

**Fiscal 2014 2nd Quarter
Financial Results**
– supplementary financial summary –

November 5, 2014
Asahi Kasei Corporation

Consolidated results for 1st half fiscal year 2014

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Consolidated results for 1st half fiscal year 2014

Summary of financial results (i)

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(¥ billion)

| | H1 2013 ¹ | H1 2014 | |
|------------------|----------------------|---------|------------------|
| | | Result | Forecast in Aug. |
| Net sales | 919.0 | 966.9 | 976.0 |
| Operating income | 74.2 | 70.9 | 67.0 |
| Ordinary income | 72.8 | 74.2 | 67.0 |
| Net income | 46.6 | 49.5 | 41.5 |

| H1 2014 vs. H1 2013 | | Result vs. forecast in Aug. | |
|---------------------|----------|-----------------------------|----------|
| Increase (decrease) | % change | Increase (decrease) | % change |
| 47.9 | +5.2% | (9.1) | -0.9% |
| (3.3) | -4.5% | 3.9 | +5.9% |
| 1.4 | +1.9% | 7.2 | +10.7% |
| 2.9 | +6.3% | 8.0 | +19.3% |

¹ The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

| | At end of Mar. 2014 | At end of Sep. 2014 | Increase (decrease) |
|-----------------------|---------------------|---------------------|---------------------|
| Total assets | 1,915.1 | 1,942.6 | 27.5 |
| Equity | 912.7 | 966.5 | 53.8 |
| Interest-bearing debt | 303.9 | 283.4 | (20.5) |
| Debt/equity ratio | 0.33 | 0.29 | (0.04) |

Summary of financial results (ii)

| | H1 2013 | H1 2014 |
|---|---------|---------|
| Dividends per share | ¥7 | ¥9 |
| Net income per share (EPS) ¹ | ¥33.33 | ¥35.44 |
| Net worth per share (BPS) ¹ | ¥624.38 | ¥691.85 |

Scope of consolidation

| | | |
|---|-----|-----|
| Number of consolidated subsidiaries | 131 | 132 |
| Number of affiliates for which the equity method is applied | 41 | 38 |

Key operating factors

| | | |
|---------------------------------------|--------|--------|
| Naphtha price (¥/kL, domestic) | 64,750 | 70,400 |
| ¥/US\$ exchange rate (market average) | 99 | 103 |
| Employees at end of period | 29,210 | 29,862 |

¹ The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Statements of income

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(¥ billion)

| | H1 2013 ¹ | | H1 2014 | | Increase (decrease) | % change |
|---|----------------------|------------|---------|------------|------------------------|-------------|
| | | % of sales | | % of sales | | |
| Net sales | 919.0 | 100.0% | 966.9 | 100.0% | 47.9 | +5.2% |
| Cost of sales | 665.8 | 72.4% | 707.0 | 73.1% | 41.3 | +6.2% |
| Gross profit | 253.2 | 27.6% | 259.9 | 26.9% | 6.7 | +2.6% |
| Selling, general and administrative expenses | 179.0 | 19.5% | 189.0 | 19.5% | 10.0 | +5.6% |
| Operating income | 74.2 | 8.1% | 70.9 | 7.3% | (3.3) | -4.5% |
| Net non-operating income (expenses) | (1.4) | | 3.2 | | 4.7 | |
| of which, | | | | | | |
| net financing income (expense) | 0.6 | | 1.1 | | 0.5 | |
| net equity in earnings (losses) of affiliates | (1.8) | | 1.2 | | 3.0 | |
| foreign exchange income (loss) | (0.3) | | 2.0 | | 2.3 | |
| Ordinary income | 72.8 | 7.9% | 74.2 | 7.7% | 1.4 | +1.9% |
| Net extraordinary income (loss) | (1.6) | | (0.0) | | 1.6 | |
| Income before income taxes and minority interests | 71.2 | 7.7% | 74.1 | 7.7% | 3.0 | +4.1% |
| Income taxes | (24.1) | | (24.2) | | (0.1) | |
| Minority interests in income | (0.5) | | (0.4) | | 0.1 | |
| Net income | 46.6 | 5.1% | 49.5 | 5.1% | 2.9 | +6.3% |

¹ The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Financing activity

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Financing income and expenses

(¥ billion)

| | H1 2013 | H1 2014 | Increase (decrease) |
|-------------------|---------|---------|------------------------|
| Interest expenses | (1.7) | (1.6) | 0.2 |
| Interest income | 0.6 | 0.7 | 0.1 |
| Dividends income | 1.8 | 2.1 | 0.2 |
| Others | (0.0) | (0.0) | (0.0) |
| Total | 0.6 | 1.1 | 0.5 |

Interest-bearing debt

(¥ billion)

| | At end of Sep. 2013 | At end of Mar. 2014 | At end of Sep. 2014 | Mar.–Sep. 2014 increase (decrease) |
|--------------------------|------------------------|------------------------|------------------------|--|
| Short-term loans payable | 116.6 | 103.6 | 90.4 | (13.2) |
| Commercial paper | 50.0 | 10.0 | 18.0 | 8.0 |
| Long-term loans payable | 143.5 | 146.0 | 131.7 | (14.3) |
| Bonds payable | 45.0 | 40.0 | 40.0 | – |
| Lease obligations | 5.3 | 4.2 | 3.3 | (0.9) |
| Total | 360.4 | 303.9 | 283.4 | (20.5) |

Extraordinary income and loss

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(¥ billion)

| | H1 2013 | H1 2014 | Increase (decrease) |
|--|---------|---------|------------------------|
| Extraordinary income | | | |
| Gain on sales of investment securities | 0.3 | 2.3 | 2.0 |
| Gain on sales of property, plant and equipment | 1.5 | 0.2 | (1.2) |
| Total extraordinary income | 1.8 | 2.5 | 0.7 |
| Extraordinary loss | | | |
| Loss on sales of investment securities | – | 0.1 | 0.1 |
| Loss on valuation of investment securities | 0.6 | 0.5 | (0.1) |
| Loss on disposal of noncurrent assets | 1.4 | 1.2 | (0.2) |
| Impairment loss | – | 0.1 | 0.1 |
| Business structure improvement expenses | 1.4 | 0.6 | (0.9) |
| Total extraordinary loss | 3.4 | 2.6 | (0.9) |
| Net extraordinary income (loss) | (1.6) | (0.0) | 1.6 |

Balance sheets

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(¥ billion)

| | At end of Mar. 2014 | At end of Sep. 2014 | Increase (decrease) | | At end of Mar. 2014 | At end of Sep. 2014 | Increase (decrease) |
|--|------------------------|------------------------|------------------------|---|------------------------|------------------------|------------------------|
| Current assets | 890.4 | 884.8 | (5.6) | Liabilities | 989.3 | 962.6 | (26.7) |
| Cash and deposits | 151.5 | 110.0 | (41.5) | Current liabilities | 576.8 | 546.2 | (30.6) |
| Notes and accounts receivable–trade | 316.7 | 326.7 | 10.0 | Noncurrent liabilities | 412.5 | 416.4 | 3.9 |
| Inventories | 328.5 | 351.5 | 23.0 | Net assets | 925.8 | 980.0 | 54.2 |
| Other current assets | 93.7 | 96.6 | 2.9 | Shareholders' equity | 815.6 | 835.6 | 20.0 |
| Noncurrent assets | 1,024.7 | 1,057.8 | 33.1 | Capital stock | 103.4 | 103.4 | – |
| Property, plant and equipment | 480.5 | 491.5 | 11.0 | Capital surplus | 79.4 | 79.4 | 0.0 |
| Intangible assets | 258.4 | 265.6 | 7.2 | Retained earnings | 635.4 | 655.7 | 20.3 |
| Investments and other assets | 285.7 | 300.7 | 15.0 | Treasury stock | (2.6) | (2.9) | (0.3) |
| | | | | Accumulated other comprehensive income | 97.1 | 130.9 | 33.8 |
| | | | | Minority interests | 13.1 | 13.4 | 0.4 |
| Total assets | 1,915.1 | 1,942.6 | 27.5 | Total liabilities and net assets | 1,915.1 | 1,942.6 | 27.5 |

