

**Asahi Kasei Corporation**

Head Office: 3-3-23 Nakanoshima, Kita-ku, Osaka, Japan

Tokyo Head Office: 1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo, Japan

Security code: 3407

Contact: Corporate Communications, Phone +81-3-3296-3008, Fax +81-3-3296-3162

May 9, 2012

## Consolidated Results for Fiscal Year 2011: April 1, 2011 – March 31, 2012

(All figures in millions of yen, rounded to the nearest million, unless otherwise specified)

**I. Summary of Consolidated Results**

## 1. Operating results (percent change from previous year in brackets)

	FY 2011	FY 2010
Net sales	1,573,230 [+1.1%]	1,555,945 [+8.5%]
Operating income	104,258 [-15.2%]	122,927 [+113.3%]
Ordinary income	107,567 [-9.0%]	118,219 [+109.7%]
Net income	55,766 [-7.5%]	60,288 [+138.4%]
Net income per share*	39.89	43.11
Diluted net income per share*	—	—
Net income/shareholders' equity	8.1%	9.3%
Ordinary income/total assets	7.6%	8.5%
Operating income/net sales	6.6%	7.9%

\* Yen

Note:

- Comprehensive income—  
¥62,561 million during fiscal 2011, ¥45,088 million during fiscal 2010.
- Equity in earnings of affiliates—  
¥669 million during fiscal 2011, ¥2,212 million during fiscal 2010.

## 2. Financial position

At fiscal year end, March	2012	2011
Total assets	1,410,568	1,425,879
Net assets	719,285	675,602
Net worth/total assets	50.1%	46.5%
Net worth per share*	505.72	474.59

\* Yen

Note:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth as of March 31, 2012, was ¥706,846 million; as of March 31, 2011, ¥663,566 million.

## 3. Cash flows

	FY 2011	FY 2010
Cash flows from operating activities	141,260	148,128
Cash flows from investing activities	(89,503)	(78,838)
Cash flows from financing activities	(91,030)	(26,144)
Cash and cash equivalents at end of period	96,351	134,450

## II. Cash Dividends

Fiscal year	Cash dividends per share*					Total annual dividend amount	Dividends/ consolidated net income	Dividends/ consolidated net worth
	Q1	Q2	Q3	Q4	Total annual			
2010	—	5.00	—	6.00	11.00	15,381	25.5%	2.4%
2011	—	7.00	—	7.00	14.00	19,568	35.1%	2.9%
2012 (forecast)	—	7.00	—	7.00	14.00		29.4%	

\* Yen

## III. Forecast for Fiscal 2012 (April 1, 2012 – March 31, 2013)

(percent change from same period of previous year in brackets)

	For Q1–Q2	For the fiscal year
Net sales	847,000 [+5.6%]	1,781,000 [+13.2%]
Operating income	45,000 [–29.4%]	112,000 [+7.4%]
Ordinary income	46,000 [–26.0%]	115,000 [+6.9%]
Net income	25,500 [–33.3%]	66,500 [+19.2%]
Net income per share*	18.24	47.58

\*Yen

Note:

Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.

## IV. Other Information

1. Changes in significant subsidiaries which affected scope of consolidation during the fiscal year: None.
2. Changes in accounting principles/procedures, changes in methods of presentation
  - 1) Change in accounting policy for naphtha resale transactions

Asahi Kasei Chemicals, a subsidiary of Asahi Kasei, resells a portion of the naphtha it has purchased and then purchases other naphtha for use, in order to improve feedstock quality and reduce production costs. Through the third quarter of the fiscal year ended on March 31, 2012, the naphtha resale amount was included in net sales, and the cost for purchase of naphtha which was resold was included in cost of sales. However, during the fourth quarter of the fiscal year ended on March 31, 2012, a new accounting method was adopted, under which naphtha resale is not included in net sales, but the difference between the purchase cost and the resale amount is reflected in cost of sales. This new accounting method is applied retroactively for the full fiscal year ended on March 31, 2012, and the fiscal year ended on March 31, 2011, has been recalculated accordingly.

