

# Fiscal quarter ended December 2010

– supplementary financial summary –

February 4, 2011

Asahi Kasei Corporation

## **Consolidated results for fiscal quarter ended Dec. 2010**

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# Consolidated results for fiscal quarter ended Dec. 2010

# Summary of financial results

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(¥ billion)

	2009		2010		Oct.–Dec. 2009 vs. 2010		Apr.–Dec. 2009 vs. 2010		FY 2010 forecast in Nov. <i>b</i>	% of forecast <i>a/b</i>
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec. <i>a</i>	Increase (decrease)	% change	Increase (decrease)	% change		
Net sales	364.1	1,022.7	393.9	1,158.7	29.9	8.2%	136.0	13.3%	1,608.0	72.1%
Operating income	22.0	40.0	31.0	94.5	9.0	40.9%	54.6	136.5%	115.0	82.2%
Ordinary income	23.0	38.0	30.2	89.8	7.3	31.7%	51.8	136.1%	110.5	81.3%
Net income	16.4	20.6	21.8	50.2	5.4	33.2%	29.7	143.9%	58.5	85.9%

## Key operating factors

Naphtha price (¥/kL, domestic)	42,500	39,000	45,100	45,833
¥/US\$ exchange rate (market average)	90	94	83	87

## Financial position

	At end of March 2010	At end of Dec. 2010	Increase (decrease)
Total assets	1,368.9	1,424.1	55.2
Equity	633.3	657.6	24.3
Interest-bearing debt	264.6	247.5	(17.1)
Debt/equity ratio	0.42	0.38	(0.04)

# Statements of income

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(¥ billion)

	2009				2010				Oct.-Dec. 2009 vs. 2010		Apr.-Dec. 2009 vs. 2010	
	Oct.-Dec.		Apr.-Dec.		Oct.-Dec.		Apr.-Dec.		Increase (decrease)	% change	Increase (decrease)	% change
		% of sales		% of sales		% of sales		% of sales				
Net sales	364.1	100.0%	1,022.7	100.0%	393.9	100.0%	1,158.7	100.0%	29.9	+8.2	136.0	+13.3
Cost of sales	273.7	75.2%	781.2	76.4%	292.4	74.2%	855.7	73.8%	18.7	+6.8	74.5	+9.5
Gross profit	90.4	24.8%	241.5	23.6%	101.5	25.8%	303.1	26.2%	11.2	+12.4	61.6	+25.5
Selling, general and administrative expenses	68.4	18.8%	201.5	19.7%	70.5	17.9%	208.5	18.0%	2.2	+3.2	7.0	+3.5
Operating income	22.0	6.0%	40.0	3.9%	31.0	7.9%	94.5	8.2%	9.0	+40.9	54.6	+136.5
Non-operating expenses of which,	1.0	/	(1.9)	/	(0.8)	/	(4.7)	/	(1.7)	/	(2.8)	/
financing income and expense	(0.3)	/	(0.4)	/	0.1	/	0.0	/	0.4	/	0.4	/
equity in earnings of affiliates	0.5	/	0.3	/	1.1	/	2.2	/	0.5	/	1.8	/
foreign exchange income (loss)	1.0	/	(1.2)	/	(1.2)	/	(4.7)	/	(2.1)	/	(3.5)	/
Ordinary income	23.0	6.3%	38.0	3.7%	30.2	7.7%	89.8	7.8%	7.3	+31.7	51.8	+136.1
Extraordinary income (loss)	4.6	/	(0.0)	/	0.7	/	(12.5)	/	(3.9)	/	(12.5)	/
Income before income taxes	27.5	7.6%	38.0	3.7%	31.0	7.9%	77.3	6.7%	3.4	+12.4	39.3	+103.3
Income taxes	(10.8)	/	(17.2)	/	(8.8)	/	(25.7)	/	2.0	/	(8.5)	/
Minority interests in income	(0.4)	/	(0.3)	/	(0.4)	/	(1.4)	/	0.0	/	(1.1)	/
Net income	16.4	4.5%	20.6	2.0%	21.8	5.5%	50.2	4.3%	5.4	+33.2	29.7	+143.9

# Extraordinary income and loss

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(¥ billion)

	2009		2010		Oct.–Dec.	Apr.–Dec.
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.	'09 vs. '10 Increase (decrease)	'09 vs. '10 Increase (decrease)
Extraordinary income						
Gain on sales of investment securities	–	0.1	0.3	0.3	0.3	0.2
Gain on sales of property, plant and equipment	–	0.0	0.4	0.4	0.4	0.4
Reversal of allowance for doubtful accounts	–	–	0.2	0.2	0.2	0.2
Gain on change in equity	0.2	0.2	–	–	(0.2)	(0.2)
Gain on transfer of business	–	–	0.8	0.8	0.8	0.8
Gain on arbitration award*	6.5	6.5	–	–	(6.5)	(6.5)
Total extraordinary income	6.7	6.8	1.6	1.6	(5.1)	(5.2)
Extraordinary loss						
Loss on valuation of investment securities	0.6	1.3	0.0	0.4	(0.6)	(0.9)
Loss on disposal of noncurrent assets	0.4	1.7	0.7	3.0	0.3	1.3
Impairment loss	0.0	0.1	0.0	0.1	0.0	(0.0)
Environmental expenses	0.1	1.2	0.0	0.7	(0.0)	(0.5)
Loss on adjustment for changes of accounting for asset retirement obligations	–	–	–	1.2	–	1.2
Business structure improvement expenses	1.1	2.5	0.1	8.7 <sup>†</sup>	(0.9)	6.2
Total extraordinary loss	2.1	6.8	0.9	14.1	(1.2)	7.3
Net extraordinary income (loss)	4.6	(0.0)	0.7	(12.5)	(3.9)	(12.5)

\* Gain as a result of arbitration with CoTherix, Inc. of the US.

