

Fiscal 2018 3<sup>rd</sup> Quarter  
Financial Results  
– supplementary financial summary –

February 7, 2019  
Asahi Kasei Corporation

# Contents

## 1. Consolidated results for fiscal quarter ended Dec. 2018

|       |                                                                   |
|-------|-------------------------------------------------------------------|
| 3–5   | Focus of Q3 2018 results and fiscal 2018 forecast                 |
| 8     | Summary of financial results                                      |
| 9–10  | Statements of income                                              |
| 11    | Balance sheets                                                    |
| 12    | Cash flows                                                        |
| 13–14 | Sales and operating income by segment                             |
| 15–18 | Sales and operating income increase/decrease by business category |
| 19–25 | Overview of results by business category                          |

## 2. Forecast for fiscal year 2018

|       |                                                          |
|-------|----------------------------------------------------------|
| 27    | Consolidated operating performance forecast              |
| 28    | Sales and operating income forecast by segment           |
| 29–30 | Sales and operating income forecast by business category |

## 3. Appendix

|       |                                                           |
|-------|-----------------------------------------------------------|
| 32    | Overseas sales by business category                       |
| 33–34 | Quarterly sales and operating income by business category |
| 35    | Extraordinary income and loss                             |
| 36    | Reference materials for Homes                             |
| 37–38 | Reference materials for Health Care                       |

# Focus of Q3 2018 results and fiscal 2018 forecast

- Increased net sales and operating income year-on-year on Apr.–Dec. basis despite impact of fall in market prices centering on Petrochemicals in Chemicals.
- FY 2018 forecast revised downward, but year-on-year growth in sales and operating income expected with firm performance in Homes and Health Care.

# Outline of Q3 2018 results

## Results for Apr.–Dec.

- ✓ Highest ever net sales, operating income, and ordinary income; second highest net income attributable to owners of the parent.
- ✓ Notable year-on-year increases in operating income: in the Material segment, Petrochemicals with high market prices for acrylonitrile, Fibers with firm performance of nonwovens centered on Lamous microfiber suede and Bemliese continuous-filament cellulose nonwoven, and Separators with increased shipments of Li-ion battery separators; in the Health Care segment, Critical Care with good performance of defibrillators for professional use, and Medical Devices with increased shipments of bioprocess products.
- ✓ Year-on-year decrease in net income primarily due to lower gain on sales of investment securities and the one-time effect of the US tax reform in the previous year.

## Results for Oct.–Dec.

- ✓ Material: sharp slowdown centered on Petrochemicals in Chemicals.
  - Market prices centered on acrylonitrile plunged after sustaining high levels through H1, leading to deteriorated terms of trade, decreased shipments, and lower capacity utilization.
  - Economic slowdown in China began affecting certain products for automotive and smartphone applications, although the impact was limited.
- ✓ Homes and Health Care: in-line with the forecasts in November.

# Outline of fiscal year 2018 forecast

## Forecast for the fiscal year

- ✓ Material: forecasts revised downward centering on Petrochemicals in Chemicals. Impact of Chinese economic slowdown forecasted in other businesses as well.
  - Main factor is the fall in market prices for acrylonitrile. Gradual recovery expected, subject to ongoing scrutiny.
  - Impact of slowdown and uncertainty in automobile-related markets expected for engineering plastics, synthetic rubber, lead-acid battery separator, etc.
  - Impact of stagnating growth in smartphone-related markets expected for electronic materials, electronic devices, etc.
- ✓ Homes and Health Care: November forecasts remain unchanged.
- ✓ Expecting profits to exceed the targets under “C’s for Tomorrow 2018” mid-term management initiative (operating income of ¥180 billion and net income of ¥110 billion) and the original FY 2018 forecast announced in May 2018 (operating income ¥190 billion and net income ¥140 billion) as well as the FY 2017 operating income result.

## Shareholder returns

Year-end dividends will be determined based on FY 2018 consolidated net income results in consideration of total return ratio target of 35%, as set forth in the mid-term management initiative.

## – 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.



1. Consolidated results for fiscal quarter ended Dec. 2018

# Summary of financial results

(¥ billion, unless otherwise specified)

|                                                    | 2017      |           | 2018      |           | Oct.–Dec.<br>2018 vs. 2017 |          | Apr.–Dec.<br>2018 vs. 2017 |          |
|----------------------------------------------------|-----------|-----------|-----------|-----------|----------------------------|----------|----------------------------|----------|
|                                                    | Oct.–Dec. | Apr.–Dec. | Oct.–Dec. | Apr.–Dec. | Increase<br>(decrease)     | % change | Increase<br>(decrease)     | % change |
| Net sales                                          | 519.8     | 1,484.5   | 545.3     | 1,586.7   | 25.5                       | +4.9%    | 102.2                      | +6.9%    |
| Operating income                                   | 56.5      | 149.2     | 52.4      | 156.7     | (4.1)                      | -7.3%    | 7.5                        | +5.0%    |
| Ordinary income                                    | 62.4      | 160.5     | 55.0      | 165.3     | (7.4)                      | -11.8%   | 4.7                        | +2.9%    |
| Net income attributable<br>to owners of the parent | 69.5      | 140.3     | 36.5      | 115.4     | (33.0)                     | -47.5%   | (24.9)                     | -17.7%   |

## Key operating factors

|                                          |        |        |        |        |       |        |
|------------------------------------------|--------|--------|--------|--------|-------|--------|
| Naphtha price<br>(¥/kL, domestic)        | 44,600 | 39,933 | 54,200 | 52,133 | 9,600 | 12,200 |
| ¥/US\$ exchange rate<br>(market average) | 113    | 112    | 113    | 111    | (0)   | (1)    |
| ¥/€ exchange rate<br>(market average)    | 133    | 129    | 129    | 130    | (4)   | 1      |

# Statements of income, Apr.–Dec. 2018 vs. 2017

(¥ billion)

|                                                      | Apr.–Dec. 2017 |            | Apr.–Dec. 2018 |            | Increase<br>(decrease) | % change |
|------------------------------------------------------|----------------|------------|----------------|------------|------------------------|----------|
|                                                      |                | % of sales |                | % of sales |                        |          |
| Net sales                                            | 1,484.5        | 100.0%     | 1,586.7        | 100.0%     | 102.2                  | +6.9%    |
| Cost of sales                                        | 1,002.5        | 67.5%      | 1,076.7        | 67.9%      | 74.2                   | +7.4%    |
| Gross profit                                         | 482.0          | 32.5%      | 510.0          | 32.1%      | 28.0                   | +5.8%    |
| Selling, general and administrative expenses         | 332.8          | 22.4%      | 353.3          | 22.3%      | 20.5                   | +6.1%    |
| Operating income                                     | 149.2          | 10.0%      | 156.7          | 9.9%       | 7.5                    | +5.0%    |
| Net non-operating income (expenses)                  | 11.4           |            | 8.5            |            | (2.8)                  |          |
| of which,                                            |                |            |                |            |                        |          |
| net financing income (expense)                       | 3.6            |            | 3.6            |            | 0.0                    |          |
| net equity in earnings (losses) of affiliates        | 9.1            |            | 9.9            |            | 0.8                    |          |
| foreign exchange gains (loss)                        | (1.5)          |            | (2.2)          |            | (0.7)                  |          |
| Ordinary income                                      | 160.5          | 10.8%      | 165.3          | 10.4%      | 4.7                    | +2.9%    |
| Net extraordinary income (loss)                      | 10.8           |            | (1.0)          |            | (11.8)                 |          |
| Income before income taxes                           | 171.4          |            | 164.3          |            | (7.1)                  |          |
| Income taxes                                         | (29.5)         |            | (47.3)         |            | (17.8)                 |          |
| Net income attributable to non-controlling interests | (1.6)          |            | (1.5)          |            | 0.0                    |          |
| Net income attributable to owners of the parent      | 140.3          | 9.5%       | 115.4          | 7.3%       | (24.9)                 | -17.7%   |

# Statements of income, Oct.–Dec. 2018 vs. 2017

(¥ billion)

|                                                      | Oct.–Dec. 2017 |            | Oct.–Dec. 2018 |            | Increase<br>(decrease) | % change |
|------------------------------------------------------|----------------|------------|----------------|------------|------------------------|----------|
|                                                      |                | % of sales |                | % of sales |                        |          |
| Net sales                                            | 519.8          | 100.0%     | 545.3          | 100.0%     | 25.5                   | +4.9%    |
| Cost of sales                                        | 351.0          | 67.5%      | 371.8          | 68.2%      | 20.8                   | +5.9%    |
| Gross profit                                         | 168.8          | 32.5%      | 173.5          | 31.8%      | 4.7                    | +2.8%    |
| Selling, general and administrative expenses         | 112.3          | 21.6%      | 121.1          | 22.2%      | 8.8                    | +7.8%    |
| Operating income                                     | 56.5           | 10.9%      | 52.4           | 9.6%       | (4.1)                  | -7.3%    |
| Net non-operating income (expenses)                  | 5.8            |            | 2.6            |            | (3.2)                  |          |
| of which,                                            |                |            |                |            |                        |          |
| net financing income (expense)                       | 2.2            |            | 1.0            |            | (1.1)                  |          |
| net equity in earnings (losses) of affiliates        | 3.8            |            | 3.2            |            | (0.6)                  |          |
| foreign exchange gains (loss)                        | (0.6)          |            | (0.8)          |            | (0.2)                  |          |
| Ordinary income                                      | 62.4           | 12.0%      | 55.0           | 10.1%      | (7.4)                  | -11.8%   |
| Net extraordinary income (loss)                      | 7.3            |            | (5.9)          |            | (13.2)                 |          |
| Income before income taxes                           | 69.7           |            | 49.1           |            | (20.6)                 |          |
| Income taxes                                         | 0.3            |            | (12.2)         |            | (12.4)                 |          |
| Net income attributable to non-controlling interests | (0.5)          |            | (0.5)          |            | 0.0                    |          |
| Net income attributable to owners of the parent      | 69.5           | 13.4%      | 36.5           | 6.7%       | (33.0)                 | -47.5%   |