This change has been adopted because the resale of naphtha is not considered to be a principal business operation of Asahi Kasei Chemicals, and naphtha is considered to be a feedstock rather than a product itself. As the amount of sales generated through naphtha resale has increased as a proportion of overall sales, it became increasingly desirable to eliminate the effect of such transactions on reported net sales in order to more clearly represent the nature of the business operation. At the beginning of the fiscal year ended on March 31, 2012, Sanyo Petrochemical, Co., Ltd., which had the resale of naphtha as a principal operation, was merged into its parent company Asahi Kasei Chemicals. The adoption of this change therefore provides a more clear representation of the operations of Asahi Kasei Chemicals.

As an effect of this change, both net sales and cost of sales for the fiscal year ended on March 31, 2011, were reduced by ¥42,442 million. However, this has no effect on operating income, ordinary income, and for income before income taxes. Furthermore, this change does not have any effect on net assets or on per share information.

## 2) Changes in presentation

### 1. Balance sheets

Through the fiscal year ended on March 31, 2011, provision for noncurrent assets removal expenses were included in accrued expenses under current liabilities. Beginning in the fiscal year ended on March 31, 2012, provision for noncurrent assets removal expenses are reported as a separate item. This is because of a change in the estimate of the removal expenses, as stated above, which led to the difference being reported on the statements of income as gain on reversal of provision for noncurrent assets removal expenses under non-operating income. Furthermore, the current and noncurrent portions of said provision are reported separately under current liabilities and noncurrent liabilities. The balance sheets for the fiscal year ended on March 31, 2011, have also been adjusted accordingly, resulting in accrued expenses being ¥8,995 million lower than previously reported, reflecting the separation of ¥2,885 million as provision for noncurrent assets removal expenses (current portion) under current liabilities and of ¥6,110 million as provision for noncurrent assets removal expenses (noncurrent portion) under noncurrent liabilities.

### 2. Statements of income

Through the fiscal year ended on March 31, 2011, contribution was included in others under non-operating expenses. In the fiscal year ended on March 31, 2012, contribution exceeded 10% of total of non-operating expenses, and is reported separately. The statements of income for the fiscal year ended on March 31, 2011, have also been adjusted accordingly, resulting in others under non-operating expenses being ¥1,009 million lower than previously reported, reflecting the separation of ¥1,009 million as contribution. Litigation expenses, which were reported separately in the fiscal year ended on March 31, 2011, are now less than 10% of total of non-operating expenses and therefore included in others in the fiscal year ended on March 31, 2012. The corresponding items for the fiscal year ended on March 31, 2011, have been adjusted accordingly, resulting in ¥1,908 million which had been reported as litigation expenses now being included in others.

### 3. Cash flows

Increase (decrease) in provision for noncurrent assets removal expenses, which had been included in increase (decrease) in accrued expenses under cash flows from operating activities through the fiscal year ended on March 31, 2011, is reported separately beginning in the fiscal year ended on March 31, 2012. This is due to a change in the balance sheets which resulted in provision for noncurrent assets removal expenses being reported separately from accrued expenses. The corresponding items for the fiscal year ended on March 31, 2011, have been adjusted accordingly, resulting in increase (decrease) in accrued expenses being ¥3,754 million lower than previously reported reflecting the separate reporting of the same amount as increase (decrease) in provision for noncurrent assets removal expenses.

## 3) Change in accounting estimates

To prepare for forthcoming expenses for removal of noncurrent assets, an estimate of the required amount has been set aside as provision for noncurrent assets removal expenses, and this has been included as part of accrued expenses. A review of the method of removal of a portion of noncurrent assets has resulted in a lower estimate than previously. Consequently, both ordinary income and income before income taxes for the fiscal year ended on March 31, 2012, are ¥2,236 million higher than they would have been using the previous estimate.