† Mainly expenses related to closure of ammonia and benzene plants.

# Balance sheets

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(¥ billion)

	At end of Mar. 2010	At end of Dec. 2010	Increase (decrease)		At end of Mar. 2010	At end of Dec. 2010	Increase (decrease)
Current assets	660.4	746.3	85.9	Liabilities	724.2	754.2	30.0
Cash and deposits	93.9	93.9	(0.0)	Current liabilities	434.8	478.3	43.5
Notes and accounts receivable, trade	238.9	280.6	41.6	Noncurrent liabilities	289.4	275.8	(13.5)
Inventories	251.1	287.6	36.5	Net assets	644.7	669.9	25.2
Other current assets	76.5	84.3	7.8	Shareholders' equity	612.9	649.3	36.5
Noncurrent assets	708.5	677.8	(30.7)	Capital stock	103.4	103.4	-
Property, plant and equipment	447.5	427.7	(19.8)	Capital surplus	79.4	79.4	(0.0)
Intangible assets	34.7	30.8	(3.9)	Retained earnings	432.1	468.6	36.5
Investments and other assets	226.3	219.3	(7.0)	Treasury stock	(2.0)	(2.1)	(0.1)
				Valuation and translation adjustments	20.5	8.3	(12.1)
				Minority interests	11.3	12.3	0.9
Total assets	1,368.9	1,424.1	55.2	Total liabilities and net assets	1,368.9	1,424.1	55.2

# Cash flows

(¥ billion)

	2009		2010	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.
a. Net cash provided by (used in) operating activities	34.0	86.6	31.7	81.0
b. Net cash provided by (used in) investing activities	(21.0)	(74.7)	(16.9)	(54.3)
c. Free cash flows [a+b]	13.0	11.9	14.8	26.7
d. Net cash provided by (used in) financing activities	(0.9)	(26.9)	(20.4)	(32.2)
e. Effect of exchange rate change on cash and cash equivalents	(0.3)	0.3	0.4	(1.7)
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	11.7	(14.7)	(5.2)	(7.3)

g. Cash and cash equivalents at beginning of period	72.0	98.1	91.9	93.1
h. Increase in cash and cash equivalents resulting from change of scope of consolidation	–	0.4	–	0.9
i. Cash and cash equivalents at end of period [f+g+h]	83.7	83.7	86.7	86.7



# Sales and operating income by segment, Oct.–Dec. 2009 and 2010

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(¥ billion)

	Sales			Operating income		
	Oct.–Dec. 2009	Oct.–Dec. 2010	Increase (decrease)	Oct.–Dec. 2009	Oct.–Dec. 2010	Increase (decrease)
Chemicals	159.0	189.9	30.9	10.3	16.6	6.2
Homes	96.0	90.5	(5.5)	6.7	7.9	1.2
Health Care	29.6	30.5	0.9	2.9	3.5	0.6
Fibers	25.9	27.1	1.2	(0.0)	1.3	1.3
Electronics	37.4	38.4	1.0	2.6	3.2	0.5
Construction Materials	12.4	13.7	1.4	1.1	1.3	0.2
Others*	3.8	3.7	(0.0)	0.1	0.2	0.1
Corporate Expenses and Eliminations	–	–	–	(1.7)	(2.8)	(1.1)
Consolidated	364.1	393.9	29.9	22.0	31.0	9.0
Overseas sales	90.4	109.0	18.6			
Percent of total	24.8%	27.7%	2.8%			

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

# Sales and operating income by segment, Apr.–Dec. 2009 and 2010

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(¥ billion)

	Sales			Operating income		
	Apr.–Dec. 2009	Apr.–Dec. 2010	Increase (decrease)	Apr.–Dec. 2009	Apr.–Dec. 2010	Increase (decrease)
Chemicals	452.3	554.9	102.6	21.8	53.9	32.1
Homes	253.7	264.0	10.3	10.8	18.0	7.1
Health Care	85.9	88.3	2.4	6.3	7.6	1.4
Fibers	74.6	81.7	7.1	(2.9)	3.6	6.5
Electronics	105.9	121.6	15.7	5.5	13.9	8.4
Construction Materials	36.9	37.1	0.2	1.7	2.4	0.7
Others*	13.4	11.1	(2.2)	1.2	1.0	(0.2)
Corporate Expenses and Eliminations	–	–	–	(4.3)	(5.8)	(1.5)
Consolidated	1,022.7	1,158.7	136.0	40.0	94.5	54.6
Overseas sales	266.5	334.1	67.6			
Percent of total	26.1%	28.8%	2.8%			

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

# Sales increases/decreases by segment, Oct.–Dec. 2010 vs. 2009

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(¥ billion)

	Oct.–Dec. 2009	Oct.–Dec. 2010	Increase (decrease) due to:				Net increase (decrease)
			Sales volume	Sales prices	of which, due	Others	
					to foreign exchange		
Chemicals	159.0	189.9	11.0	9.9	(2.6)	10.0	30.9
Homes	96.0	90.5	6.9	2.0	–	(14.4)	(5.5)
Health Care	29.6	30.5	2.5	(2.1)	(0.6)	0.5	0.9
Fibers	25.9	27.1	2.0	(0.1)	(0.5)	(0.6)	1.2
Electronics	37.4	38.4	5.1	(4.1)	(0.5)	0.0	1.0
Construction Materials	12.4	13.7	1.5	(0.1)	–	0.0	1.4
Others*	3.8	3.7	(0.0)	0.0	0.0	0.0	(0.0)
<b>Total</b>	<b>364.1</b>	<b>393.9</b>	<b>28.9</b>	<b>5.5</b>	<b>(4.3)</b>	<b>(4.6)</b>	<b>29.9</b>

\* Others category replaces the former Services, Engineering and Others segment.

