

Fiscal quarter ended
December 2013
– supplementary financial summary –

February 5, 2014
Asahi Kasei Corporation

Consolidated results for fiscal quarter ended Dec. 2013

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Consolidated results for fiscal quarter ended Dec. 2013

Summary of financial results

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(¥ billion)

	2012		2013		Oct.–Dec. 2013 vs. 2012		Apr.–Dec. 2013 vs. 2012		FY 2013 forecast in Oct. <i>b</i>	% of forecast <i>a/b</i>
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec. <i>a</i>	Increase (decrease)	% change	Increase (decrease)	% change		
Net sales	415.1	1,202.6	470.7	1,389.6	55.6	+13.4%	187.0	+15.6%	1,904.0	73.0%
Operating income	24.2	62.5	35.5	109.8	11.3	+46.7%	47.3	+75.6%	145.0	75.7%
Ordinary income	26.9	62.7	36.6	109.5	9.8	+36.5%	46.8	+74.6%	143.0	76.6%
Net income	15.0	35.6	19.4	66.1	4.4	+29.6%	30.5	+85.6%	86.0	76.8%

Key operating factors

Naphtha price (¥/kL, domestic)	55,800	55,400	67,800	65,733
¥/US\$ exchange rate (market average)	81	80	100	99

Financial position

	At end of Mar. 2013	At end of Dec. 2013	Increase (decrease)
Total assets	1,800.2	1,959.4	159.2
Equity	812.1	922.1	110.0
Interest-bearing debt	381.4	386.5	5.0
Debt/equity ratio	0.47	0.42	(0.05)

Statements of income

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(¥ billion)

	2012				2013				Oct.-Dec. 2013 vs. 2012		Apr.-Dec. 2013 vs. 2012	
	Oct.-Dec.		Apr.-Dec.		Oct.-Dec.		Apr.-Dec.		Increase (decrease)	% change	Increase (decrease)	% change
		% of sales		% of sales		% of sales		% of sales				
Net sales	415.1	100.0%	1,202.6	100.0%	470.7	100.0%	1,389.6	100.0%	55.6	+13.4%	187.0	+15.6%
Cost of sales	308.0	74.2%	893.2	74.3%	342.6	72.8%	1,008.3	72.6%	34.6	+11.2%	115.2	+12.9%
Gross profit	107.1	25.8%	309.4	25.7%	128.1	27.2%	381.3	27.4%	21.0	+19.6%	71.9	+23.2%
Selling, general and administrative expenses	82.9	20.0%	246.9	20.5%	92.6	19.7%	271.5	19.5%	9.7	+11.6%	24.6	+9.9%
Operating income	24.2	5.8%	62.5	5.2%	35.5	7.5%	109.8	7.9%	11.3	+46.7%	47.3	+75.6%
Net non-operating income of which,	2.6	/	0.2	/	1.1	/	(0.3)	/	(1.5)	/	(0.5)	/
net financing income	0.2	/	0.9	/	0.4	/	1.0	/	0.2	/	0.1	/
net equity in earnings (losses) of affiliates	(1.0)	/	(1.0)	/	(1.3)	/	(3.1)	/	(0.3)	/	(2.1)	/
foreign exchange income (loss)	3.3	/	1.6	/	2.6	/	2.3	/	(0.7)	/	0.7	/
Ordinary income	26.9	6.5%	62.7	5.2%	36.6	7.8%	109.5	7.9%	9.8	+36.5%	46.8	+74.6%
Net extraordinary loss	(4.5)	/	(7.6)	/	(6.5)	/	(8.1)	/	(2.0)	/	(0.5)	/
Income before income taxes and minority interests	22.3	5.4%	55.1	4.6%	30.2	6.4%	101.4	7.3%	7.8	+35.1%	46.3	+84.0%
Income taxes	(7.1)	/	(18.9)	/	(10.6)	/	(34.7)	/	(3.5)	/	(15.8)	/
Minority interests in income	(0.2)	/	(0.6)	/	(0.1)	/	(0.6)	/	0.1	/	(0.0)	/
Net income	15.0	3.6%	35.6	3.0%	19.4	4.1%	66.1	4.8%	4.4	+29.6%	30.5	+85.6%

Extraordinary income and loss

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(¥ billion)

	2012		2013		Oct.–Dec.	Apr.–Dec.
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.	'13 vs. '12 Increase (decrease)	'13 vs. '12 Increase (decrease)
Extraordinary income						
Gain on sales of investment securities	0.1	0.1	–	0.3	(0.1)	0.3
Gain on sales of property, plant and equipment	0.1	0.2	0.0	1.5	(0.1)	1.3
Total extraordinary income	0.2	0.2	0.0	1.8	(0.2)	1.6
Extraordinary loss						
Loss on valuation of investment securities	(0.0)	0.0	0.0	0.6	0.0	0.6
Loss on disposal of noncurrent assets	1.0	2.6	1.1	2.5	0.1	(0.0)
Impairment loss	0.6	1.1	0.3	0.3	(0.3)	(0.8)
Business structure improvement expenses	3.2	4.1	0.6	2.0	(2.6)	(2.1)
Loss on discontinuation of development project	–	–	4.5	4.5	4.5	4.5
Total extraordinary loss	4.7	7.8	6.5	9.9	1.8	2.1
Net extraordinary income (loss)	(4.5)	(7.6)	(6.5)	(8.1)	(2.0)	(0.5)

Balance sheets

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(¥ billion)

	At end of Mar. 2013	At end of Dec. 2013	Increase (decrease)		At end of Mar. 2013	At end of Dec. 2013	Increase (decrease)
Current assets	819.5	910.6	91.1	Liabilities	975.7	1,024.2	48.5
Cash and deposits	109.5	115.6	6.1	Current liabilities	602.9	634.6	31.7
Notes and accounts receivable–trade	306.2	334.5	28.3	Noncurrent liabilities	372.9	389.6	16.8
Inventories	309.7	358.7	49.0	Net assets	824.5	935.2	110.7
Other current assets	94.1	101.8	7.7	Shareholders' equity	733.9	780.4	46.5
Noncurrent assets	980.7	1,048.8	68.1	Capital stock	103.4	103.4	–
Property, plant and equipment	461.6	482.7	21.1	Capital surplus	79.4	79.4	0.0
Intangible assets	255.4	268.2	12.8	Retained earnings	553.6	600.2	46.6
Investments and other assets	263.7	298.0	34.3	Treasury stock	(2.4)	(2.6)	(0.1)
				Accumulated other comprehensive income	78.2	141.6	63.5
				Minority interests	12.4	13.1	0.7
Total assets	1,800.2	1,959.4	159.2	Total liabilities and net assets	1,800.2	1,959.4	159.2