## 3. Number of shares outstanding

Fiscal year ended March	2012	2011
Number of shares outstanding at end of period	1,402,616,332	1,402,616,332
Number of shares of treasury stock at end of period	4,925,730	4,420,688
Average number of shares outstanding during period	1,397,871,803	1,398,311,136

## V. Summary of Non-Consolidated Results

### 1. Results for fiscal 2011 (April 1, 2011 – March 31, 2012)

#### (1) Operating results (percent change from previous year in brackets)

	FY 2011	FY 2010
Revenue	59,528 [+105.2%]	29,009 [+70.3%]
Operating income	42,259 [+198.4%]	14,160 [+342.0%]
Ordinary income	43,760 [+196.6%]	14,753 [+217.8%]
Net income	44,864 [+185.9%]	15,694 [+141.4%]
Net income per share*	32.09	11.22
Diluted net income per share*	—	—

\* Yen

#### (2) Financial position

At fiscal year end, March	2012	2011
Total assets	867,993	709,600
Net assets	417,450	382,952
Net worth/total assets	48.1%	54.0%
Net worth per share*	298.67	273.89

\* Yen

## VI. Overview of Consolidated Results

### 1. Consolidated group results

The Japanese economy slowed down significantly during the fiscal year, with the global economy being affected by the sovereign debt crisis in Europe, and with exports to China and other emerging markets slowing down in second half after having been relatively solid during the early part of the fiscal year. Although manufacturing activity generally recovered from the stagnant period following the Great East Japan Earthquake, Japan's economic circumstances remained challenging, with corporate earnings suppressed by the persistent strength of the yen and high prices for feedstocks and fuel.

Consolidated net sales of Asahi Kasei Corp. and its consolidated subsidiaries and equity-method affiliates (the Asahi Kasei Group) increased by ¥17.3 billion (1.1%) to ¥1,573.2 billion with strong performance in the Homes segment. Operating income decreased by ¥18.7 billion (15.2%) to ¥104.3 billion, largely due to the effect of high feedstock costs and the strong yen in the Chemicals segment. Ordinary income decreased by ¥10.7 billion (9.0%) to ¥107.6 billion, and net income decreased by ¥4.5 billion (7.5%) to ¥55.8 billion.

### 2. Results by operating segment

The Asahi Kasei Group's operations are described by major business classification: six reportable segments of Chemicals, Homes, Health Care, Fibers, Electronics, and Construction Materials, together with an "Others" category.

#### CHEMICALS

Sales decreased by ¥19.7 billion (2.8%) from a year ago to ¥680.1 billion, and operating income decreased by ¥19.9 billion (30.9%) to ¥44.5 billion.

Operating income from chemicals and derivative products decreased as market demand in China and other Asian countries declined in the second half, and terms of trade for monomer products such as acrylonitrile and adipic acid deteriorated significantly due to high prices for naphtha and other feedstocks and the strong yen. Operating income from polymer products increased as engineering plastics recovered in the second half after a downturn following the Great East Japan Earthquake, and synthetic rubber for

tires performed well. Operating income from specialty products increased as home-use products such as Saran Wrap™ performed well, as did functional additives.

#### HOMES

Sales increased by ¥42.7 billion (10.4%) from a year ago to ¥452.0 billion, and operating income increased by ¥9.9 billion (27.0%) to ¥46.3 billion. Order for order-built homes increased by ¥17.4 billion to ¥371.9 billion.

Operating income from order-built homes increased as deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings increased. Operating income from pre-built homes was largely unchanged from a year ago. Operating income from housing-related operations increased as real-estate rental operations performed well and remodeling operations expanded steadily.

#### HEALTH CARE

Sales increased by ¥3.1 billion (2.7%) from a year ago to ¥119.5 billion, and operating income increased by ¥1.8 (25.0%) billion to ¥8.8 billion.

Although operating expenses in pharmaceuticals operations rose with an increase in the number of medical representatives and higher R&D expenses, operating income increased with growing sales of Recomodulin™ recombinant thrombomodulin and the November 2011 launch of sales of Teribone™, a new osteoporosis drug. In devices-related operations, shipments of Planova™ virus removal filters increased, but operating income was largely unchanged as the strong yen impacted performance in each product group.