# Operating income increases/decreases by segment, Oct.–Dec. 2010 vs. 2009

AsahiKASEI

(¥ billion)

	Oct.–Dec. 2009	Oct.–Dec. 2010	Increase (decrease) due to:				Net increase (decrease)
			Sales volume	Sales prices	of which, due to foreign exchange	Operating costs and others	
Chemicals	10.3	16.6					1.5
Homes	6.7	7.9	2.6	2.0	–	(3.4)	1.2
Health Care	2.9	3.5	2.1	(2.1)	(0.6)	0.6	0.6
Fibers	(0.0)	1.3	0.2	(0.1)	(0.5)	1.2	1.3
Electronics	2.6	3.2	2.8	(4.1)	(0.5)	1.8	0.5
Construction Materials	1.1	1.3	0.1	(0.1)	–	0.2	0.2
Others*	0.1	0.2	0.1	0.0	0.0	(0.1)	0.1
Corporate expenses and eliminations	(1.7)	(2.8)	–	–	–	(1.1)	(1.1)
<b>Total</b>	<b>22.0</b>	<b>31.0</b>	<b>9.4</b>	<b>5.5</b>	<b>(4.3)</b>	<b>(5.9)</b>	<b>9.0</b>

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

# Sales increases/decreases by segment, Apr.–Dec. 2010 vs. 2009

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(¥ billion)

	Apr.–Dec. 2009	Apr.–Dec. 2010	Increase (decrease) due to:				Net increase (decrease)
			Sales volume	Sales prices	of which, due to foreign exchange	Others	
Chemicals	452.3	554.9	32.8	44.4	(7.6)	25.4	102.6
Homes	253.7	264.0	16.2	4.0	–	(9.9)	10.3
Health Care	85.9	88.3	4.0	(4.7)	(1.8)	3.1	2.4
Fibers	74.6	81.7	10.1	0.1	(1.4)	(3.1)	7.1
Electronics	105.9	121.6	29.6	(14.0)	(1.8)	0.0	15.7
Construction Materials	36.9	37.1	0.7	(0.5)	–	0.0	0.2
Others*	13.4	11.1	(2.2)	0.0	0.0	0.0	(2.2)
<b>Total</b>	<b>1,022.7</b>	<b>1,158.7</b>	<b>91.2</b>	<b>29.3</b>	<b>(12.6)</b>	<b>15.6</b>	<b>136.0</b>

\* Others category replaces the former Services, Engineering and Others segment.

# Operating income increases/decreases by segment, Apr.–Dec. 2010 vs. 2009

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(¥ billion)

	Apr.–Dec. 2009	Apr.–Dec. 2010	Increase (decrease) due to:				Net increase (decrease)
			Sales volume	Sales prices	of which, due to foreign exchange	Operating costs and others	
Chemicals	21.8	53.9	6.5	44.4	(7.6)	(18.8)	32.1
Homes	10.8	18.0	5.2	4.0	–	(2.1)	7.1
Health Care	6.3	7.6	3.7	(4.7)	(1.8)	2.4	1.4
Fibers	(2.9)	3.6	2.7	0.1	(1.4)	3.7	6.5
Electronics	5.5	13.9	15.5	(14.0)	(1.8)	6.9	8.4
Construction Materials	1.7	2.4	0.0	(0.5)	–	1.2	0.7
Others*	1.2	1.0	0.0	0.0	0.0	(0.2)	(0.2)
Corporate expenses and eliminations	(4.3)	(5.8)	–	–	–	(1.5)	(1.5)
<b>Total</b>	<b>40.0</b>	<b>94.5</b>	<b>33.7</b>	<b>29.3</b>	<b>(12.6)</b>	<b>(8.4)</b>	<b>54.6</b>

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

# Forecast for fiscal year 2010

# Consolidated operating performance

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(¥ billion)

	FY 2009			FY 2010 revised forecast					FY 2010 forecast in Nov.
	1st half	2nd half	Total	1st half	2nd half		Total		
					Oct.–Dec.	Jan.–Mar.		forecast	
Net sales	658.6	774.9	1,433.6	764.8	393.9	444.3	838.2	1,603.0	1,608.0
Operating income	18.0	39.7	57.6	63.5	31.0	25.5	56.5	120.0	115.0
Ordinary income	15.1	41.3	56.4	59.6	30.2	24.2	54.4	114.0	110.5
Net income	4.2	21.0	25.3	28.5	21.8	6.8	28.5	57.0	58.5

## Key operating factors

Naphtha price (¥/kL, domestic)	37,250	45,100	41,175	46,200	45,100	52,000	48,550	47,375	45,600
¥/US\$ exchange rate (market average)	95	90	93	89	83	80	81	85	85

	FY 2009	FY 2010 forecast
Dividends per share	¥10	¥11 (planned)
Payout ratio	55.3%	27.0%



# Sales forecast by segment

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(¥ billion)