Cash flows

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(¥ billion)

	2012		2013	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.
a. Net cash provided by (used in) operating activities	18.4	48.3	13.5	100.9
b. Net cash provided by (used in) investing activities	(25.7)	(254.3)	(27.4)	(77.6)
c. Free cash flows [a+b]	(7.3)	(206.0)	(14.0)	23.2
d. Net cash provided by (used in) financing activities	(12.0)	209.5	10.8	(23.9)
e. Effect of exchange rate change on cash and cash equivalents	3.8	(1.8)	3.1	4.8
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(15.4)	1.7	(0.1)	4.1
g. Cash and cash equivalents at beginning of period	108.2	96.4	108.2	104.0
h. Increase in cash and cash equivalents resulting from change in scope of consolidation	–	0.1	0.5	0.5
i. Effect of change in the reporting period of consolidated subsidiaries and affiliates	–	(5.3)	–	–
j. Cash and cash equivalents at end of period [f+g+h+i]	92.8	92.8	108.6	108.6

Sales and operating income by segment¹, Oct.–Dec. 2012 and 2013

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(¥ billion)

	Sales			Operating income		
	Oct.–Dec. 2012	Oct.–Dec. 2013	Increase (decrease)	Oct.–Dec. 2012	Oct.–Dec. 2013	Increase (decrease)
Chemicals	169.0	201.4	32.3	2.9	10.0	7.1
Fibers	27.5	30.1	2.6	1.3	2.3	1.0
Homes	117.4	121.8	4.4	13.0	12.2	(0.7)
Construction Materials	14.4	15.0	0.6	1.7	2.0	0.3
Electronics	33.2	36.6	3.4	1.4	3.5	2.1
Health Care	36.1	41.2	5.1	7.0	10.0	3.0
Critical Care	13.3	20.1	6.8	(1.2)	(0.7)	0.5
Others	4.2	4.5	0.3	0.5	0.2	(0.3)
Corporate expenses and eliminations	–	–	–	(2.2)	(4.0)	(1.8)
Consolidated	415.1	470.7	55.6	24.2	35.5	11.3
Overseas sales	116.5	149.4	32.9			
Percentage of total	28.1%	31.7%	3.7%			

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

Sales and operating income by segment¹, Apr.–Dec. 2012 and 2013

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(¥ billion)

	Sales			Operating income		
	Apr.–Dec. 2012	Apr.–Dec. 2013	Increase (decrease)	Apr.–Dec. 2012	Apr.–Dec. 2013	Increase (decrease)
Chemicals	501.4	598.4	97.0	17.4	33.1	15.7
Fibers	81.4	89.9	8.5	3.0	6.7	3.7
Homes	330.4	360.2	29.8	31.8	38.8	7.0
Construction Materials	39.2	42.8	3.6	3.3	5.1	1.8
Electronics	100.2	111.3	11.2	1.4	12.8	11.4
Health Care	100.9	117.0	16.1	14.5	26.4	11.9
Critical Care ²	36.2	57.6	21.5	(2.3)	(2.7)	(0.4)
Others	13.1	12.5	(0.6)	1.6	1.0	(0.7)
Corporate expenses and eliminations	–	–	–	(8.2)	(11.4)	(3.1)
Consolidated	1,202.6	1,389.6	187.0	62.5	109.8	47.3
Overseas sales	346.9	460.1	113.2			
Percentage of total	28.8%	33.1%	4.3%			

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

Sales and operating income increases/decreases by segment¹, Oct.–Dec. 2013 vs. 2012 (i)

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(¥ billion)

		Oct.–Dec. 2012	Oct.–Dec. 2013	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	169.0	201.4	32.3	10.5	14.8	12.5	7.0	–
	Operating income	2.9	10.0	7.1	0.9			–	(8.6)
Fibers	Sales	27.5	30.1	2.6	2.2	1.0	1.2	(0.7)	–
	Operating income	1.3	2.3	1.0	0.2			–	(0.2)
Homes	Sales	117.4	121.8	4.4	0.9	3.7	–	(0.1)	–
	Operating income	13.0	12.2	(0.7)	(0.3)			–	(4.1)
Construction Materials	Sales	14.4	15.0	0.6	0.5	0.1	–	–	–
	Operating income	1.7	2.0	0.3	0.2			–	0.0
Electronics	Sales	33.2	36.6	3.4	2.1	1.3	4.3	0.0	–
	Operating income	1.4	3.5	2.1	0.9			–	(0.1)

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

Sales and operating income increases/decreases by segment¹, Oct.–Dec. 2013 vs. 2012 (ii)

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(¥ billion)

		Oct.–Dec. 2012	Oct.–Dec. 2013	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Health Care	Sales	36.1	41.2	5.1	3.4	1.7	1.7	–	–
	Operating income	7.0	10.0	3.0	3.3			–	(2.0)
Critical Care	Sales	13.3	20.1	6.8	4.0	(0.5)	(0.1)	3.4	–
	Operating loss	(1.2)	(0.7)	0.5	2.7			–	(1.6)
Others	Sales	4.2	4.5	0.3	0.3	–	–	–	–
	Operating income	0.5	0.2	(0.3)	(0.1)			–	(0.2)
Corporate expenses and eliminations	Operating loss	(2.2)	(4.0)	(1.8)	–	–	–	–	(1.8)
Consolidated	Sales	415.1	470.7	55.6	23.9	22.1	19.7	9.5	–
	Operating income	24.2	35.5	11.3	7.8			–	(18.6)