# Balance sheets

(¥ billion)

|                                              | At end of<br>Mar. 2018 | At end of<br>Dec. 2018 <sup>1</sup> | Increase<br>(decrease) |                                               | At end of<br>Mar. 2018 | At end of<br>Dec. 2018 <sup>1</sup> | Increase<br>(decrease) |
|----------------------------------------------|------------------------|-------------------------------------|------------------------|-----------------------------------------------|------------------------|-------------------------------------|------------------------|
| Current assets                               | 938.9                  | 1,083.6                             | 144.7                  | Liabilities                                   | 1,001.9                | 1,236.7                             | 234.8                  |
| Cash and deposits                            | 156.3                  | 193.9                               | 37.6                   | Current liabilities                           | 589.1                  | 808.2                               | 219.0                  |
| Notes and accounts<br>receivable—trade       | 341.4                  | 354.5                               | 13.1                   | Noncurrent liabilities <sup>2</sup>           | 412.8                  | 428.6                               | 15.8                   |
| Inventories                                  | 359.7                  | 439.5                               | 79.8                   | Net assets                                    | 1,305.2                | 1,360.3                             | 55.1                   |
| Other current assets <sup>2</sup>            | 81.5                   | 95.8                                | 14.2                   | Shareholders' equity                          | 1,160.8                | 1,224.7                             | 63.8                   |
| Noncurrent assets                            | 1,368.2                | 1,513.4                             | 145.2                  | Capital stock                                 | 103.4                  | 103.4                               | —                      |
| Property, plant and<br>equipment             | 562.0                  | 614.2                               | 52.1                   | Capital surplus                               | 79.4                   | 79.7                                | 0.3                    |
| Intangible assets                            | 414.6                  | 532.2                               | 117.6                  | Retained earnings                             | 981.9                  | 1,045.5                             | 63.6                   |
| Investments and<br>other assets <sup>2</sup> | 391.5                  | 367.1                               | (24.5)                 | Treasury stock                                | (3.9)                  | (3.9)                               | 0.0                    |
|                                              |                        |                                     |                        | Accumulated other<br>comprehensive income     | 126.6                  | 115.5                               | (11.0)                 |
|                                              |                        |                                     |                        | Non-controlling interests                     | 17.8                   | 20.1                                | 2.3                    |
| Total assets <sup>2</sup>                    | 2,307.2                | 2,597.0                             | 289.9                  | Total liabilities and net assets <sup>2</sup> | 2,307.2                | 2,597.0                             | 289.9                  |
| Interest-bearing debt                        | 301.7                  | 510.9                               | 209.1                  |                                               |                        |                                     |                        |
| D/E ratio                                    | 0.23                   | 0.38                                | 0.15                   |                                               |                        |                                     |                        |

<sup>1</sup> Among the total assets at the end of December 2018, ¥134.3 billion is attributed to the effect of the consolidation, including acquisition-related goodwill, of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time). Those figures are calculated provisionally prior to completion of PPA (purchase price allocation).

<sup>2</sup> “Partial Amendments to Accounting Standard for Tax Effect Accounting” is applied from FY 2018. Accordingly, all deferred tax assets are shown under investments and other assets, and all deferred tax liabilities are shown under noncurrent liabilities. The figures at end of March 2018 have been revised retroactively to reflect the amendments.

# Cash flows

(¥ billion)

|                                                                 | Apr.–Dec.<br>2017 | Apr.–Dec.<br>2018 |
|-----------------------------------------------------------------|-------------------|-------------------|
| a. Net cash provided by (used in) operating activities          | 154.0             | 102.4             |
| b. Net cash used in investing activities                        | (69.1)            | (163.8)           |
| c. Free cash flows [a+b]                                        | 85.0              | (61.3)            |
| d. Net cash provided by (used in) financing activities          | (43.1)            | 103.4             |
| e. Effect of exchange rate change on cash and cash equivalents  | 5.1               | 1.2               |
| f. Net increase (decrease) in cash and cash equivalents [c+d+e] | 47.0              | 43.3              |

|                                                                                           |       |       |
|-------------------------------------------------------------------------------------------|-------|-------|
| g. Cash and cash equivalents at beginning of period                                       | 144.1 | 148.6 |
| h. Increase in cash and cash equivalents resulting from changes in scope of consolidation | 0.3   | 0.8   |
| i. Cash and cash equivalents at end of period [f+g+h]                                     | 191.3 | 192.7 |

# Sales and operating income by segment<sup>1</sup>, Apr.-Dec. 2017 and 2018

(¥ billion)

|                                     |                        | Sales             |                   |                        | Operating income  |                   |                        |
|-------------------------------------|------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|------------------------|
|                                     |                        | Apr.-Dec.<br>2017 | Apr.-Dec.<br>2018 | Increase<br>(decrease) | Apr.-Dec.<br>2017 | Apr.-Dec.<br>2018 | Increase<br>(decrease) |
|                                     | Fibers <sup>2</sup>    | 100.8             | 122.4             | 21.6                   | 9.6               | 11.0              | 1.5                    |
|                                     | Chemicals              | 589.2             | 648.9             | 59.6                   | 78.7              | 86.5              | 7.8                    |
|                                     | Electronics            | 117.5             | 118.1             | 0.6                    | 9.3               | 8.9               | (0.3)                  |
| Material segment                    |                        | 807.5             | 889.4             | 81.8                   | 97.5              | 106.4             | 8.9                    |
|                                     | Homes                  | 404.3             | 404.6             | 0.3                    | 36.2              | 35.4              | (0.8)                  |
|                                     | Construction Materials | 40.6              | 42.3              | 1.6                    | 3.5               | 3.8               | 0.3                    |
| Homes segment                       |                        | 445.0             | 446.8             | 1.9                    | 39.4              | 38.7              | (0.7)                  |
|                                     | Health Care            | 103.1             | 104.0             | 0.9                    | 18.1              | 17.2              | (0.9)                  |
|                                     | Critical Care          | 117.0             | 132.0             | 15.0                   | 13.9              | 16.9              | 3.0                    |
| Health Care segment                 |                        | 220.0             | 235.9             | 15.9                   | 32.0              | 34.1              | 2.2                    |
| Others                              |                        | 12.0              | 14.6              | 2.6                    | 1.1               | 1.6               | 0.5                    |
| Corporate expenses and eliminations |                        | —                 | —                 | —                      | (20.8)            | (24.1)            | (3.3)                  |
| Consolidated                        |                        | 1,484.5           | 1,586.7           | 102.2                  | 149.2             | 156.7             | 7.5                    |

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

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Sales and operating income by segment<sup>1</sup>, Oct.-Dec. 2017 and 2018

(¥ billion)

|                                     |                        | Sales             |                   |                        | Operating income  |                   |                        |
|-------------------------------------|------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|------------------------|
|                                     |                        | Oct.-Dec.<br>2017 | Oct.-Dec.<br>2018 | Increase<br>(decrease) | Oct.-Dec.<br>2017 | Oct.-Dec.<br>2018 | Increase<br>(decrease) |
| Material segment                    | Fibers <sup>2</sup>    | 34.7              | 49.6              | 14.9                   | 3.0               | 3.8               | 0.7                    |
|                                     | Chemicals              | 214.1             | 221.5             | 7.5                    | 30.1              | 27.2              | (2.9)                  |
|                                     | Electronics            | 39.8              | 40.2              | 0.3                    | 3.7               | 3.3               | (0.3)                  |
|                                     |                        | 288.6             | 311.3             | 22.6                   | 36.8              | 34.3              | (2.6)                  |
| Homes segment                       | Homes                  | 134.7             | 132.8             | (2.0)                  | 11.9              | 11.1              | (0.8)                  |
|                                     | Construction Materials | 14.5              | 15.4              | 0.9                    | 1.7               | 1.9               | 0.3                    |
|                                     |                        | 149.3             | 148.1             | (1.1)                  | 13.3              | 12.7              | (0.6)                  |
| Health Care segment                 | Health Care            | 36.7              | 35.6              | (1.2)                  | 8.2               | 6.5               | (1.6)                  |
|                                     | Critical Care          | 40.8              | 45.9              | 5.1                    | 5.4               | 5.6               | 0.2                    |
|                                     |                        | 77.5              | 81.5              | 3.9                    | 13.5              | 12.1              | (1.4)                  |
| Others                              |                        | 4.4               | 4.4               | 0.0                    | 0.4               | 0.4               | (0.0)                  |
| Corporate expenses and eliminations |                        | —                 | —                 | —                      | (7.5)             | (7.0)             | 0.5                    |
| Consolidated                        |                        | 519.8             | 545.3             | 25.5                   | 56.5              | 52.4              | (4.1)                  |

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

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Sales and operating income increase/decrease by business category<sup>1</sup>, Apr.–Dec. 2018 vs. 2017 (i)