	FY 2009			FY 2010 revised forecast					FY 2010 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	1st half	2nd half	Total	1st half	2nd half forecast		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.				
Chemicals	293.3	328.8	622.1	365.0	189.9	188.1	378.0	743.0	741.0	2.0
Homes	157.7	232.0	389.7	173.5	90.5	149.0	239.5	413.0	413.0	–
Health Care	56.3	56.9	113.2	57.8	30.5	26.7	57.2	115.0	117.0	(2.0)
Fibers	48.7	52.5	101.2	54.6	27.1	26.3	53.4	108.0	107.0	1.0
Electronics	68.5	74.2	142.7	83.2	38.4	38.4	76.8	160.0	166.0	(6.0)
Construction Materials	24.6	22.4	47.0	23.4	13.7	11.9	25.6	49.0	49.0	–
Others*	9.6	8.0	17.6	7.4	3.7	3.9	7.6	15.0	15.0	–
Consolidated	658.6	774.9	1,433.6	764.8	393.9	444.3	838.2	1,603.0	1,608.0	(5.0)

\* Others category replaces the former Services, Engineering and Others segment.

# Operating income forecast by segment

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(¥ billion)

	FY 2009			FY 2010 revised forecast					FY 2010 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	1st half	2nd half	Total	1st half	2nd half forecast		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.				
Chemicals	11.5	14.6	26.1	37.3	16.6	9.6	26.2	63.5	59.0	4.5
Homes	4.1	21.2	25.3	10.1	7.9	15.0	22.9	33.0	33.0	–
Health Care	3.4	0.6	4.0	4.2	3.5	(0.1)	3.3	7.5	7.5	–
Fibers	(2.9)	0.1	(2.8)	2.3	1.3	0.4	1.7	4.0	3.5	0.5
Electronics	2.8	4.4	7.2	10.7	3.2	1.1	4.3	15.0	15.5	(0.5)
Construction Materials	0.6	0.6	1.2	1.1	1.3	0.1	1.4	2.5	2.0	0.5
Others*	1.0	0.8	1.8	0.8	0.2	0.5	0.7	1.5	1.5	–
Corporate Expenses and Eliminations	(2.6)	(2.6)	(5.3)	(3.0)	(2.8)	(1.2)	(4.0)	(7.0)	(7.0)	–
Consolidated	18.0	39.7	57.6	63.5	31.0	25.5	56.5	120.0	115.0	5.0

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

# Appendix

# Quarterly sales by segment

(¥ billion)

	FY2009				FY2010			FY2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	132.9	160.3	159.0	169.8	178.4	186.6	189.9	188.1
Homes	58.5	99.2	96.0	136.0	64.5	109.0	90.5	149.0
Health Care	28.5	27.8	29.6	27.3	28.7	29.0	30.5	26.7
Fibers	22.4	26.3	25.9	26.6	26.5	28.1	27.1	26.3
Electronics	31.5	37.0	37.4	36.8	40.9	42.2	38.4	38.4
Construction Materials	11.6	13.0	12.4	10.1	11.0	12.4	13.7	11.9
Others*	3.9	5.7	3.8	4.3	3.5	3.9	3.7	3.9
<b>Total</b>	<b>289.3</b>	<b>369.3</b>	<b>364.1</b>	<b>410.9</b>	<b>353.5</b>	<b>411.3</b>	<b>393.9</b>	<b>444.3</b>

\* Others category replaces the former Services, Engineering and Others segment.

# Quarterly operating income by segment

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(¥ billion)

	FY2009				FY2010			FY2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	2.2	9.3	10.3	4.2	15.3	22.0	16.6	9.6
Homes	(3.0)	7.1	6.7	14.5	(0.9)	11.0	7.9	15.0
Health Care	3.1	0.3	2.9	(2.3)	3.3	0.8	3.5	(0.1)
Fibers	(1.5)	(1.4)	(0.0)	0.1	1.2	1.1	1.3	0.4
Electronics	(0.6)	3.4	2.6	1.8	5.2	5.5	3.2	1.1
Construction Materials	(0.0)	0.6	1.1	(0.5)	0.3	0.8	1.3	0.1
Others*	0.4	0.6	0.1	0.7	0.3	0.5	0.2	0.5
Corporate Expenses and Eliminations	(1.0)	(1.7)	(1.7)	(0.9)	(2.0)	(1.0)	(2.8)	(1.2)
<b>Total</b>	<b>(0.3)</b>	<b>18.3</b>	<b>22.0</b>	<b>17.7</b>	<b>22.8</b>	<b>40.7</b>	<b>31.0</b>	<b>25.5</b>

\* Others category replaces the former Services, Engineering and Others segment. Operating expenses of one consolidated subsidiary previously included in Services, Engineering and Others are now included in corporate expenses and eliminations (no impact on sales, immaterial impact on operating income).

# Overseas sales by segment, Apr.–Dec. 2009 and 2010

AsahiKASEI

(¥ billion)

	Apr.–Dec. 2009			Apr.–Dec. 2010			Increase (decrease)	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		% change
Chemicals	452.3	174.0	38.5	554.9	224.6	40.5	50.6	+29.1
Homes	253.7	–	–	264.0	–	–	–	–
Health Care	85.9	18.8	21.9	88.3	20.2	22.9	1.3	+7.2
Fibers	74.6	23.8	31.9	81.7	28.4	34.8	4.6	+19.4
Electronics	105.9	48.1	45.4	121.6	60.2	49.5	12.1	+25.2
Construction Materials	36.9	–	–	37.1	–	–	–	–
Others*	13.4	1.8	13.5	11.1	0.7	6.2	(1.1)	-62.0
Total	1,022.7	266.5	26.1	1,158.7	334.1	28.8	67.6	+25.3
Sales to East Asia <sup>†</sup>		174.3	17.0		219.0	18.9	44.8	+25.7