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

Sales and operating income increases/decreases by segment¹, Apr.–Dec. 2013 vs. 2012 (i)

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(¥ billion)

		Apr.–Dec. 2012	Apr.–Dec. 2013	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	501.4	598.4	97.0	34.0	41.6	39.8	21.4	–
	Operating income	17.4	33.1	15.7	2.1			–	(28.0)
Fibers	Sales	81.4	89.9	8.5	6.0	4.8	4.9	(2.3)	–
	Operating income	3.0	6.7	3.7	0.7			–	(1.8)
Homes	Sales	330.4	360.2	29.8	24.9	4.0	–	0.9	–
	Operating income	31.8	38.8	7.0	8.0			–	(5.0)
Construction Materials	Sales	39.2	42.8	3.6	3.3	0.3	–	–	–
	Operating income	3.3	5.1	1.8	0.9			–	0.6
Electronics	Sales	100.2	111.3	11.2	6.7	4.5	13.6	0.0	–
	Operating income	1.4	12.8	11.4	2.7			–	4.3

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

Sales and operating income increases/decreases by segment¹, Apr.–Dec. 2013 vs. 2012 (ii)

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(¥ billion)

		Apr.–Dec. 2012	Apr.–Dec. 2013	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Health Care	Sales	100.9	117.0	16.1	10.8	5.2	5.1	–	–
	Operating income	14.5	26.4	11.9	11.5			–	(4.8)
Critical Care ²	Sales	36.2	57.6	21.5	6.8	0.3	(0.1)	14.4	–
	Operating loss	(2.3)	(2.7)	(0.4)	5.0			–	(5.7)
Others	Sales	13.1	12.5	(0.6)	(0.6)	–	–	–	–
	Operating income	1.6	1.0	(0.7)	(0.2)			–	(0.5)
Corporate expenses and eliminations	Operating loss	(8.2)	(11.4)	(3.1)	–	–	–	–	(3.1)
Consolidated	Sales	1,202.6	1,389.6	187.0	91.9	60.8	63.3	34.3	–
	Operating income	62.5	109.8	47.3	30.7			–	(44.2)

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

Forecast for fiscal year 2013

Consolidated operating performance

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(¥ billion)

	FY 2012			FY 2013 revised forecast					FY 2013 forecast in Oct.
	H1	H2	Total	H1	H2		Total		
					Oct.–Dec.	Jan.–Mar.		forecast	
Net sales	787.5	879.1	1,666.6	919.0	470.7	506.4	977.0	1,896.0	1,904.0
Operating income	38.3	53.7	92.0	74.3	35.5	30.2	65.7	140.0	145.0
Ordinary income	35.9	59.3	95.1	72.9	36.6	29.0	65.6	138.5	143.0
Net income	20.6	33.1	53.7	46.6	19.4	10.9	30.4	77.0	86.0

Key operating factors

Naphtha price (¥/kL, domestic)	55,200	59,800	57,500	64,700	67,800	71,300	69,550	67,125	65,850
¥/US\$ exchange rate (market average)	79	87	83	99	100	100	100	100	98

	FY 2012	FY 2013
Dividends per share	¥14	¥15 (planned)
Payout ratio	36.4%	27.2%

Sales forecast by segment¹

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(¥ billion)

	FY 2012			FY 2013 revised forecast					FY 2013 forecast in Oct. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals	332.3	352.3	684.6	397.0	201.4	191.6	393.0	790.0	800.0	(10.0)
Fibers	53.9	55.7	109.6	59.8	30.1	32.1	62.2	122.0	120.0	2.0
Homes	213.0	273.1	486.2	238.4	121.8	173.8	295.6	534.0	532.0	2.0
Construction Materials	24.8	26.7	51.5	27.8	15.0	13.2	28.2	56.0	57.0	(1.0)
Electronics	66.9	64.2	131.1	74.7	36.6	33.7	70.3	145.0	149.0	(4.0)
Health Care	64.8	68.6	133.5	75.8	41.2	35.0	76.2	152.0	150.0	2.0
Critical Care ²	22.9	29.3	52.1	37.5	20.1	21.4	41.5	79.0	78.0	1.0
Others	8.9	9.1	18.0	8.0	4.5	5.5	10.0	18.0	18.0	–
Consolidated	787.5	879.1	1,666.6	919.0	470.7	506.4	977.0	1,896.0	1,904.0	(8.0)

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

Operating income forecast by segment¹

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(¥ billion)

	FY 2012			FY 2013 revised forecast					FY 2013 forecast in Oct. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals	14.6	8.4	22.9	23.2	10.0	4.9	14.8	38.0	43.0	(5.0)
Fibers	1.7	2.3	4.0	4.4	2.3	1.8	4.1	8.5	8.5	–
Homes	18.8	35.4	54.3	26.5	12.2	23.2	35.5	62.0	60.0	2.0
Construction Materials	1.6	2.4	4.0	3.1	2.0	0.9	2.9	6.0	6.0	–
Electronics	0.0	2.8	2.8	9.3	3.5	1.2	4.7	14.0	16.0	(2.0)
Health Care	7.5	8.5	15.9	16.4	10.0	2.1	12.1	28.5	28.0	0.5
Critical Care ²	(1.1)	(2.6)	(3.7)	(2.0)	(0.7)	(0.8)	(1.5)	(3.5)	(3.5)	–
Others	1.2	1.0	2.2	0.8	0.2	0.5	0.7	1.5	1.5	–
Corporate expenses and eliminations	(6.0)	(4.5)	(10.5)	(7.3)	(4.0)	(3.6)	(7.7)	(15.0)	(14.5)	(0.5)
Consolidated	38.3	53.7	92.0	74.3	35.5	30.2	65.7	140.0	145.0	(5.0)

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

Appendix

Overseas sales by segment¹, Apr.–Dec. 2012 and 2013

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(¥ billion)