Cash flows and primary investments

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Cash flows

(¥ billion)

| | H1 2013 ¹ | H1 2014 |
|--|----------------------|---------|
| a. Net cash provided by (used in) operating activities | 87.2 | 43.0 |
| b. Net cash provided by (used in) investing activities | (49.4) | (47.8) |
| c. Free cash flows [a+b] | 37.8 | (4.8) |
| d. Net cash provided by (used in) financing activities | (34.7) | (40.0) |
| e. Effect of exchange rate change on cash and cash equivalents | 1.7 | 1.9 |
| f. Net increase (decrease) in cash and cash equivalents [c+d+e] | 4.8 | (42.9) |
| g. Cash and cash equivalents at beginning of period | 104.0 | 143.1 |
| h. Increase in cash and cash equivalents resulting from change of scope of consolidation | 0.5 | 0.1 |
| i. Cash and cash equivalents at end of period [f+g+h] | 109.3 | 100.4 |

Primary investments

(¥ billion)

| | FY 2013 | | FY 2014 | |
|---|---------|------|---------|----------|
| | H1 2013 | | H1 2014 | forecast |
| Capital expenditure (tangible) ¹ | 38.3 | 82.5 | 36.8 | 90.0 |
| Capital expenditure (intangible) | 4.4 | 9.9 | 5.9 | 8.5 |
| Total capital expenditure ¹ | 42.7 | 92.4 | 42.7 | 98.5 |
| Depreciation ¹ and amortization excluding goodwill | 41.2 | 86.1 | 40.6 | 86.0 |
| Amortization of goodwill | 4.4 | 8.8 | 4.3 | |
| Total depreciation and amortization ¹ | 45.6 | 94.9 | 44.9 | |
| R&D expenditures | 34.5 | 71.1 | 36.0 | 82.0 |

¹ The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

H1 2014 vs. H1 2013 sales and operating income by segment¹

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(¥ billion)

| | Sales | | | Operating income (loss) | | | H1 2014 forecast in Aug. | |
|-------------------------------------|---------|---------|---------------------|-------------------------|---------|---------------------|--------------------------|-------------------------|
| | H1 2013 | H1 2014 | Increase (decrease) | H1 2013 ² | H1 2014 | Increase (decrease) | Sales | Operating income (loss) |
| Chemicals & Fibers | 456.8 | 477.5 | 20.7 | 27.6 | 26.6 | (1.0) | 480.0 | 25.5 |
| Homes & Construction Materials | 266.2 | 282.5 | 16.3 | 29.6 | 28.8 | (0.8) | 285.0 | 28.5 |
| Electronics | 74.7 | 74.0 | (0.7) | 9.3 | 7.4 | (1.9) | 75.0 | 7.5 |
| Health Care | 113.3 | 121.4 | 8.1 | 14.3 | 15.0 | 0.6 | 124.0 | 13.0 |
| Others | 8.0 | 11.6 | 3.6 | 0.8 | 0.7 | (0.1) | 12.0 | 0.5 |
| Corporate expenses and eliminations | - | - | - | (7.3) | (7.5) | (0.2) | - | (8.0) |
| Consolidated | 919.0 | 966.9 | 47.9 | 74.2 | 70.9 | (3.3) | 976.0 | 67.0 |

¹ Beginning with FY 2014, the former Chemicals segment and the former Fibers segment are combined as a new Chemicals & Fibers segment, the former Homes segment and the former Construction Materials segment are combined as a new Homes & Construction Materials segment, and the former Health Care segment and the former Critical Care segment are combined as a new Health Care segment.

² The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Overseas sales by business category¹

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(¥ billion)

| | H1 2013 | | | H1 2014 | | | Increase (decrease) | |
|---|-------------|----------------|------------|-------------|----------------|------------|---------------------|----------|
| | Total sales | Overseas sales | % of total | Total sales | Overseas sales | % of total | in overseas sales | |
| | | | | | | | | % change |
| Chemicals | 397.0 | 184.5 | 46.5% | 413.1 | 186.1 | 45.1% | 1.6 | +0.9% |
| Fibers | 59.8 | 23.4 | 39.1% | 64.4 | 26.2 | 40.8% | 2.8 | +12.2% |
| Homes | 238.4 | – | – | 256.0 | – | – | – | – |
| Construction Materials | 27.8 | – | – | 26.5 | – | – | – | – |
| Electronics | 74.7 | 47.3 | 63.3% | 74.0 | 46.8 | 63.3% | (0.5) | -1.0% |
| Health Care | 75.8 | 17.9 | 23.6% | 73.3 | 18.3 | 24.9% | 0.4 | +2.2% |
| Critical Care | 37.5 | 37.3 | 99.4% | 48.1 | 47.7 | 99.0% | 10.4 | +27.8% |
| Others | 8.0 | 0.3 | 4.1% | 11.6 | 0.4 | 3.4% | 0.1 | +20.6% |
| Total | 919.0 | 310.7 | 33.8% | 966.9 | 325.5 | 33.7% | 14.8 | +4.8% |
| Sales to East Asia ² | | 177.7 | 19.3% | | 178.2 | 18.4% | 0.5 | +0.3% |
| of which, sales to China | | 97.6 | 10.6% | | 97.6 | 10.1% | 0.0 | +0.0% |
| Sales, excluding Homes and Construction Materials | 652.8 | 310.7 | 47.6% | 684.5 | 325.5 | 47.6% | | |

¹ Corresponding to the former operating segments.

² China, Korea, and Taiwan.

Sales and operating income increases/decreases by business category¹ (i)

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(¥ billion)

| | | H1 2013 | H1 2014 | Net increase (decrease) | Increase (decrease) due to: | | | | |
|------------------------|-------------------------------|---------|---------|-------------------------|-----------------------------|--------------|-----------------------------------|--------|----------------------------|
| | | | | | Sales volume | Sales prices | of which, due to foreign exchange | Others | Operating costs and others |
| Chemicals | Sales | 397.0 | 413.1 | 16.1 | 5.0 | 6.0 | 6.1 | 5.1 | – |
| | Operating income | 23.2 | 22.0 | (1.2) | (0.7) | | | – | (6.5) |
| Fibers | Sales | 59.8 | 64.4 | 4.6 | 2.6 | 1.0 | 0.6 | 1.0 | – |
| | Operating income | 4.4 | 4.7 | 0.3 | 0.4 | | | – | (1.1) |
| Homes | Sales | 238.4 | 256.0 | 17.6 | 3.5 | 8.2 | – | 5.8 | – |
| | Operating income | 26.5 | 27.0 | 0.4 | 0.4 | | | – | (8.3) |
| Construction Materials | Sales | 27.8 | 26.5 | (1.3) | (1.6) | 0.3 | – | – | – |
| | Operating income | 3.1 | 2.1 | (1.0) | (0.2) | | | – | (1.0) |
| Electronics | Sales | 74.7 | 74.0 | (0.7) | 4.0 | (4.7) | 1.7 | – | – |
| | Operating income ² | 9.3 | 7.4 | (1.9) | 2.7 | | | – | 0.1 |

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Sales and operating income increases/decreases by business category¹ (ii)

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(¥ billion)

| | | H1 2013 | H1 2014 | 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 | 75.8 | 73.3 | (2.5) | (0.5) | (2.0) | 0.9 | – | – |
| | Operating income | 16.4 | 14.7 | (1.6) | (0.6) | | | – | 1.0 |
| Critical Care | Sales | 37.5 | 48.1 | 10.6 | 9.8 | (0.8) | 0.1 | 1.6 | – |
| | Operating income (loss) | (2.0) | 0.3 | 2.3 | 7.6 | | | – | (4.5) |
| Others | Sales | 8.0 | 11.6 | 3.6 | 3.6 | – | – | – | – |
| | Operating income | 0.8 | 0.7 | (0.1) | 0.3 | – | – | – | (0.4) |
| Corporate expenses and eliminations | Operating loss | (7.3) | (7.8) | (0.5) | – | – | – | – | (0.5) |
| Consolidated | Sales | 919.0 | 966.9 | 47.9 | 26.4 | 8.0 | 9.4 | 13.5 | – |
| | Operating income ² | 74.2 | 70.9 | (3.3) | 9.9 | | | – | (21.2) |

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Forecast for fiscal year 2014