(¥ billion)

|                           |                     | Apr.–Dec.<br>2017 | Apr.–Dec.<br>2018 | Net<br>increase<br>(decrease) | Increase (decrease) due to: |                 |                                            |        |                                  |
|---------------------------|---------------------|-------------------|-------------------|-------------------------------|-----------------------------|-----------------|--------------------------------------------|--------|----------------------------------|
|                           |                     |                   |                   |                               | Sales<br>volume             | Sales<br>prices | of which,<br>due to<br>foreign<br>exchange | Others | Operating<br>costs and<br>others |
| Fibers <sup>2</sup>       | Sales               | 100.8             | 122.4             | 21.6                          | 6.3                         | 1.6             | (0.2)                                      | 13.8   | —                                |
|                           | Operating<br>income | 9.6               | 11.0              | 1.5                           | 1.2                         |                 |                                            | —      | (1.3)                            |
| Chemicals                 | Sales               | 589.2             | 648.9             | 59.6                          | 18.6                        | 42.6            | (0.3)                                      | (1.6)  | —                                |
|                           | Operating<br>income | 78.7              | 86.5              | 7.8                           | 0.4                         |                 |                                            | —      | (35.3)                           |
| Electronics               | Sales               | 117.5             | 118.1             | 0.6                           | 2.9                         | (4.2)           | (0.4)                                      | 1.9    | —                                |
|                           | Operating<br>income | 9.3               | 8.9               | (0.3)                         | 0.5                         |                 |                                            | —      | 3.4                              |
| Homes                     | Sales               | 404.3             | 404.6             | 0.3                           | (1.1)                       | 1.9             | —                                          | (0.5)  | —                                |
|                           | Operating<br>income | 36.2              | 35.4              | (0.8)                         | (0.9)                       |                 |                                            | —      | (1.8)                            |
| Construction<br>Materials | Sales               | 40.6              | 42.3              | 1.6                           | 1.4                         | 0.2             | —                                          | —      | —                                |
|                           | Operating<br>income | 3.5               | 3.8               | 0.3                           | 0.7                         |                 |                                            | —      | (0.6)                            |

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

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Sales and operating income increase/decrease by business category<sup>1</sup>, Apr.–Dec. 2018 vs. 2017 (ii)

(¥ billion)

|                                        |                     | Apr.–Dec.<br>2017 | Apr.–Dec.<br>2018 | Net<br>increase<br>(decrease) | Increase (decrease) due to: |                 |                                            |        |                                  |
|----------------------------------------|---------------------|-------------------|-------------------|-------------------------------|-----------------------------|-----------------|--------------------------------------------|--------|----------------------------------|
|                                        |                     |                   |                   |                               | Sales<br>volume             | Sales<br>prices | of which,<br>due to<br>foreign<br>exchange | Others | Operating<br>costs and<br>others |
| Health Care                            | Sales               | 103.1             | 104.0             | 0.9                           | 3.3                         | (1.6)           | (0.0)                                      | (0.8)  | —                                |
|                                        | Operating<br>income | 18.1              | 17.2              | (0.9)                         | 2.3                         |                 |                                            | —      | (1.5)                            |
| Critical Care                          | Sales               | 117.0             | 132.0             | 15.0                          | 11.1                        | 0.3             | (0.1)                                      | 3.6    | —                                |
|                                        | Operating<br>income | 13.9              | 16.9              | 3.0                           | 5.1                         |                 |                                            | —      | (2.3)                            |
| Others                                 | Sales               | 12.0              | 14.6              | 2.6                           | 2.6                         | —               | —                                          | —      | —                                |
|                                        | Operating<br>income | 1.1               | 1.6               | 0.5                           | 0.7                         |                 |                                            | —      | (0.2)                            |
| Corporate expenses<br>and eliminations | Operating<br>loss   | (21.1)            | (24.6)            | (3.5)                         | —                           | —               | —                                          | —      | (3.5)                            |
| Consolidated                           | Sales               | 1,484.5           | 1,586.7           | 102.2                         | 44.9                        | 40.8            | (1.1)                                      | 16.5   | —                                |
|                                        | Operating<br>income | 149.2             | 156.7             | 7.5                           | 9.8                         |                 |                                            | —      | (43.2)                           |

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

# Sales and operating income increase/decrease by business category<sup>1</sup>, Oct.–Dec. 2018 vs. 2017 (i)

(¥ billion)

|                           |                     | Oct.–Dec.<br>2017 | Oct.–Dec.<br>2018 | Net<br>increase<br>(decrease) | Increase (decrease) due to: |                 |                                            |        |                                  |
|---------------------------|---------------------|-------------------|-------------------|-------------------------------|-----------------------------|-----------------|--------------------------------------------|--------|----------------------------------|
|                           |                     |                   |                   |                               | Sales<br>volume             | Sales<br>prices | of which,<br>due to<br>foreign<br>exchange | Others | Operating<br>costs and<br>others |
| Fibers <sup>2</sup>       | Sales               | 34.7              | 49.6              | 14.9                          | 0.9                         | 0.7             | (0.1)                                      | 13.2   | —                                |
|                           | Operating<br>income | 3.0               | 3.8               | 0.7                           | (0.2)                       |                 |                                            | —      | 0.2                              |
| Chemicals                 | Sales               | 214.1             | 221.5             | 7.5                           | (4.1)                       | 13.5            | (0.2)                                      | (2.0)  | —                                |
|                           | Operating<br>income | 30.1              | 27.2              | (2.9)                         | (3.8)                       |                 |                                            | —      | (12.6)                           |
| Electronics               | Sales               | 39.8              | 40.2              | 0.3                           | 1.0                         | (1.2)           | (0.2)                                      | 0.5    | —                                |
|                           | Operating<br>income | 3.7               | 3.3               | (0.3)                         | 0.8                         |                 |                                            | —      | 0.0                              |
| Homes                     | Sales               | 134.7             | 132.8             | (2.0)                         | 2.4                         | 1.3             | —                                          | (5.7)  | —                                |
|                           | Operating<br>income | 11.9              | 11.1              | (0.8)                         | 0.4                         |                 |                                            | —      | (2.5)                            |
| Construction<br>Materials | Sales               | 14.5              | 15.4              | 0.9                           | 0.8                         | 0.1             | —                                          | —      | —                                |
|                           | Operating<br>income | 1.7               | 1.9               | 0.3                           | 0.2                         |                 |                                            | —      | 0.0                              |

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

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Sales and operating income increase/decrease by business category<sup>1</sup>, Oct.–Dec. 2018 vs. 2017 (ii)

(¥ billion)

|                                        |                     | Oct.–Dec.<br>2017 | Oct.–Dec.<br>2018 | Net<br>increase<br>(decrease) | Increase (decrease) due to: |                 |                                            |        |                                  |
|----------------------------------------|---------------------|-------------------|-------------------|-------------------------------|-----------------------------|-----------------|--------------------------------------------|--------|----------------------------------|
|                                        |                     |                   |                   |                               | Sales<br>volume             | Sales<br>prices | of which,<br>due to<br>foreign<br>exchange | Others | Operating<br>costs and<br>others |
| Health Care                            | Sales               | 36.7              | 35.6              | (1.2)                         | 0.5                         | (0.7)           | 0.0                                        | (1.1)  | —                                |
|                                        | Operating<br>income | 8.2               | 6.5               | (1.6)                         | 0.3                         |                 |                                            | —      | (1.3)                            |
| Critical Care                          | Sales               | 40.8              | 45.9              | 5.1                           | 3.3                         | (0.1)           | (0.3)                                      | 1.9    | —                                |
|                                        | Operating<br>income | 5.4               | 5.6               | 0.2                           | 1.1                         |                 |                                            | —      | (0.8)                            |
| Others                                 | Sales               | 4.4               | 4.4               | 0.0                           | 0.0                         | —               | —                                          | —      | —                                |
|                                        | Operating<br>income | 0.4               | 0.4               | (0.0)                         | 0.0                         |                 |                                            | —      | (0.1)                            |
| Corporate expenses<br>and eliminations | Operating<br>loss   | (7.9)             | (7.4)             | 0.4                           | —                           | —               | —                                          | —      | 0.4                              |
| Consolidated                           | Sales               | 519.8             | 545.3             | 25.5                          | 4.9                         | 13.7            | (0.9)                                      | 6.9    | —                                |
|                                        | Operating<br>income | 56.5              | 52.4              | (4.1)                         | (1.2)                       |                 |                                            | —      | (16.6)                           |

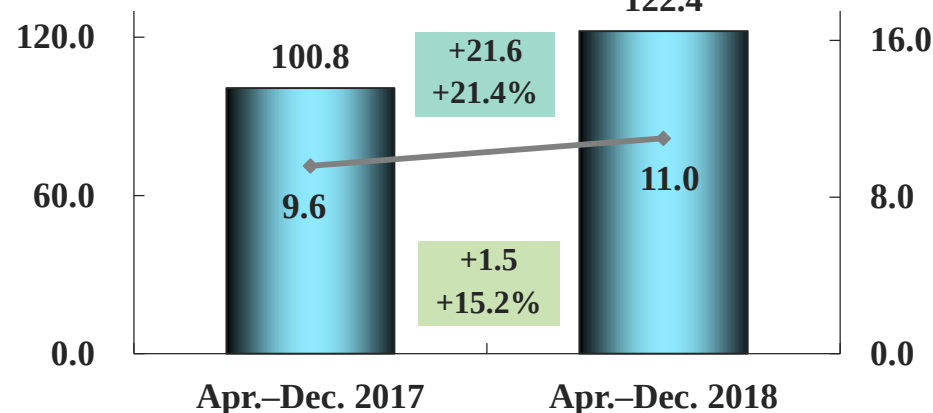
<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