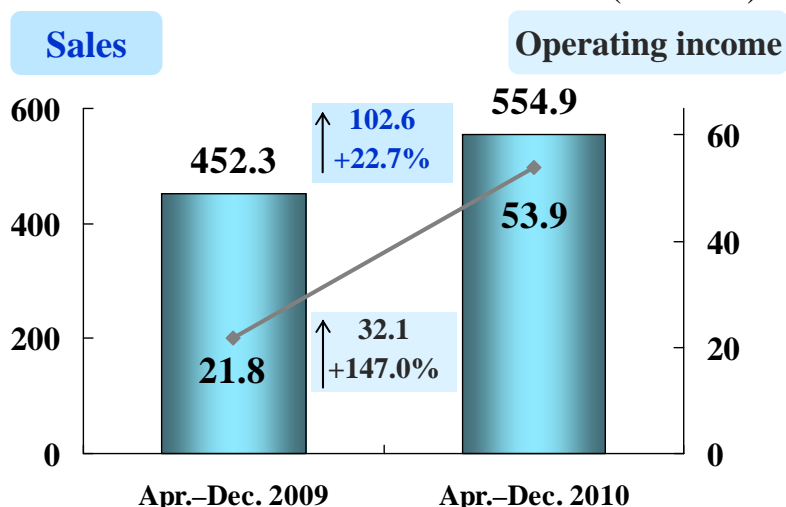
Sales, excluding Homes and  
Construction Materials

732.0      266.5      36.4      857.6      334.1      39.0

\* Others category replaces the former Services, Engineering and Others segment.

† China, Korea and Taiwan.

(¥ billion)



## Review of operations

### Volume products:

#### Chemicals and derivative products

High market prices for acrylonitrile (AN) and adipic acid buoyed by favorable demand in Asia. Sales and operating income increase.

#### Polymer products

Increased shipments with a recovery of demand in automotive and electronics applications. Sales and operating income increase.

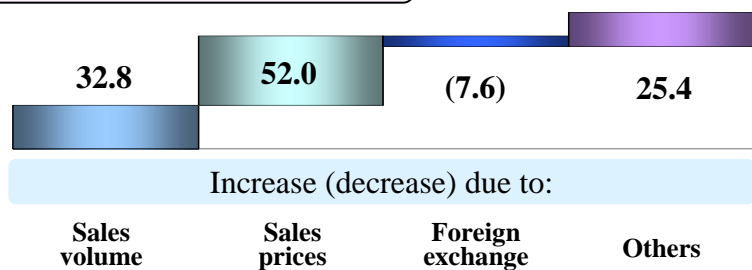
### Specialty products:

Steady performance in home-use products such as Saran Wrap™ and in functional additives. Sales and operating income increase.

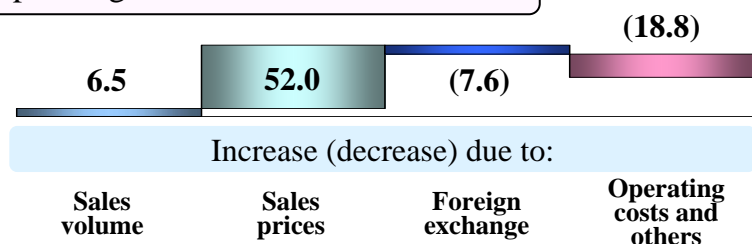
## Highlights

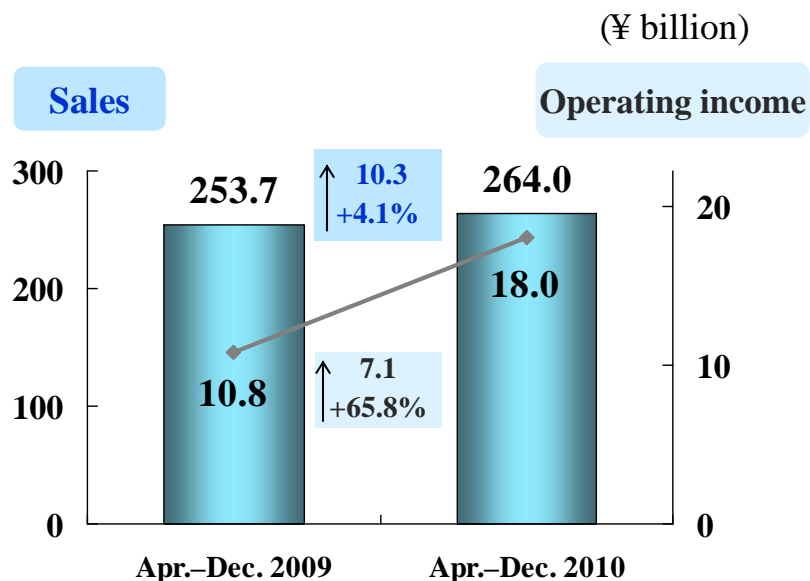
- May, MOU to establish joint venture with Mitsubishi Chemical Holdings Corp. for unified naphtha cracker operations in Mizushima in April 2011.
- June, Microza™ hollow-fiber membrane system selected for Asia's largest membrane-process water clarification plant, a drinking water plant in Hangzhou, China.
- August, decision to cease production of ammonia and benzene at the maintenance turnaround in March–April 2012.
- October, decision to construct solution SBR plant in Singapore.
- January 2011, decision to expand capacity for acrylonitrile in Korea.