	Apr.–Dec. 2012			Apr.–Dec. 2013			Increase (decrease) in overseas sales	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		% change
Chemicals	501.4	205.3	41.0%	598.4	269.5	45.0%	64.2	+31.3%
Fibers	81.4	28.3	34.7%	89.9	35.8	39.8%	7.5	+26.7%
Homes	330.4	–	–	360.2	–	–	–	–
Construction Materials	39.2	–	–	42.8	–	–	–	–
Electronics	100.2	55.9	55.8%	111.3	69.9	62.7%	14.0	+25.0%
Health Care	100.9	20.7	20.5%	117.0	27.1	23.2%	6.5	+31.4%
Critical Care ²	36.2	36.0	99.7%	57.6	57.3	99.4%	21.3	+59.0%
Others	13.1	0.8	5.8%	12.5	0.5	4.1%	(0.2)	-32.9%
Total	1,202.6	346.9	28.8%	1,389.6	460.1	33.1%	113.2	+32.6%
Sales to East Asia ³		205.6	17.1%		261.1	18.8%	55.5	+27.0%
of which, sales to China		113.0	9.4%		145.9	10.5%	32.9	+29.1%

Sales, excluding Homes and
Construction Materials

833.0 346.9 41.6% 986.6 460.1 46.6%

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

³ China, Korea, and Taiwan.

Quarterly sales by segment¹

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(¥ billion)

	FY 2012				FY 2013			FY 2013
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	161.1	171.3	169.0	183.2	193.1	203.9	201.4	191.6
Fibers	26.3	27.6	27.5	28.3	28.8	31.0	30.1	32.1
Homes	86.3	126.7	117.4	155.7	98.4	140.0	121.8	173.8
Construction Materials	11.5	13.2	14.4	12.3	13.1	14.7	15.0	13.2
Electronics	34.0	33.0	33.2	31.0	36.5	38.2	36.6	33.7
Health Care	32.4	32.4	36.1	32.6	38.3	37.5	41.2	35.0
Critical Care ²	9.1	13.8	13.3	16.0	17.8	19.8	20.1	21.4
Others	4.4	4.5	4.2	5.0	4.0	4.0	4.5	5.5
Total	365.0	422.5	415.1	464.0	430.0	489.0	470.7	506.4

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

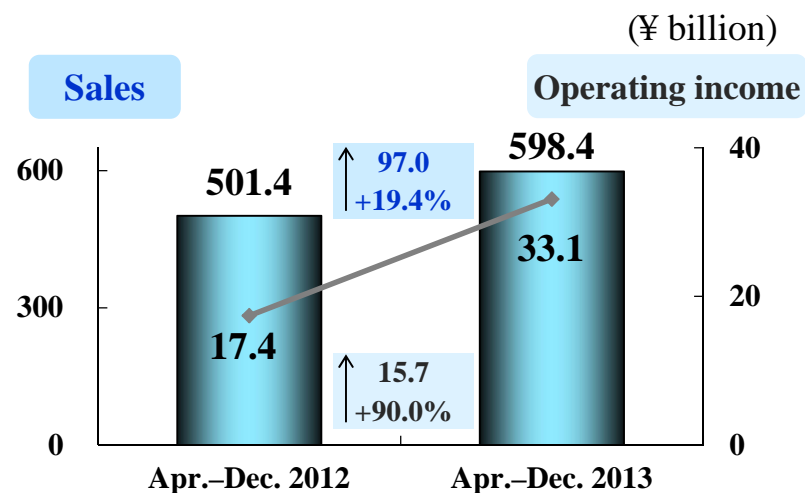
Quarterly operating income by segment¹ **AsahiKASEI**

(¥ billion)

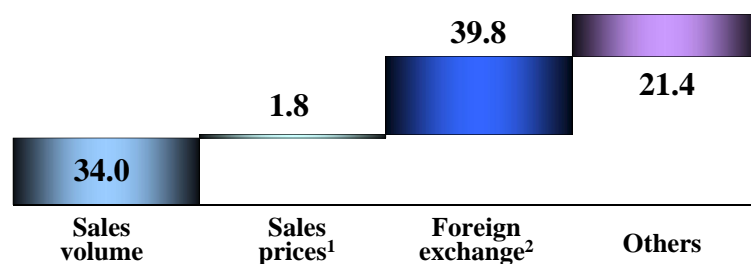
	FY 2012				FY 2013			FY 2013
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	4.3	10.2	2.9	5.5	10.2	13.0	10.0	4.9
Fibers	0.6	1.1	1.3	1.0	2.2	2.2	2.3	1.8
Homes	3.6	15.2	13.0	22.5	6.6	19.9	12.2	23.2
Construction Materials	0.5	1.1	1.7	0.7	1.3	1.7	2.0	0.9
Electronics	(0.4)	0.4	1.4	1.4	3.8	5.5	3.5	1.2
Health Care	4.7	2.8	7.0	1.5	9.0	7.4	10.0	2.1
Critical Care ²	(0.5)	(0.6)	(1.2)	(1.3)	(1.5)	(0.5)	(0.7)	(0.8)
Others	0.8	0.3	0.5	0.6	0.4	0.4	0.2	0.5
Corporate expenses and eliminations	(2.9)	(3.0)	(2.2)	(2.3)	(3.7)	(3.6)	(4.0)	(3.6)
Total	10.8	27.5	24.2	29.4	28.3	46.0	35.5	30.2

¹ Beginning with Q1 2013, the sequence of segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

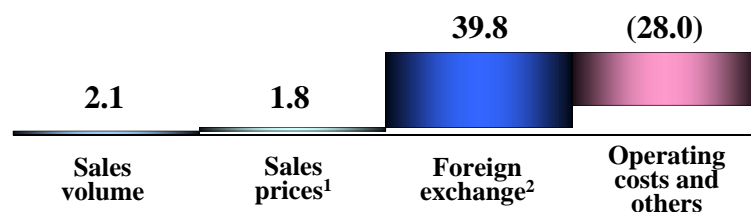
² In the Critical Care segment, results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.



Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

Review of operations

Volume products:

Chemicals and derivative products

Impact of low market prices for acrylonitrile and high feedstock prices. Contribution from depreciation of the yen and improved market prices for styrene. Sales and operating income increase.