Consolidated operating performance forecast **AsahiKASEI**

(¥ billion)

| | FY 2013 | | | FY 2014 forecast | | | Increase (decrease) | FY 2014 forecast in May | Increase (decrease) |
|------------------|-----------------|-----------------|---------|------------------|----------------|---------|------------------------|-------------------------------|------------------------|
| | H1 ¹ | H2 ¹ | Total | H1 | H2 forecast | Total | | | |
| Net sales | 919.0 | 978.8 | 1,897.8 | 966.9 | 1,039.1 | 2,006.0 | 108.2 | 2,016.0 | (10.0) |
| Operating income | 74.2 | 69.1 | 143.3 | 70.9 | 83.1 | 154.0 | 10.7 | 150.0 | 4.0 |
| Ordinary income | 72.8 | 70.1 | 142.9 | 74.2 | 82.8 | 157.0 | 14.1 | 151.0 | 6.0 |
| Net income | 46.6 | 54.7 | 101.3 | 49.5 | 50.5 | 100.0 | (1.3) | 90.0 | 10.0 |

¹ The figures for H1 and H2 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

| | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|-------|--------|---------|
| Naphtha price (¥/kL, domestic) | 64,750 | 69,900 | 67,325 | 70,400 | 64,000 | 67,200 | (125) | 70,000 | (2,800) |
| ¥/US\$ exchange rate (market average) | 99 | 102 | 100 | 103 | 105 | 104 | 4 | 100 | 4 |

| | FY 2013 | FY 2014 |
|---------------------|---------|---------------|
| Dividends per share | ¥17 | ¥18 (planned) |
| Payout ratio | 23.5% | 25.1% |

Sales forecast by business category¹

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(¥ billion)

| | FY 2013 | | | FY 2014 forecast | | | Increase (decrease) | FY 2014 forecast in May | | | Increase (decrease) | | |
|---------------------------|---------|-------|---------|------------------|----------------|---------|------------------------|-------------------------|---------|---------|---------------------|-------|--------|
| | H1 | H2 | Total | H1 | H2 forecast | Total | | H1 | H2 | Total | H1 | H2 | Total |
| Chemicals | 397.0 | 394.6 | 791.6 | 413.1 | 433.9 | 847.0 | 55.4 | 414.0 | 434.0 | 848.0 | (0.9) | (0.1) | (1.0) |
| Fibers | 59.8 | 61.1 | 120.9 | 64.4 | 64.6 | 129.0 | 8.1 | 62.0 | 66.0 | 128.0 | 2.4 | (1.4) | 1.0 |
| Homes | 238.4 | 296.0 | 534.4 | 256.0 | 295.0 | 551.0 | 16.6 | 257.0 | 294.0 | 551.0 | (1.0) | 1.0 | - |
| Construction Materials | 27.8 | 27.2 | 55.0 | 26.5 | 28.5 | 55.0 | (0.0) | 30.0 | 30.0 | 60.0 | (3.5) | (1.5) | (5.0) |
| Electronics | 74.7 | 70.3 | 145.0 | 74.0 | 76.0 | 150.0 | 5.0 | 76.0 | 76.0 | 152.0 | (2.0) | 0.0 | (2.0) |
| Health Care | 75.8 | 76.8 | 152.5 | 73.3 | 76.7 | 150.0 | (2.5) | 76.0 | 82.0 | 158.0 | (2.7) | (5.3) | (8.0) |
| Critical Care | 37.5 | 42.3 | 79.8 | 48.1 | 54.9 | 103.0 | 23.2 | 46.0 | 52.0 | 98.0 | 2.1 | 2.9 | 5.0 |
| Others | 8.0 | 10.5 | 18.5 | 11.6 | 9.4 | 21.0 | 2.5 | 12.0 | 9.0 | 21.0 | (0.4) | 0.4 | - |
| Consolidated | 919.0 | 978.8 | 1,897.8 | 966.9 | 1,039.1 | 2,006.0 | 108.2 | 973.0 | 1,043.0 | 2,016.0 | (6.1) | (3.9) | (10.0) |

¹ Corresponding to the former operating segments.

Operating income forecast by business category¹

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(¥ billion)

| | FY 2013 | | | FY 2014 forecast | | | Increase (decrease) | FY 2014 forecast in May | | | Increase (decrease) | | |
|--|-----------------|-----------------|--------|------------------|----------------|--------|------------------------|----------------------------|-------|--------|---------------------|-------|-------|
| | H1 ² | H2 ² | Total | H1 | H2 forecast | Total | | H1 | H2 | Total | H1 | H2 | Total |
| Chemicals | 23.2 | 15.7 | 38.9 | 22.0 | 30.0 | 52.0 | 13.1 | 22.5 | 27.5 | 50.0 | (0.5) | 2.5 | 2.0 |
| Fibers | 4.4 | 4.2 | 8.6 | 4.7 | 4.3 | 9.0 | 0.4 | 4.0 | 5.0 | 9.0 | 0.7 | (0.7) | - |
| Homes | 26.5 | 36.4 | 63.0 | 27.0 | 31.0 | 58.0 | (5.0) | 26.0 | 30.0 | 56.0 | 1.0 | 1.0 | 2.0 |
| Construction Materials | 3.1 | 2.4 | 5.5 | 2.1 | 1.9 | 4.0 | (1.5) | 2.5 | 2.5 | 5.0 | (0.4) | (0.6) | (1.0) |
| Electronics | 9.3 | 5.0 | 14.2 | 7.4 | 7.6 | 15.0 | 0.8 | 7.0 | 8.0 | 15.0 | 0.4 | (0.4) | - |
| Health Care | 16.4 | 13.9 | 30.3 | 14.7 | 12.8 | 27.5 | (2.8) | 13.0 | 16.0 | 29.0 | 1.7 | (3.2) | (1.5) |
| Critical Care | (2.0) | (1.5) | (3.5) | 0.3 | 2.2 | 2.5 | 6.0 | (0.5) | 1.0 | 0.5 | 0.8 | 1.2 | 2.0 |
| Others | 0.8 | 0.9 | 1.7 | 0.7 | 0.8 | 1.5 | (0.2) | 0.5 | 1.0 | 1.5 | 0.2 | (0.2) | - |
| Corporate expenses and eliminations | (7.3) | (8.0) | (15.3) | (7.8) | (7.7) | (15.5) | (0.2) | (8.0) | (8.0) | (16.0) | 0.2 | 0.3 | 0.5 |
| Consolidated | 74.2 | 69.1 | 143.3 | 70.9 | 83.1 | 154.0 | 10.7 | 67.0 | 83.0 | 150.0 | 3.9 | 0.1 | 4.0 |

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for H1 and H2 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Sales and operating income forecast by segment¹

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Sales forecast

(¥ billion)

| | FY 2013 | | | FY 2014 forecast | | | Increase (decrease) | FY 2014 forecast in May | | | Increase (decrease) | | |
|--------------------------------|---------|-------|---------|------------------|----------------|---------|------------------------|----------------------------|---------|---------|------------------------|-------|--------|
| | H1 | H2 | Total | H1 | H2 forecast | Total | | H1 | H2 | Total | H1 | H2 | Total |
| Chemicals & Fibers | 456.8 | 455.7 | 912.5 | 477.5 | 498.5 | 976.0 | 63.5 | 476.0 | 500.0 | 976.0 | 1.5 | (1.5) | - |
| Homes & Construction Materials | 266.2 | 323.2 | 589.4 | 282.5 | 323.5 | 606.0 | 16.6 | 287.0 | 324.0 | 611.0 | (4.5) | (0.5) | (5.0) |
| Electronics | 74.7 | 70.3 | 145.0 | 74.0 | 76.0 | 150.0 | 5.0 | 76.0 | 76.0 | 152.0 | (2.0) | 0.0 | (2.0) |
| Health Care | 113.3 | 119.1 | 232.4 | 121.4 | 131.6 | 253.0 | 20.6 | 122.0 | 134.0 | 256.0 | (0.6) | (2.4) | (3.0) |
| Others | 8.0 | 10.5 | 18.5 | 11.6 | 9.4 | 21.0 | 2.5 | 12.0 | 9.0 | 21.0 | (0.4) | 0.4 | - |
| Consolidated | 919.0 | 978.8 | 1,897.8 | 966.9 | 1,039.1 | 2,006.0 | 108.2 | 973.0 | 1,043.0 | 2,016.0 | (6.1) | (3.9) | (10.0) |