#### FIBERS

Sales increased by ¥2.1 billion (1.9%) from a year ago to ¥110.8 billion, but operating income decreased by ¥1.1 billion (25.2%) to ¥3.1 billion.

Although shipments of spunbond in diaper applications increased, shipments of Leona™ nylon 66 filament in airbag applications increased, and Bemberg™ regenerated cellulose performed well, operating income decreased as the strong yen and high feedstock costs impacted products throughout the segment.

#### ELECTRONICS

Sales decreased by ¥12.2 billion (7.7%) from a year ago to ¥146.1 billion, and operating income decreased by ¥7.8 billion (55.0%) to ¥6.4 billion.

Although sales of mixed-signal LSIs for smartphones were firm, operating income in electronic devices decreased as an effect of a general deterioration in the operating climate which resulted in sluggish growth in shipment volumes, and by declining product prices and the strong yen. Although sales of Hipore™ Li-ion battery separator increased, operating income in electronic materials decreased with declining product prices and high feedstock costs.

#### CONSTRUCTION MATERIALS

Sales decreased by ¥1.3 billion (2.7%) from a year ago to ¥46.1 billion, and operating income decreased by ¥0.3 billion (12.8%) to ¥1.8 billion.

Although shipment volumes and product prices of Hebel™ autoclaved aerated concrete panels were recovering, performance in foundation systems was sluggish, and performance in insulation materials operations were impacted by the expiration of government policy such as the eco-point program to support energy conservation.

#### OTHERS

Sales increased by ¥2.5 billion (15.9%) from a year ago to ¥18.6 billion, and operating income increased by ¥1.3 billion (74.0%) to ¥3.0 billion.

## VII. Consolidated Financial Statements

### 1. Balance sheets

	At end of March 2011	At end of March 2012
<b>Assets</b>		
Current assets		
Cash and deposits	140,319	102,875
Notes and accounts receivable, trade	273,414	266,056
Short-term investment securities	371	360
Merchandise and finished goods	129,898	138,133
Work in process	76,551	87,450
Raw materials and supplies	49,799	53,623
Deferred tax assets	23,131	19,454
Other	63,240	54,835
Allowance for doubtful accounts	(1,072)	(1,017)
<b>Total current assets</b>	<b>755,651</b>	<b>721,770</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	409,263	410,057
Accumulated depreciation	(231,474)	(235,060)
Buildings and structures, net	177,789	174,997
Machinery, equipment and vehicles	1,192,132	1,203,905
Accumulated depreciation	(1,047,912)	(1,075,668)
Machinery, equipment and vehicles, net	144,220	128,237
Land	55,243	55,667
Lease assets	8,581	11,694
Accumulated depreciation	(3,118)	(4,804)
Lease assets, net	5,463	6,890
Construction in progress	22,173	37,787
Other	118,718	122,426
Accumulated depreciation	(105,252)	(109,884)
Other, net	13,466	12,542
<b>Subtotal</b>	<b>418,354</b>	<b>416,119</b>
Intangible assets		
Goodwill	5,087	8,502
Other	26,015	36,687
<b>Subtotal</b>	<b>31,101</b>	<b>45,189</b>
Investments and other assets		
Investment securities	166,317	177,513
Long-term loans receivable	5,181	5,559
Deferred tax assets	22,005	18,965
Other	27,507	25,692
Allowance for doubtful accounts	(237)	(240)
<b>Subtotal</b>	<b>220,773</b>	<b>227,489</b>
<b>Total noncurrent assets</b>	<b>670,228</b>	<b>688,798</b>
<b>Total assets</b>	<b>1,425,879</b>	<b>1,410,568</b>

