

Fiscal quarter ended June 2015

– supplementary financial summary –

August 4, 2015
Asahi Kasei Corporation

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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 fiscal quarter ended June 2015

Summary of financial results

Asahi**KASEI**

(¥ billion)

	Q1 2014	H1 2014	Q1 2015	H1 2015 forecast in May	Q1 2015 vs. Q1 2014	
					Increase (decrease)	% change
Net sales	447.1	966.9	462.4	959.0	15.2	+3.4%
Operating income	26.6	70.9	35.5	70.5	8.9	+33.4%
Ordinary income	27.3	74.2	36.5	71.5	9.1	+33.4%
Net income attributable to owners of the parent	17.0	49.5	20.7	44.0	3.7	+21.7%

Key operating factors

Naphtha price (¥/kL, domestic)	69,900	70,400	48,800	50,000
¥/US\$ exchange rate (market average)	102	103	121	115

Financial position

(¥ billion, except D/E ratio)

	At end of March 2015	At end of June 2015	Increase (decrease)
Total assets	2,014.5	2,036.5	22.0
Equity	1,082.7	1,101.5	18.8
Interest-bearing debt	269.0	282.2	13.2
D/E ratio	0.25	0.26	0.01

Statements of income

Asahi**KASEI**

(¥ billion)

	Q1 2014		Q1 2015		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	447.1	100.0%	462.4	100.0%	15.2	+3.4%
Cost of sales	328.4	73.4%	327.1	70.7%	(1.2)	-0.4%
Gross profit	118.8	26.6%	135.3	29.3%	16.5	+13.9%
Selling, general and administrative expenses	92.2	20.6%	99.7	21.6%	7.6	+8.2%
Operating income	26.6	6.0%	35.5	7.7%	8.9	+33.4%
Net non-operating income (expenses)	0.7		0.9		0.2	
of which,						
net financing income (expense)	0.8		1.4		0.6	
net equity in earnings (losses) of affiliates	0.8		(0.3)		(1.1)	
foreign exchange gains (loss)	(0.7)		0.5		1.2	
Ordinary income	27.3	6.1%	36.5	7.9%	9.1	+33.4%
Net extraordinary income (loss)	(1.0)		(3.5)		(2.5)	
Income before income taxes	26.3	5.9%	32.9	7.1%	6.6	+25.3%
Income taxes	(9.0)		(12.1)		(3.0)	
Net income attributable to non-controlling interests	(0.3)		(0.2)		0.1	
Net income attributable to owners of the parent	17.0	3.8%	20.7	4.5%	3.7	+21.7%

Balance sheets

AsahiKASEI

(¥ billion)

	At end of Mar. 2015	At end of Jun. 2015	Increase (decrease)		At end of Mar. 2015	At end of Jun. 2015	Increase (decrease)
Current assets	891.6	912.0	20.4	Liabilities	916.8	920.2	3.4
Cash and deposits	123.8	140.6	16.8	Current liabilities	507.4	502.4	(5.0)
Notes and accounts receivable-trade	325.6	310.2	(15.4)	Noncurrent liabilities	409.4	417.7	8.4
Inventories	339.7	363.6	23.9	Net assets	1,097.7	1,116.4	18.6
Other current assets	102.5	97.6	(4.9)	Shareholders' equity	879.0	885.7	6.7
Noncurrent assets	1,123.0	1,124.5	1.6	Capital stock	103.4	103.4	–
Property, plant and equipment	502.5	507.5	5.0	Capital surplus	79.4	79.4	–
Intangible assets	286.1	286.5	0.4	Retained earnings	699.3	706.0	6.7
Investments and other assets	334.4	330.6	(3.8)	Treasury stock	(3.0)	(3.1)	(0.0)
				Accumulated other comprehensive income	203.6	215.8	12.1
				Non-controlling interests	15.1	14.9	(0.2)
Total assets	2,014.5	2,036.5	22.0	Total liabilities and net assets	2,014.5	2,036.5	22.0

Cash flows

Asahi**KASEI**

(¥ billion)

	Q1 2014	Q1 2015
a. Net cash provided by (used in) operating activities	(11.2)	34.8
b. Net cash used in investing activities	(18.0)	(15.1)
c. Free cash flows [a+b]	(29.1)	19.6
d. Net cash provided by (used in) financing activities	(1.1)	(3.3)
e. Effect of exchange rate change on cash and cash equivalents	(0.1)	1.2
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(30.3)	17.5
g. Cash and cash equivalents at beginning of period	143.1	112.3
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	0.1	6.3
i. Cash and cash equivalents at end of period [f+g+h]	112.9	136.1

Sales and operating income by segment¹ **AsahiKASEI**

(¥ billion)

	Sales			Operating income		
	Q1 2014	Q1 2015	Increase (decrease)	Q1 2014	Q1 2015	Increase (decrease)
Chemicals & Fibers	227.7	227.1	(0.6)	9.3	17.4	8.1
Homes & Construction Materials	117.8	122.1	4.3	8.9	6.8	(2.2)
Electronics	35.8	39.1	3.3	4.0	5.1	1.1
Health Care	59.0	71.3	12.3	7.8	10.7	2.9
Others	6.9	2.8	(4.0)	0.4	(0.1)	(0.5)
Corporate expenses and eliminations	—	—	—	(3.9)	(4.3)	(0.4)
Consolidated	447.1	462.4	15.2	26.6	35.5	8.9

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.