# Fibers<sup>1</sup>

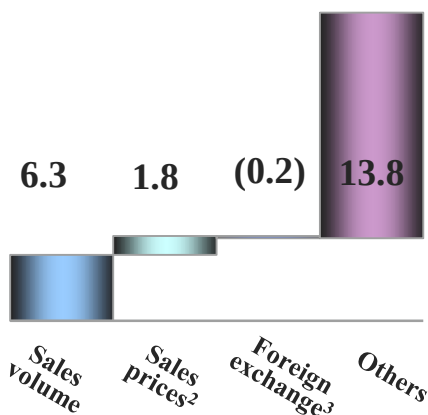
(¥ billion)

## Sales

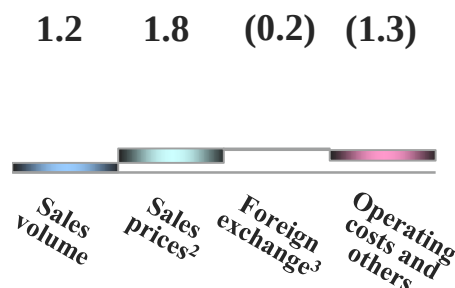
## Operating income



## Sales increases/decreases due to:



## Operating income increases/decreases due to:



## Review of operations

Impact of higher feedstock costs. Increased shipments of nonwovens centering on Lamous microfiber suede and Bemliese continuous-filament cellulose nonwoven. Improved terms of trade for Bemberg cupro fiber. Effect of consolidation of Sage Automotive Interiors, Inc. Sales and operating income increase.

## Highlights

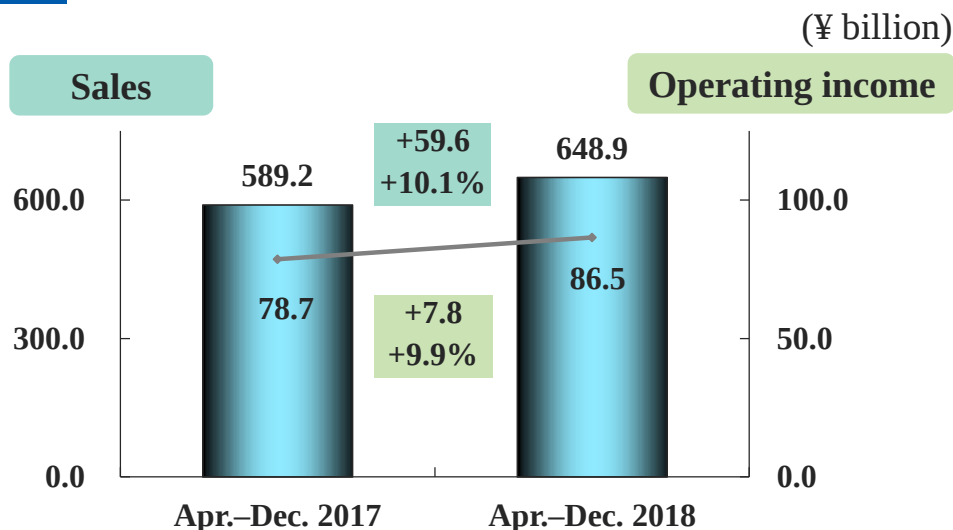
- July, decision to acquire Sage Automotive Interiors, Inc., a US-based manufacturer of automotive interior material; consolidated in September.

<sup>1</sup> Including results of Sage Automotive Interiors, Inc. etc. from Q3 2018.

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

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

# Chemicals



## Review of operations

### Petrochemicals:

Improved terms of trade for acrylonitrile. Absence of impact of maintenance turnaround at naphtha cracker of Asahi Kasei Mitsubishi Chemical Ethylene Corp. Sales and operating income increase.

### Performance polymers:

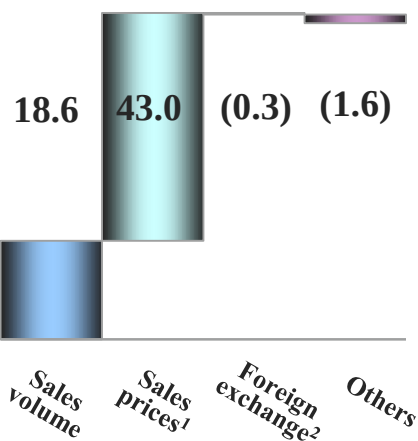
Improved terms of trade for engineering plastics. Impact of fallback from the previous year's favorable terms of trade for synthetic rubber. Sales increase, but operating income decrease.

### Performance materials & consumables:

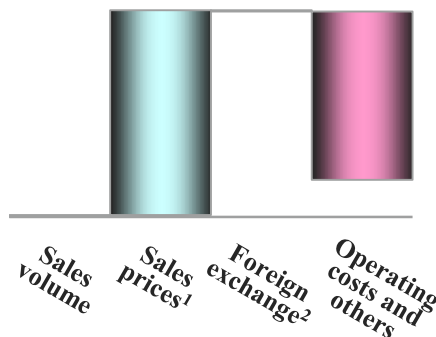
Firm sales of ion-exchange membranes and other products. Decreased shipments of electronic materials. Increased costs in consumables. Sales increase, but operating income decrease.

### Sales increases/decreases due to:

### Operating income increases/decreases due to:



0.4    43.0    (0.3)    (35.3)



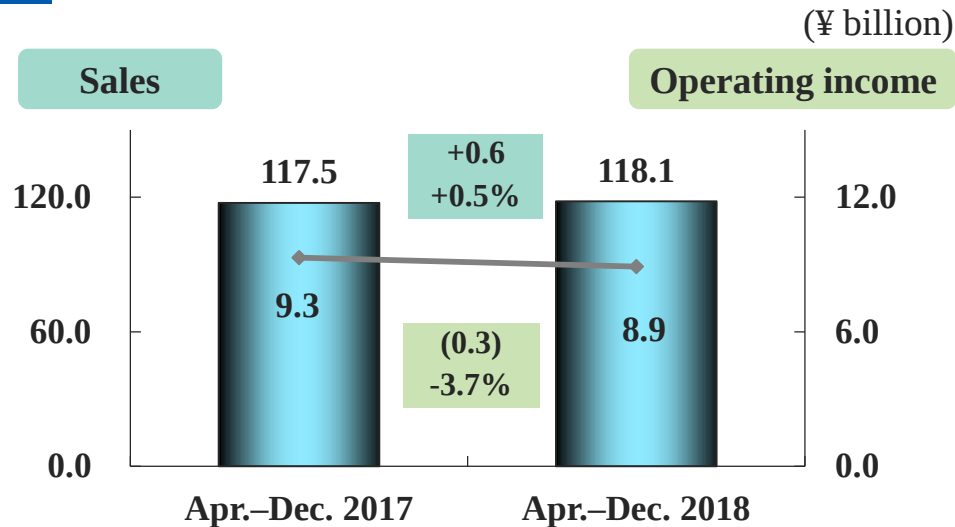
## Highlights

- July, receipt of Altair Enlighten Award 2018 for a Glass Fiber Reinforced Polyamide 66 Pedal Bracket.
- November, receipt of SPE Automotive Innovation Awards 2018 by Asahi Kasei Plastics North America.

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

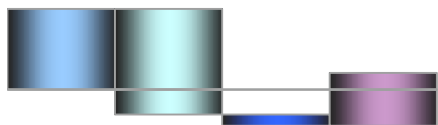
<sup>2</sup> Impact of foreign exchange on sales prices.

# Electronics



Sales  
increases/decreases due to:

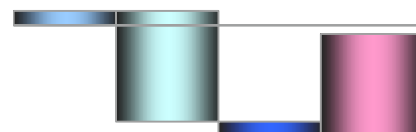
2.9 (3.8) (0.4) 1.9



Sales volume  
Sales prices¹  
Foreign exchange²  
Others

Operating income  
increases/decreases due to:

0.5 (3.8) (0.4) 3.4



Sales volume  
Sales prices¹  
Foreign exchange²  
Operating costs and others

## Review of operations

Separators:

Increased shipments of Li-ion battery separator.  
Sales and operating income increase.

Electronic devices:

Decreased sales of electronic devices for smartphones and other products. Sales and operating income decrease.

## Highlights

- April, consolidation of Senseair AB, a Swedish manufacturer of gas sensor modules.

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

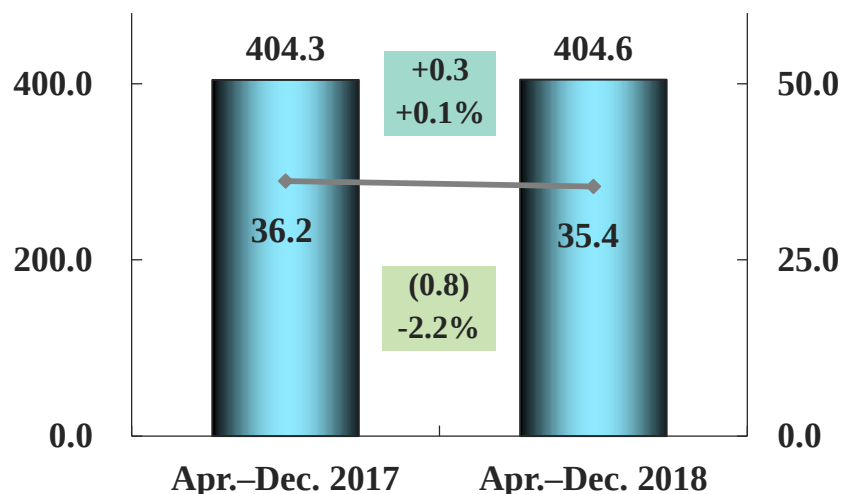
<sup>2</sup> Impact of foreign exchange on sales prices.