	At end of March 2011	At end of March 2012
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable, trade	136,407	143,194
Short-term loans payable	108,889	74,490
Commercial paper	23,000	15,000
Lease obligations	1,522	2,207
Income taxes payable	24,085	8,380
Accrued expenses	88,750	92,663
Advances received	52,346	49,950
Provision for periodic repairs	3,239	6,045
Provision for product warranties	2,465	2,151
Provision for noncurrent assets removal cost	2,885	1,818
Asset retirement obligations	512	460
Other	39,668	53,242
<b>Total current liabilities</b>	<b>483,768</b>	<b>449,600</b>
Noncurrent liabilities		
Bonds payable	25,000	25,000
Long-term loans payable	91,722	62,710
Lease obligations	3,802	4,707
Deferred tax liabilities	6,374	11,402
Provision for retirement benefits	107,309	106,277
Provision for directors' retirement benefits	1,119	806
Provision for repairs	2,131	1,977
Provision for noncurrent assets removal cost	6,110	4,204
Asset retirement obligations	3,316	3,242
Long-term guarantee deposited	18,340	18,286
Other	1,284	3,072
<b>Total noncurrent liabilities</b>	<b>266,509</b>	<b>241,683</b>
<b>Total liabilities</b>	<b>750,277</b>	<b>691,283</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,402	79,404
Retained earnings	478,681	516,401
Treasury stock	(2,115)	(2,388)
<b>Total shareholders' equity</b>	<b>659,357</b>	<b>696,805</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,647	40,148
Deferred gains or losses on hedges	(140)	(1,734)
Foreign currency translation adjustment	(25,299)	(28,374)
<b>Total accumulated other comprehensive income</b>	<b>4,209</b>	<b>10,040</b>
Minority interests	12,036	12,439
<b>Total net assets</b>	<b>675,602</b>	<b>719,285</b>
<b>Total liabilities and net assets</b>	<b>1,425,879</b>	<b>1,410,568</b>

## 2. Statements of income and statements of comprehensive income

### (1) Statements of income

	FY 2010	FY 2011
Net sales	1,555,945	1,573,230
Cost of sales	1,151,204	1,178,968
Gross profit	404,741	394,261
Selling, general and administrative expenses	281,814	290,003
Operating income	122,927	104,258
Non-operating income		
Interest income	1,118	1,434
Dividends income	2,273	2,744
Equity in earnings of affiliates	2,212	669
Gain on reversal of provision for noncurrent assets removal cost	—	2,236
Other	4,248	3,734
Total non-operating income	9,851	10,817
Non-operating expenses		
Interest expense	3,313	2,685
Foreign exchange loss	3,880	162
Contribution	1,009	979
Other	6,357	3,681
Total non-operating expenses	14,560	7,507
Ordinary income	118,219	107,567
Extraordinary income		
Gain on sales of investment securities	416	191
Gain on sales of noncurrent assets	463	494
Reversal of allowance for doubtful accounts	84	—
Gain on business transfer	736	—
Gain on step acquisitions	—	2,277
Total extraordinary income	1,699	2,961
Extraordinary loss		
Loss on sales of investment securities	380	—
Loss on valuation of investment securities	651	1,898
Loss on disposal of noncurrent assets	4,879	3,546
Impairment loss	2,404	460
Environmental expenses	1,185	277
Cumulative adjustment for adoption of accounting standard for asset retirement obligation	1,240	—
Loss on disaster	821	1,027
Business structure improvement expenses	10,016	8,454
Total extraordinary loss	21,576	15,662
Income before income taxes	98,342	94,866
Income taxes—current	39,628	31,152
Income taxes—deferred	(2,952)	6,829
Total income taxes	36,675	37,981
Income before minority interests	61,667	56,885
Minority interests in income	1,379	1,119
Net income	60,288	55,766



(2) Statements of comprehensive income

	FY 2010	FY 2011
Income before minority interests	61,667	56,885
Other comprehensive income		
Net decrease in unrealized gain on other securities	(7,059)	10,553
Deferred gains or losses on hedges	(31)	(1,594)
Foreign currency translation adjustment	(7,114)	(1,029)
Share of other comprehensive income of associates accounted for using equity method	(2,375)	(2,255)
Total other comprehensive income	(16,579)	5,676
Comprehensive income	45,088	62,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	44,042	61,597
Comprehensive income attributable to minority interests	1,047	963