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

AsahiKASEI

(¥ billion)

		Q1 2014	Q1 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	196.9	194.1	(2.8)	5.5	(15.8)	8.6	7.6	–
	Operating income	7.1	13.5	6.4	1.5			–	20.7
Fibers	Sales	30.9	33.0	2.2	1.3	0.9	0.8	–	–
	Operating income	2.2	3.9	1.7	0.8			–	(0.0)
Homes	Sales	105.5	109.9	4.4	(4.1)	(0.1)	–	8.5	–
	Operating income	8.4	6.1	(2.3)	(1.4)			–	(0.9)
Construction Materials	Sales	12.3	12.2	(0.1)	(0.1)	0.1	–	–	–
	Operating income	0.9	1.2	0.3	(0.1)			–	0.4
Electronics	Sales	35.8	39.1	3.3	2.3	1.0	3.2	–	–
	Operating income	4.0	5.1	1.1	0.5			–	(0.5)

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

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

Asahi**KASEI**

(¥ billion)

		Q1 2014	Q1 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	35.7	38.5	2.8	2.9	(0.1)	0.5	–	–
	Operating income	8.1	9.3	1.1	2.0			–	(0.8)
Critical Care	Sales	23.3	32.7	9.4	5.7	(0.7)	(0.2)	4.4	–
	Operating income (loss)	(0.3)	1.5	1.8	4.1			–	(1.7)
Others	Sales	6.9	2.8	(4.0)	(4.0)	–	–	–	–
	Operating income (loss)	0.4	(0.1)	(0.5)	(0.3)			–	(0.3)
Corporate expenses and eliminations	Operating loss	(4.2)	(4.8)	(0.6)	–	–	–	–	(0.6)
Consolidated	Sales	447.1	462.4	15.2	9.4	(14.6)	12.8	20.4	–
	Operating income	26.6	35.5	8.9	7.1			–	16.4

¹ 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 first half fiscal 2015

Consolidated operating performance forecast

AsahiKASEI

(¥ billion)

	FY 2014			H1 2015 forecast			Increase (decrease) b-a	H1 2015 forecast in May c	Increase (decrease) b-c
	H1 a	H2	Total	Q1	Q2 forecast	Total b			
Net sales	966.9	1,019.5	1,986.4	462.4	492.6	955.0	(11.9)	959.0	(4.0)
Operating income	70.9	87.0	157.9	35.5	41.5	77.0	6.1	70.5	6.5
Ordinary income	74.2	92.4	166.5	36.5	40.5	77.0	2.8	71.5	5.5
Net income attributable to owners of the parent	49.5	56.1	105.7	20.7	26.8	47.5	(2.0)	44.0	3.5

Key operating factors

Naphtha price (¥/kL, domestic)	70,400	56,500	63,450	48,800	50,000	49,400	(21,000)	50,000	(600)
¥/US\$ exchange rate (market average)	103	117	110	121	120	121	18	115	6

	FY 2014	H1 2015 (planned)
Dividends per share	¥19	¥10

Sales forecast by business category¹

AsahiKASEI

(¥ billion)

	FY 2014			FY 2015			Increase (decrease) b-a	H1 2015 forecast in May c	Increase (decrease) b-c	Increase (decrease) from Q1 to Q2 2015 forecast
	Q1	Q2	H1 a	Q1	Q2 forecast	H1 forecast b				
Chemicals	196.9	216.2	413.1	194.1	185.9	380.0	(33.1)	381.0	(1.0)	(8.2)
Fibers	30.9	33.5	64.4	33.0	34.0	67.0	2.6	66.0	1.0	1.0
Homes	105.5	150.5	256.0	109.9	146.1	256.0	0.0	254.0	2.0	36.2
Construction Materials	12.3	14.2	26.5	12.2	13.8	26.0	(0.5)	28.0	(2.0)	1.5
Electronics	35.8	38.2	74.0	39.1	38.9	78.0	4.0	80.0	(2.0)	(0.1)
Health Care	35.7	37.5	73.3	38.5	35.5	74.0	0.7	75.0	(1.0)	(3.1)
Critical Care	23.3	24.9	48.1	32.7	34.3	67.0	18.9	63.0	4.0	1.6
Others	6.9	4.8	11.6	2.8	4.2	7.0	(4.6)	12.0	(5.0)	1.4
Consolidated	447.1	519.8	966.9	462.4	492.6	955.0	(11.9)	959.0	(4.0)	30.3

¹ Corresponding to the former operating segments.