### Sales increases/decreases



### Operating income increases/decreases





Results by product category\*

(¥ billion)

	Apr.-Dec. 2009		Apr.-Dec. 2010		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes	174.8	/	192.7	/	17.8	/
Pre-built homes	22.5		12.1		(10.5)	
Others	1.3		1.9		0.6	
<b>Total homes</b>	<b>198.7</b>	<b>6.3</b>	<b>206.6</b>	<b>13.2</b>	<b>7.9</b>	<b>6.9</b>
Housing-related	55.1	4.5	57.4	4.7	2.4	0.2
<b>Total</b>	<b>253.7</b>	<b>10.8</b>	<b>264.0</b>	<b>18.0</b>	<b>10.3</b>	<b>7.1</b>

\* Product category division unaudited.

## Review of operations

- Decline in deliveries of pre-built homes. Increased deliveries of Hebel Haus™ unit homes and Hebel Maison™ apartment buildings reflecting a rise in orders. Steady performance in housing-related businesses such as remodeling. Sales and operating income increase.
- Market launch of new products. Effect of government policy to support home purchases. Value of new orders increasing 14.2% year-on-year for Oct. to Dec. and 16.6% year-on-year for Apr. to Dec.

## Highlights

- May, launch of Hebel Haus™ “i\_co\_i” two-generation homes with features to facilitate raising grandchildren.
- July, launch of Hebel Haus™ RONDO two-generation homes integrating rental units, with features to adapt to changing family structure.
- August, launch of Hebel Haus™ with lower living room floor for greater comfort.
- November, launch of Hebel Haus™ Frex “monado” enhanced three-story houses for urban life.
- December, capacity expansion for steel frames for Hebel Haus™ Frex at Asahi Kasei Jyuko.



# Homes (ii)

## Sales and order trends

(¥ billion, % change from same period of previous year shown at right)

		Value of new orders during the term	Sales of order-built	Sales of pre-built homes	Other sales*	Unconsolidated	Consolidated subsidiaries	Consolidated	Order backlog
FY 06	H1	156.1 (+3.7%)	134.7 (-3.9%)	6.0 (-70.9%)	0.5	141.1 (-12.4%)	28.0 (+15.7%)	169.1 (-8.7%)	325.3
	H2	147.3 (-9.6%)	182.9 (+2.0%)	23.0 (+75.8%)	0.5	206.4 (+6.9%)	30.2 (+15.3%)	236.6 (+7.9%)	289.8
	annual	303.4 (-3.2%)	317.6 (-0.6%)	28.9 (-13.8%)	1.0	347.5 (-1.9%)	58.2 (+15.5%)	405.7 (+0.3%)	
FY 07	H1	153.6 (-1.5%)	131.2 (-2.6%)	5.0 (-16.5%)	0.4	136.6 (-3.2%)	30.3 (+8.2%)	166.9 (-1.3%)	312.3
	H2	152.5 (+3.5%)	165.9 (-9.3%)	19.5 (-15.1%)	0.5	186.0 (-9.9%)	33.3 (+10.3%)	219.3 (-7.3%)	298.8
	annual	306.1 (+0.9%)	297.1 (-6.5%)	24.5 (-15.4%)	1.0	322.5 (-7.2%)	63.7 (+9.5%)	386.2 (-4.8%)	
FY 08	H1	157.1 (+2.3%)	129.4 (-1.4%)	6.0 (+19.7%)	0.7	136.0 (-0.4%)	34.3 (+13.2%)	170.3 (+2.0%)	326.6
	H2	133.9 (-12.1%)	177.9 (+7.2%)	24.0 (+22.8%)	0.9	202.7 (+9.0%)	36.9 (+10.8%)	239.6 (+9.3%)	282.6
	annual	291.1 (-4.9%)	307.3 (+3.4%)	29.9 (+22.2%)	1.5	338.7 (+5.0%)	71.2 (+11.8%)	409.9 (+6.1%)	
FY 09	H1	154.6 (-1.6%)	115.8 (-10.5%)	5.2 (-12.6%)	0.8	121.9 (-10.4%)	35.8 (+4.4%)	157.7 (-7.4%)	321.3
	Q3	68.5 (+14.6%)	59.0 (-21.9%)	17.3 (-3.2%)	0.5	76.8 (-18.2%)	19.3 (+5.4%)	96.0 (-14.3%)	330.8
	H2	152.3 (+13.7%)	166.5 (-6.4%)	26.9 (+12.4%)	1.1	194.5 (-4.1%)	37.5 (+1.7%)	232.0 (-3.2%)	307.1
	annual	306.9 (+5.4%)	282.3 (-8.1%)	32.1 (+7.4%)	1.9	316.4 (-6.6%)	73.4 (+3.0%)	389.7 (-4.9%)	
FY 10	H1	181.7 (+17.6%)	125.5 (+8.3%)	9.4 (+79.8%)	1.1	136.0 (+11.6%)	37.5 (+4.8%)	173.5 (+10.0%)	363.4
	Q3	78.2 (+14.2%)	67.1 (+13.8%)	2.7 (-84.5%)	0.8	70.6 (-8.0%)	19.9 (+3.4%)	90.5 (-5.7%)	374.5
	H2 forecast	162.2 (+6.5%)	177.5 (+6.6%)	20.6 (-23.5%)	1.4	199.5 (+2.6%)	40.0 (+6.4%)	239.5 (+3.2%)	348.1
	annual	344.0 (+12.1%)	303.0 (+7.3%)	30.0 (-6.6%)	2.5	335.5 (+6.1%)	77.5 (+5.6%)	413.0 (+6.0%)	

\* Including commissions on property insurance.

