

**Fiscal 2015 2<sup>nd</sup> Quarter  
Financial Results**  
– supplementary financial summary –

November 6, 2015  
Asahi Kasei Corporation

## Note regarding manipulation of pile installation data by Asahi Kasei Construction Materials Corp.

It has become clear that Asahi Kasei Construction Materials Corp., a subsidiary of Asahi Kasei Corp., manipulated data for the installation of precast concrete piles.

The financial impact of this matter is not reflected in the consolidated financial statements for the 1st half of FY 2015 or the forecast for the full year due to the difficulty of making a rational estimate at the present time.

## **Consolidated results for 1<sup>st</sup> half fiscal year 2015**

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– Disclaimer –

The forecasts and estimates shown in this document are dependent on a variety of assumptions and economic conditions. Plans and figures depicting the future do not imply a guarantee of actual outcomes.

# Consolidated results for 1<sup>st</sup> half fiscal year 2015

# Summary of financial results (i)

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(¥ billion)

	H1 2014	H1 2015 <sup>1</sup>		H1 2015 vs. H1 2014		Result vs. forecast in Aug.	
		Result	Forecast in Aug.	Increase (decrease)	% change	Increase (decrease)	% change
Net sales	966.9	957.4	955.0	(9.5)	-1.0%	2.4	+0.3%
Operating income	70.9	84.4	77.0	13.5	+19.1%	7.4	+9.7%
Ordinary income	74.2	81.4	77.0	7.3	+9.8%	4.4	+5.8%
Net income attributable to owners of the parent	49.5	47.2	47.5	(2.4)	-4.8%	(0.3)	-0.7%

<sup>1</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015 (US Eastern time), etc. are included.

	At end of Mar. 2015	At end of Sep. 2015	Increase (decrease)
Total assets	2,014.5	2,353.4	338.9
Equity	1,082.7	1,095.5	12.9
Interest-bearing debt	269.0	510.7	241.7
Debt/equity ratio	0.25	0.47	0.22

## Summary of financial results (ii)

	H1 2014	H1 2015
Dividends per share	¥9	¥10
Net income per share (EPS)	¥35.44	¥33.77
Net worth per share (BPS)	¥691.85	¥784.30

### Scope of consolidation

Number of consolidated subsidiaries	132	172
Number of affiliates for which the equity method is applied	38	31

### Key operating factors

Naphtha price (¥/kL, domestic)	70,400	48,000
¥/US\$ exchange rate (market average)	103	122
Employees at end of period	29,862	32,790

# Statements of income

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(¥ billion)

	H1 2014		H1 2015		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	966.9	100.0%	957.4	100.0%	(9.5)	-1.0%
Cost of sales	707.0	73.1%	667.4	69.7%	(39.7)	-5.6%
Gross profit	259.9	26.9%	290.1	30.3%	30.2	+11.6%
Selling, general and administrative expenses	189.0	19.5%	205.6	21.5%	16.6	+8.8%
Operating income	70.9	7.3%	84.4	8.8%	13.5	+19.1%
Net non-operating income (expenses)	3.2		(3.0)		(6.2)	
of which,						
net financing income (expense)	1.1		1.6		0.4	
net equity in earnings (losses) of affiliates	1.2		(1.8)		(3.1)	
foreign exchange income (loss)	2.0		(0.8)		(2.8)	
Ordinary income	74.2	7.7%	81.4	8.5%	7.3	+9.8%
Net extraordinary income (loss)	(0.0)		(5.5)		(5.5)	
Income before income taxes and minority interests	74.1	7.7%	75.9	7.9%	1.8	+2.4%
Income taxes	(24.2)		(28.3)		(4.1)	
Net income attributable to non-controlling interests	(0.4)		(0.5)		(0.1)	
Net income attributable to owners of the parent	49.5	5.1%	47.2	4.9%	(2.4)	-4.8%



# Financing activity

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## Financing income and expenses

(¥ billion)

	H1 2014	H1 2015	Increase (decrease)
Interest expenses	(1.6)	(1.7)	(0.1)
Interest income	0.7	0.7	0.1
Dividends income	2.1	2.6	0.5
Others	(0.0)	(0.0)	(0.0)
Total	1.1	1.6	0.4

## Interest-bearing debt

(¥ billion)

	At end of Sep. 2014	At end of Mar. 2015	At end of Sep. 2015	Mar.–Sep. 2015 increase (decrease)
Short-term loans payable	90.4	96.0	331.4	235.4
Commercial paper	18.0	–	12.0	12.0
Long-term loans payable	131.7	130.4	125.5	(4.9)
Bonds payable	40.0	40.0	40.0	–
Lease obligations	3.3	2.6	1.9	(0.7)
Total	283.4	269.0	510.7	241.7

# Extraordinary income and loss

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(¥ billion)

	H1 2014	H1 2015	Increase (decrease)
Extraordinary income			
Gain on sales of investment securities	2.3	0.0	(2.2)
Gain on sales of property, plant and equipment	0.2	0.1	(0.1)
Total extraordinary income	2.5	0.1	(2.4)
Extraordinary loss			
Loss on sales of investment securities	0.1	–	(0.1)
Loss on valuation of investment securities	0.5	0.3	(0.3)
Loss on disposal of noncurrent assets	1.2	1.5	0.3
Impairment loss	0.1	0.4	0.2
Business structure improvement expenses	0.6	0.6	0.0
Provision for loss on litigation	–	2.9	2.9
Total extraordinary loss	2.6	5.6	3.1
Net extraordinary income (loss)	(0.0)	(5.5)	(5.5)

# Balance sheets<sup>1</sup>

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(¥ billion)

	At end of Mar. 2015	At end of Sep. 2015	Increase (decrease)		At end of Mar. 2015	At end of Sep. 2015	Increase (decrease)
Current assets	891.6	939.9	48.3	Liabilities	916.8	1,243.0	326.2
Cash and deposits	123.8	160.9	37.1	Current liabilities	507.4	805.4	298.0
Notes and accounts receivable–trade	325.6	308.0	(17.6)	Noncurrent liabilities	409.4	437.6	28.2
Inventories	339.7	374.1	34.4	Net assets	1,097.7	1,110.4	12.7
Other current assets	102.5	96.9	(5.6)	Shareholders' equity	879.0	912.2	33.1
Noncurrent assets	1,123.0	1,413.6	290.6	Capital stock	103.4	103.4	–
Property, plant and equipment	502.5	560.3	57.8	Capital surplus	79.4	79.4	0.0
Intangible assets	286.1	543.5	257.4	Retained earnings	699.3	732.5	33.2
Investments and other assets	334.4	309.7	(24.6)	Treasury stock	(3.0)	(3.1)	(0.1)
				Accumulated other comprehensive income	203.6	183.4	(20.3)
				Non-controlling interests	15.1	14.9	(0.1)
Total assets	2,014.5	2,353.4	338.9	Total liabilities and net assets	2,014.5	2,353.4	338.9

<sup>1</sup> Among the total assets/total liabilities and net assets at the end of Sep. 2015, ¥373.3 billion is attributed to the effect of the acquisition and consolidation of Polypore International, Inc. and its consolidated subsidiaries. Notable items include ¥261.7 billion in intangible assets (of which ¥181.6 billion is goodwill), and ¥281.7 billion in liabilities (interest-bearing debt).

