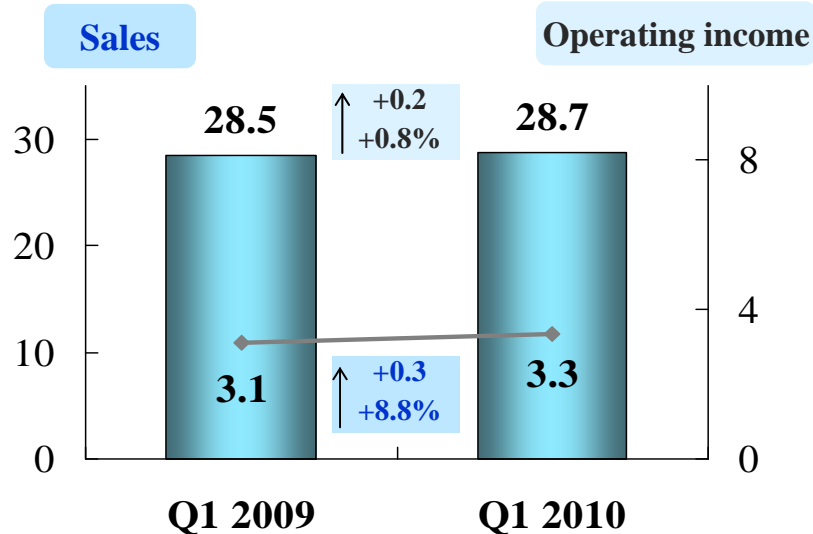
## Homes sales and order trends

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

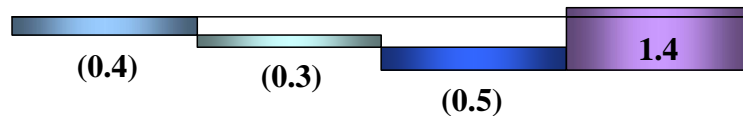
		Value of new orders during the term		Sales of order-built homes		Sales of pre-built homes		Other sales*	Non-consolidated		Consolidated subsidiaries		Consolidated		Order backlog
FY06	H1	156.1	(+3.7%)	134.7	(-3.9%)	6.0	(-70.9%)	0.5	141.1	(-12.4%)	28.0	(+15.7%)	169.1	(-8.7%)	325.3
	H2	147.3	(-9.6%)	182.9	(+2.0%)	23.0	(+75.8%)	0.5	206.4	(+6.9%)	30.2	(+15.3%)	236.6	(+7.9%)	289.8
	annual	303.4	(-3.2%)	317.6	(-0.6%)	28.9	(-13.8%)	1.0	347.5	(-1.9%)	58.2	(+15.5%)	405.7	(+0.3%)	
FY07	H1	153.6	(-1.5%)	131.2	(-2.6%)	5.0	(-16.5%)	0.4	136.6	(-3.2%)	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	186.0	(-9.9%)	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	322.5	(-7.2%)	63.7	(+9.5%)	386.2	(-4.8%)	
FY08	H1	157.1	(+2.3%)	129.4	(-1.4%)	6.0	(+19.7%)	0.7	136.0	(-0.4%)	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	202.7	(+9.0%)	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	338.7	(+5.0%)	71.2	(+11.8%)	409.9	(+6.1%)	
FY09	Q1	76.4	(-1.1%)	37.9	(-14.6%)	2.6	(0.0%)	0.3	40.8	(-13.5%)	17.7	(7.2%)	58.5	(-8.2%)	321.1
	Q2	78.2	(-2.2%)	78.0	(-8.3%)	2.6	(-22.2%)	0.5	81.1	(-8.8%)	18.1	(1.7%)	99.2	(-6.9%)	321.3
	H1	154.6	(-1.6%)	115.8	(-10.5%)	5.2	(-12.6%)	0.8	121.9	(-10.4%)	35.8	(4.4%)	157.7	(-7.4%)	
	H2	152.3	(13.7%)	166.5	(-6.4%)	26.9	(12.4%)	1.1	194.5	(-4.1%)	37.5	(1.6%)	232.0	(-3.2%)	307.1
	annual	306.9	(5.4%)	282.3	(-8.1%)	32.1	(7.4%)	1.9	316.4	(-6.6%)	73.4	(3.0%)	389.7	(-4.9%)	
FY10	Q1	89.3	(16.9%)	40.8	(7.7%)	4.6	(78.1%)	0.4	45.8	(12.3%)	18.7	(5.6%)	64.5	(10.3%)	355.7
	Q2 forecast	85.7	(9.6%)	85.2	(9.3%)	5.4	(105.3%)	0.6	91.2	(12.5%)	18.3	(1.1%)	109.5	(10.4%)	356.1
	H1 forecast	175.0	(13.2%)	126.0	(8.8%)	10.0	(91.9%)	1.0	137.0	(12.4%)	37.0	(3.4%)	174.0	(10.3%)	

\* Including commissions on property insurance.