Operating income forecast by business category¹

AsahiKASEI

(¥ billion)

	FY 2014			FY 2015			Increase (decrease) b-a	H1 2015 forecast in May c	Increase (decrease) b-c	Increase (decrease) from Q1 to Q2 2015 forecast
	Q1	Q2	H1 a	Q1	Q2 forecast	H1 forecast b				
Chemicals	7.1	14.9	22.0	13.5	15.5	29.0	7.0	27.0	2.0	2.0
Fibers	2.2	2.5	4.7	3.9	2.1	6.0	1.3	5.5	0.5	(1.7)
Homes	8.4	18.5	27.0	6.1	15.9	22.0	(5.0)	21.0	1.0	9.9
Construction Materials	0.9	1.2	2.1	1.2	1.3	2.5	0.4	2.5	–	0.0
Electronics	4.0	3.4	7.4	5.1	3.4	8.5	1.1	8.0	0.5	(1.7)
Health Care	8.1	6.6	14.7	9.3	4.7	14.0	(0.7)	12.5	1.5	(4.5)
Critical Care	(0.3)	0.6	0.3	1.5	2.5	4.0	3.7	2.0	2.0	1.1
Others	0.4	0.3	0.7	(0.1)	0.1	0.0	(0.7)	0.0	–	0.2
Corporate expenses and eliminations	(4.2)	(3.6)	(7.8)	(4.8)	(4.2)	(9.0)	(1.2)	(8.0)	(1.0)	0.6
Consolidated	26.6	44.3	70.9	35.5	41.5	77.0	6.1	70.5	6.5	5.9

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

Sales and operating income forecast by segment¹

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Sales forecast

(¥ billion)

	FY 2014		FY 2015 forecast		Increase (decrease) c-a	Increase (decrease) d-b
	Q1 a	H1 b	Q1 c	H1 d		
Chemicals & Fibers	227.7	477.5	227.1	447.0	(0.6)	(30.5)
Homes & Construction Materials	117.8	282.5	122.1	282.0	4.3	(0.5)
Electronics	35.8	74.0	39.1	78.0	3.3	4.0
Health Care	59.0	121.4	71.3	141.0	12.3	19.6
Others	6.9	11.6	2.8	7.0	(4.0)	(4.6)
Consolidated	447.1	966.9	462.4	955.0	15.2	(11.9)

Operating income forecast

(¥ billion)

	FY 2014		FY 2015 forecast		Increase (decrease) c-a	Increase (decrease) d-b
	Q1 a	H1 b	Q1 c	H1 d		
Chemicals & Fibers	9.3	26.6	17.4	35.0	8.1	8.4
Homes & Construction Materials	8.9	28.8	6.8	24.0	(2.2)	(4.8)
Electronics	4.0	7.4	5.1	8.5	1.1	1.1
Health Care	7.8	15.0	10.7	18.0	2.9	3.0
Others	0.4	0.7	(0.1)	0.0	(0.5)	(0.7)
Corporate expenses and eliminations	(3.9)	(7.5)	(4.3)	(8.5)	(0.4)	(1.0)
Consolidated	26.6	70.9	35.5	77.0	8.9	6.1

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.

Appendix

Quarterly sales by business category¹

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(¥ billion)

	FY 2013				FY 2014				FY 2015	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Chemicals	193.1	203.9	201.4	193.2	196.9	216.2	217.9	193.3	194.1	185.9
Fibers	28.8	31.0	30.1	31.0	30.9	33.5	32.9	33.1	33.0	34.0
Homes	98.4	140.0	121.8	174.2	105.5	150.5	124.2	171.6	109.9	146.1
Construction Materials	13.1	14.7	15.0	12.2	12.3	14.2	14.1	11.4	12.2	13.8
Electronics	36.5	38.2	36.6	33.7	35.8	38.2	39.9	36.5	39.1	38.9
Health Care	38.3	37.5	41.2	35.6	35.7	37.5	39.7	33.5	38.5	35.5
Critical Care	17.8	19.8	20.1	22.2	23.3	24.9	29.8	32.7	32.7	34.3
Others	4.0	4.0	4.5	6.0	6.9	4.8	4.6	4.3	2.8	4.2
Total	430.0	489.0	470.7	508.1	447.1	519.8	503.1	516.3	462.4	492.6

¹ Corresponding to the former operating segments.