# Cash flows and primary investments

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## Cash flows

(¥ billion)

	H1 2014	H1 2015
a. Net cash provided by (used in) operating activities	43.0	112.0
b. Net cash provided by (used in) investing activities	(47.8)	(235.5)
c. Free cash flows [a+b]	(4.8)	(123.5)
d. Net cash provided by (used in) financing activities	(40.0)	165.0
e. Effect of exchange rate change on cash and cash equivalents	1.9	(4.1)
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(42.9)	37.5
g. Cash and cash equivalents at beginning of period	143.1	112.3
h. Increase in cash and cash equivalents resulting from change of scope of consolidation	0.1	6.3
i. Cash and cash equivalents at end of period [f+g+h]	100.4	156.1

## Primary investments

(¥ billion)

	FY 2014		FY 2015	
	H1 2014	FY 2014	H1 2015	forecast
Capital expenditure (tangible)	36.8	78.3	38.3	90.0
Capital expenditure (intangible)	5.9	10.9	3.9	16.0
Total capital expenditure	42.7	89.1	42.3	106.0
Depreciation and amortization excluding goodwill	40.6	86.1	44.1	94.0
Amortization of goodwill	4.3	9.3	6.0	
Total depreciation and amortization	44.9	95.4	50.2	
R&D expenditures	36.0	75.5	38.7	85.0

# H1 2015 vs. H1 2014 sales and operating income by segment<sup>1</sup>

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(¥ billion)

	Sales			Operating income (loss)			H1 2015 forecast in Aug.	
	H1 2014	H1 2015	Increase (decrease)	H1 2014	H1 2015	Increase (decrease)	Sales	Operating income (loss)
Chemicals & Fibers	477.5	443.3	(34.2)	26.6	38.9	12.3	447.0	35.0
Homes & Construction Materials	282.5	283.6	1.2	28.8	27.0	(1.8)	282.0	24.0
Electronics <sup>2</sup>	74.0	81.3	7.3	7.4	8.0	0.7	78.0	8.5
Health Care	121.4	143.3	21.9	15.0	20.7	5.7	141.0	18.0
Others	11.6	5.9	(5.7)	0.7	0.1	(0.6)	7.0	0.0
Corporate expenses and eliminations	-	-	-	(7.5)	(10.3)	(2.9)	-	(8.5)
Consolidated	966.9	957.4	(9.5)	70.9	84.4	13.5	955.0	77.0

<sup>1</sup> 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.

<sup>2</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics segment.

# Overseas sales by business category<sup>1</sup>

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(¥ billion)

	H1 2014			H1 2015			Increase (decrease)	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total	in overseas sales	% change
Chemicals	413.1	186.1	45.1%	376.5	172.6	45.9%	(13.5)	-7.2%
Fibers	64.4	26.2	40.8%	66.8	28.7	43.0%	2.5	+9.4%
Homes	256.0	–	–	258.0	–	–	–	–
Construction Materials	26.5	–	–	25.6	–	–	–	–
Electronics <sup>2</sup>	74.0	46.8	63.3%	81.3	54.0	66.5%	7.2	+15.4%
Health Care	73.3	18.3	24.9%	75.6	20.0	26.5%	1.8	+9.6%
Critical Care	48.1	47.7	99.0%	67.7	67.2	99.2%	19.6	+41.0%
Others	11.6	0.4	3.4%	5.9	0.4	7.6%	0.1	+13.4%
Total	966.9	325.5	33.7%	957.4	343.1	35.8%	17.6	+5.4%
Sales to East Asia <sup>3</sup>		178.2	18.4%		166.0	17.3%	(12.2)	-6.9%
of which, sales to China		97.6	10.1%		98.1	10.2%	0.5	+0.5%
Sales, excluding Homes and Construction Materials	684.5	325.5	47.6%	673.8	343.1	50.9%		

<sup>1</sup> Corresponding to the former operating segments.

<sup>2</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics.

<sup>3</sup> China, Korea, and Taiwan.

# Sales and operating income increases/decreases by business category<sup>1</sup> (i)

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(¥ billion)

		H1 2014	H1 2015	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	413.1	376.5	(36.6)	(13.5)	(35.8)	16.9	12.7	–
	Operating income	22.0	31.6	9.7	0.0			–	45.5
Fibers	Sales	64.4	66.8	2.5	1.2	1.3	1.5	–	–
	Operating income	4.7	7.3	2.6	1.0			–	0.3
Homes	Sales	256.0	258.0	2.0	0.4	(0.3)	–	1.9	–
	Operating income	27.0	24.4	(2.5)	(1.2)			–	(1.0)
Construction Materials	Sales	26.5	25.6	(0.9)	(1.1)	0.2	–	–	–
	Operating income	2.1	3.1	1.0	(0.4)			–	1.2
Electronics <sup>2</sup>	Sales	74.0	81.3	7.3	4.5	2.8	6.6	–	–
	Operating income	7.4	8.0	0.7	0.9			–	(3.0)

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

<sup>2</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics.

# Sales and operating income increases/decreases by business category<sup>1</sup> (ii)

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(¥ billion)

		H1 2014	H1 2015	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	73.3	75.6	2.3	2.1	0.2	1.1	–	–
	Operating income	14.7	15.9	1.2	1.1			–	(0.1)
Critical Care	Sales	48.1	67.7	19.6	12.1	(1.2)	(1.4)	8.8	–
	Operating income	0.3	4.8	4.5	8.4			–	(2.6)
Others	Sales	11.6	5.9	(5.7)	(5.7)	–	–	–	–
	Operating income	0.7	0.1	(0.6)	0.2			–	(0.8)
Corporate expenses and eliminations	Operating loss	(7.8)	(10.9)	(3.1)	–	–	–	–	(3.1)
Consolidated	Sales	966.9	957.4	(9.5)	0.0	(32.9)	24.7	23.4	–
	Operating income	70.9	84.4	13.5	10.0			–	36.4

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



# Forecast for fiscal year 2015

# Consolidated operating performance forecast **AsahiKASEI**

(¥ billion)