(¥ billion)



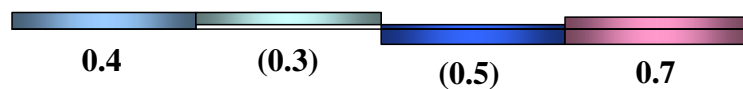
Sales increases/decreases



Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Others

Operating income increases/decreases



Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Operating costs and others

## Review of operations

Sales and operating income increase.

Pharmaceuticals:

Decline of drug price due to NHI price reduction. Increased shipments of Reomodulin™ recombinant thrombomodulin and Flivas™ agent for treatment of benign prostatic hyperplasia.

Devices:

Impact of the strong yen. Sluggish performance in Planova™ virus removal filters. Increased shipments of APS™ polysulfone-membrane artificial kidneys and therapeutic apheresis devices.

## Highlights

- April, announcement of preliminary results of Phase III clinical study of AT-877 for acute cerebral infarction license—the study’s primary efficacy endpoint was not met.
- May, completion of a new assembly plant for Planova™ virus removal filters.
- May, initiation of Phase IIa clinical trial for pentosan polysulfate for osteoarthritis.
- June, license agreement to obtain exclusive rights to develop and sell the bisphosphonate zoledronic acid in Japan.
- June, amendment to license agreement for autologous fibrin sealant producing system to obtain exclusive rights to manufacture the system in Japan, etc.
- August, market launch of BioOptimal™ MF-SL microfilters for bioprocessing.

## Sales of Health Care segment

(¥ billion)

		FY 2009		FY 2010
		Q1	H1	Q1
	Pharmaceuticals	13.6	26.7	13.5
	Others	2.2	4.0	1.9
Asahi Kasei Pharma consolidated		15.8	30.7	15.4
Devices*		12.7	25.6	13.4
Total		28.5	56.3	28.7

\* Asahi Kasei Kuraray Medical, Asahi Kasei Medical and their affiliate companies.

## Main pharmaceuticals domestic sales

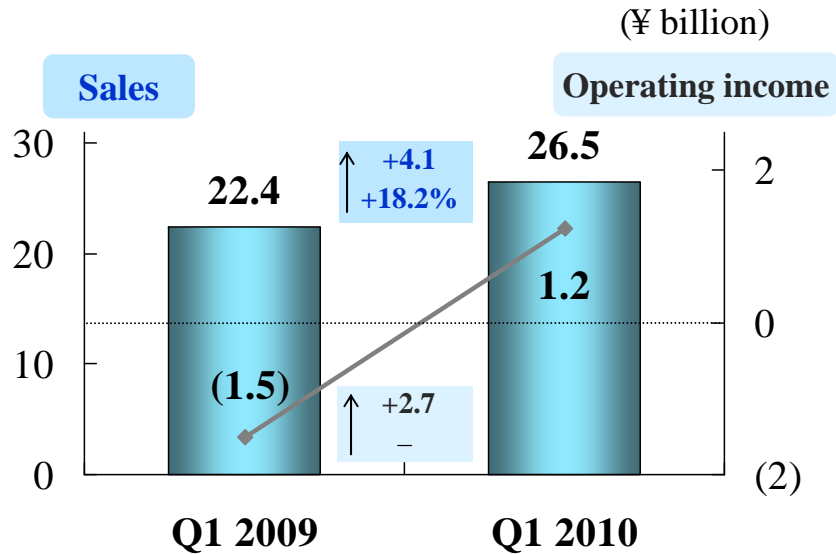
(¥ billion)

	FY 2009		FY 2010
	Q1	H1	Q1
Elcitonin™	3.7	7.3	3.4
Flivas™	3.5	6.8	3.5
Bredinin™	1.7	3.3	1.7
Toledomin™	1.3	2.6	0.9
Eril™	0.4	0.7	0.4
Recomodulin™	0.2	0.5	0.7

## Product pipeline

Development stage	Product	Objective	Class	Indication
Phase III	AT-877 (Injection)	Additional indication	Rho-kinase inhibitor	Acute cerebral infarction
	PTH (Injection)	New biologic	Synthetic human parathyroid hormone	Osteoporosis
	AK-120 (Oral)	Additional indication	Famciclovir antiviral	Herpes simplex
Phase II	AT-877 (Oral)	Additional indication, new dosage form	Rho-kinase inhibitor	Pulmonary hypertension
	AK150 (Injection)	New chemical entity	Pentosan polysulfate	Osteoarthritis