# Homes

(¥ billion)

## Sales

## Operating income



## Review of operations

Order-built homes:

- Decreased number of homes delivered. Sales and operating income decrease.
- Year-on-year 5.0% increase in value of new orders. Increase for both unit homes and multi-dwelling homes.

Real estate, remodeling and others:

Firm performance of rental management in real estate and of remodeling. Sales and operating income increase.

## Highlights

- November, addition of brick vermillion to Hebel Haus exterior wall color variation.
- November, decision to acquire Erickson Framing Operations LLC, a US-based supplier of pre-fabricated building products; consolidated in December.

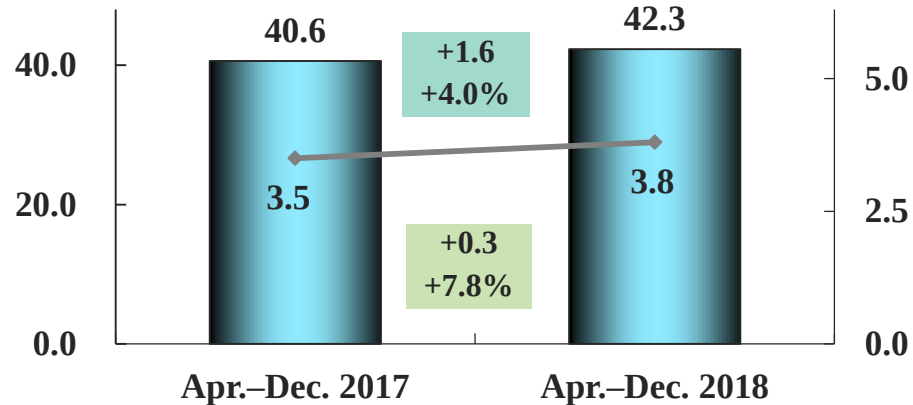
|                                                 | Apr.-Dec. 2017 |                  | Apr.-Dec. 2018 |                  | Increase (decrease) |                  |
|-------------------------------------------------|----------------|------------------|----------------|------------------|---------------------|------------------|
|                                                 | Sales          | Operating income | Sales          | Operating income | Sales               | Operating income |
| Order-built homes, etc.<br>(Asahi Kasei Homes)  | 268.7          | 21.8             | 262.1          | 19.8             | (6.6)               | (2.0)            |
| Real estate<br>(Asahi Kasei Realty & Residence) | 92.7           | 8.6              | 97.6           | 9.8              | 4.9                 | 1.1              |
| Remodeling<br>(Asahi Kasei Reform)              | 41.2           | 4.1              | 42.9           | 4.4              | 1.7                 | 0.2              |
| Other housing-related, etc.                     | 1.7            | 1.6              | 1.9            | 1.4              | 0.2                 | (0.2)            |
| <b>Total</b>                                    | <b>404.3</b>   | <b>36.2</b>      | <b>404.6</b>   | <b>35.4</b>      | <b>0.3</b>          | <b>(0.8)</b>     |

# Construction Materials

(¥ billion)

## Sales

## Operating income

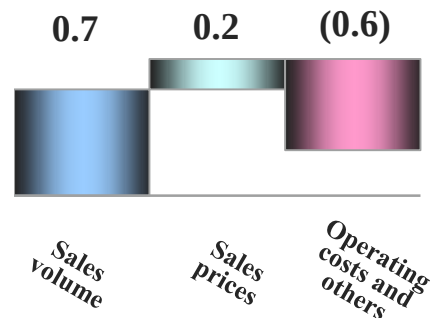
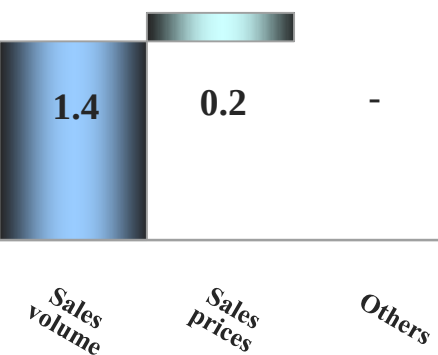


## Review of operations

Impact of higher feedstock costs. Firm shipments of insulation materials and other products. Sales increase, and slight operating income increase.

Sales  
increases/decreases due to:

Operating income  
increases/decreases due to:



## Review of operations

## Pharmaceuticals:

Increased shipments of newer drugs such as Teribone osteoporosis drug, and Kevzara agent for rheumatoid arthritis launched in 2018. Decreased sales of long-listed drugs due to impact of reduced reimbursement prices and competition from generics. Sales and operating income decrease.

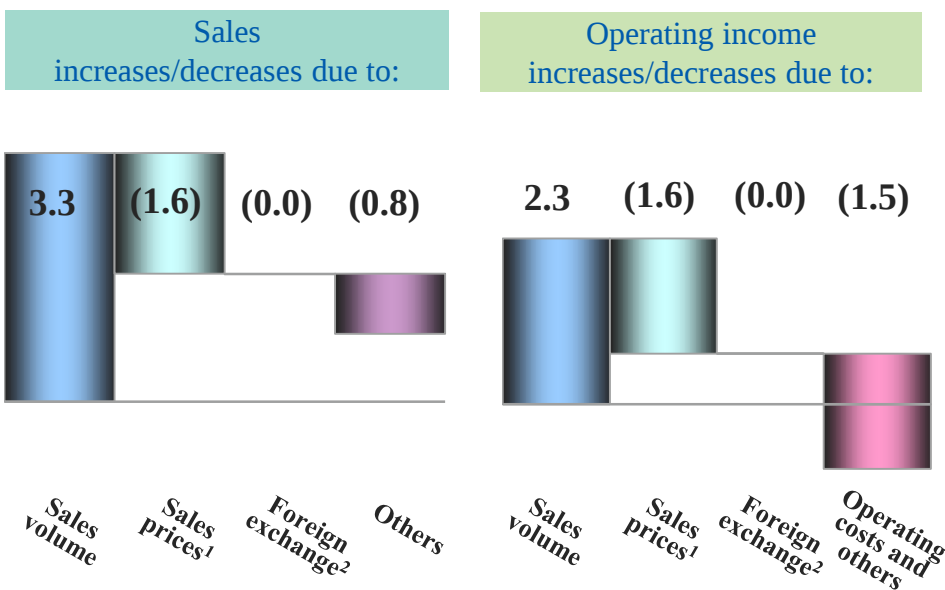
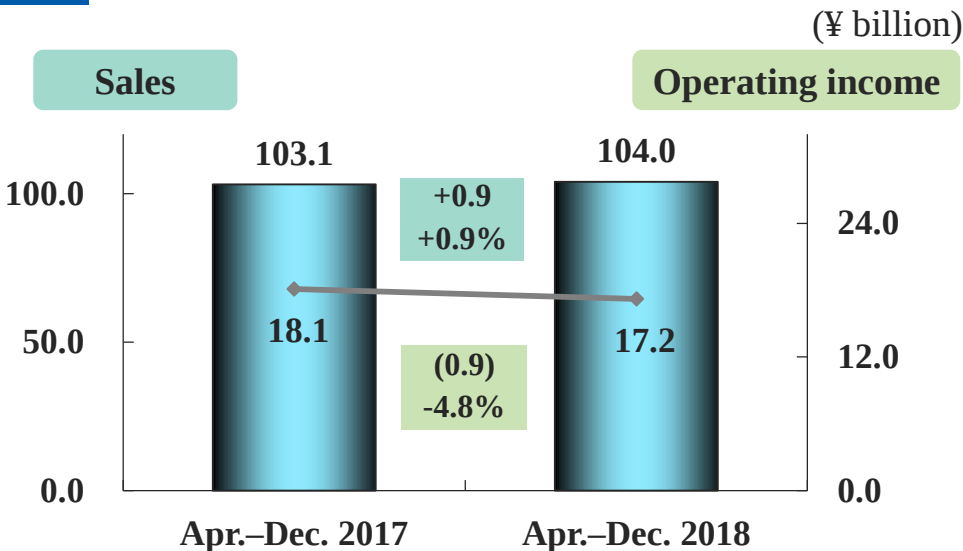
## Devices:

Increased shipments of Planova virus removal filters. Sales and operating income increase.

## Highlights

- July, entry into distribution agreement with Stanbio Laboratory for the marketing of Lucica Glycated Albumin-L in the US.
- August, announcement of preliminary results of overseas Phase III clinical study for ART-123 (recombinant thrombomodulin alfa) for the treatment of severe sepsis with coagulopathy.
- October, application for approval to manufacture and sell Teribone autoinjector in Japan.
- December, launch of Kevzara autoinjector for treatment of rheumatoid arthritis in Japan.
- February, launch of legionella kit Ribotest, extracorporeal diagnostic kits in Japan.