Polymer products

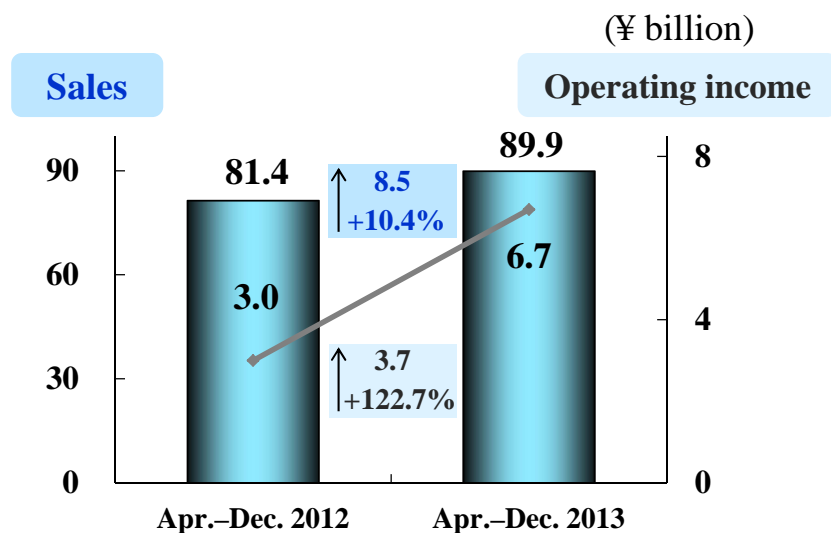
Impact of high feedstock prices for polyethylene. Contribution from depreciation of the yen. Firm shipments of engineering plastics and of synthetic rubber for fuel-efficient tires. Sales and operating income increase.

Specialty products:

Contribution from depreciation of the yen, most notably for ion-exchange membranes. Firm shipments of functional chemicals for pharmaceutical manufacture and of coating materials. Sales and operating income increase.

Highlights

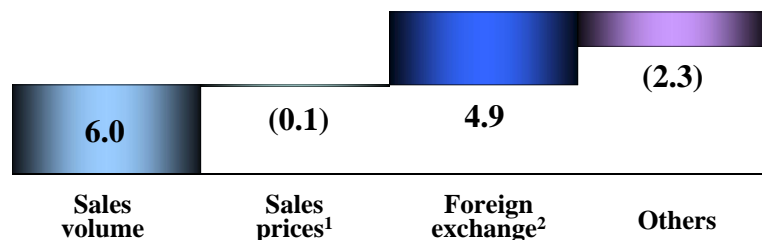
- April, start of commercial operation of a new plant in Singapore for solution-polymerized styrene-butadiene rubber (S-SBR) for fuel-efficient tires.
- June, decision to obtain full ownership of a joint venture for production and sale of polyacetal in China by a share transfer from DuPont.
- August, agreement with Mitsubishi Chemical Corp. on premises in study for unification of naphtha crackers in Mizushima; unification on Mitsubishi facilities targeted in spring 2016.
- August, decision to construct a new plant in China for Duranol™ polycarbonatediol (PCD).



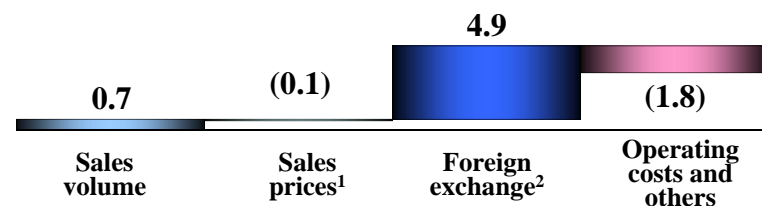
Review of operations

Impact of higher prices for naphtha-derived feedstock. Contribution from depreciation of the yen. Increased shipments of nonwovens such as Lamous™ artificial suede for automotive interiors and of Roica™ elastic polyurethane filament. Sales and operating income increase.

Sales increases/decreases due to:

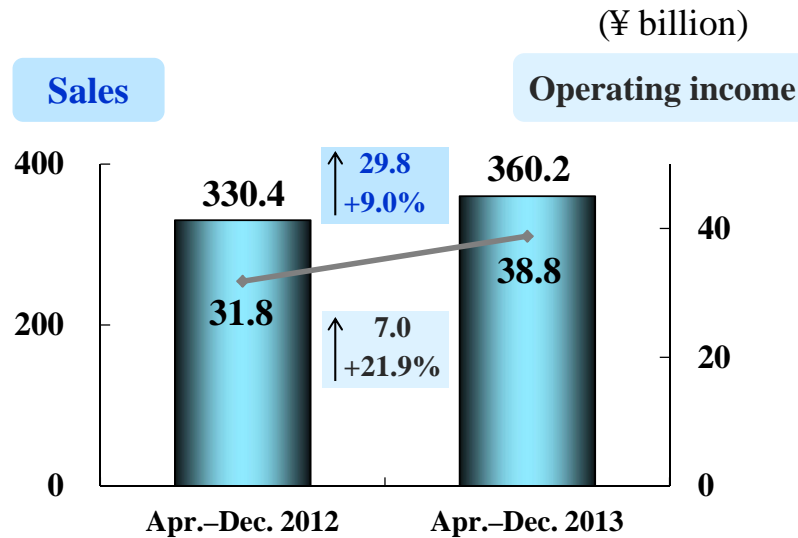


Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices



Results by product category¹

(¥ billion)

	Apr.-Dec. 2012		Apr.-Dec. 2013		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	244.9	23.8	266.3	29.7	21.4	5.9
Real estate (Asahi Kasei Fudousan Residence, etc.)	50.0	3.0	54.5	3.5	4.4	0.4
Remodeling (Asahi Kasei Reform)	33.9	4.3	38.2	4.7	4.3	0.4
Other housing-related, etc.	1.6	0.7	1.3	0.9	(0.4)	0.2
Total	330.4	31.8	360.2	38.8	29.8	7.0

Review of operations

Order-built homes:

- Increased deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings based on strong orders in the previous year. Sales and operating income increase.
- Year on year, value of new orders in Apr.–Dec. increased 8.7%, with a 21.4% increase in Apr.–Sep. due to a last-minute surge in demand ahead of the upcoming consumption tax hike, and a 21.4% decrease in Oct.–Dec. in reaction.