Quarterly operating income by business category¹

AsahiKASEI

(¥ billion)

	FY 2013				FY 2014				FY 2015	
	Q1 ²	Q2 ²	Q3 ²	Q4	Q1	Q2	Q3	Q4	Q1	Q2 forecast
Chemicals	10.2	13.0	10.0	5.7	7.1	14.9	18.0	14.2	13.5	15.5
Fibers	2.2	2.2	2.3	1.8	2.2	2.5	2.6	3.2	3.9	2.1
Homes	6.6	19.9	12.2	24.2	8.4	18.5	11.9	20.4	6.1	15.9
Construction Materials	1.3	1.7	2.0	0.5	0.9	1.2	1.4	0.6	1.2	1.3
Electronics	3.8	5.5	3.6	1.4	4.0	3.4	5.9	1.0	5.1	3.4
Health Care	9.0	7.4	10.0	3.9	8.1	6.6	9.3	2.7	9.3	4.7
Critical Care	(1.5)	(0.5)	(0.7)	(0.8)	(0.3)	0.6	2.4	1.4	1.5	2.5
Others	0.4	0.4	0.2	0.8	0.4	0.3	0.2	0.1	(0.1)	0.1
Corporate expenses and eliminations	(3.7)	(3.6)	(4.0)	(4.0)	(4.2)	(3.6)	(3.9)	(4.4)	(4.8)	(4.2)
Total	28.3	45.9	35.6	33.5	26.6	44.3	47.8	39.2	35.5	41.5

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 2013 have been revised retroactively to reflect the consolidation of one subsidiary in the Electronics segment in Q3 2013.

Extraordinary income and loss

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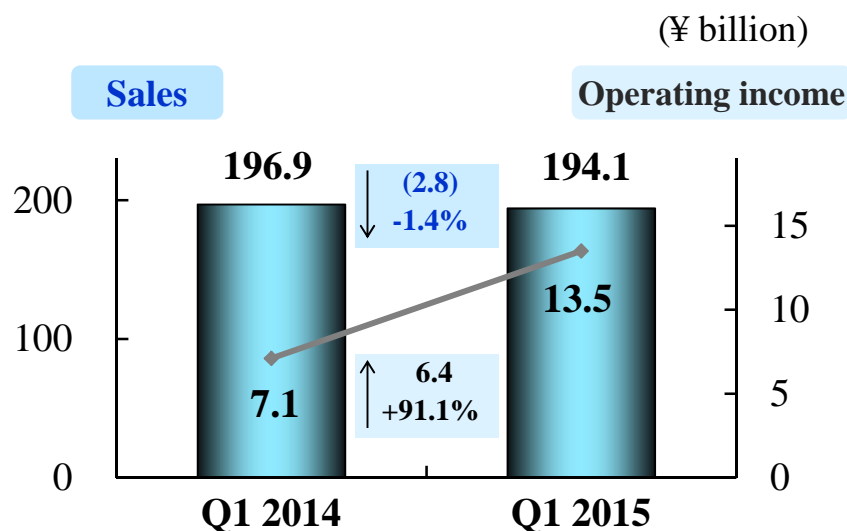
(¥ billion)

	Q1 2014	Q1 2015	Increase (decrease)
Extraordinary income			
Gain on sales of noncurrent assets	0.2	0.0	(0.2)
Total extraordinary income	0.2	0.0	(0.2)
Extraordinary loss			
Loss on sales of investment securities	0.1	–	(0.1)
Loss on valuation of investment securities	0.5	–	(0.5)
Loss on disposal of noncurrent assets	0.5	0.5	(0.0)
Impairment losses	–	0.1	0.1
Business structure improvement expenses	0.2	0.2	(0.0)
Provision for loss on litigation	–	2.8	2.8
Total extraordinary loss	1.3	3.6	2.3
Net extraordinary income (loss)	(1.0)	(3.5)	(2.5)

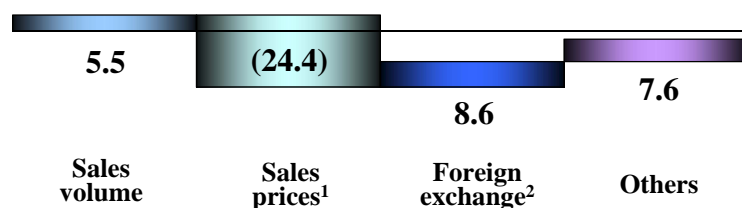
Statements of comprehensive income

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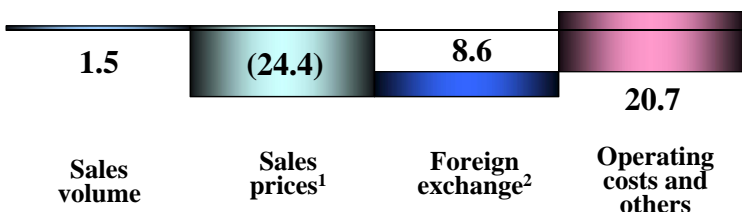
(¥ billion)			
	Q1 2014	Q1 2015	Increase (decrease)
a: Net income	17.3	20.9	3.6
Net increase in unrealized gain on other securities	8.6	3.6	(5.0)
Deferred gains or losses on hedges	0.0	1.6	1.6
Foreign currency translation adjustment	(2.0)	6.6	8.5
Remeasurements of defined benefit plans	0.9	0.6	(0.3)
Share of other comprehensive income of affiliates accounted for using equity method	(0.2)	(0.2)	0.0
b: Other comprehensive income	7.4	12.1	4.8
Comprehensive income [a+b]	24.6	33.0	8.4
Comprehensive income attributable to owners of the parent	24.4	32.8	8.4
Comprehensive income attributable to non-controlling interests	0.2	0.2	(0.0)