### 3. Statements of changes in net assets

	FY 2010	FY 2011
Shareholders' equity		
Capital stock		
Balance at beginning of fiscal year	103,389	103,389
Balance at end of fiscal year	103,389	103,389
Capital surplus		
Balance at beginning of fiscal year	79,403	79,402
Changes during the fiscal year		
Disposal of treasury stock	(0)	1
Total changes of items during the period	(0)	1
Balance at end of fiscal year	79,402	79,404
Retained earnings		
Balance at beginning of fiscal year	432,114	478,681
Changes during the fiscal year		
Dividends from surplus	(13,984)	(18,173)
Net income	60,288	55,766
Change of scope of consolidation	307	—
Change of scope of equity method	(43)	(111)
Increase by corporate division	—	71
Effect of change in accounting period of subsidiaries and affiliates	—	168
Total changes of items during the period	46,568	37,720
Balance at end of fiscal year	478,681	516,401
Treasury stock		
Balance at beginning of fiscal year	(2,017)	(2,115)
Changes during the fiscal year		
Purchase of treasury stock	(116)	(291)
Disposal of treasury stock	18	18
Total changes of items during the period	(98)	(273)
Balance at end of fiscal year	(2,115)	(2,388)
Total shareholders' equity		
Balance at beginning of fiscal year	612,888	659,357
Changes during the fiscal year		
Dividends from surplus	(13,984)	(18,173)
Net income	60,288	55,766
Purchase of treasury stock	(116)	(291)
Disposal of treasury stock	18	19
Change of scope of consolidation	307	—
Change of scope of equity method	(43)	(111)
Increase by corporate division	—	71
Effect of change in accounting period of subsidiaries and affiliates	—	168
Total changes of items during the period	46,469	37,448
Balance at end of fiscal year	659,357	696,805

	FY 2010	FY 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of fiscal year	36,692	29,647
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(7,045)	10,501
Total changes of items during the period	(7,045)	10,501
Balance at end of fiscal year	29,647	40,148
Deferred gains or losses on hedges		
Balance at beginning of fiscal year	(109)	(140)
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(31)	(1,594)
Total changes of items during the period	(31)	(1,594)
Balance at end of fiscal year	(140)	(1,734)
Foreign currency translation adjustment		
Balance at beginning of fiscal year	(16,128)	(25,299)
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(9,170)	(3,075)
Total changes of items during the period	(9,170)	(3,075)
Balance at end of fiscal year	(25,299)	(28,374)
Total accumulated other comprehensive income		
Balance at beginning of fiscal year	20,455	4,209
Changes during the fiscal year		
Net changes of items other than shareholders' equity	(16,246)	5,832
Total changes of items during the period	(16,246)	5,832
Balance at end of fiscal year	4,209	10,040
Minority interest		
Balance at beginning of fiscal year	11,346	12,036
Changes during the fiscal year		
Net changes of items other than shareholders' equity	691	403
Total changes of items during the period	691	403
Balance at end of fiscal year	12,036	12,439
Total net assets		
Balance at beginning of fiscal year	644,688	675,602
Changes during the fiscal year		
Dividends from surplus	(13,984)	(18,173)
Net income	60,288	55,766
Purchase of treasury stock	(116)	(291)
Disposal of treasury stock	18	19
Change of scope of consolidation	307	—
Change of scope of equity method	(43)	(111)
Increase by corporate division	—	71
Effect of change in accounting period of subsidiaries and affiliates	—	168
Net changes of items other than shareholders' equity	(15,555)	6,235
Total changes of items during the period	30,914	43,683
Balance at end of fiscal year	675,602	719,285