Operating income forecast

(¥ billion)

| | FY 2013 | | | FY 2014 forecast | | | Increase (decrease) | FY 2014 forecast in May | | | Increase (decrease) | | |
|-------------------------------------|-----------------|-----------------|--------|------------------|----------------|--------|------------------------|----------------------------|-------|--------|------------------------|-------|-------|
| | H1 ² | H2 ² | Total | H1 | H2 forecast | Total | | H1 | H2 | Total | H1 | H2 | Total |
| Chemicals & Fibers | 27.6 | 19.9 | 47.4 | 26.6 | 34.4 | 61.0 | 13.6 | 26.5 | 32.5 | 59.0 | 0.1 | 1.9 | 2.0 |
| Homes & Construction Materials | 29.6 | 38.9 | 68.5 | 28.8 | 33.2 | 62.0 | (6.5) | 28.5 | 32.5 | 61.0 | 0.3 | 0.7 | 1.0 |
| Electronics | 9.3 | 5.0 | 14.2 | 7.4 | 7.6 | 15.0 | 0.8 | 7.0 | 8.0 | 15.0 | 0.4 | (0.4) | - |
| Health Care | 14.3 | 12.4 | 26.7 | 15.0 | 15.0 | 30.0 | 3.3 | 12.5 | 17.0 | 29.5 | 2.5 | (2.0) | 0.5 |
| Others | 0.8 | 0.9 | 1.7 | 0.7 | 0.8 | 1.5 | (0.2) | 0.5 | 1.0 | 1.5 | 0.2 | (0.2) | - |
| Corporate expenses and eliminations | (7.3) | (8.0) | (15.3) | (7.5) | (8.0) | (15.5) | (0.2) | (8.0) | (8.0) | (16.0) | 0.5 | (0.0) | 0.5 |
| Consolidated | 74.2 | 69.1 | 143.3 | 70.9 | 83.1 | 154.0 | 10.7 | 67.0 | 83.0 | 150.0 | 3.9 | 0.1 | 4.0 |

¹ Beginning with FY 2014, the former Chemicals segment and the former Fibers segment are combined as a new Chemicals & Fibers segment, the former Homes segment and the former Construction Materials segment are combined as a new Homes & Construction Materials segment, and the former Health Care segment and the former Critical Care segment are combined as a new Health Care segment.

² The figures for H1 and H2 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Appendix

Statements of comprehensive income

Asahi**KASEI**

(¥ billion)

| | H1 2013 ¹ | H1 2014 | Increase (decrease) |
|---|----------------------|---------|------------------------|
| a: Income before minority interests | 47.1 | 50.0 | 2.9 |
| Net increase or decrease in unrealized gain on other securities | 9.6 | 9.7 | 0.1 |
| Deferred gains or losses on hedges | 0.5 | 0.1 | (0.4) |
| Foreign currency translation adjustment | 13.1 | 20.5 | 7.4 |
| Remeasurements of defined benefit plans, net of tax | - | 1.8 | 1.8 |
| Share of other comprehensive income of affiliates accounted for using equity method | 0.2 | 2.1 | 1.9 |
| b: Other comprehensive income | 23.4 | 34.2 | 10.8 |
| Comprehensive income [a+b] | 70.5 | 84.2 | 13.6 |
| Comprehensive income attributable to owners of the parent | 69.9 | 83.3 | 13.4 |
| Comprehensive income attributable to minority interests | 0.7 | 0.9 | 0.2 |

¹ The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

H1 2014 vs. H1 2013 sales and operating income by business category¹

AsahiKASEI

(¥ billion)

| | Sales | | | Operating income (loss) | | | H1 2014 forecast in Aug. | |
|-------------------------------------|---------|---------|---------------------|-------------------------|---------|---------------------|--------------------------|-------------------------|
| | H1 2013 | H1 2014 | Increase (decrease) | H1 2013 ² | H1 2014 | Increase (decrease) | Sales | Operating income (loss) |
| Chemicals | 397.0 | 413.1 | 16.1 | 23.2 | 22.0 | (1.2) | 417.0 | 21.5 |
| Fibers | 59.8 | 64.4 | 4.6 | 4.4 | 4.7 | 0.3 | 63.0 | 4.0 |
| Homes | 238.4 | 256.0 | 17.6 | 26.5 | 27.0 | 0.4 | 257.0 | 26.5 |
| Construction Materials | 27.8 | 26.5 | (1.3) | 3.1 | 2.1 | (1.0) | 28.0 | 2.0 |
| Electronics | 74.7 | 74.0 | (0.7) | 9.3 | 7.4 | (1.9) | 75.0 | 7.5 |
| Health Care | 75.8 | 73.3 | (2.5) | 16.4 | 14.7 | (1.6) | 76.0 | 13.0 |
| Critical Care | 37.5 | 48.1 | 10.6 | (2.0) | 0.3 | 2.3 | 48.0 | 0.0 |
| Others | 8.0 | 11.6 | 3.6 | 0.8 | 0.7 | (0.1) | 12.0 | 0.5 |
| Corporate expenses and eliminations | – | – | – | (7.3) | (7.8) | (0.5) | – | (8.0) |
| Consolidated | 919.0 | 966.9 | 47.9 | 74.2 | 70.9 | (3.3) | 976.0 | 67.0 |

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Quarterly sales by business category¹

Asahi**KASEI**

(¥ billion)

| | FY 2012 | | | | FY 2013 | | | | FY 2014 | | FY2014 |
|----------------------------|---------|-------|-------|-------|---------|-------|-------|-------|---------|-------|----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | H2 forecast |
| Chemicals | 161.1 | 171.3 | 169.0 | 183.2 | 193.1 | 203.9 | 201.4 | 193.2 | 196.9 | 216.2 | 433.9 |
| Fibers | 26.3 | 27.6 | 27.5 | 28.3 | 28.8 | 31.0 | 30.1 | 31.0 | 30.9 | 33.5 | 64.6 |
| Homes | 86.3 | 126.7 | 117.4 | 155.7 | 98.4 | 140.0 | 121.8 | 174.2 | 105.5 | 150.5 | 295.0 |
| Construction Materials | 11.5 | 13.2 | 14.4 | 12.3 | 13.1 | 14.7 | 15.0 | 12.2 | 12.3 | 14.2 | 28.5 |
| Electronics | 34.0 | 33.0 | 33.2 | 31.0 | 36.5 | 38.2 | 36.6 | 33.7 | 35.8 | 38.2 | 76.0 |
| Health Care | 32.4 | 32.4 | 36.1 | 32.6 | 38.3 | 37.5 | 41.2 | 35.6 | 35.7 | 37.5 | 76.7 |
| Critical Care ² | 9.1 | 13.8 | 13.3 | 16.0 | 17.8 | 19.8 | 20.1 | 22.2 | 23.3 | 24.9 | 54.9 |
| Others | 4.4 | 4.5 | 4.2 | 5.0 | 4.0 | 4.0 | 4.5 | 6.0 | 6.9 | 4.8 | 9.4 |
| Total | 365.0 | 422.5 | 415.1 | 464.0 | 430.0 | 489.0 | 470.7 | 508.1 | 447.1 | 519.8 | 1,039.1 |

¹ Corresponding to the former operating segments.

² Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. were included beginning on April 27, 2012.

Quarterly operating income by business category¹

Asahi**KASEI**

(¥ billion)

| | FY 2012 | | | | FY 2013 | | | | FY 2014 | | FY 2014 |
|-------------------------------------|-------------|-------------|-------------|-------------|-----------------|-----------------|-----------------|-------------|-------------|-------------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 ² | Q2 ² | Q3 ² | Q4 | Q1 | Q2 | H2 forecast |
| Chemicals | 4.3 | 10.2 | 2.9 | 5.5 | 10.2 | 13.0 | 10.0 | 5.7 | 7.1 | 14.9 | 30.0 |
| Fibers | 0.6 | 1.1 | 1.3 | 1.0 | 2.2 | 2.2 | 2.3 | 1.8 | 2.2 | 2.5 | 4.3 |
| Homes | 3.6 | 15.2 | 13.0 | 22.5 | 6.6 | 19.9 | 12.2 | 24.2 | 8.4 | 18.5 | 31.0 |
| Construction Materials | 0.5 | 1.1 | 1.7 | 0.7 | 1.3 | 1.7 | 2.0 | 0.5 | 0.9 | 1.2 | 1.9 |
| Electronics | (0.4) | 0.4 | 1.4 | 1.4 | 3.8 | 5.5 | 3.6 | 1.4 | 4.0 | 3.4 | 7.6 |
| Health Care | 4.7 | 2.8 | 7.0 | 1.5 | 9.0 | 7.4 | 10.0 | 3.9 | 8.1 | 6.6 | 12.8 |
| Critical Care ³ | (0.5) | (0.6) | (1.2) | (1.3) | (1.5) | (0.5) | (0.7) | (0.8) | (0.3) | 0.6 | 2.2 |
| Others | 0.8 | 0.3 | 0.5 | 0.6 | 0.4 | 0.4 | 0.2 | 0.8 | 0.4 | 0.3 | 0.8 |
| Corporate expenses and eliminations | (2.9) | (3.0) | (2.2) | (2.3) | (3.7) | (3.6) | (4.0) | (4.0) | (4.2) | (3.6) | (7.7) |
| Total | 10.8 | 27.5 | 24.2 | 29.4 | 28.3 | 45.9 | 35.6 | 33.5 | 26.6 | 44.3 | 83.1 |

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² The figures for Q1, Q2, and Q3 of FY 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

³ Critical Care is added as a new operating segment in FY 2012, in which results of ZOLL Medical Corp., etc. were included beginning on April 27, 2012.