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:

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:

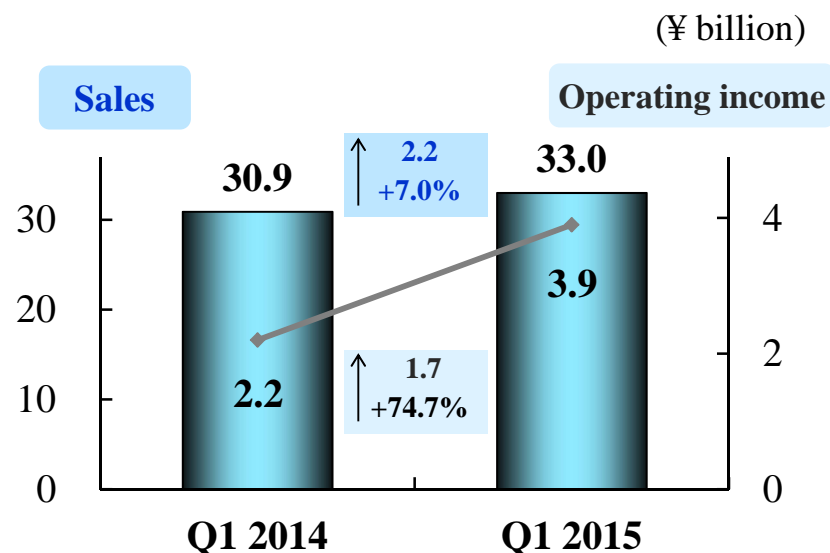
Increased sales of engineering plastics and of synthetic rubber for fuel-efficient tires. Sales increase, and slight operating income increase.

Specialty products:

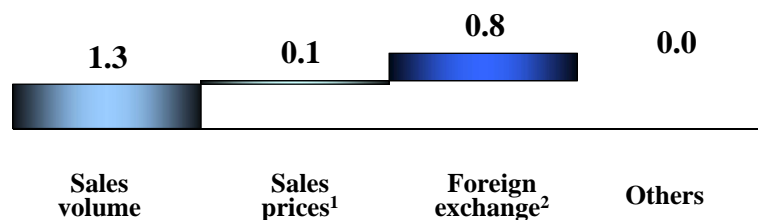
Benefit from the weaker yen centering on ion-exchange membranes. Increased sales of Saran Wrap cling film. Sales flat, and operating income increase.

Highlights

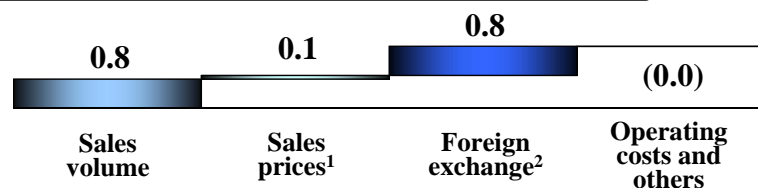
- May, agreement with Mitsubishi Chemical Corp. to establish an equally held joint venture for the operation of a unified naphtha cracker in Mizushima.
- May, start-up of a second production line for Duranate hexamethylene diisocyanate (HDI)-based polyisocyanate, a hardener for non-yellowing polyurethane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



Sales increases/decreases due to:



Operating income increases/decreases due to:



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

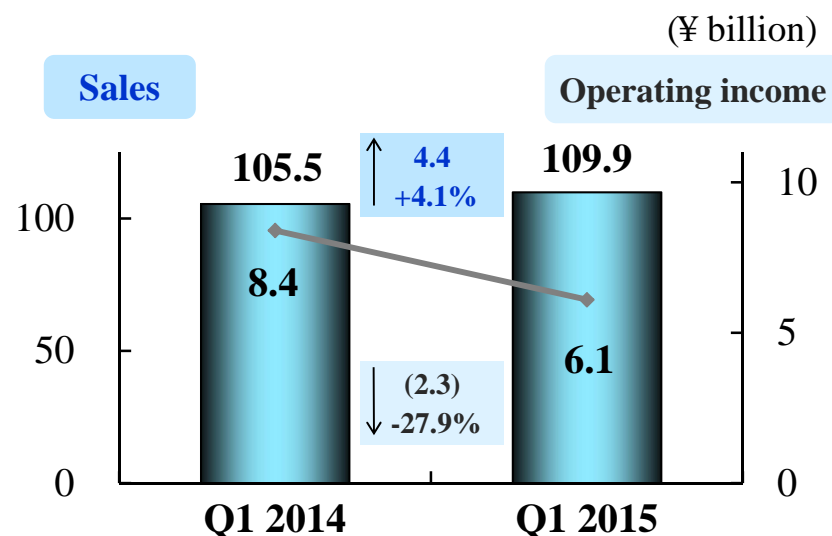
² Impact of foreign exchange on sales prices

Review of operations

Increased sales of Bemberg cupro fiber with a new production facility which began operation in the previous fiscal year. Firm sales of Lamous artificial suede and of Bemliese continuous-filament cellulose nonwoven. Sales and operating income increase.