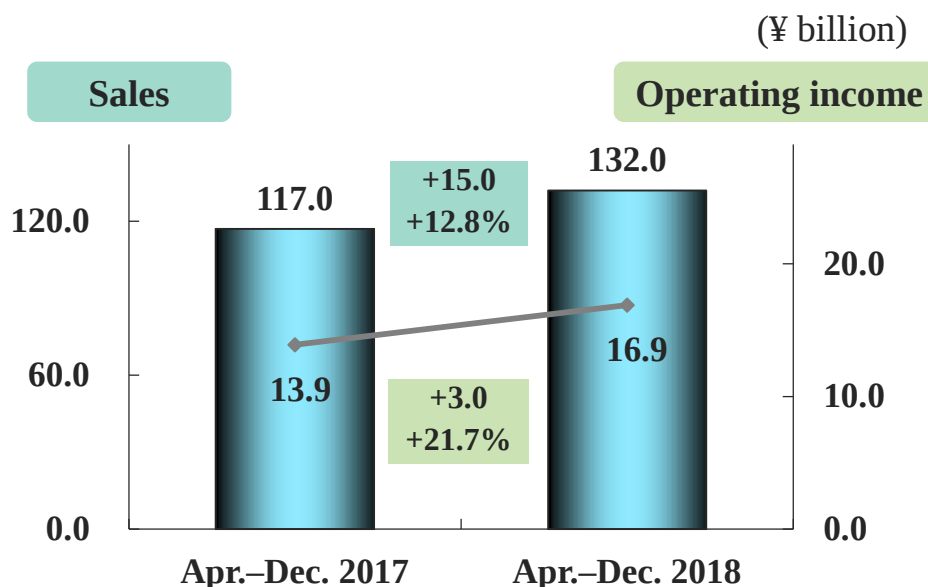
## Health Care



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

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

# Critical Care



## Review of operations

Increased shipments of defibrillators for professional use. Sales and operating income increase.

## Financial performance of Critical Care business category

(\$ million)

|                                                             | FY 2017       |               |       | FY 2018       |               | Apr.-Dec.<br>2018 vs<br>2017 | %<br>change |
|-------------------------------------------------------------|---------------|---------------|-------|---------------|---------------|------------------------------|-------------|
|                                                             | Oct.-<br>Dec. | Apr.-<br>Dec. |       | Oct.-<br>Dec. | Apr.-<br>Dec. |                              |             |
| Net sales                                                   | 361           | 1,047         | 1,448 | 407           | 1,187         | 140                          | +13.4%      |
| Gross operating income before PPA <sup>1</sup> impact       | 78            | 216           | 300   | 81            | 244           | 28                           | +12.8%      |
| Amortization/depreciation from PPA <sup>1</sup> revaluation | (31)          | (92)          | (122) | (31)          | (91)          | 0                            |             |
| Goodwill                                                    | (19)          | (56)          | (75)  | (19)          | (56)          | 1                            |             |
| Other intangible assets, etc.                               | (12)          | (35)          | (47)  | (13)          | (36)          | (1)                          |             |
| Consolidated operating income                               | 48            | 125           | 179   | 49            | 152           | 28                           | +22.3%      |

<sup>1</sup> Purchase price allocation



## 2. Forecast for fiscal year 2018

# Consolidated operating performance forecast

(¥ billion)

|                                                    | FY 2017 |         |                | FY 2018 revised forecast |                |       |                |         | Increase<br>(decrease)<br><br>b-a | FY 2018<br>forecast<br>in Nov.<br><br>c | Increase<br>(decrease)<br><br>b-c |
|----------------------------------------------------|---------|---------|----------------|--------------------------|----------------|-------|----------------|---------|-----------------------------------|-----------------------------------------|-----------------------------------|
|                                                    | H1      | H2      | Total<br><br>a | H1                       | H2<br>forecast |       | Total<br><br>b |         |                                   |                                         |                                   |
|                                                    |         |         |                |                          | Q3             | Q4    |                |         |                                   |                                         |                                   |
| Net sales                                          | 964.7   | 1,077.5 | 2,042.2        | 1,041.5                  | 545.3          | 584.3 | 1,129.5        | 2,171.0 | 128.8                             | 2,210.0                                 | (39.0)                            |
| Operating income                                   | 92.7    | 105.8   | 198.5          | 104.3                    | 52.4           | 44.3  | 96.7           | 201.0   | 2.5                               | 210.0                                   | (9.0)                             |
| Ordinary income                                    | 98.2    | 114.4   | 212.5          | 110.3                    | 55.0           | 43.7  | 98.7           | 209.0   | (3.5)                             | 222.0                                   | (13.0)                            |
| Net income attributable<br>to owners of the parent | 70.9    | 99.4    | 170.2          | 78.9                     | 36.5           | 29.6  | 66.1           | 145.0   | (25.2)                            | 160.0                                   | (15.0)                            |

## Key operating factors

|                                          |        |        |        |        |        |        |        |        |       |        |         |
|------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|---------|
| Naphtha price<br>(¥/kL, domestic)        | 37,600 | 46,250 | 41,925 | 51,100 | 54,200 | 41,000 | 47,600 | 49,350 | 7,425 | 53,800 | (4,450) |
| ¥/US\$ exchange rate<br>(market average) | 111    | 111    | 111    | 110    | 113    | 110    | 111    | 111    | 0     | 110    | 1       |
| ¥/€ exchange rate<br>(market average)    | 126    | 133    | 130    | 130    | 129    | 125    | 127    | 128    | (1)   | 130    | (2)     |

|                     |       |
|---------------------|-------|
| Dividends per share | ¥34   |
| Payout ratio        | 27.9% |

|       |
|-------|
| ¥34   |
| 32.7% |

Year-end dividends will be determined based on FY 2018 consolidated net income results in consideration of total return ratio target of 35%

# Sales and operating income forecast by segment

## Sales forecast

(¥ billion)

|                       | FY 2017 |         |                | FY 2018 revised forecast |                    |       |                |         | Increase<br>(decrease)<br><br>b-a | FY 2018<br>forecast<br>in Nov.<br>c | Increase<br>(decrease)<br><br>b-c |
|-----------------------|---------|---------|----------------|--------------------------|--------------------|-------|----------------|---------|-----------------------------------|-------------------------------------|-----------------------------------|
|                       | H1      | H2      | Total<br><br>a | H1                       | H2<br><br>forecast |       | Total<br><br>b |         |                                   |                                     |                                   |
|                       |         |         |                |                          | Q3                 | Q4    |                |         |                                   |                                     |                                   |
| Material <sup>1</sup> | 518.9   | 568.8   | 1,087.7        | 578.1                    | 311.3              | 292.6 | 603.9          | 1,182.0 | 94.3                              | 1,221.0                             | (39.0)                            |
| Homes                 | 295.7   | 345.3   | 641.0          | 298.7                    | 148.1              | 208.2 | 356.3          | 655.0   | 14.0                              | 655.0                               | –                                 |
| Health Care           | 142.5   | 153.8   | 296.3          | 154.5                    | 81.5               | 78.1  | 159.5          | 314.0   | 17.7                              | 314.0                               | –                                 |
| Others                | 7.6     | 9.6     | 17.3           | 10.2                     | 4.4                | 5.4   | 9.8            | 20.0    | 2.7                               | 20.0                                | –                                 |
| Consolidated          | 964.7   | 1,077.5 | 2,042.2        | 1,041.5                  | 545.3              | 584.3 | 1,129.5        | 2,171.0 | 128.8                             | 2,210.0                             | (39.0)                            |

## Operating income forecast

(¥ billion)

|                                        | FY 2017 |        |                | FY 2018 revised forecast |                    |        |                |        | Increase<br>(decrease)<br><br>b-a | FY 2018<br>forecast<br>in Nov.<br>c | Increase<br>(decrease)<br><br>b-c |
|----------------------------------------|---------|--------|----------------|--------------------------|--------------------|--------|----------------|--------|-----------------------------------|-------------------------------------|-----------------------------------|
|                                        | H1      | H2     | Total<br><br>a | H1                       | H2<br><br>forecast |        | Total<br><br>b |        |                                   |                                     |                                   |
|                                        |         |        |                |                          | Q3                 | Q4     |                |        |                                   |                                     |                                   |
| Material <sup>1</sup>                  | 60.7    | 61.2   | 121.9          | 72.1                     | 34.3               | 20.1   | 54.4           | 126.5  | 4.6                               | 133.5                               | (7.0)                             |
| Homes                                  | 26.1    | 38.2   | 64.4           | 26.0                     | 12.7               | 26.3   | 39.0           | 65.0   | 0.6                               | 65.0                                | –                                 |
| Health Care                            | 18.4    | 21.0   | 39.5           | 22.0                     | 12.1               | 7.9    | 20.0           | 42.0   | 2.5                               | 42.0                                | –                                 |
| Others                                 | 0.7     | 1.2    | 1.9            | 1.2                      | 0.4                | 0.4    | 0.8            | 2.0    | 0.1                               | 2.0                                 | –                                 |
| Corporate expenses<br>and eliminations | (13.3)  | (15.9) | (29.1)         | (17.1)                   | (7.0)              | (10.4) | (17.4)         | (34.5) | (5.4)                             | (32.5)                              | (2.0)                             |
| Consolidated                           | 92.7    | 105.8  | 198.5          | 104.3                    | 52.4               | 44.3   | 96.7           | 201.0  | 2.5                               | 210.0                               | (9.0)                             |

<sup>1</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Material segment from Q3 2018.