### Sales increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Others

### Operating income increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Operating costs and others

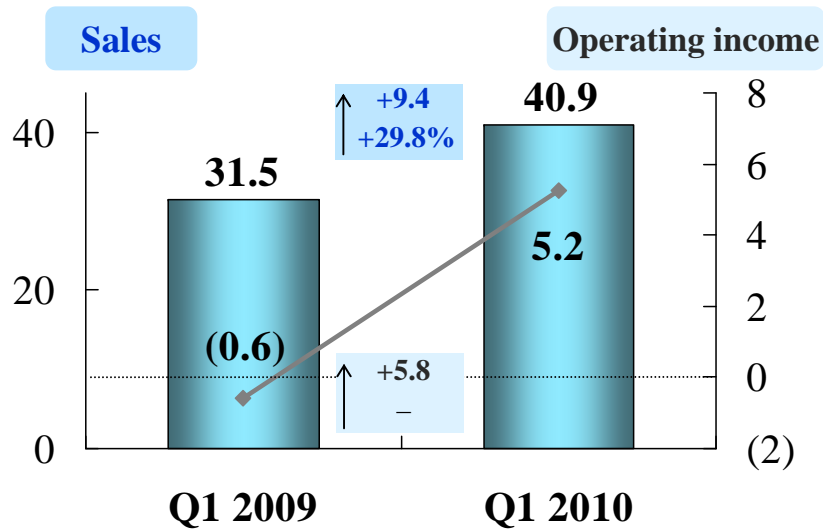
## Review of operations

Significantly increased shipments of Bemberg™ regenerated cellulose in Japan and overseas. Good performance of Roica™ elastic polyurethane filament, nonwovens including spunbond, and Leona™ nylon 66 filament with recovery of market demand. Sales increase and operating income recovery.

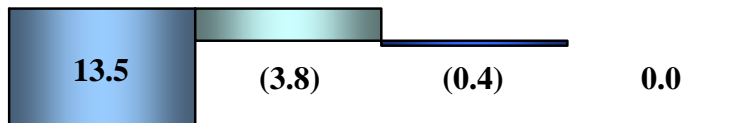
## Highlights

- April, development of project to recycle school gym uniforms with Teijin Fibers Ltd.
- July, market launch of Palshut™—a thin, lightweight noise suppression sheet for electronics products—made with Precisé™, a specialty nonwoven fabric.

(¥ billion)



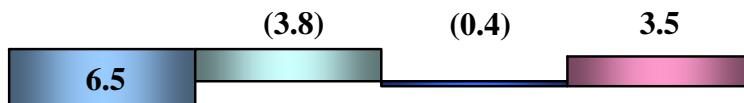
### Sales increases/decreases



Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Others

### Operating income increases/decreases



Increase (decrease) due to:

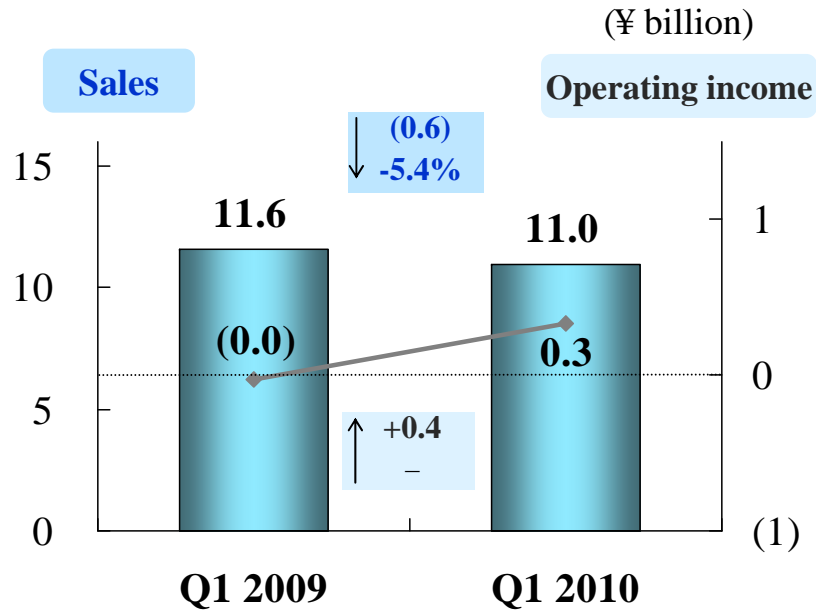
Sales volume      Sales prices      Foreign exchange      Operating costs and others

## Review of operations

Increased shipments of LSIs in new applications. Increased shipments of Hipore™ Li-ion rechargeable battery separator and Sunfort™ dry film photoresist. Sales and operating income increase.

## Highlights

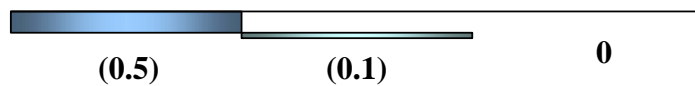
- April, completion of new plant for Hipore™ Li-ion rechargeable battery separator in Hyuga.
- April, market launch of new 3-axis electronic compass for portable appliances; size reduced to less than half that of previous equivalent product.
- July, agreement with Toko Inc. for Asahi Kasei Toko Power Devices to become a wholly owned subsidiary of Asahi Kasei Microdevices ahead of schedule, from October 2010.



## Review of operations

Decreased shipments of Hebel™ autoclaved aerated concrete (AAC) panels, other AAC-related products, and piling systems for foundations with a downturn in new construction starts. Increased shipments of Neoma™ high-performance foam insulation panels with the effect of government policies for energy conservation. Significant cost reduction. Sales decrease, but operating income increase.

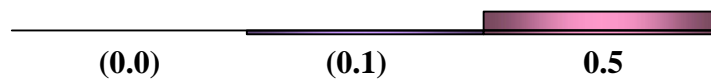
### Sales increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Others

### Operating income increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Operating costs and others

– 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.