#### 4. Statements of cash flows

	FY 2010	FY 2011
<b>Cash flows from operating activities</b>		
Income before income taxes	98,342	94,866
Depreciation and amortization	84,092	78,440
Impairment loss	2,404	460
Amortization of goodwill	1,073	1,179
Amortization of negative goodwill	(266)	(231)
Increase (decrease) in provision for periodic repairs	(2,990)	2,652
Increase (decrease) in provision for product warranties	(1,139)	(317)
Increase (decrease) in provision for noncurrent assets removal cost	3,754	(2,973)
Increase (decrease) in provision for retirement benefits	(2,050)	(999)
Interest and dividend income	(3,391)	(4,178)
Interest expense	3,313	2,685
Equity in (earnings) losses of affiliates	(2,212)	(669)
Loss (gain) on sales of investment securities	(36)	(191)
Loss (gain) on valuation of investment securities	651	1,898
Loss (gain) on sales of noncurrent assets	(463)	(494)
Loss (gain) on disposal of noncurrent assets	4,879	3,546
Loss (gain) on business transfer	(736)	—
Loss (gain) on step acquisitions	—	(2,277)
Decrease (increase) in notes and accounts receivable, trade	(36,454)	4,918
Decrease (increase) in inventories	(4,841)	(22,532)
Increase (decrease) in notes and accounts payable, trade	13,618	6,859
Increase (decrease) in accrued expenses	2,922	3,905
Increase (decrease) in advances received	15,309	(2,488)
Other, net	(3,405)	21,331
Subtotal	172,376	185,391
Interest and dividend income, received	4,458	5,555
Interest expense, paid	(3,424)	(2,787)
Income taxes (paid) refund	(25,282)	(46,899)
Net cash provided by (used in) operating activities	148,128	141,260
<b>Cash flows from investing activities</b>		
Payments into time deposits	(11,720)	(11,930)
Proceeds from withdrawal of time deposits	6,773	10,917
Purchase of property, plant and equipment	(63,651)	(67,435)
Proceeds from sales of property, plant and equipment	1,092	1,205
Purchase of intangible assets	(5,333)	(9,224)
Purchase of investment securities	(7,619)	(5,251)
Proceeds from sales of investment securities	1,303	543
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(7,080)
Additional purchase of investments in consolidated subsidiaries	(408)	—
Proceeds from business transfer	2,538	—
Payments of loans receivable	(5,840)	(5,144)
Collection of loans receivable	6,513	5,224
Other, net	(2,486)	(1,328)
Net cash provided by (used in) investing activities	(78,838)	(89,503)

	FY 2010	FY 2011
Cash flows from financing activities		
Increase in short-term loans payable	71,335	45,588
Decrease in short-term loans payable	(72,682)	(76,627)
Proceeds from issuance of commercial paper	46,000	15,000
Redemption of commercial paper	(42,000)	(23,000)
Proceeds from long-term loans payable	6,910	2,384
Repayment of long-term loans payable	(19,878)	(32,911)
Repayments of lease obligations	(1,345)	(2,063)
Purchase of treasury stock	(119)	(299)
Proceeds from disposal of treasury stock	18	19
Cash dividends paid	(13,984)	(18,173)
Cash dividends paid to minority shareholders	(547)	(805)
Other, net	147	(143)
Net cash provided by (used in) financing activities	(26,144)	(91,030)
Effect of exchange rate change on cash and cash equivalents	(2,698)	(823)
Net increase (decrease) in cash and cash equivalents	40,449	(40,096)
Cash and cash equivalents at beginning of period	93,125	134,450
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	876	1,528
Effect of change in the reporting period of consolidated subsidiaries and affiliates	—	469
Cash and cash equivalents at end of period	134,450	96,351