Highlights

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



Results by product category

(¥ billion)

	Q1 2014		Q1 2015		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	77.2	6.1	70.6	2.5	(6.6)	(3.6)
Real estate (Asahi Kasei Fudousan Residence)	15.9	2.3	26.0	3.5	10.1	1.3
Remodeling (Asahi Kasei Reform)	11.8		12.9		1.0	
Other housing-related, etc.	0.6		0.4		(0.2)	
Total	105.5	8.4	109.9	6.1	4.4	(2.3)

Review of operations

Order-built homes:

- Decreased deliveries of both Hebel Haus unit homes and Hebel Maison apartment buildings. Sales and operating income decrease.
- Firm orders received centering on apartment buildings. Value of new orders increasing 7.7% year-on-year.

Real estate, remodeling and others:

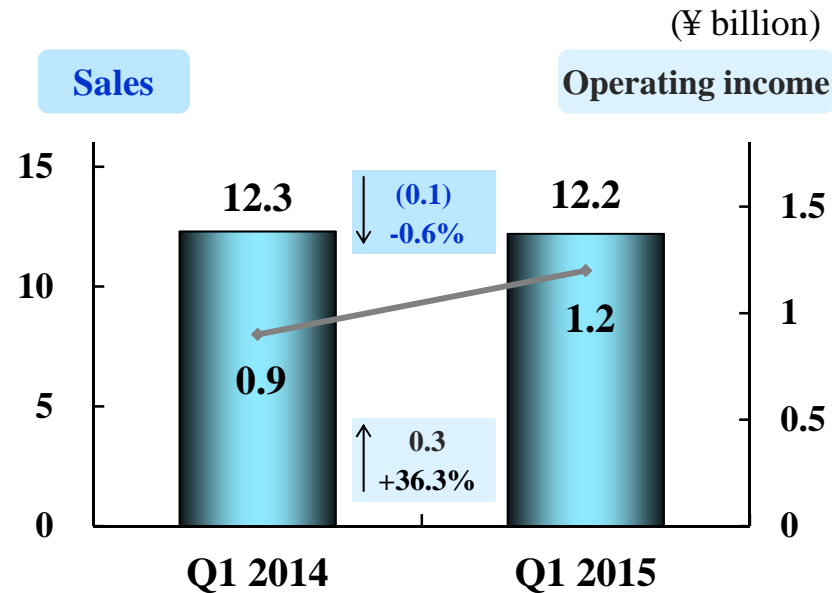
Increased orders in remodeling centering on renovation work and equipment installation. Increased number of condominium units delivered in real estate. Sales and operating income increase.

Homes – 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			
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		Q1	99.2 (-11.3%)		77.2 (+7.7%)		0.9	14.4	0.6	15.9	11.8		0.6	105.5 (+7.3%)		505.7
		Q2	118.4 (-15.5%)		110.7 (+1.3%)		8.9	14.9	0.9	24.7	14.5		0.6	150.5 (+7.5%)		516.3
	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%)		
	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		Q1	106.8 (+7.7%)		70.6 (-8.6%)		8.8	16.6	0.7	26.0	12.9		0.4	109.9 (+4.1%)		553.5
		Q2 forecast	121.2 (+2.3%)		111.9 (+1.1%)		1.3	16.8	1.2	19.3	14.5		0.3	146.1 (-2.9%)		566.6
	H1 forecast		228.0 (+4.8%)		182.5 (-2.9%)		10.1	33.3	1.9	45.4	27.4		0.7	256.0 (+0.0%)		

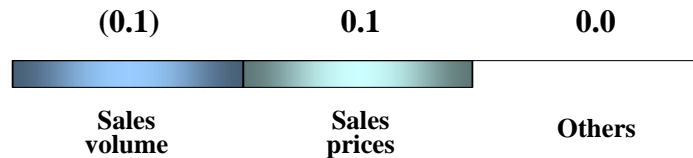
¹ Product categories are revised from FY 2012. A portion of sales previously included in pre-built homes is now included in order-built homes, etc. Otherwise, sales in the previous pre-built homes category are now included in real estate.