	FY 2014			FY 2015 forecast			Increase (decrease)	FY 2015 forecast in May	Increase (decrease)
	H1	H2	Total	H1	H2 forecast	Total			
Net sales	966.9	1,019.5	1,986.4	957.4	1,042.6	2,000.0	13.6	2,000.0	–
Operating income	70.9	87.0	157.9	84.4	79.6	164.0	6.1	164.0	–
Ordinary income	74.2	92.4	166.5	81.4	80.1	161.5	(5.0)	166.5	(5.0)
Net income attributable to owners of the parent	49.5	56.1	105.7	47.2	43.8	91.0	(14.7)	106.0	(15.0)

Naphtha price (¥/kL, domestic)	70,400	56,500	63,450	48,000	42,000	45,000	(18,450)	50,000	(5,000)
¥/US\$ exchange rate (market average)	103	117	110	122	120	121	11	115	6

	FY 2014	FY 2015
Dividends per share	¥19	¥20 (planned)
Payout ratio	25.1%	30.2%

# Sales forecast by business category<sup>1</sup>

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(¥ billion)

	FY 2014			FY 2015 forecast			Increase (decrease)	FY 2015 forecast in May			Increase (decrease)		
	H1	H2	Total	H1	H2 forecast	Total		H1	H2	Total	H1	H2	Total
Chemicals	413.1	411.2	824.3	376.5	363.5	740.0	(84.3)	381.0	380.0	761.0	(4.5)	(16.5)	(21.0)
Fibers	64.4	66.0	130.3	66.8	67.2	134.0	3.7	66.0	67.0	133.0	0.8	0.2	1.0
Homes	256.0	295.8	551.8	258.0	329.0	587.0	35.2	254.0	326.0	580.0	4.0	3.0	7.0
Construction Materials	26.5	25.5	52.0	25.6	24.4	50.0	(2.0)	28.0	28.0	56.0	(2.4)	(3.6)	(6.0)
Electronics <sup>2</sup>	74.0	76.4	150.4	81.3	100.7	182.0	31.6	80.0	81.0	161.0	1.3	19.7	21.0
Health Care	73.3	73.2	146.5	75.6	72.4	148.0	1.5	75.0	75.0	150.0	0.6	(2.6)	(2.0)
Critical Care	48.1	62.5	110.6	67.7	74.3	142.0	31.4	63.0	73.0	136.0	4.7	1.3	6.0
Others	11.6	8.9	20.5	5.9	11.1	17.0	(3.5)	12.0	11.0	23.0	(6.1)	0.1	(6.0)
Consolidated	966.9	1,019.5	1,986.4	957.4	1,042.6	2,000.0	13.6	959.0	1,041.0	2,000.0	(1.6)	1.6	-

<sup>1</sup> Corresponding to the former operating segments.

<sup>2</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics.

# Operating income forecast by business category<sup>1</sup>

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(¥ billion)

	FY 2014			FY 2015 forecast			Increase (decrease)	FY 2015 forecast in May			Increase (decrease)		
	H1	H2	Total	H1	H2 forecast	Total		H1	H2	Total	H1	H2	Total
Chemicals	22.0	32.3	54.2	31.6	27.4	59.0	4.8	27.0	29.0	56.0	4.6	(1.6)	3.0
Fibers	4.7	5.8	10.5	7.3	5.7	13.0	2.5	5.5	5.5	11.0	1.8	0.2	2.0
Homes	27.0	32.3	59.2	24.4	37.6	62.0	2.8	21.0	37.0	58.0	3.4	0.6	4.0
Construction Materials	2.1	2.0	4.1	3.1	1.9	5.0	0.9	2.5	2.5	5.0	0.6	(0.6)	-
Electronics <sup>2</sup>	7.4	6.9	14.3	8.0	1.0	9.0	(5.3)	8.0	8.5	16.5	0.0	(7.5)	(7.5)
Health Care	14.7	12.0	26.7	15.9	9.1	25.0	(1.7)	12.5	13.0	25.5	3.4	(3.9)	(0.5)
Critical Care	0.3	3.8	4.1	4.8	7.2	12.0	7.9	2.0	6.0	8.0	2.8	1.2	4.0
Others	0.7	0.2	0.9	0.1	0.4	0.5	(0.4)	0.0	0.5	0.5	0.1	(0.1)	-
Corporate expenses and eliminations	(7.8)	(8.3)	(16.1)	(10.9)	(10.6)	(21.5)	(5.4)	(8.0)	(8.5)	(16.5)	(2.9)	(2.1)	(5.0)
Consolidated	70.9	87.0	157.9	84.4	79.6	164.0	6.1	70.5	93.5	164.0	13.9	(13.9)	-

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

<sup>2</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics.

# Sales and operating income forecast by segment<sup>1</sup>

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## Sales

(¥ billion)

	FY 2014			FY 2015 forecast			Increase (decrease)	FY 2015 forecast in May			Increase (decrease)		
	H1	H2	Total	H1	H2 forecast	Total		H1	H2	Total	H1	H2	Total
Chemicals & Fibers	477.5	477.2	954.6	443.3	430.7	874.0	(80.6)	447.0	447.0	894.0	(3.7)	(16.3)	(20.0)
Homes & Construction Materials	282.5	321.3	603.8	283.6	353.4	637.0	33.2	282.0	354.0	636.0	1.6	(0.6)	1.0
Electronics <sup>2</sup>	74.0	76.4	150.4	81.3	100.7	182.0	31.6	80.0	81.0	161.0	1.3	19.7	21.0
Health Care	121.4	135.7	257.1	143.3	146.7	290.0	32.9	138.0	148.0	286.0	5.3	(1.3)	4.0
Others	11.6	8.9	20.5	5.9	11.1	17.0	(3.5)	12.0	11.0	23.0	(6.1)	0.1	(6.0)
Consolidated	966.9	1,019.5	1,986.4	957.4	1,042.6	2,000.0	13.6	959.0	1,041.0	2,000.0	(1.6)	1.6	-

## Operating income

(¥ billion)

	FY 2014			FY 2015 forecast			Increase (decrease)	FY 2015 forecast in May			Increase (decrease)		
	H1	H2	Total	H1	H2 forecast	Total		H1	H2	Total	H1	H2	Total
Chemicals & Fibers	26.6	38.0	64.6	38.9	33.1	72.0	7.4	32.5	34.5	67.0	6.4	(1.4)	5.0
Homes & Construction Materials	28.8	34.3	63.0	27.0	39.5	66.5	3.5	23.5	39.5	63.0	3.5	0.0	3.5
Electronics <sup>2</sup>	7.4	6.9	14.3	8.0	1.0	9.0	(5.3)	8.0	8.5	16.5	0.0	(7.5)	(7.5)
Health Care	15.0	15.9	30.8	20.7	16.3	37.0	6.2	14.5	19.0	33.5	6.2	(2.7)	3.5
Others	0.7	0.2	0.9	0.1	0.4	0.5	(0.4)	0.0	0.5	0.5	0.1	(0.1)	-
Corporate expenses and eliminations	(7.5)	(8.3)	(15.8)	(10.3)	(10.7)	(21.0)	(5.2)	(8.0)	(8.5)	(16.5)	(2.3)	(2.2)	(4.5)
Consolidated	70.9	87.0	157.9	84.4	79.6	164.0	6.1	70.5	93.5	164.0	13.9	(13.9)	-

<sup>1</sup> 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.