Real estate, remodeling and others:

- Good performance in rental management in real estate operations. Strong orders for major remodeling work and other renovation work in remodeling operations. Sales and operating income increase.

Highlights

- April, launch of Hebel Haus™ FREX RESIDENCE high-grade three-story houses for large plots.
- August, launch of two-generation Hebel Haus™ homes with features adapting to newer lifestyles of families.
- November, launch of NEXT HEBEL HAUS™ as a new line of products.

¹ Product categories are revised from FY 2012. A portion of sales previously included in pre-built homes is now included in order-built homes, etc.

Otherwise, sales in the previous pre-built homes category are now included in real estate.

² Vehicle to home system, which enables return of energy from rechargeable battery of electric vehicle to home energy system.

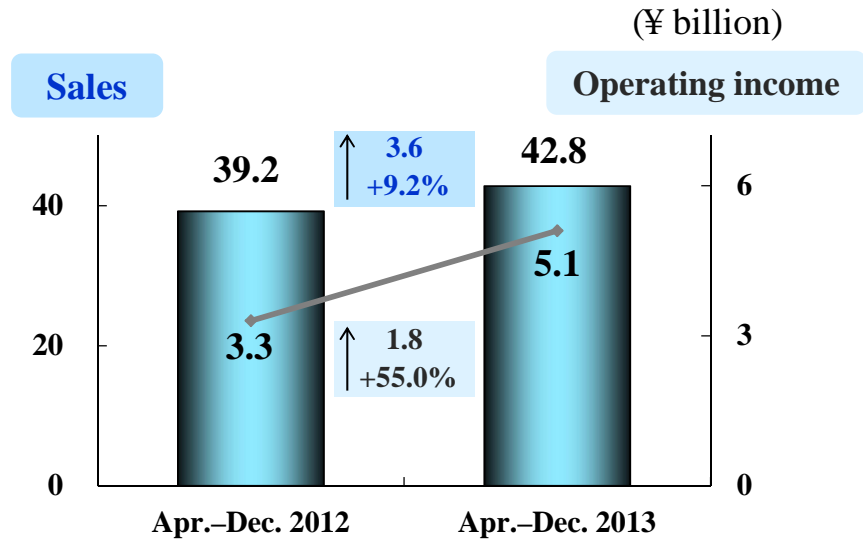
Homes (ii)

Sales¹ and order trends

(¥ billion, % indicates year-on-year comparison)

		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes		Other sales	Consolidated subsidiaries	Consolidated	Order backlog		
FY09	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%)			
FY10	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%)			
FY11	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	182.5 (+5.6%)	193.7 (+9.7%)	11.8 (-35.7%)			46.5 (+14.2%)	252.0 (+6.9%)	391.8		
	annual	371.9 (+4.9%)	339.6 (+12.4%)	23.7 (-14.7%)			88.7 (+11.8%)	452.0 (+10.4%)			
		Value of new orders during the term	Sales of order-built homes, etc.	Sales of real estate				Sales of remodeling	Other sales	Consolidated	Order backlog
				Pre-built homes	Rental housing	Other	Total				
FY12	H1	207.5 (+9.5%)	161.4	4.4	23.3	1.1	28.8	21.6	1.2	213.0 (+6.5%)	441.5
	Q3	88.0 (+10.0%)	83.5	8.8	11.9	0.5	21.3	12.3	0.4	117.4 (+7.7%)	447.6
	H2	204.9 (+12.3%)	205.9	16.2	24.5	1.1	41.9	24.7	0.7	273.1 (+8.4%)	444.6
	annual	412.4 (+10.9%)	367.3	20.6	47.8	2.2	70.6	46.3	1.9	486.2 (+7.6%)	
FY13	H1	251.9 (+21.4%)	181.0 (+12.1%)	4.5	26.2	1.4	32.1	24.5	0.8	238.4 (+11.9%)	519.9
	Q3	69.2 (-21.4%)	85.3 (+2.2%)	8.5	13.4	0.5	22.4	13.6	0.5	121.8 (+3.8%)	505.9
	H2 forecast	174.1 (-15.0%)	213.5 (+3.7%)	24.0	27.8	1.1	52.9	28.5	0.7	295.6 (+8.2%)	486.1
	annual	426.0 (+3.3%)	394.5 (+7.4%)	28.5	54.0	2.5	85.0	53.0	1.5	534.0 (+9.8%)	

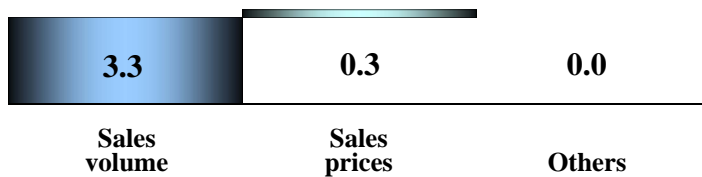
¹ Product categories are revised from FY 2012. A portion of sales previously included in pre-built homes is now included in order-built homes, etc. Otherwise, sales in the previous pre-built homes category are now included in real estate.