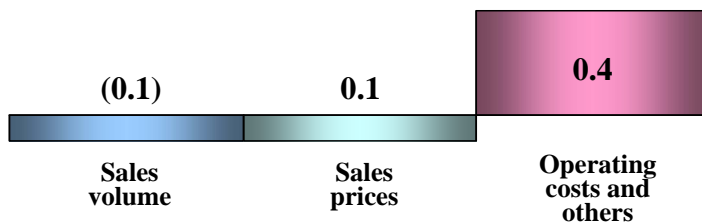
Review of operations

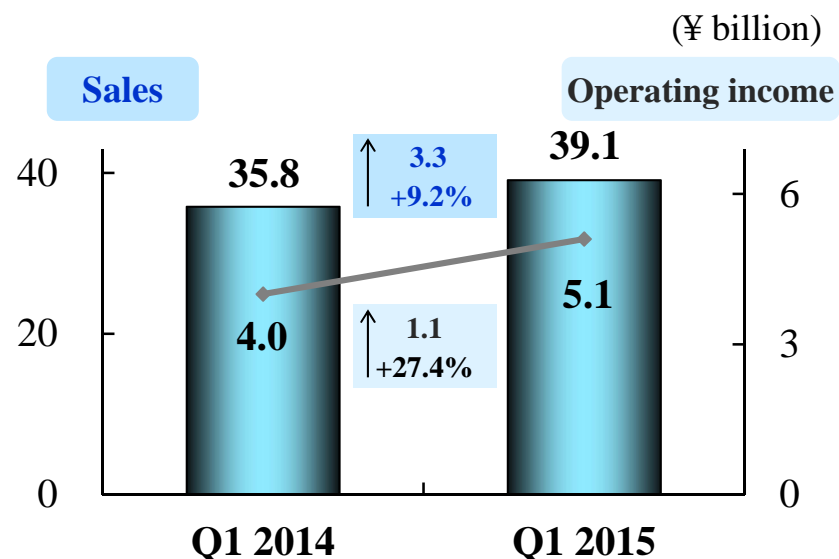
Firm sales of Hebel autoclaved aerated concrete (AAC) panels and of Neoma high-performance phenolic foam insulation panels. Sales flat, and operating income increase.

Sales increases/decreases due to:



Operating income increases/decreases due to:



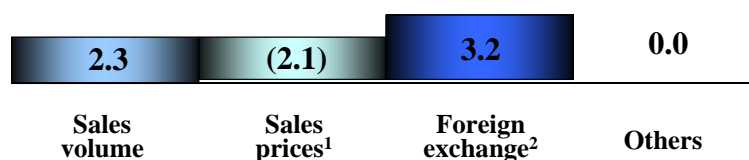


Review of operations

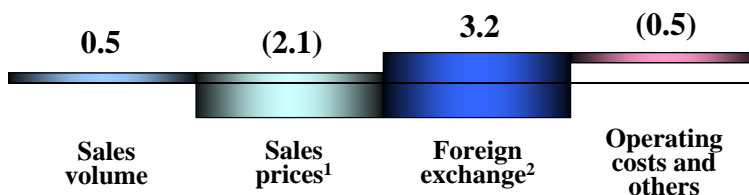
Electronic devices: Decreased sales of crystal oscillator ICs. Benefit from the weaker yen. Firm sales of electronic devices for smartphones, such as audio LSIs and devices for camera modules. Sales and operating income increase.

Electronic materials: Decreased sales prices for Hipore Li-ion battery separator. Benefit from the weaker yen. Firm sales of high-end products in each product category. Sales and operating income increase.

Sales increases/decreases due to:

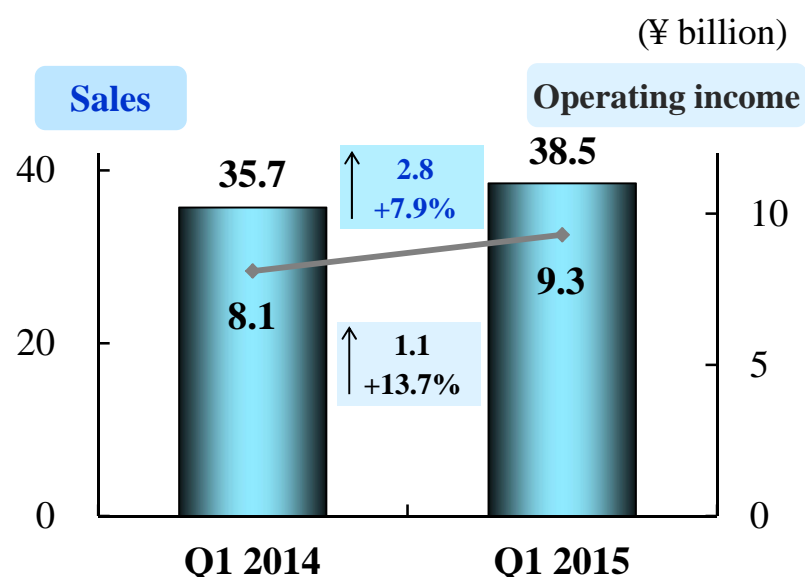


Operating income increases/decreases due to:

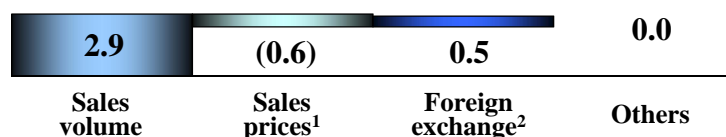


¹ Increase (decrease) in sales prices excluding impact of foreign exchange

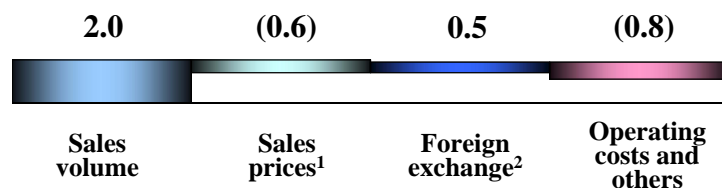
² Impact of foreign exchange on sales prices



Sales increases/decreases due to:



Operating income increases/decreases due to:



Review of operations

Pharmaceuticals:

Increased SG&A expenses related mainly to R&D. Increased sales of Teribone osteoporosis drug and Recomodulin recombinant thrombomodulin. Sales and operating income increase.

Devices:

Benefit from the weaker yen. Firm sales of dialysis products and of therapeutic apheresis devices. Increased SG&A expenses at overseas sales subsidiaries. Sales increase, but slight operating income decrease.

Highlights

- July, approval 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 – breakdown of sales

Sales of Health Care business category (¥ billion)

			FY 2014		FY 2015
			Q1	H1	Q1
		Domestic pharmaceuticals	18.0	38.1	19.7
		Others	1.1	2.4	1.4
	Asahi Kasei Pharma consolidated		19.1	40.5	21.1
	Devices ¹		16.6	32.7	17.4
	Total		35.7	73.3	38.5

¹ Asahi Kasei Medical and affiliated companies.

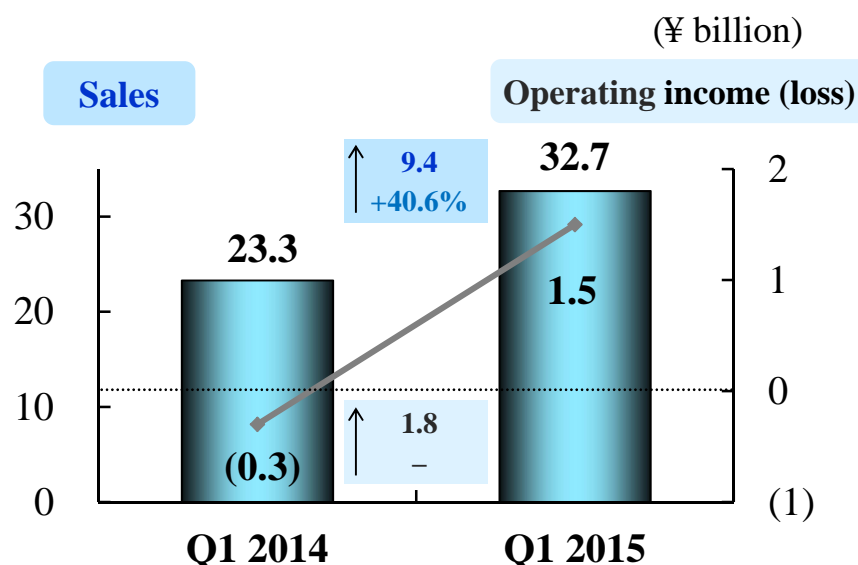
Main pharmaceuticals domestic sales (¥ billion)

	FY 2014		FY 2015
	Q1	H1	Q1
Teribone	5.6	12.5	7.0
Flivas	3.3	6.5	3.3
Recomodulin	2.5	5.5	2.9
Elcitonin	1.6	3.3	1.4
Bredinin	1.4	2.8	1.4

Health Care – pharmaceutical pipeline

Asahi**KASEI**

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
Phase III	AK-156, 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

Continued 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.

Financial performance of Critical Care

(¥ billion)

	FY2014				FY 2015	
	Q1	H1	H2	Total	H1	
					Q1	forecast
Net sales	23.3	48.1	62.5	110.6	32.7	67.0
Gross operating income before PPA ¹ impact	2.9	6.6	11.0	17.6	5.2	11.4
Amortization/depreciation from PPA ¹ revaluation	(3.2)	(6.3)	(7.2)	(13.5)	(3.7)	(7.4)
Goodwill	(1.8)	(3.7)	(4.3)	(7.9)	(2.2)	(4.5)
Other intangible assets, etc.	(1.3)	(2.7)	(2.9)	(5.6)	(1.5)	(2.9)
Consolidated operating income (loss)	(0.3)	0.3	3.8	4.1	1.5	4.0

¹ Purchase price allocation.