Primary investments by business category¹

AsahiKASEI

(¥ billion)

| | Capital expenditures | | | Depreciation and amortization | | | R&D expenditures | | |
|-----------------------------------|----------------------|------------------|-------------|-------------------------------|------------------|-------------|------------------|------------------|-------------|
| | FY 2013 | FY 2014 forecast | | FY 2013 | FY 2014 forecast | | FY 2013 | FY 2014 forecast | |
| | | H1 | | | H1 | | | H1 | |
| Chemicals | 30.8 | 14.6 | 39.0 | 31.1 | 13.8 | | 15.2 | 7.5 | |
| Fibers | 8.0 | 4.2 | 8.5 | 5.9 | 3.1 | | 3.1 | 1.5 | |
| Homes | 8.7 | 5.0 | 11.0 | 5.9 | 3.1 | | 2.2 | 1.1 | |
| Construction Materials | 6.4 | 0.9 | 1.5 | 2.2 | 1.4 | | 0.9 | 0.5 | |
| Electronics | 14.6 | 6.1 | 16.0 | 14.3 | 6.5 | | 16.4 | 8.6 | |
| Health Care | 9.5 | 1.9 | 8.0 | 10.0 | 4.2 | | 19.7 | 9.6 | |
| Critical Care | 8.7 | 4.7 | 7.0 | 10.0 | 5.1 | | 6.2 | 3.7 | |
| Others | 1.4 | 0.5 | 1.5 | 1.0 | 0.5 | | 0.1 | 0.0 | |
| Corporate assets and eliminations | 4.5 | 4.8 | 6.0 | 5.7 | 2.9 | | 7.5 | 3.4 | |
| Total | 92.4 | 42.7 | 98.5 | 86.1 | 40.6 | 86.0 | 71.1 | 36.0 | 82.0 |

Amortization of goodwill²

8.8 4.3

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Amortization of goodwill related to acquisition of ZOLL Medical Corp., etc. incurred from FY 2012.

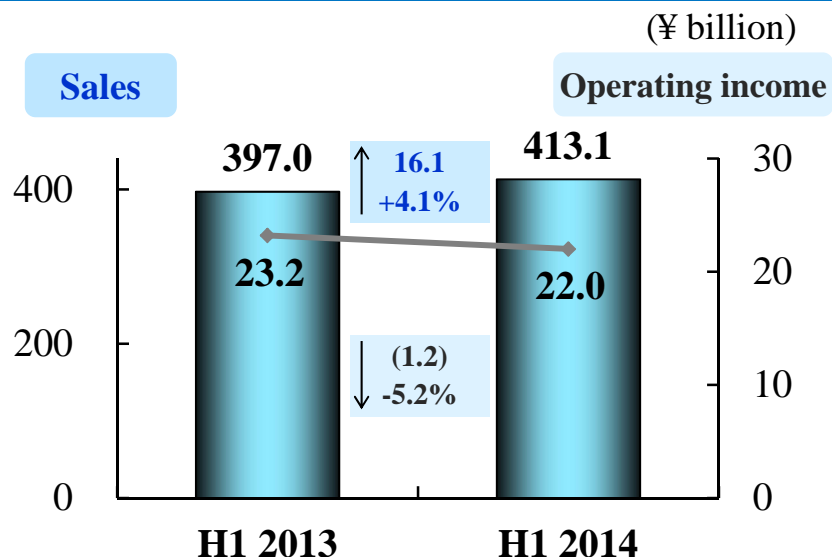
Completed in H1 2014

- Bemberg cupro fiber – capacity increase in Nobeoka, Japan, May 2014.*

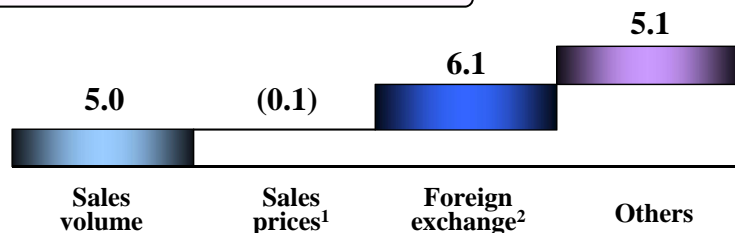
Under construction at end of Sep. 2014

- Solution-SBR – 50,000 t/y capacity increase in Singapore, first half 2015.*
- Duranate hexamethylene diisocyanate (HDI)-based polyisocyanate – 10,000 t/y capacity increase in China, early 2015.
- Duranol polycarbonatediol (PCD) – new 3,000 t/y plant in China, early 2015.
- AZP transparent polymer for optical applications – new several thousand t/y plant in Chiba, Japan, first half 2015.
- Spunbond nonwoven – 20,000 t/y capacity increase in Thailand, Nov. 2015.*

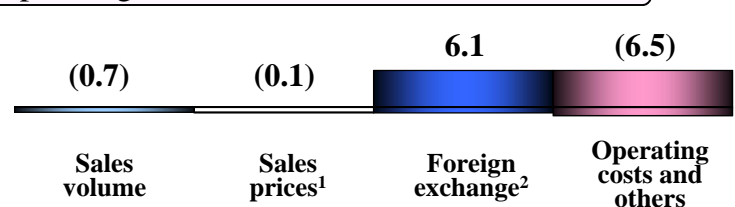
* Investment of ¥3 billion or more.



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

Petrochemicals:

Declined market prices for styrene monomer. Improved market prices for acrylonitrile. Positive effects of strengthening of petrochemical operations in Japan. Sales and operating income increase.

Performance polymers:

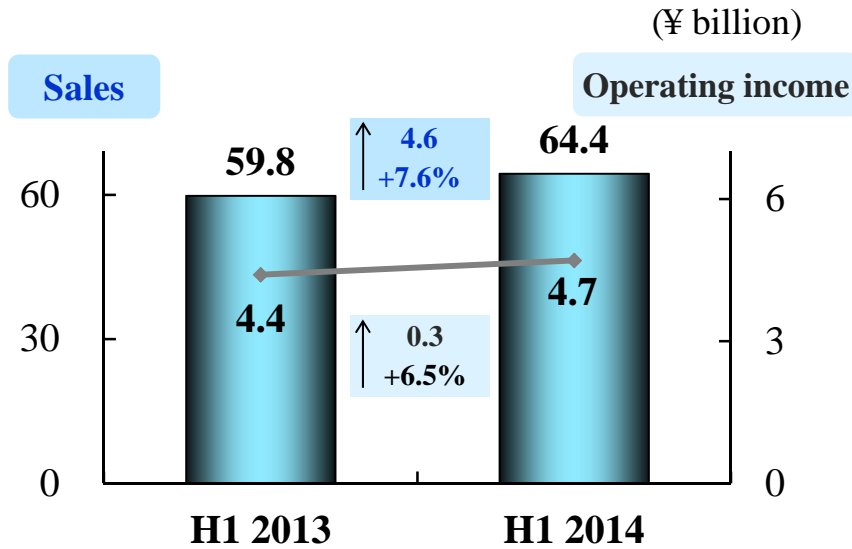
Firm sales of engineering plastics and of synthetic rubber for fuel-efficient tires. Low overseas market prices for synthetic rubber for other applications. Sales increase, but operating income decrease.