<sup>2</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, 21/41 are included in the Electronics segment.

# Appendix

# Statements of comprehensive income

Asahi**KASEI**

			(¥ billion)	
		H1 2014	H1 2015	Increase (decrease)
a: Net income		50.0	47.7	(2.3)
Net increase or decrease in unrealized gain on other securities		9.7	(8.5)	(18.2)
Deferred gains or losses on hedges		0.1	1.4	1.3
Foreign currency translation adjustment		20.5	(12.6)	(33.1)
Remeasurements of defined benefit plans		1.8	1.2	(0.7)
Share of other comprehensive income of affiliates accounted for using equity method		2.1	(2.3)	(4.4)
b: Other comprehensive income		34.2	(20.8)	(55.0)
Comprehensive income [a+b]		84.2	26.9	(57.3)
Comprehensive income attributable to owners of the parent		83.3	26.9	(56.4)
Comprehensive income attributable to non-controlling interests		0.9	(0.0)	(0.9)

# H1 2015 vs. H1 2014 sales and operating income by business category<sup>1</sup>

AsahiKASEI

(¥ billion)

	Sales			Operating income (loss)			H1 2015 forecast in Aug.	
	H1 2014	H1 2015	Increase (decrease)	H1 2014	H1 2015	Increase (decrease)	Sales	Operating income (loss)
Chemicals	413.1	376.5	(36.6)	22.0	31.6	9.7	380.0	29.0
Fibers	64.4	66.8	2.5	4.7	7.3	2.6	67.0	6.0
Homes	256.0	258.0	2.0	27.0	24.4	(2.5)	256.0	22.0
Construction Materials	26.5	25.6	(0.9)	2.1	3.1	1.0	26.0	2.5
Electronics <sup>2</sup>	74.0	81.3	7.3	7.4	8.0	0.7	78.0	8.5
Health Care	73.3	75.6	2.3	14.7	15.9	1.2	74.0	14.0
Critical Care	48.1	67.7	19.6	0.3	4.8	4.5	67.0	4.0
Others	11.6	5.9	(5.7)	0.7	0.1	(0.6)	7.0	0.0
Corporate expenses and eliminations	–	–	–	(7.8)	(10.9)	(3.1)	–	(9.0)
Consolidated	966.9	957.4	(9.5)	70.9	84.4	13.5	955.0	77.0

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

<sup>2</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics.



# Quarterly sales by business category<sup>1</sup>

Asahi**KASEI**

(¥ billion)

	FY 2013				FY 2014				FY 2015		FY2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
Chemicals	193.1	203.9	201.4	193.2	196.9	216.2	217.9	193.3	194.1	182.4	363.5
Fibers	28.8	31.0	30.1	31.0	30.9	33.5	32.9	33.1	33.0	33.8	67.2
Homes	98.4	140.0	121.8	174.2	105.5	150.5	124.2	171.6	109.9	148.1	329.0
Construction Materials	13.1	14.7	15.0	12.2	12.3	14.2	14.1	11.4	12.2	13.4	24.4
Electronics <sup>2</sup>	36.5	38.2	36.6	33.7	35.8	38.2	39.9	36.5	39.1	42.2	100.7
Health Care	38.3	37.5	41.2	35.6	35.7	37.5	39.7	33.5	38.5	37.0	72.4
Critical Care	17.8	19.8	20.1	22.2	23.3	24.9	29.8	32.7	32.7	35.0	74.3
Others	4.0	4.0	4.5	6.0	6.9	4.8	4.6	4.3	2.8	3.1	11.1
Total	430.0	489.0	470.7	508.1	447.1	519.8	503.1	516.3	462.4	495.1	1,042.6

<sup>1</sup> Corresponding to the former operating segments.

<sup>2</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics.

# Quarterly operating income by business category<sup>1</sup>

Asahi**KASEI**

(¥ billion)

	FY 2013				FY 2014				FY 2015		FY 2015
	Q1 <sup>2</sup>	Q2 <sup>2</sup>	Q3 <sup>2</sup>	Q4	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
Chemicals	10.2	13.0	10.0	5.7	7.1	14.9	18.0	14.2	13.5	18.2	27.4
Fibers	2.2	2.2	2.3	1.8	2.2	2.5	2.6	3.2	3.9	3.4	5.7
Homes	6.6	19.9	12.2	24.2	8.4	18.5	11.9	20.4	6.1	18.4	37.6
Construction Materials	1.3	1.7	2.0	0.5	0.9	1.2	1.4	0.6	1.2	1.9	1.9
Electronics <sup>3</sup>	3.8	5.5	3.6	1.4	4.0	3.4	5.9	1.0	5.1	2.9	1.0
Health Care	9.0	7.4	10.0	3.9	8.1	6.6	9.3	2.7	9.3	6.7	9.1
Critical Care	(1.5)	(0.5)	(0.7)	(0.8)	(0.3)	0.6	2.4	1.4	1.5	3.3	7.2
Others	0.4	0.4	0.2	0.8	0.4	0.3	0.2	0.1	(0.1)	0.3	0.4
Corporate expenses and eliminations	(3.7)	(3.6)	(4.0)	(4.0)	(4.2)	(3.6)	(3.9)	(4.4)	(4.8)	(6.1)	(10.6)
<b>Total</b>	<b>28.3</b>	<b>45.9</b>	<b>35.6</b>	<b>33.5</b>	<b>26.6</b>	<b>44.3</b>	<b>47.8</b>	<b>39.2</b>	<b>35.5</b>	<b>48.9</b>	<b>79.6</b>

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

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

<sup>3</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics.