(¥ billion)

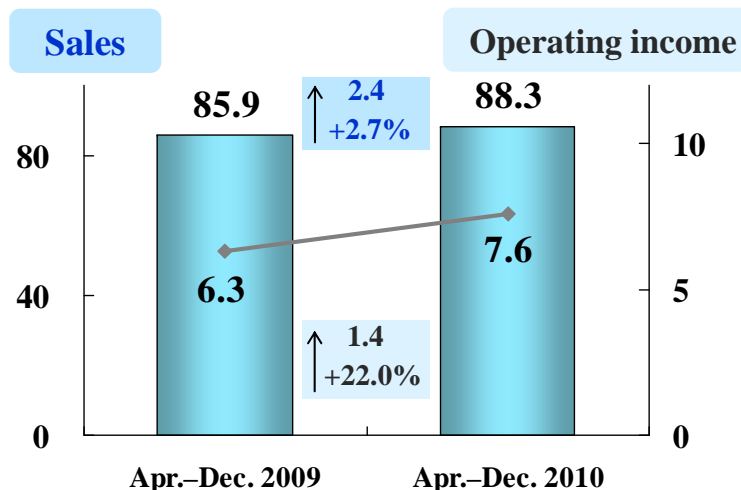
## Review of operations

**Pharmaceuticals:** Good performance in Recomodulin™ recombinant thrombomodulin. Increased shipments of Flivas™ therapy for benign prostatic hyperplasia despite negative impact of NHI price reduction on product prices. Sales and operating income increase.

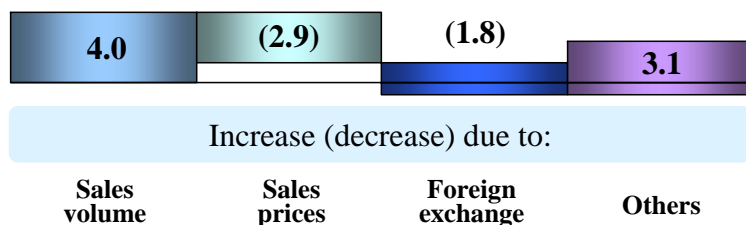
**Devices:** Increased shipments of APS™ polysulfone-membrane artificial kidneys and therapeutic apheresis devices. Impact of strong yen. Sluggish shipments of Planova™ virus removal filters. Sales increase, but slight decrease in operating income.

## Highlights

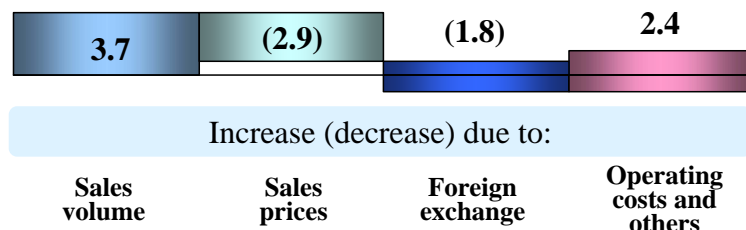
- April, announcement of preliminary results of Phase III clinical study of AT-877 for acute cerebral infarction—the study’s primary efficacy endpoint was not met.
- May, completion of a new assembly plant for Planova™.
- May, initiation of Phase IIa clinical trial for pentosan polysulfate for osteoarthritis.
- June, license agreement with Novartis Pharma AG to obtain exclusive rights to develop and sell the bisphosphonate zoledronic acid in Japan.
- June, amendment of license agreement with ThermoGenesis Corp. for autologous fibrin sealant producing system to obtain exclusive rights to manufacture the system in Japan.
- August, launch of BioOptimal™ MF-SL microfilters for bioprocessing.
- August, decision to construct new R&D facility for medical materials.
- September, completion of new plant for therapeutic apheresis devices.
- October, acquisition of all shares of Med-tech Inc., making it a wholly owned subsidiary.
- October, application for approval to manufacture and sell MN-10-T (Teribone™ teriparatide acetate) as an osteoporosis drug in Japan.
- December, transfer of sales and R&D operations for contact lenses and related products to CooperVision, Inc.



### Sales increases/decreases



### Operating income increases/decreases



## Sales of Health Care segment

(¥ billion)

		FY 2009			FY 2010	
		Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Asahi Kasei Pharma consolidated	Pharmaceuticals	14.4	41.1	53.4	15.1	42.0
	Others	1.7	5.7	7.4	1.4	5.0
		16.0	46.8	60.8	16.5	47.0
	Devices*	13.5	39.1	52.4	14.0	41.3
Total		29.6	85.9	113.2	30.5	88.3

\* Asahi Kasei Kuraray Medical, Asahi Kasei Medical and their affiliate companies.

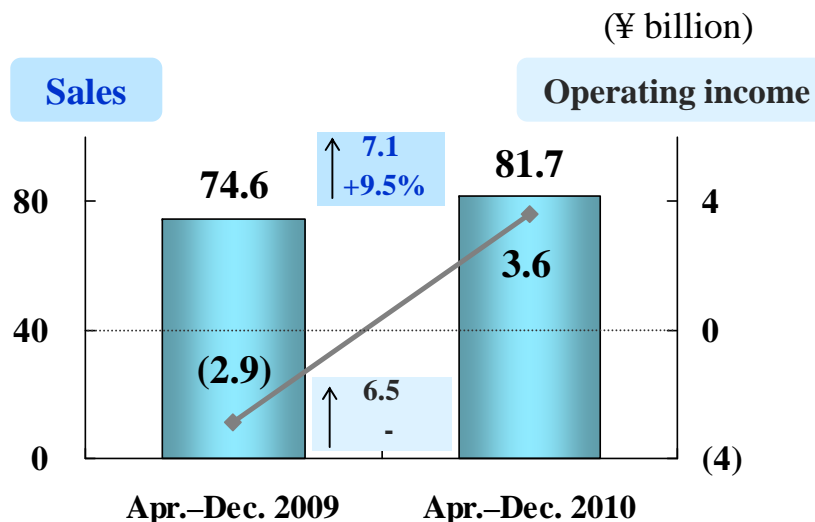
## Main pharmaceuticals domestic sales

(¥ billion)