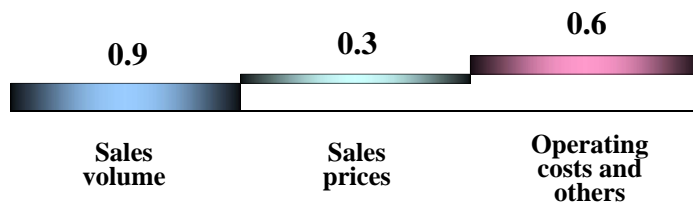
Review of operations

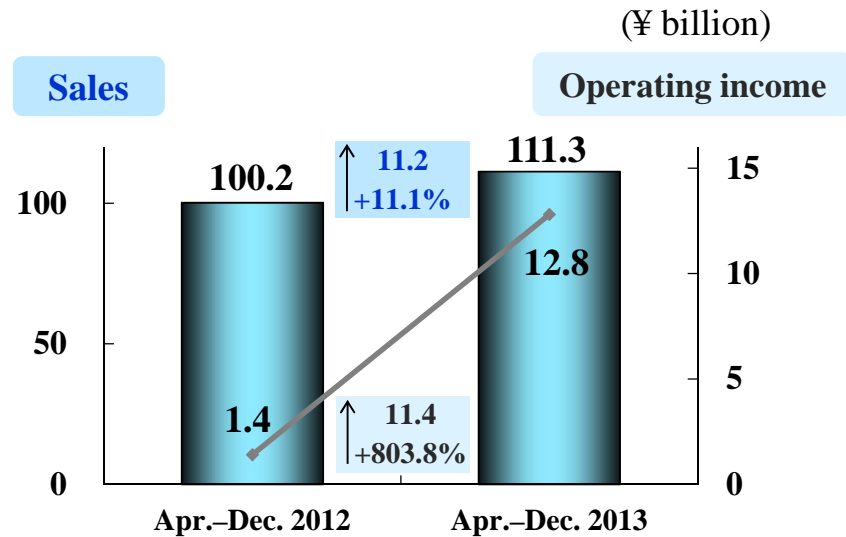
Increased shipments of Hebel™ autoclaved aerated concrete panels. Expanded orders for Eazet™ and ATT Column™ piling systems for small-scale construction, with development of new applications. Firm shipments of insulation materials such as Neoma™ high-performance phenolic foam insulation panels and of structural materials. Sales and operating income increase.

Sales increases/decreases due to:

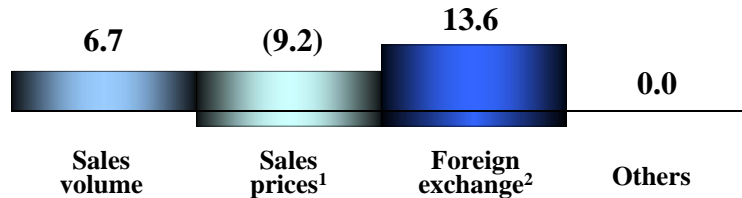


Operating income increases/decreases due to:

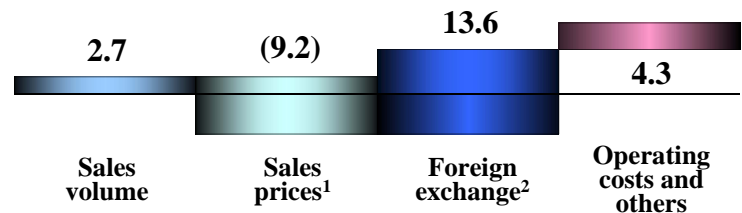




Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

Review of operations

Sales and operating income increase.

Electronic devices:

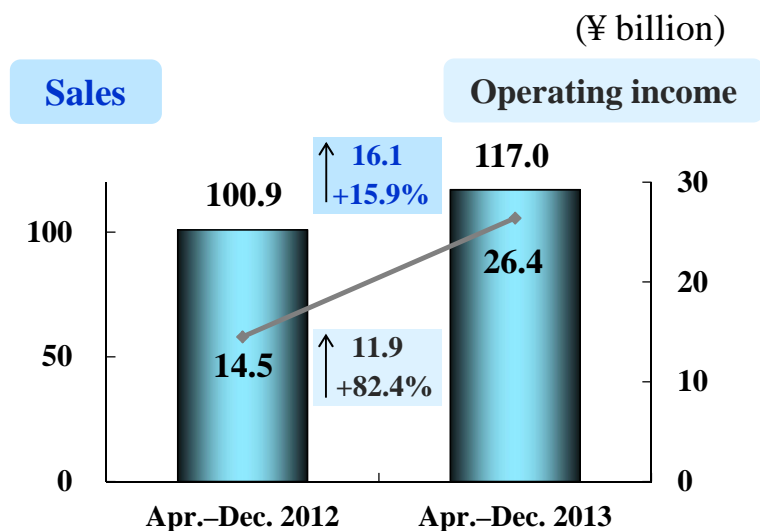
Impact of reduced sales prices in each product category. Contribution from depreciation of the yen. Increased shipments of electronic compasses and magnetic sensors for smartphones and other mobile applications.

Electronic materials:

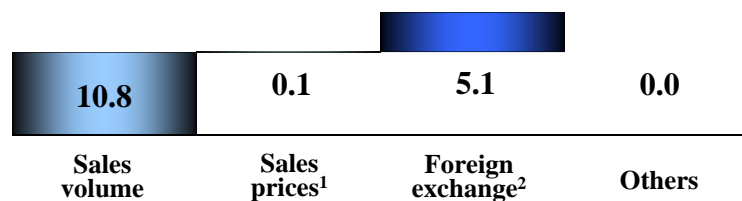
Impact of reduced sales prices, especially for Hipore™ Li-ion battery separator. Contribution from depreciation of the yen. Increased sales of high-end products in each product category.

Highlights

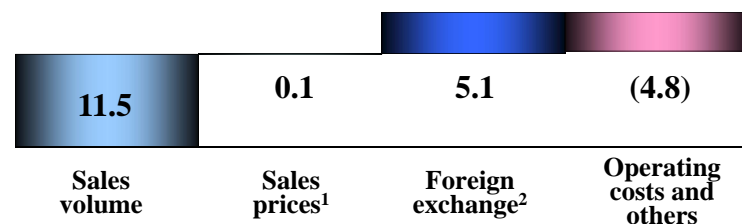
- October, launch of a new 3-axis electronic compass for portable appliances in world's smallest size of 1.2 mm square.
- October, start-up of a new plant for Sunfort™ photosensitive dry film in Changshu, Jiangsu, China.



Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange

² Impact of foreign exchange on sales prices

Review of operations

Pharmaceuticals:

Higher SG&A expenses. Increased shipments of Teribone™ osteoporosis drug and Recomodulin™ recombinant thrombomodulin. Sales and operating income increase.

Devices:

Contribution from depreciation of the yen in blood-purification products. Increased shipments of Planova™ virus removal filters. Sales and operating income increase.