# Primary investments by business category<sup>1</sup>

AsahiKASEI

(¥ billion)

	Capital expenditures			Depreciation and amortization <sup>2</sup>			R&D expenditures		
	FY 2014	FY 2015 forecast		FY 2014	FY 2015 forecast		FY 2014	FY 2015 forecast	
		H1			H1			H1	
Chemicals	31.9	14.3	33.0	28.8	14.8		15.2	8.0	
Fibers	9.8	7.1	16.0	6.8	3.4		3.0	1.5	
Homes	9.2	4.3	8.0	6.5	3.3		2.3	1.4	
Construction Materials	1.7	1.0	1.0	3.0	1.3		0.8	0.4	
Electronics <sup>3</sup>	11.6	5.3	18.0	13.9	6.8		17.1	8.6	
Health Care	6.5	1.7	6.0	8.9	4.0		21.4	9.4	
Critical Care	10.1	5.6	15.0	11.2	6.6		8.3	5.5	
Others	1.4	0.8	1.5	1.1	0.6		0.1	0.0	
Corporate assets and eliminations	6.9	2.2	7.5	5.9	3.3		7.3	3.9	
<b>Total</b>	<b>89.1</b>	<b>42.3</b>	<b>106.0</b>	<b>86.1</b>	<b>44.1</b>	<b>94.0</b>	<b>75.5</b>	<b>38.7</b>	<b>85.0</b>

Amortization of goodwill

9.3 6.0

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

<sup>2</sup> Excluding amortization of goodwill, which is shown separately below the table.

<sup>3</sup> Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics.

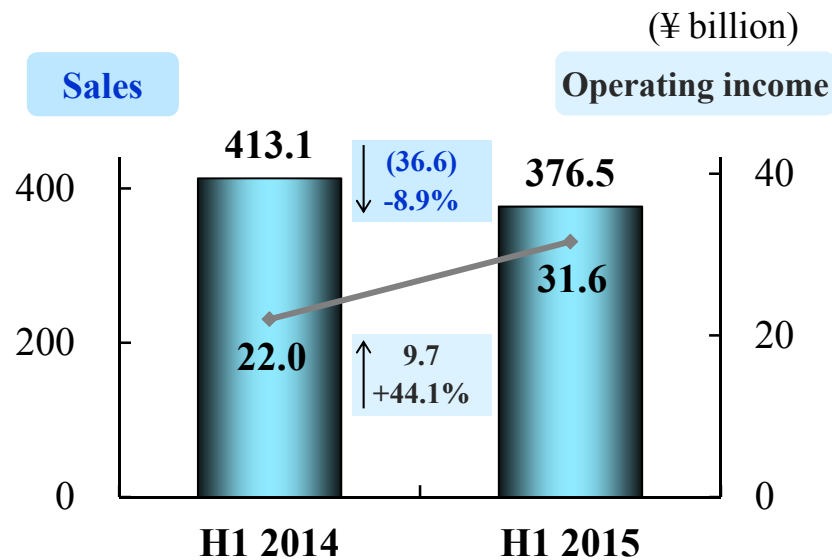
## Completed in H1 2015

- 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, May 2015.

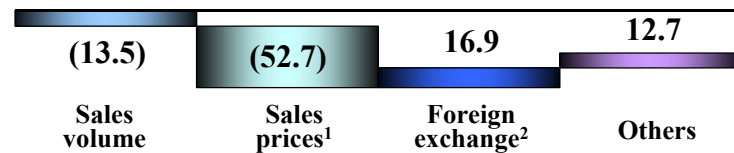
## Under construction at end of Sep. 2015

- Spunbond nonwoven – 20,000 t/y capacity increase in Thailand, Nov. 2015.\*
- Plastic compounds – second plant in the US, 30,000 t/y, early 2016.\*
- Hipore Li-ion battery separator – 60 million m<sup>2</sup>/y capacity increase in Hyuga-shi, Miyazaki, Japan, spring 2016.\*
- Recomedulin recombinant thrombomodulin – new manufacturing facility for the active ingredient, recombinant thrombomodulin alpha, in Fuji-shi, Shizuoka, Japan, Apr. 2017.\*

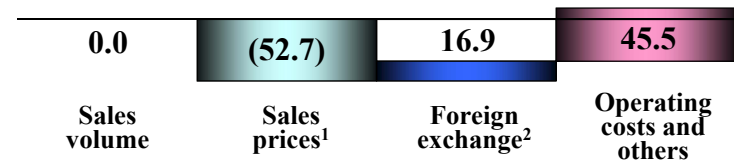
\* Investment of ¥3 billion or more.



Sales increases/decreases due to:



Operating income increases/decreases due to:



<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange

<sup>2</sup> Impact of foreign exchange on sales prices

## Review of operations

### Petrochemicals:

Deteriorated market prices for petrochemicals due to falling oil and naphtha prices. Substantially improved terms of trade for styrene with feedstock price fall exceeding product price decline. Sales decrease, but operating income increase.

### Performance polymers:

Improved terms of trade due to lower feedstock costs. Increased shipments of engineering plastics. Sales and operating income increase.

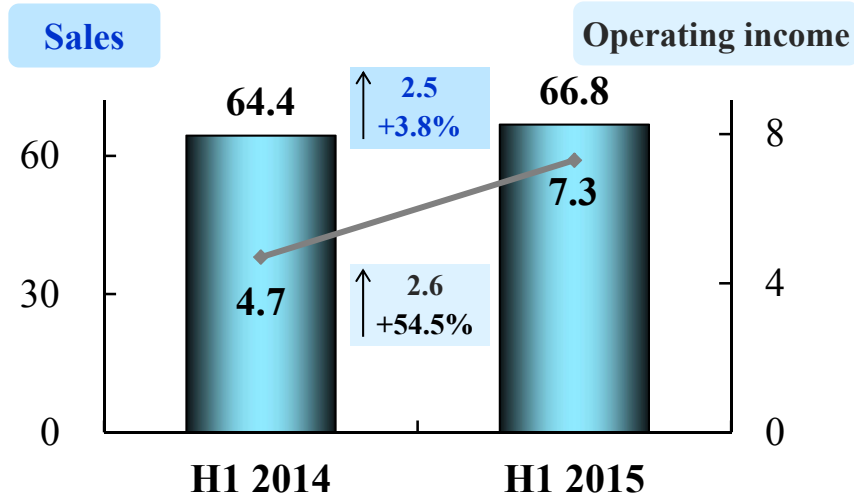
### Specialty products:

Benefit from the weaker yen centering on ion-exchange membranes. Increased shipments of Saran Wrap cling film. Sales and operating income increase.

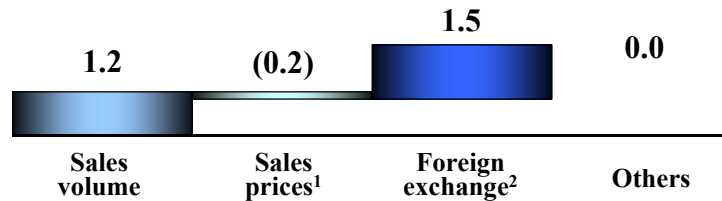
## Highlights

- May, agreement with Mitsubishi Chemical Corp. to establish an equally held joint venture for the operation of a unified naphtha cracker in Mizushima.
- May, start-up of a second production line for Duranate hexamethylene diisocyanate (HDI)-based polyisocyanate, a hardener for non-yellowing polyurethane automotive coatings, etc., in China.
- July, decision to expand capacity for hydrogenated styrenic thermoplastic elastomer in Kawasaki.