# Sales forecast by business category

(¥ billion)

|                           | FY 2017 |         |                | FY 2018 revised forecast |       |       |                |          | Increase<br>(decrease)<br><br>b-a | FY 2018<br>forecast<br>in Nov.<br><br>c | Increase<br>(decrease)<br><br>b-c |
|---------------------------|---------|---------|----------------|--------------------------|-------|-------|----------------|----------|-----------------------------------|-----------------------------------------|-----------------------------------|
|                           | H1      | H2      | Total<br><br>a | H1                       | H2    |       | Total<br><br>b |          |                                   |                                         |                                   |
|                           |         |         |                |                          | Q3    | Q4    |                | forecast |                                   |                                         |                                   |
| Fibers <sup>1</sup>       | 66.1    | 69.8    | 135.9          | 72.8                     | 49.6  | 51.6  | 101.2          | 174.0    | 38.1                              | 174.0                                   | —                                 |
| Chemicals                 | 375.2   | 424.2   | 799.3          | 427.3                    | 221.5 | 204.1 | 425.7          | 853.0    | 53.7                              | 887.0                                   | (34.0)                            |
| Electronics               | 77.7    | 74.8    | 152.5          | 77.9                     | 40.2  | 36.9  | 77.1           | 155.0    | 2.5                               | 160.0                                   | (5.0)                             |
| Homes                     | 269.6   | 318.7   | 588.3          | 271.8                    | 132.8 | 195.4 | 328.2          | 600.0    | 11.7                              | 600.0                                   | —                                 |
| Construction<br>Materials | 26.1    | 26.6    | 52.7           | 26.9                     | 15.4  | 12.7  | 28.1           | 55.0     | 2.3                               | 55.0                                    | —                                 |
| Health Care               | 66.3    | 69.4    | 135.7          | 68.4                     | 35.6  | 33.0  | 68.6           | 137.0    | 1.3                               | 137.0                                   | —                                 |
| Critical Care             | 76.2    | 84.4    | 160.5          | 86.0                     | 45.9  | 45.0  | 91.0           | 177.0    | 16.5                              | 177.0                                   | —                                 |
| Others                    | 7.6     | 9.6     | 17.3           | 10.2                     | 4.4   | 5.4   | 9.8            | 20.0     | 2.7                               | 20.0                                    | —                                 |
| Consolidated              | 964.7   | 1,077.5 | 2,042.2        | 1,041.5                  | 545.3 | 584.3 | 1,129.5        | 2,171.0  | 128.8                             | 2,210.0                                 | (39.0)                            |

<sup>1</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

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

(¥ billion)

|                                        | FY 2017 |        |                | FY 2018 revised forecast |                    |       |                |        | Increase<br>(decrease)<br><br>b-a | FY 2018<br>forecast<br>in Nov.<br><br>c | Increase<br>(decrease)<br><br>b-c |
|----------------------------------------|---------|--------|----------------|--------------------------|--------------------|-------|----------------|--------|-----------------------------------|-----------------------------------------|-----------------------------------|
|                                        | H1      | H2     | Total<br><br>a | H1                       | H2<br><br>forecast |       | Total<br><br>b |        |                                   |                                         |                                   |
|                                        |         |        |                |                          | Q3                 | Q4    |                |        |                                   |                                         |                                   |
| Fibers <sup>2</sup>                    | 6.6     | 5.6    | 12.1           | 7.3                      | 3.8                | 3.5   | 7.2            | 14.5   | 2.4                               | 14.5                                    | –                                 |
| Chemicals                              | 48.6    | 51.5   | 100.1          | 59.3                     | 27.2               | 16.5  | 43.7           | 103.0  | 2.9                               | 109.0                                   | (6.0)                             |
| Electronics                            | 5.6     | 4.1    | 9.7            | 5.6                      | 3.3                | 0.1   | 3.4            | 9.0    | (0.7)                             | 10.0                                    | (1.0)                             |
| Homes                                  | 24.3    | 35.9   | 60.2           | 24.3                     | 11.1               | 25.6  | 36.7           | 61.0   | 0.8                               | 61.0                                    | –                                 |
| Construction<br>Materials              | 1.8     | 2.2    | 4.0            | 1.9                      | 1.9                | 0.2   | 2.1            | 4.0    | (0.0)                             | 4.0                                     | –                                 |
| Health Care                            | 9.9     | 9.8    | 19.7           | 10.6                     | 6.5                | 1.3   | 7.9            | 18.5   | (1.2)                             | 18.5                                    | –                                 |
| Critical Care                          | 8.5     | 11.3   | 19.8           | 11.4                     | 5.6                | 6.6   | 12.1           | 23.5   | 3.7                               | 23.5                                    | –                                 |
| Others                                 | 0.7     | 1.2    | 1.9            | 1.2                      | 0.4                | 0.4   | 0.8            | 2.0    | 0.1                               | 2.0                                     | –                                 |
| Corporate expenses<br>and eliminations | (13.3)  | (15.7) | (29.0)         | (17.2)                   | (7.4)              | (9.9) | (17.3)         | (34.5) | (5.5)                             | (32.5)                                  | (2.0)                             |
| Consolidated                           | 92.7    | 105.8  | 198.5          | 104.3                    | 52.4               | 44.3  | 96.7           | 201.0  | 2.5                               | 210.0                                   | (9.0)                             |

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

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.



## 3. Appendix

# Overseas sales by business category

(¥ billion)

|                          | Apr.–Dec. 2017 |                   |            | Apr.–Dec. 2018 |                   |            | Increase<br>(decrease) | % change |
|--------------------------|----------------|-------------------|------------|----------------|-------------------|------------|------------------------|----------|
|                          | Total sales    | Overseas<br>sales | % of total | Total sales    | Overseas<br>sales | % of total |                        |          |
| Fibers <sup>1</sup>      | 100.8          | 44.3              | 43.9%      | 122.4          | 64.7              | 52.8%      | 20.4                   | +46.0%   |
| Chemicals                | 589.2          | 288.6             | 49.0%      | 648.9          | 325.4             | 50.2%      | 36.8                   | +12.8%   |
| Electronics              | 117.5          | 81.4              | 69.3%      | 118.1          | 84.0              | 71.1%      | 2.5                    | +3.1%    |
| Homes                    | 404.3          | –                 | –          | 404.6          | 0.0               | 0.0%       | 0.0                    | –        |
| Construction Materials   | 40.6           | 0.0               | 0.0%       | 42.3           | 0.1               | 0.2%       | 0.1                    | –        |
| Health Care              | 103.1          | 31.0              | 30.0%      | 104.0          | 34.0              | 32.7%      | 3.1                    | +9.9%    |
| Critical Care            | 117.0          | 115.5             | 98.7%      | 132.0          | 130.4             | 98.8%      | 15.0                   | +13.0%   |
| Others                   | 12.0           | 2.7               | 22.1%      | 14.6           | 1.4               | 9.4%       | (1.3)                  | -48.5%   |
| Total                    | 1,484.5        | 563.4             | 38.0%      | 1,586.7        | 640.0             | 40.3%      | 76.6                   | +13.6%   |
| Asia                     |                | 327.5             | 22.1%      |                | 370.6             | 23.4%      | 43.1                   | +13.2%   |
| of which, sales to China |                | 140.6             | 9.5%       |                | 164.5             | 10.4%      | 24.0                   | +17.0%   |
| The Americas             |                | 152.9             | 10.3%      |                | 178.9             | 11.3%      | 26.0                   | +17.0%   |
| Europe                   |                | 68.4              | 4.6%       |                | 74.6              | 4.7%       | 6.1                    | +9.0%    |
| Other countries          |                | 14.6              | 1.0%       |                | 16.0              | 1.0%       | 1.4                    | +9.5%    |

Sales, excluding Homes and Construction  
Materials

1,039.6      563.4      54.2%      1,139.9      639.9      56.1%

<sup>1</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Quarterly sales by business category

(¥ billion)

|                        | FY 2017 |       |       |       | FY 2018 |       |       | FY 2018        |
|------------------------|---------|-------|-------|-------|---------|-------|-------|----------------|
|                        | Q1      | Q2    | Q3    | Q4    | Q1      | Q2    | Q3    | Q4<br>forecast |
| Fibers <sup>1</sup>    | 32.0    | 34.1  | 34.7  | 35.1  | 36.2    | 36.7  | 49.6  | 51.6           |
| Chemicals              | 178.3   | 196.8 | 214.1 | 210.1 | 205.6   | 221.7 | 221.5 | 204.1          |
| Electronics            | 36.5    | 41.2  | 39.8  | 35.0  | 38.4    | 39.5  | 40.2  | 36.9           |
| Homes                  | 115.6   | 154.0 | 134.7 | 183.9 | 115.7   | 156.1 | 132.8 | 195.4          |
| Construction Materials | 12.6    | 13.5  | 14.5  | 12.1  | 13.0    | 13.9  | 15.4  | 12.7           |
| Health Care            | 32.7    | 33.6  | 36.7  | 32.7  | 34.7    | 33.8  | 35.6  | 33.0           |
| Critical Care          | 37.3    | 38.8  | 40.8  | 43.5  | 41.7    | 44.4  | 45.9  | 45.0           |
| Others                 | 3.6     | 4.0   | 4.4   | 5.2   | 4.6     | 5.6   | 4.4   | 5.4            |
| Total                  | 448.7   | 516.0 | 519.8 | 557.7 | 489.8   | 551.7 | 545.3 | 584.3          |

<sup>1</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

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

(¥ billion)

|                                        | FY 2017 |       |       |       | FY 2018 |       |       | FY 2018        |
|----------------------------------------|---------|-------|-------|-------|---------|-------|-------|----------------|
|                                        | Q1      | Q2    | Q3    | Q4    | Q1      | Q2    | Q3    | Q4<br>forecast |
| Fibers <sup>2</sup>                    | 3.5     | 3.1   | 3.0   | 2.6   | 3.9     | 3.4   | 3.8   | 3.5            |
| Chemicals                              | 22.5    | 26.0  | 30.1  | 21.4  | 28.6    | 30.7  | 27.2  | 16.5           |
| Electronics                            | 2.0     | 3.6   | 3.7   | 0.4   | 2.5     | 3.1   | 3.3   | 0.1            |
| Homes                                  | 6.9     | 17.3  | 11.9  | 24.0  | 7.1     | 17.2  | 11.1  | 25.6           |
| Construction Materials                 | 0.7     | 1.1   | 1.7   | 0.5   | 0.8     | 1.1   | 1.9   | 0.2            |
| Health Care                            | 5.3     | 4.6   | 8.2   | 1.6   | 7.2     | 3.5   | 6.5   | 1.3            |
| Critical Care                          | 3.7     | 4.8   | 5.4   | 5.9   | 5.1     | 6.3   | 5.6   | 6.6            |
| Others                                 | 0.0     | 0.6   | 0.4   | 0.8   | 0.6     | 0.6   | 0.4   | 0.4            |
| Corporate expenses<br>and eliminations | (6.9)   | (6.4) | (7.9) | (7.9) | (7.8)   | (9.4) | (7.4) | (9.9)          |
| Total                                  | 37.9    | 54.8  | 56.5  | 49.3  | 47.9    | 56.4  | 52.4  | 44.3           |

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

<sup>2</sup> Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Fibers business category from Q3 2018.