Specialty products:

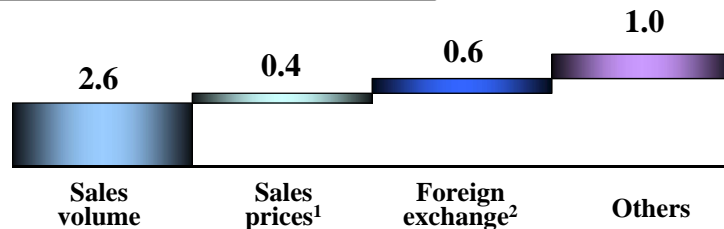
Firm sales of ion-exchange membranes. Increased advertising expenses and the effect of the consumption tax increase for Saran Wrap cling film and other consumables. Sales and operating income decrease.

Highlights

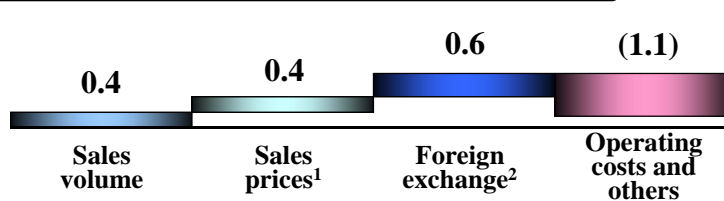
- May, decision to construct a second plant for plastic compounds in the US.
- June, decision to construct manufacturing facilities for AZP, a new transparent polymer featuring zero birefringence for optical applications.



Sales increases/decreases due to:



Operating income increases/decreases due to:



Review of operations

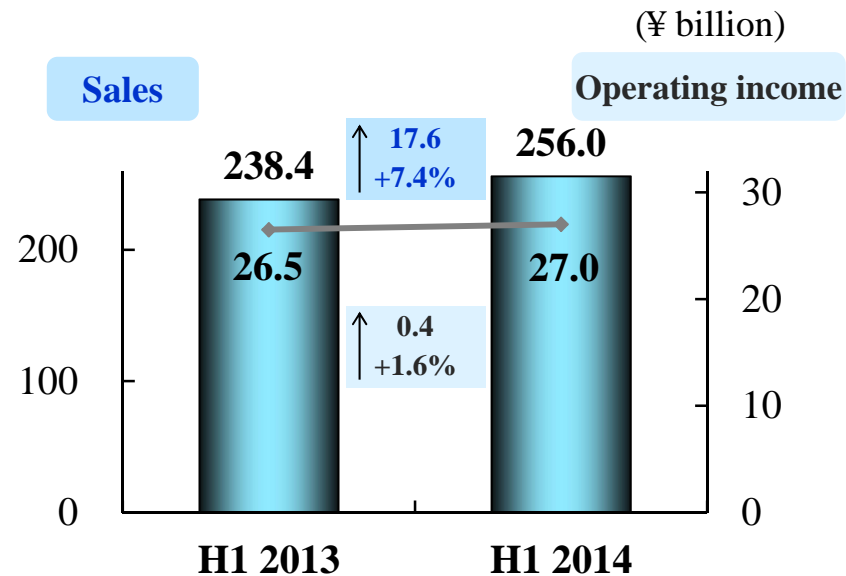
High costs for naphtha-derived feedstocks for spunbond nonwoven and Leona nylon 66 filament. Increased depreciation expenses for a new production facility for Bemberg cupro fiber. Firm sales of Bemliese continuous-filament cellulosic nonwoven for facial masks etc. and of Roica elastic polyurethane filament. Sales and operating income increase.

Highlights

- May, decision to expand production capacity for spunbond nonwoven in Thailand.
- June, start of commercial operation of new production facility for Bemberg.
- September, launch of Roboden elastic electric wire using Roica.
- October, opening of Cupro Lining Museum+.

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

² Impact of foreign exchange on sales prices



Results by product category

(¥ billion)

| | H1 2013 | | H1 2014 | | Increase (decrease) | |
|---|--------------|------------------|--------------|------------------|---------------------|------------------|
| | Sales | Operating income | Sales | Operating income | Sales | Operating income |
| Order-built homes, etc. (Asahi Kasei Homes) | 181.0 | 21.5 | 187.9 | 19.7 | 7.0 | (1.7) |
| Real estate (Asahi Kasei Fudousan Residence) | 32.1 | 1.6 | 40.6 | 3.3 | 8.5 | 1.7 |
| Remodeling (Asahi Kasei Reform) | 24.5 | 3.0 | 26.3 | 2.8 | 1.7 | (0.2) |
| Other housing-related, etc. | 0.8 | 0.5 | 1.1 | 1.2 | 0.3 | 0.7 |
| Total | 238.4 | 26.5 | 256.0 | 27.0 | 17.6 | 0.4 |

Review of operations

Order-built homes:

- Increased deliveries mainly for Hebel Maison apartment buildings based on strong orders in the previous fiscal year. Increased construction and advertising expenses. Sales increase, but operating income decrease.
- Value of new orders decreased by 13.6% year-on-year, as a result of high level of orders received in the first half a year ago due to the surge in demand prior to the consumption tax increase.

Real estate, remodeling and others:

Decreased orders in reaction to the surge in demand prior to the consumption tax increase in remodeling. Good performance in real estate with the completion of a large condominium.

Highlights

- May, adoption of newly developed seismic damping system as standard equipment for Hebel Haus Frex steel-framed three-story houses.
- August, launch of Hebel Haus Cut&Gable as a new addition to the Hebel Haus Frex series, featuring a gable-shaped wall for more varied appearance and greater flexibility in spatial design.

Homes (i)

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 | | |
|------|-----------------|-------------------------------------|----------------------------------|--------------------------|----------------|-------------|---------------------------|---------------------|---------------|----------------|---------------|
| 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 |
| | 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 |
| | H2 | 169.4 (-17.3%) | 213.1 (+3.5%) | 24.8 | 27.9 | 1.1 | 53.7 | 28.1 | 1.1 | 296.0 (+8.4%) | 481.5 |
| | annual | 421.3 (+2.2%) | 394.1 (+7.3%) | 29.3 | 54.1 | 2.5 | 85.8 | 52.6 | 1.9 | 534.4 (+9.9%) | |
| FY14 | H1 | 217.6 (-13.6%) | 187.9 (+3.9%) | 9.8 | 29.3 | 1.4 | 40.6 | 26.3 | 1.1 | 256.0 (+7.4%) | 516.3 |
| | H2 forecast | 224.4 (+32.5%) | 214.1 (+0.4%) | 18.2 | 31.7 | 2.1 | 51.9 | 28.7 | 0.4 | 295.0 (-0.3%) | 532.6 |
| | annual forecast | 442.0 (+4.9%) | 402.0 (+2.0%) | 28.0 | 61.0 | 3.5 | 92.5 | 55.0 | 1.5 | 551.0 (+3.1%) | |

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.

Homes (ii)

Breakdown of H1 2014 sales and orders of Asahi Kasei Homes

(% change from previous year)

| | | Net sales | | Number of units sold | | Orders received | | | |
|-------------------------|-----------|-------------|------------|----------------------|------------|-----------------|------------|---------|------------|
| | | (¥ billion) | (% change) | (units) | (% change) | (¥ billion) | (% change) | (units) | (% change) |
| Unit homes | 1-2 story | 104.2 | -6.1% | 3,389 | -8.0% | 109.5 | -16.8% | 3,747 | -11.2% |
| | 3+ story | 39.5 | +8.8% | 1,545 | +14.9% | 54.6 | -8.5% | 2,256 | -1.6% |
| | Total | 143.7 | -2.4% | 4,934 | -1.9% | 164.1 | -14.2% | 6,003 | -7.8% |
| Multi-dwelling homes | 1-2 story | 13.5 | +38.7% | 1,063 | +39.3% | 17.4 | -19.9% | 1,397 | -16.6% |
| | 3+ story | 25.7 | +31.6% | 1,927 | +33.3% | 36.1 | -7.0% | 2,774 | -3.7% |
| | Total | 39.2 | +33.9% | 2,990 | +35.4% | 53.5 | -11.6% | 4,171 | -8.4% |
| Order-built homes total | | 182.9 | +3.6% | 7,924 | +9.5% | 217.6 | -13.6% | 10,174 | -8.1% |
| Other ¹ | | 5.1 | +14.6% | 14 | -33.3% | - | - | - | - |
| Asahi Kasei Homes total | | 187.9 | +3.9% | 7,938 | +9.4% | 217.6 | -13.6% | 10,174 | -8.1% |

¹ Includes sales of street-corner showrooms and land for Hebel Haus construction, insurance commissions, etc.