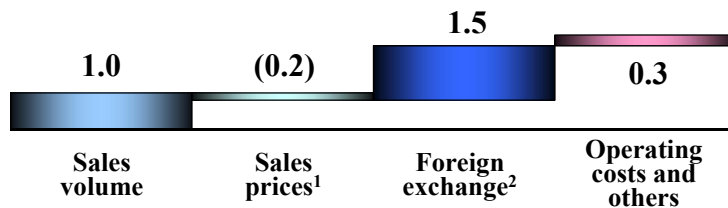
(¥ billion)



Sales increases/decreases due to:



Operating income increases/decreases due to:



## Review of operations

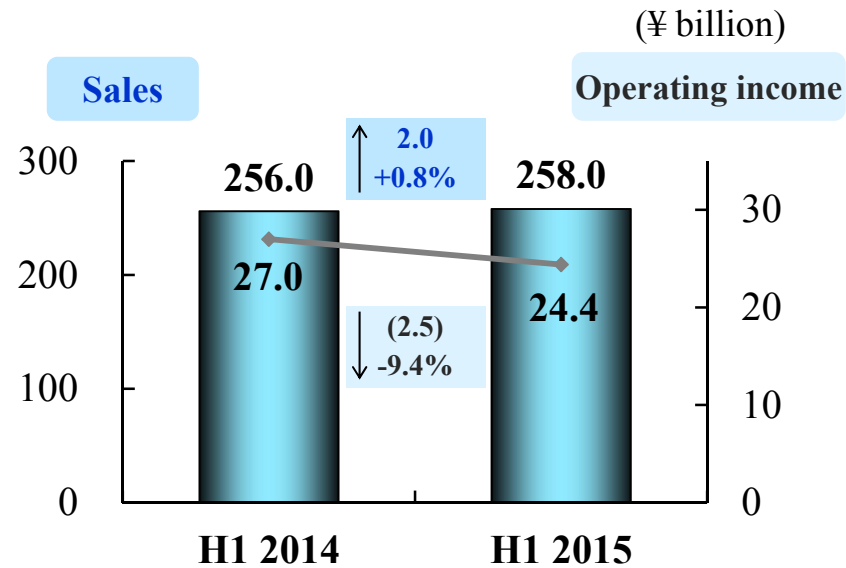
Benefit from the weaker yen centering on Bemberg cupro fiber. Increased shipments of Lamous artificial suede for automotive interiors and of Bemliese continuous-filament cellulose nonwoven for facial masks. Sales and operating income increase.

## Highlights

- July, decision to expand production capacity for Bemliese in Nobeoka-shi, Miyazaki, Japan.

<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange

<sup>2</sup> Impact of foreign exchange on sales prices



## Review of operations

### Order-built homes:

- Decreased deliveries of Hebel Haus unit homes. Sales and operating income decrease.
- Firm orders received centering on apartment buildings. High value of new orders on par with the same period last year.

### Real estate, remodeling and others:

Firm performance of rental management in real estate. Increased orders in remodeling centering on renovation work and equipment installation. Sales increase, and operating income flat.

### Results by product category

(¥ billion)

	H1 2014		H1 2015		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	187.9	19.7	183.8	17.4	(4.2)	(2.4)
Real estate (Asahi Kasei Fudousan Residence)	40.6	3.3	45.6	2.7	5.0	(0.6)
Remodeling (Asahi Kasei Reform)	26.3	2.8	27.8	3.4	1.5	0.6
Other housing-related, etc.	1.1	1.2	0.9	0.9	(0.3)	(0.2)
<b>Total</b>	<b>256.0</b>	<b>27.0</b>	<b>258.0</b>	<b>24.4</b>	<b>2.0</b>	<b>(2.5)</b>

# Homes (i)

## Sales<sup>1</sup> 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	
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	208.0 (+22.8%)	216.2 (+1.5%)	18.0	31.8	1.6	51.4	27.3	0.9	295.8 (-0.1%)	514.5
	annual	425.7 (+1.0%)	404.2 (+2.6%)	27.8	61.1	3.1	92.0	53.6	2.0	551.8 (+3.3%)	
FY15	H1	217.3 (-0.2%)	183.8 (-2.2%)	10.4	33.5	1.7	45.6	27.8	0.9	258.0 (+0.8%)	554.6
	H2 forecast	218.4 (+5.0%)	230.2 (+6.5%)	29.1	39.0	1.3	69.4	28.2	1.1	329.0 (+11.2%)	547.2
	annual forecast	435.7 (+2.4%)	414.0 (+2.4%)	39.5	72.5	3.0	115.0	56.0	2.0	587.0 (+6.4%)	

<sup>1</sup> 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 2015 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	100.8	-3.3%	3,325	-1.9%	114.3	+4.4%	3,724	-0.6%
	3+ story	37.4	-5.3%	1,387	-10.2%	48.6	-11.0%	1,859	-17.6%
	Total	138.2	-3.8%	4,712	-4.5%	162.9	-0.7%	5,583	-7.0%
Multi-dwelling homes	1-2 story	14.5	+7.2%	1,153	+8.5%	20.2	+16.1%	1,525	+9.2%
	3+ story	24.5	-4.6%	1,840	-4.5%	34.2	-5.5%	2,506	-9.7%
	Total	39.0	-0.5%	2,993	+0.1%	54.3	+1.5%	4,031	-3.4%
Order-built homes total		177.2	-3.1%	7,705	-2.8%	217.3	-0.2%	9,614	-5.5%
Other <sup>1</sup>		6.6	+30.8%	15	+7.1%	-	-	-	-
Asahi Kasei Homes total		183.8	-2.2%	7,720	-2.7%	217.3	-0.2%	9,614	-5.5%

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

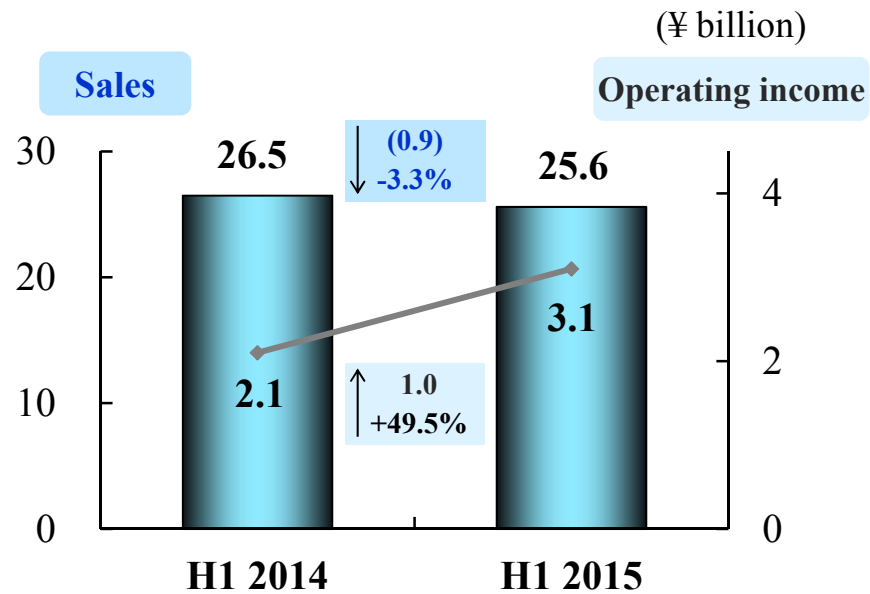
# Homes (iii)