# Extraordinary income and loss

(¥ billion)

|                                            | Apr.–Dec.<br>2017 | Apr.–Dec.<br>2018 | Increase<br>(decrease) |
|--------------------------------------------|-------------------|-------------------|------------------------|
| Gain on sales of investment securities     | 15.1              | 6.8               | (8.3)                  |
| Gain on sales of noncurrent assets         | 0.5               | 0.5               | (0.1)                  |
| Total extraordinary income                 | 15.6              | 7.3               | (8.4)                  |
| Loss on valuation of investment securities | 0.0               | 0.0               | 0.0                    |
| Loss on disposal of noncurrent assets      | 2.9               | 3.0               | 0.1                    |
| Impairment losses                          | 0.9               | 3.4               | 2.5                    |
| Business structure improvement expenses    | 1.1               | 1.9               | 0.8                    |
| Total extraordinary loss                   | 4.8               | 8.3               | 3.5                    |
| Net extraordinary income (loss)            | 10.8              | (1.0)             | (11.8)                 |

# Homes: Sales and order trends

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

|      |                 | Value of new orders during the term | Sales of order-built homes, etc. <sup>1</sup> | Sales of real estate <sup>1</sup> |                |       |       | Sales of remodeling | Other sales | Consolidated  |  | Order backlog |
|------|-----------------|-------------------------------------|-----------------------------------------------|-----------------------------------|----------------|-------|-------|---------------------|-------------|---------------|--|---------------|
|      |                 |                                     |                                               | Pre-built homes                   | Rental housing | Other | Total |                     |             |               |  |               |
| 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              | 183.1 (-12.0%)                      | 227.7 (+5.3%)                                 | 27.7                              | 39.0           | 1.8   | 68.4  | 28.1                | 0.7         | 325.0 (+9.9%) |  | 513.1         |
|      | annual          | 400.4 (-5.9%)                       | 411.5 (+1.8%)                                 | 38.1                              | 72.5           | 3.5   | 114.1 | 55.9                | 1.6         | 583.0 (+5.7%) |  |               |
| FY16 | H1              | 206.6 (-4.9%)                       | 183.5 (-0.1%)                                 | 11.8                              | 41.2           | 1.8   | 54.8  | 27.0                | (0.5)       | 264.8 (+2.6%) |  | 538.8         |
|      | H2              | 194.3 (+6.1%)                       | 220.8 (-3.1%)                                 | 9.5                               | 43.5           | 1.6   | 54.6  | 29.1                | 0.8         | 305.3 (-6.1%) |  | 515.8         |
|      | annual          | 400.9 (+0.1%)                       | 404.3 (-1.8%)                                 | 21.3                              | 84.7           | 3.4   | 109.4 | 56.1                | 0.4         | 570.2 (-2.2%) |  |               |
| FY17 | H1              | 193.1 (-6.5%)                       | 182.7 (-0.4%)                                 | 12.0                              | 45.3           | 1.6   | 59.0  | 26.8                | 1.1         | 269.6 (+1.8%) |  | 528.9         |
|      | Q3              | 104.1 (+16.4%)                      | 86.0 (-1.4%)                                  | 9.2                               | 23.2           | 1.3   | 33.7  | 14.4                | 0.6         | 134.7 (+7.4%) |  | 548.5         |
|      | H2              | 212.5 (+9.4%)                       | 224.1 (+1.5%)                                 | 14.7                              | 47.8           | 2.5   | 65.1  | 28.4                | 1.1         | 318.7 (+4.4%) |  | 520.9         |
|      | annual          | 405.6 (+1.2%)                       | 406.8 (+0.6%)                                 | 26.8                              | 93.2           | 4.2   | 124.1 | 55.2                | 2.2         | 588.3 (+3.2%) |  |               |
| FY18 | H1              | 210.1 (+8.8%)                       | 175.5 (-4.0%)                                 | 16.8                              | 49.7           | 1.6   | 68.1  | 27.2                | 1.0         | 271.8 (+0.8%) |  | 557.8         |
|      | Q3              | 101.9 (-2.2%)                       | 86.7 (+0.7%)                                  | 3.3                               | 25.4           | 0.8   | 29.5  | 15.7                | 0.9         | 132.8 (-1.5%) |  | 575.0         |
|      | H2 forecast     | 227.9 (+7.3%)                       | 226.1 (+0.9%)                                 | 14.2                              | 51.8           | 3.4   | 69.4  | 31.8                | 0.9         | 328.2 (+3.0%) |  | 563.8         |
|      | annual forecast | 438.0 (+8.0%)                       | 401.5 (-1.3%)                                 | 31.0                              | 101.5          | 5.0   | 137.5 | 59.0                | 2.0         | 600.0 (+2.0%) |  |               |

<sup>1</sup> As the rental management operation of Asahi Kasei Homes was transferred to Asahi Kasei Realty & Residence, the corresponding sales previously included in order-built homes, etc., are combined with rental housing under real estate beginning with H2 2015.

# Health Care: Breakdown of sales

Sales of Health Care business category

(¥ billion)

|       |                                 |  | FY 2017   |           |       | FY 2018   |           |
|-------|---------------------------------|--|-----------|-----------|-------|-----------|-----------|
|       |                                 |  | Oct.–Dec. | Apr.–Dec. | Total | Oct.–Dec. | Apr.–Dec. |
|       | Domestic pharmaceuticals        |  | 16.5      | 47.0      | 60.1  | 15.7      | 45.1      |
|       | Others                          |  | 1.1       | 3.9       | 5.7   | 1.3       | 4.1       |
|       | Asahi Kasei Pharma consolidated |  | 17.6      | 50.9      | 65.8  | 17.0      | 49.2      |
|       | Devices <sup>1</sup>            |  | 19.1      | 52.2      | 70.0  | 18.5      | 54.8      |
| Total |                                 |  | 36.7      | 103.1     | 135.7 | 35.6      | 104.0     |

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

Main pharmaceuticals domestic sales

(¥ billion)

|             | FY 2017   |           |       | FY 2018   |           |
|-------------|-----------|-----------|-------|-----------|-----------|
|             | Oct.–Dec. | Apr.–Dec. | Total | Oct.–Dec. | Apr.–Dec. |
| Teribone    | 7.2       | 20.5      | 26.8  | 7.2       | 21.6      |
| Recomodulin | 3.5       | 9.3       | 11.8  | 3.5       | 9.4       |
| Flivas      | 1.3       | 3.7       | 4.6   | 0.9       | 2.6       |
| Bredinin    | 1.0       | 2.9       | 3.6   | 0.8       | 2.3       |
| Elcitonin   | 0.9       | 2.8       | 3.4   | 0.6       | 1.9       |
| Reclast     | 0.3       | 0.8       | 1.1   | 0.4       | 1.0       |

# Health Care: Pharmaceutical pipeline

| Development stage           | Code name, form, generic name                       | Classifications   | Indication                                                   | Region                      | Origin   | Remarks                   |
|-----------------------------|-----------------------------------------------------|-------------------|--------------------------------------------------------------|-----------------------------|----------|---------------------------|
| Pending approval            | MN-10-T, autoinjection, teriparatide acetate        | Osteoporosis drug | Osteoporosis with high risk of fracture                      | Japan                       | In-house | New formulation; new dose |
| Phase III                   | ART-123, injection, recombinant thrombomodulin alfa | Anticoagulant     | Acute exacerbation of idiopathic pulmonary fibrosis (AE-IPF) | Japan                       | In-house | Additional indication     |
|                             | AK1820, injection/capsule, isavuconazole            | Antifungal agent  | Invasive fungal infections                                   | Japan                       | Licensed |                           |
| Phase II                    | ART-123, injection, recombinant thrombomodulin alfa | Anticoagulant     | Chemotherapy-induced peripheral neuropathy (CIPN)            | Japan                       | In-house | Additional indication     |
| Pending approval (overseas) | Flivas, tablet, naftopidil                          | Dysuria treatment | Benign prostatic hyperplasia                                 | China                       | In-house |                           |
| Phase III (overseas)        | ART-123, injection, recombinant thrombomodulin alfa | Anticoagulant     | Severe sepsis with coagulopathy                              | United States, Europe, etc. | In-house |                           |
|                             | HE-69, tablet, mizoribine                           | Immunosuppressant | Lupus nephritis, nephrotic syndrome                          | China                       | In-house | Additional indication     |

# *Creating for Tomorrow*

The commitment of the Asahi Kasei Group:

To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.

Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.

This is what we mean by “Creating for Tomorrow.”

**AsahiKASEI**