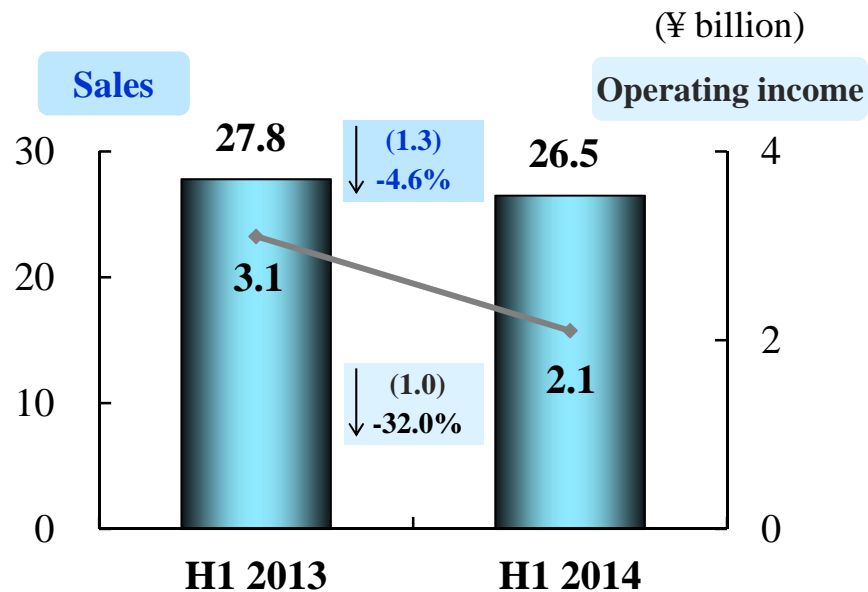
Homes (iii)

Breakdown of FY 2014 sales and order forecast of Asahi Kasei Homes

(% change from previous year)

| | | Net sales | | Number of units sold | | Orders received | | | |
|-------------------------|-----------|-------------|------------|----------------------|------------|-----------------|------------|---------|------------|
| | | (¥ billion) | (% change) | (units) | (% change) | (¥ billion) | (% change) | (units) | (% change) |
| Unit homes | 1-2 story | 214.3 | -5.3% | 7,200 | -3.5% | 227.3 | +3.4% | 7,684 | +6.8% |
| | 3+ story | 86.6 | +1.3% | 3,400 | +1.7% | 105.6 | +3.0% | 4,338 | +7.2% |
| | Total | 300.9 | -3.5% | 10,600 | -1.9% | 332.9 | +3.2% | 12,022 | +7.0% |
| Multi-dwelling homes | 1-2 story | 32.8 | +18.3% | 2,600 | +19.0% | 36.3 | +2.6% | 2,919 | +4.7% |
| | 3+ story | 57.2 | +27.6% | 4,100 | +22.3% | 72.8 | +14.7% | 5,559 | +16.3% |
| | Total | 90.1 | +24.0% | 6,700 | +21.0% | 109.1 | +10.4% | 8,478 | +12.0% |
| Order-built homes total | | 391.0 | +1.7% | 17,300 | +5.9% | 442.0 | +4.9% | 20,500 | +9.0% |
| Other ¹ | | 11.0 | +12.8% | 40 | +11.1% | - | - | - | - |
| Asahi Kasei Homes total | | 402.0 | +2.0% | 17,340 | +5.9% | 442.0 | +4.9% | 20,500 | +9.0% |

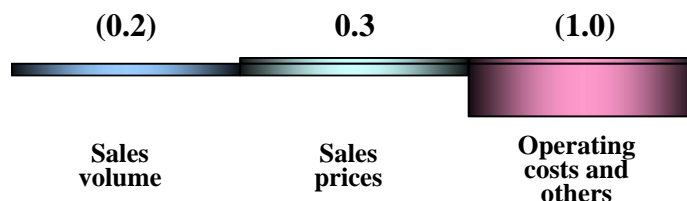
¹ Includes sales of street-corner showrooms and land for Hebel Haus construction, insurance commissions, etc.



Sales increases/decreases due to:



Operating income increases/decreases due to:

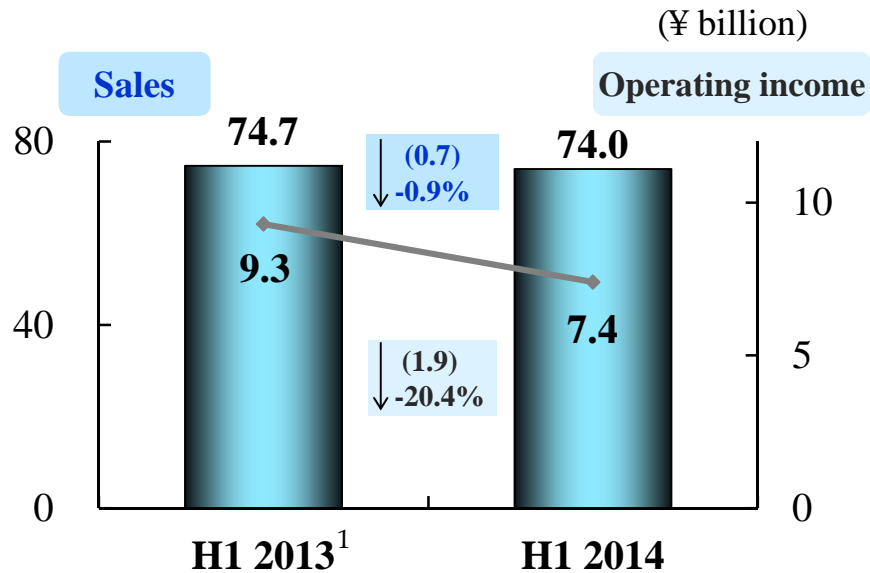


Review of operations

Increased shipments of Hebel autoclaved aerated concrete panels. For Neoma high-performance phenolic foam insulation panels, decreased shipments as an effect of the consumption tax increase, and increased depreciation expenses for a new production line. Sales and operating income decrease.

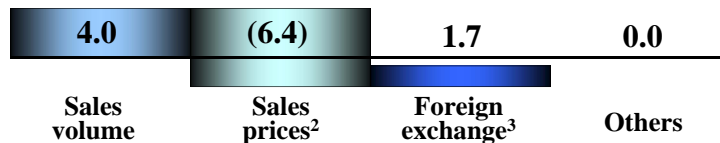
Highlights

- June, launch of Neoma panel for insulation retrofitting that enables residents to continue living in the house during installation.

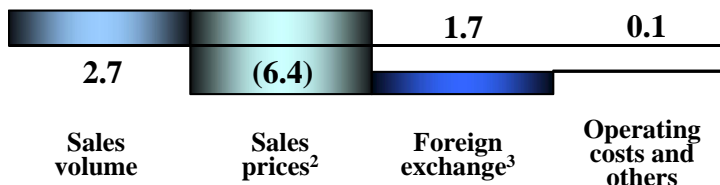


¹ The figures for H1 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Sales increases/decreases due to:



Operating income increases/decreases due to:



² Increase (decrease) in sales prices excluding impact of foreign exchange

³ Impact of foreign exchange on sales prices

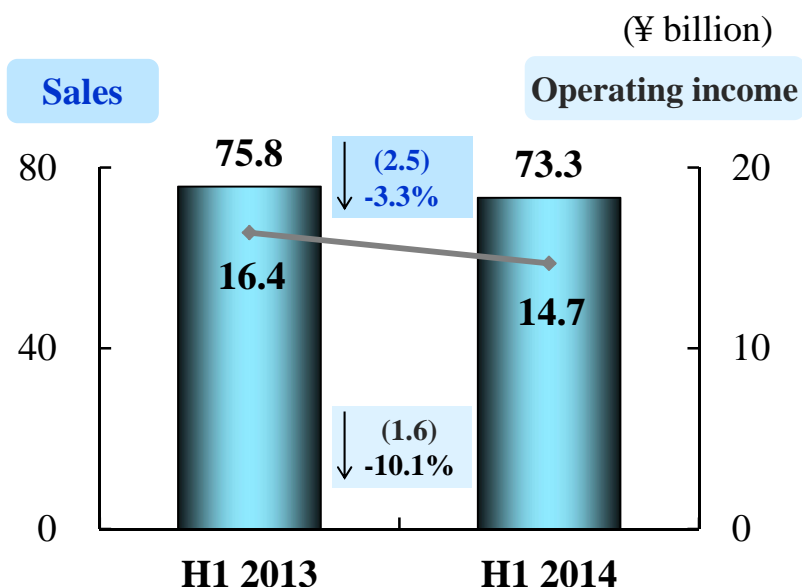
Review of operations

Electronic devices:

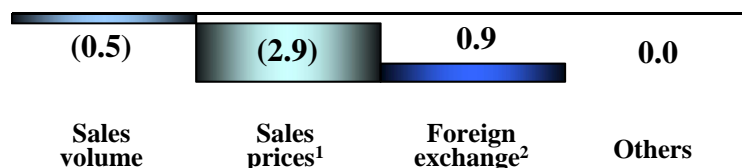
Decreased shipments of crystal oscillator ICs. Increased cost of goods sold in reaction to a build-up of inventories prior to the closure of the Tateyama facility in fiscal 2013. Sales and operating income decrease.