## Breakdown of FY 2015 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	212.5	-2.1%	7,050	-1.1%	222.5	+5.1%	7,520	+5.0%
	3+ story	87.6	+1.1%	3,500	+1.2%	96.0	-2.6%	3,900	-4.1%
	Total	300.1	-1.2%	10,550	-0.4%	318.5	+2.7%	11,420	+1.7%
Multi-dwelling homes	1-2 story	38.0	+15.8%	3,000	+18.4%	42.6	+3.4%	3,300	+3.1%
	3+ story	64.9	+15.6%	5,000	+15.4%	74.6	+0.5%	5,700	+0.4%
	Total	102.9	+15.7%	8,000	+16.6%	117.2	+1.5%	9,000	+1.4%
Order-built homes total		403.0	+2.6%	18,550	+6.3%	435.7	+2.4%	20,420	+1.5%
Other <sup>1</sup>		11.0	-4.0%	40	+37.9%	-	-	-	-
Asahi Kasei Homes total		414.0	+2.4%	18,590	+6.3%	435.7	+2.4%	20,420	+1.5%

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



## Review of operations

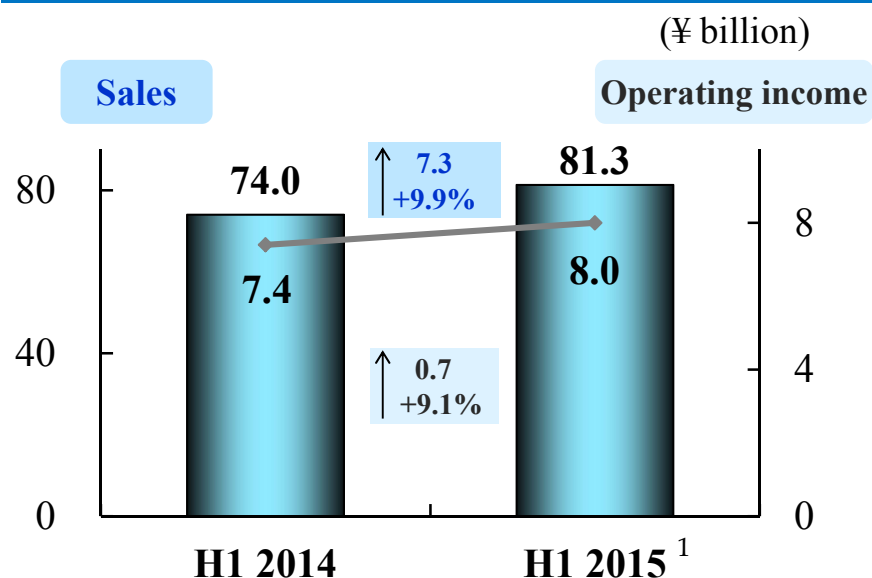
Decreased shipments of Hebel autoclaved aerated concrete panels. Benefit from lower feedstock costs. Firm sales of Neoma high-performance phenolic foam insulation panels. Sales decrease, but operating income increase.

Sales increases/decreases due to:



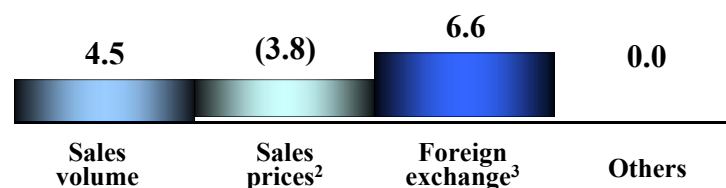
Operating income increases/decreases due to:



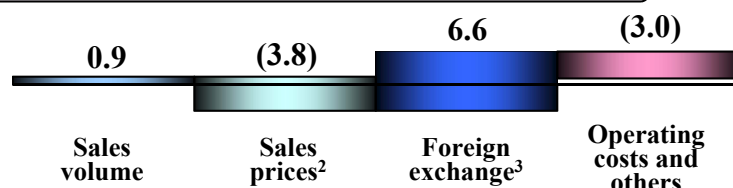


<sup>1</sup> Includes results of Polypore International, Inc., etc. beginning with Q2 2015.

Sales increases/decreases due to:



Operating income increases/decreases due to:



<sup>2</sup> Increase (decrease) in sales prices excluding impact of foreign exchange

<sup>3</sup> Impact of foreign exchange on sales prices

## Review of operations

**Electronic devices:** Decreased shipments of electronic compasses. Benefit from the weaker yen. Firm sales of electronic devices for smartphones, such as audio LSIs and devices for camera modules. Sales and operating income increase.

**Electronic materials:** Benefit from the weaker yen. Firm sales of Hipore Li-ion battery separator. Sales and operating income increase.

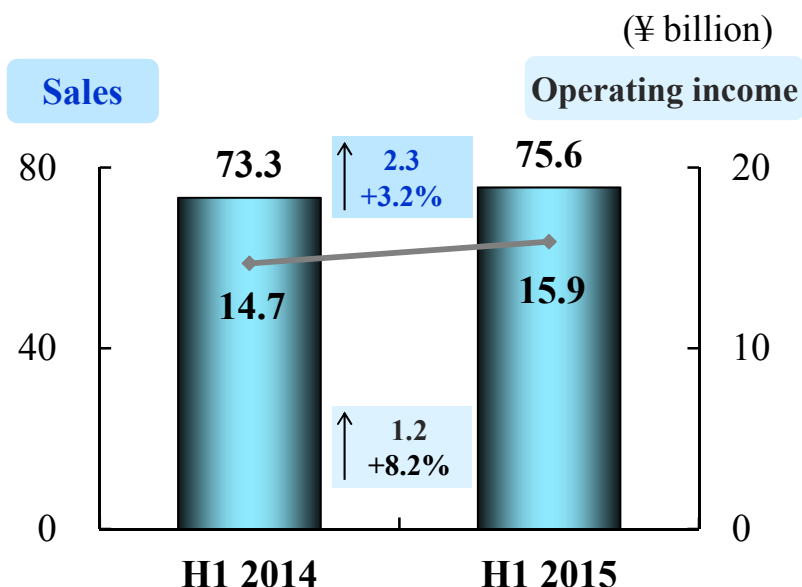
## Highlights

- August, completion of acquisition of Polypore International, Inc.
- September, announcement of capacity increase for Hipore in Hyuga-shi, Miyazaki, Japan.