## VIII. Segment Information

### 1. Reporting segments

#### (1) Fiscal 2010

	Reporting segments							Others	Total
	Chemicals	Homes	Health Care	Fibers	Electronics	Construction Materials	Subtotal		
<i>Sales</i>									
Customers	699,801	409,224	116,387	108,761	158,337	47,418	1,539,928	16,017	1,555,945
Intersegment	18,657	160	81	1,732	729	14,152	35,510	23,950	59,461
<b>Total</b>	<b>718,457</b>	<b>409,384</b>	<b>116,468</b>	<b>110,493</b>	<b>159,066</b>	<b>61,570</b>	<b>1,575,439</b>	<b>39,968</b>	<b>1,615,406</b>
Operating income (loss)	64,379	36,476	7,045	4,197	14,258	2,091	128,444	1,706	130,151
Assets	563,034	265,342	165,277	102,163	178,739	39,570	1,314,126	49,268	1,363,394
<i>Other items</i>									
Depreciation	31,460	4,266	10,833	6,945	23,882	2,795	80,181	862	81,043
Amortization of goodwill	443	—	610	5	14	—	1,073	—	1,073
Investments in associates accounted for using equity method	36,295	—	272	4,124	2,759	—	43,450	15,975	59,425
Increase in property, plant and equipment, and intangible assets	23,174	6,304	7,427	3,668	20,267	1,684	62,524	981	63,505

#### (2) Fiscal 2011

	Reporting segments							Others	Total
	Chemicals	Homes	Health Care	Fibers	Electronics	Construction Materials	Subtotal		
<i>Sales</i>									
Customers	680,112	451,965	119,483	110,849	146,113	46,146	1,554,668	18,562	1,573,230
Intersegment	20,506	63	23	1,743	608	15,268	38,211	23,665	61,876
<b>Total</b>	<b>700,617</b>	<b>452,028</b>	<b>119,506</b>	<b>112,593</b>	<b>146,721</b>	<b>61,414</b>	<b>1,592,879</b>	<b>42,227</b>	<b>1,635,106</b>
Operating income	44,486	46,340	8,804	3,140	6,423	1,824	111,015	2,969	113,984
Assets	580,351	293,452	180,241	106,000	162,951	42,620	1,365,615	57,462	1,423,077
<i>Other items</i>									
Depreciation	29,215	4,794	10,892	6,445	20,911	2,419	74,676	852	75,528
Amortization of goodwill	435	—	657	—	39	—	1,131	47	1,179
Investments in associates accounted for using equity method	34,413	—	260	3,825	2,020	—	40,518	17,519	58,037
Increase in property, plant and equipment, and intangible assets	39,080	6,272	10,678	5,697	13,429	1,631	76,787	786	77,572

2. Differences between total amounts of reporting segments and recorded amounts on consolidated financial statements

Sales	Fiscal 2010	Fiscal 2011
Total of reporting segments	1,575,439	1,592,879
Net sales in "Others" category	39,968	42,227
Elimination of intersegment sales	(59,461)	(61,876)
Net sales on consolidated statements of income	1,555,945	1,573,230

Operating income	Fiscal 2010	Fiscal 2011
Total of reporting segments	128,444	111,015
Operating income in "Others" category	1,706	2,969
Elimination of intersegment sales	708	690
Corporate expenses, etc.*	(7,932)	(10,416)
Operating income on consolidated statements of income	122,927	104,258

\* Corporate expenses, etc. include corporate revenue, basic research expense, and group management expense, etc. which are not allocated to reporting segments.

Assets	Fiscal 2010	Fiscal 2011
Total of reporting segments	1,314,126	1,365,615
Assets in "Others" category	49,268	57,462
Elimination of intersegment sales	(167,618)	(206,324)
Corporate assets*	230,103	193,814
Total net assets on consolidated balance sheets	1,425,879	1,410,568

\* Corporate assets include assets of Asahi Kasei Corp.—surplus operating funds (cash and deposits), long-term investment capital (investment securities, etc.), and land, etc.

## IX. Geographic information

1. Net sales

(1) Fiscal 2010

	Japan	China	Other regions	Total
Net sales	1,106,656	169,637	279,652	1,555,945

(2) Fiscal 2011

	Japan	China	Other regions	Total
Net sales	1,151,705	151,286	270,238	1,573,230

2. Property, plant and equipment

For both fiscal 2010 and 2011, geographic information is not shown because over 90% of the amount of property, plant and equipment on the consolidated balance sheets is located in Japan.