Highlights

- August, launch of Ribotest™ Mycoplasma, a rapid diagnostic test kit to aid the diagnosis of mycoplasma infection.
- September, conclusion of agreement with Pfizer Japan Inc. for co-promotion in Japan of Recomodulin™ anticoagulant intravenous infusion 12800 (recombinant thrombomodulin alpha).
- October, launch of drug discovery collaboration with Vernalis plc against a target in autoimmune diseases including rheumatoid arthritis.
- October, completion of a new research complex.
- January, decision to discontinue the development of a transdermal patch formulation of Teribone™ human parathyroid hormone.

Health Care (ii)

Sales of Health Care segment

(¥ billion)

		FY 2012			FY 2013	
		Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
	Domestic pharmaceuticals	19.9	54.1	70.8	22.4	63.3
	Others	1.3	3.6	4.9	1.7	5.0
Asahi Kasei Pharma consolidated		21.1	57.7	75.7	24.1	68.2
Devices ¹		15.0	43.2	57.8	17.1	48.8
Total		36.1	100.9	133.5	41.2	117.0

¹ Asahi Kasei Medical and its affiliate companies.

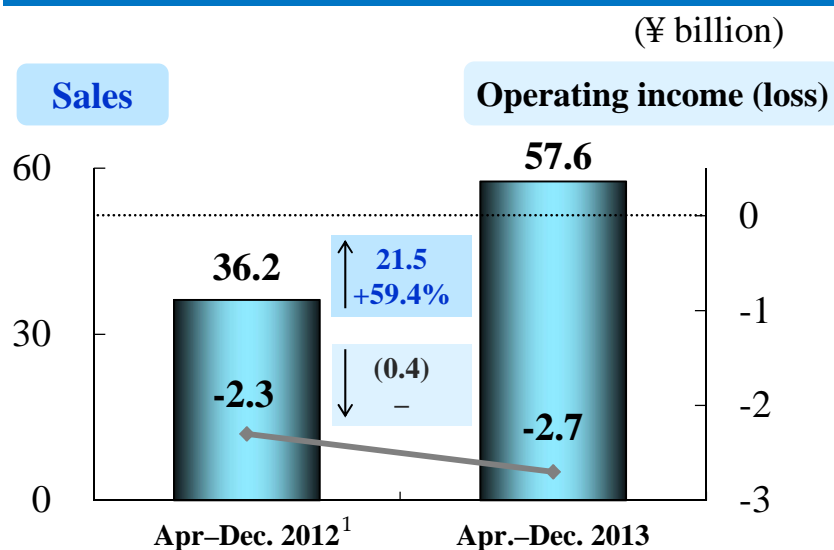
Main pharmaceuticals domestic sales

(¥ billion)

	FY 2012			FY 2013	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Teribone™	4.8	12.2	17.0	7.2	20.0
Flivas™	3.9	10.9	14.2	3.9	10.9
Recomodulin™	3.0	7.2	9.4	3.9	9.7
Elcitonin™	2.7	8.0	10.0	2.0	6.3
Bredinin™	1.6	4.7	6.0	1.7	4.9

Pharmaceutical pipeline

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Phase III	AK-156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
	AK-160, injection	New biologic	Collagenase clostridium histolyticum	Dupuytren's contracture	Licensed
Phase II	AT-877, oral, fasudil hydrochloride hydrate	Additional indication, new dosage form	Rho-kinase inhibitor	Pulmonary arterial hypertension	In-house
	HC-58, injection, elcatonin	Additional indication	Calcitonin	Shoulder hand syndrome	In-house
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alpha	New biologic	Recombinant human thrombomodulin	Severe sepsis with coagulopathy	In-house
Phase II (overseas)	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house



Review of operations

Smooth expansion of LifeVest™ wearable defibrillator operations. Good performance of other products such as defibrillators for use by medical professionals. Increase in SG&A expenses with reinforced sales activity. Impact of difference in the period subject to consolidation. Sales increase, but consolidated operating loss increase.

Highlights

- July, approval in Japan for manufacturing and marketing of LifeVest™ Wearable Cardioverter Defibrillator.
- November, approval in Japan for manufacturing and marketing of X Series™ defibrillator for emergency medical and hospital use.

Financial performance of Critical Care segment²

(¥ billion)

	FY 2012 ¹			FY 2013 forecast		
	Oct.-Dec.	Apr.-Dec. ¹	FY 2012 ¹	Oct.-Dec.	Apr.-Dec.	FY 2013 forecast
Net sales	13.3	36.2	52.1	20.1	57.6	79.0
Gross operating income before PPA ³ impact [a]	1.5	5.6	7.3	2.5	7.1	9.4
Amortization/depreciation from PPA ³ revaluation [b]	(2.7)	(7.9)	(11.0)	(3.2)	(9.8)	(12.9)
Goodwill	(1.4)	(3.7)	(5.3)	(1.8)	(5.3)	(7.1)
Other intangible assets, etc. [c]	(1.3)	(4.2)	(5.7)	(1.4)	(4.5)	(5.9)
Consolidated operating income (loss) [a-b]	(1.2)	(2.3)	(3.7)	(0.7)	(2.7)	(3.5)

¹ Results for FY 2012 were included beginning on April 27, 2012, while results are subject to consolidation throughout the entire period beginning with FY 2013.

² Amount for amortization of intangible assets that had been incurred prior to Asahi Kasei's acquisition, which was formerly included in [b] and [c], is now excluded from those items and deducted from [a].

³ Purchase price allocation.

Statements of comprehensive income

Asahi**KASEI**

			(¥ billion)
	2012 Apr.–Dec.	2013 Apr.–Dec.	Increase (decrease)
a: Income before minority interests	36.2	66.7	30.5
Net increase or decrease in unrealized gain on other securities	2.2	22.8	20.6
Deferred gains or losses on hedges	1.0	0.4	(0.6)
Foreign currency translation adjustment	14.4	38.6	24.2
Share of other comprehensive income of affiliates accounted for using equity method	2.1	1.8	(0.3)
b: Other comprehensive income	19.7	63.6	43.9
Comprehensive income [a+b]	56.0	130.3	74.4
Comprehensive income attributable to owners of the parent	55.0	129.2	74.2
Comprehensive income attributable to minority interests	1.0	1.1	0.2

– 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.