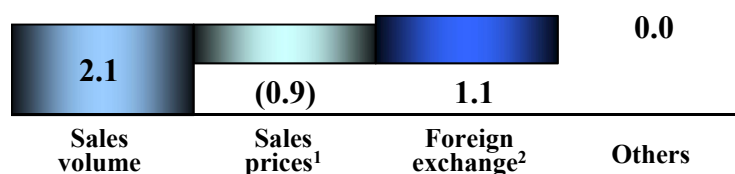
## Amortization/depreciation related to the acquisition of Polypore International, Inc.

(¥ billion)

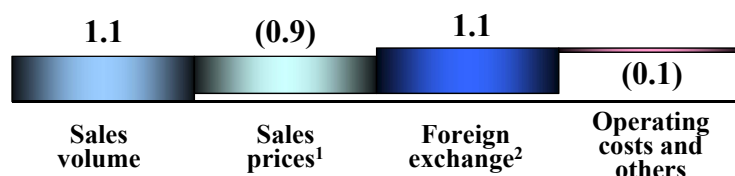
	FY 2015 forecast		
	H1 result (1 month)	H2 forecast	
Goodwill	0.8	4.6	5.3
Other intangible assets, etc.	0.9	3.7	4.6
<b>Total</b>	<b>1.7</b>	<b>8.3</b>	<b>10.0</b>



Sales increases/decreases due to:



Operating income increases/decreases due to:



## Review of operations

### Pharmaceuticals:

Decreased shipments of Flivas agent for treatment of benign prostatic hyperplasia due to competition from generics. Firm sales of Teribone osteoporosis drug and Recomodulin recombinant thrombomodulin. Sales decrease, but slight operating income increase.

### Devices:

Benefit from the weaker yen. Increased shipments of dialysis products, therapeutic apheresis devices, and Planova virus removal filters. Sales and operating income increase.

## Highlights

- September, launch of XIAFLEX for Dupuytren’s contracture.
- September, application for approval in Japan to manufacture and market zoledronic acid hydrate (development code: AK156) for treatment of osteoporosis.

<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange

<sup>2</sup> Impact of foreign exchange on sales prices

# Health Care (i)

## Sales of Health Care segment

(¥ billion)

		FY 2014		FY 2015	
		H1	Total	H1	forecast
	Domestic pharmaceuticals	38.1	75.2	37.6	73.0
	Others	2.4	5.4	2.8	6.0
Asahi Kasei Pharma consolidated		40.5	80.6	40.4	79.0
Devices <sup>1</sup>		32.7	65.9	35.2	69.0
Total		73.3	146.5	75.6	148.0

<sup>1</sup> Asahi Kasei Medical and its affiliate companies.

## Main pharmaceuticals domestic sales

(¥ billion)

	FY 2014		FY 2015	
	H1	Total	H1	forecast
Teribone	12.5	25.4	13.9	27.4
Recomodulin	5.5	11.7	6.2	12.9
Flivas	6.5	13.2	5.6	9.3
Elcitonin	3.3	6.1	2.7	5.3
Bredinin	2.8	5.6	2.7	5.3

## Main pharmaceutical products

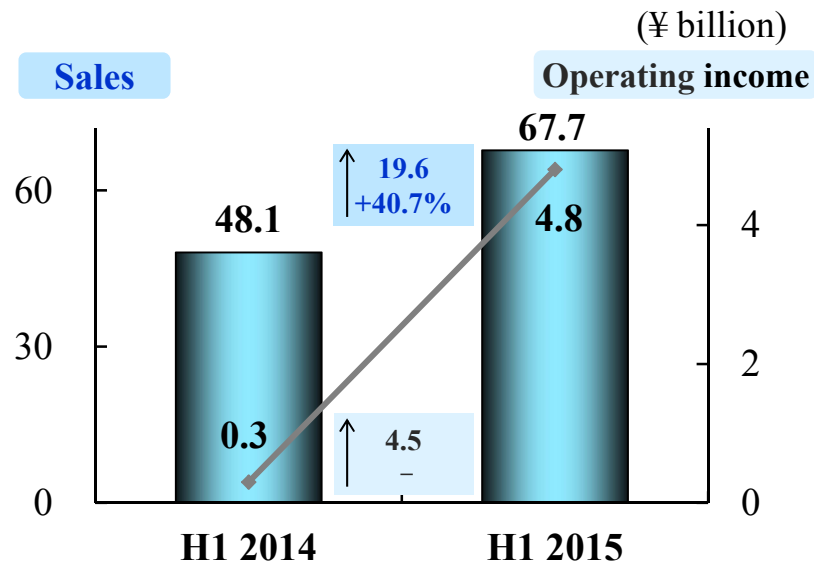
	Generic name	Mechanism/ substance class	Indication	Formulation
Teribone	Teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis with high risk of fracture	Injection
Recomodulin	Recombinant thrombomodulin alpha	Anticoagulant	Disseminated intravascular coagulation	Injection
Flivas	Naftopidil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

# Health Care (iii)

## Pharmaceutical pipeline

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Approved	XIAFLEX AK-160, injection	New biologic	Collagenase clostridium histolyticum	Dupuytren's contracture	Licensed
Pending approval	AK156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
Phase II	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
	HE-69, mizoribine	Additional indication	Immunosuppressant	Lupus nephritis, nephrotic syndrome	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 SG&A expenses with reinforced sales activity. Sales and operating income increase.

## Highlights

- September, acquisition of Kyma Medical Technologies, Ltd., Tel Aviv, Israel, which develops technologies to monitor early signs of congestive heart failure.

## Financial performance of Critical Care

(¥ billion)

	FY 2014			FY 2015 forecast		
	H1	H2	FY 2014	H1	H2 forecast	FY 2015 forecast
Net sales	48.1	62.5	110.6	67.7	74.3	142.0
Gross operating income before PPA <sup>1</sup> impact	6.6	11.0	17.6	12.3	14.7	26.9
Amortization/depreciation from PPA <sup>1</sup> revaluation	(6.3)	(7.2)	(13.5)	(7.5)	(7.4)	(14.9)
Goodwill	(3.7)	(4.3)	(7.9)	(4.5)	(4.5)	(9.0)
Other intangible assets, etc.	(2.7)	(2.9)	(5.6)	(3.0)	(2.9)	(5.9)
Consolidated operating income	0.3	3.8	4.1	4.8	7.2	12.0

<sup>1</sup> Purchase price allocation.