Electronic materials:

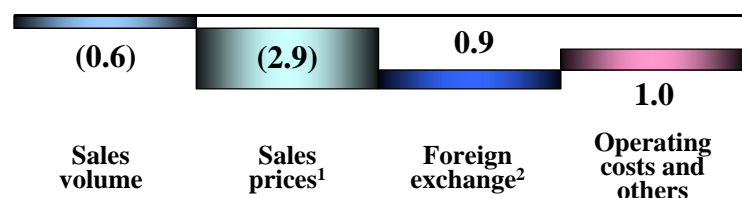
Increased sales of high-end products in each product category. Decreased sales prices mainly for Hipore Li-ion battery separator. Slight sales increase, but operating income decrease.



Sales increases/decreases due to:



Operating income increases/decreases due to:



Review of operations

Pharmaceuticals:

Reduced reimbursement prices for pharmaceutical products excluding new drugs. Decreased shipments of Teribone osteoporosis drug and Recomodulin recombinant thrombomodulin in reaction to the surge in demand prior to the consumption tax increase. Sales and operating income decrease.

Devices:

Firm sales of dialysis products and of therapeutic apheresis devices. Increased shipments of Planova virus removal filters. Sales and operating income increase.

Highlights

- May, decision to construct a new manufacturing facility for recombinant thrombomodulin alpha, the active ingredient of Recomodulin anticoagulant intravenous infusion 12800, in Fuji, Japan.
- July, application in Japan for manufacturing and marketing of XIAFLEX for Dupuytren's contracture.

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

² Impact of foreign exchange on sales prices

Health Care (i)

Sales of Health Care segment

(¥ billion)

| | | FY 2013 | | FY 2014 | |
|---------------------------------|--------------------------|---------|-------|---------|----------|
| | | H1 | Total | H1 | forecast |
| | Domestic pharmaceuticals | 40.8 | 82.2 | 38.1 | 79.0 |
| | Others | 3.3 | 5.8 | 2.4 | 5.0 |
| Asahi Kasei Pharma consolidated | | 44.1 | 88.0 | 40.5 | 84.0 |
| Devices ¹ | | 31.7 | 64.5 | 32.7 | 66.0 |
| Total | | 75.8 | 152.5 | 73.3 | 150.0 |

¹ Asahi Kasei Medical and its affiliate companies.

Main pharmaceuticals domestic sales

(¥ billion)

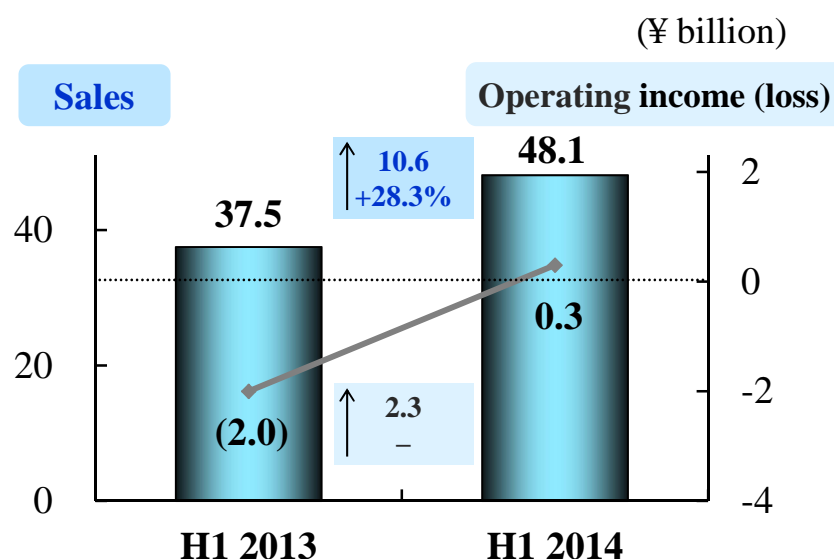
| | FY 2013 | | FY 2014 | |
|-------------|---------|-------|---------|----------|
| | H1 | Total | H1 | forecast |
| Teribon | 12.8 | 26.9 | 12.5 | 27.9 |
| Flivas | 7.0 | 14.2 | 6.5 | 13.2 |
| Recomodulin | 5.9 | 12.6 | 5.5 | 13.0 |
| Elcitonin | 4.3 | 7.9 | 3.3 | 6.0 |
| Bredinin | 3.2 | 6.3 | 2.8 | 5.5 |

Main pharmaceutical products

| | Generic name | Mechanism/ substance class | Indication | Formulation |
|-------------|----------------------------------|---|---|-------------|
| Teribone | Teriparatide acetate | Synthetic human parathyroid hormone (PTH) | Osteoporosis with high risk of fracture | Injection |
| Flivas | Naftopidil | Selective α -1 blocker | Benign prostatic hypertrophy | Tablet |
| Recomodulin | Recombinant thrombomodulin alpha | Anticoagulant | Disseminated intravascular coagulation | Injection |
| Elcitonin | Elcatonin | Eel calcitonin derivative | Osteoporosis pain | Injection |
| Bredinin | Mizoribine | Immunosuppressant | Rheumatoid arthritis, kidney transplantation, nephrosis syndrome, lupus nephritis | Tablet |

Pharmaceutical pipeline

| Development stage | Code name, form, generic name | Remarks | Classifications | Indication | Origin |
|----------------------|--|--|--------------------------------------|--|----------|
| Pending approval | AK-160, injection | New biologic | Collagenase clostridium histolyticum | Dupuytren's contracture | Licensed |
| Phase III | AK-156, injection, zoledronic acid | New efficacy, new dose; once-yearly administration | Bisphosphonate | Osteoporosis | 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 | Sepsis with disseminated intravascular coagulation | 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. Increased sales of other products such as defibrillators and related accessories. Increased selling, general and administrative expenses with reinforced sales activity. Sales and operating income increase.

Highlights

- June, approval in Japan for manufacturing and marketing of the R Series defibrillator for hospital use.
- October, agreement to purchase substantially all assets of Impact Instrumentation, Inc., a U.S. manufacturer of respiratory care products.

Financial performance of Critical Care segment

(¥ billion)

| | FY 2013 | | | FY 2014 forecast | | |
|---|---------|-------|---------|------------------|-------------|------------------|
| | H1 | H2 | FY 2013 | H1 | H2 forecast | FY 2014 forecast |
| Net sales | 37.5 | 42.3 | 79.8 | 48.1 | 54.9 | 103.0 |
| Gross operating income before PPA ¹ impact | 4.6 | 4.9 | 9.5 | 6.6 | 8.6 | 15.2 |
| Amortization/depreciation from PPA ¹ revaluation | (6.6) | (6.4) | (13.0) | (6.3) | (6.4) | (12.7) |
| Goodwill | (3.5) | (3.6) | (7.1) | (3.7) | (3.7) | (7.4) |
| Other intangible assets, etc. | (3.1) | (2.8) | (5.9) | (2.7) | (2.6) | (5.3) |
| Consolidated operating income (loss) | (2.0) | (1.5) | (3.5) | 0.3 | 2.2 | 2.5 |

¹ Purchase price allocation.

– 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.