	FY 2009			FY 2010	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Elcitonin™	3.7	10.9	14.0	3.4	10.3
Flivas™	3.8	10.6	13.7	3.8	10.5
Bredinin™	1.8	5.1	6.5	1.8	5.0
Toledomin™	1.3	3.9	5.0	0.9	2.7
Eril™	0.4	1.1	1.4	0.4	1.1
Recomodulin™	0.4	0.9	1.2	1.4	3.0

## Pharmaceutical pipeline

Development stage	Code name, form, generic name	Classifications	Indication	Remarks
Pending approval	MN-10-T, injection, teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis	New chemical entity
Phase III	AK-120, oral, famciclovir	Antiviral	Herpes simplex	Additional indication
Phase II	AT-877, oral, fasudil hydrochloride hydrate	Rho-kinase inhibitor	Pulmonary arterial hypertension	Additional indication, new dosage form
	AK150, injection, pentosan polysulfate sodium	Anti-osteoarthritic	Osteoarthritis	New chemical entity
Phase II (overseas)	ART-123, injection, recombinant thrombomodulin alpha	Recombinant human thrombomodulin	Sepsis with disseminated intravascular coagulation	New biologic
	AK106	Anti-inflammatory	Rheumatoid arthritis	New chemical entity



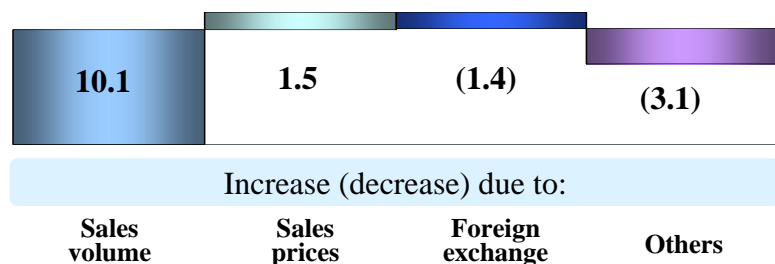
## Review of operations

Impact of strong yen and high feedstock costs. Substantially increased shipments of Bemberg™ regenerated cellulose. Favorable performance in Leona™ nylon 66 filament, Roica™ elastic polyurethane filament, and nonwovens including spunbond. Sales increase and operating income recovery.

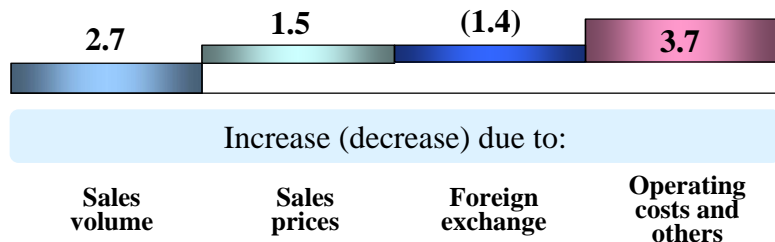
## Highlights

- April, development of a project to recycle school gym uniforms with Teijin Fibers Ltd.
- July, launch of Pulshut™—a thin, lightweight noise suppression sheet for electronics products—made with Precisé™, a specialty nonwoven fabric.

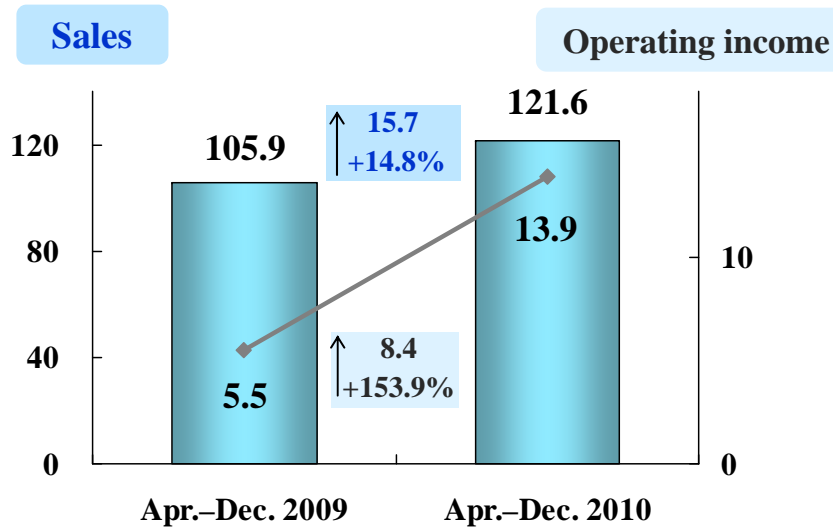
### Sales increases/decreases



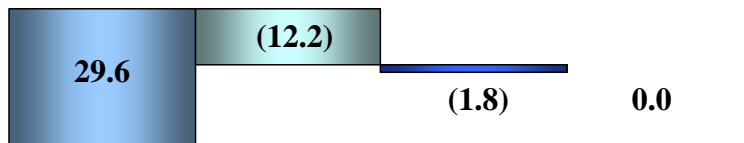
### Operating income increases/decreases



(¥ billion)



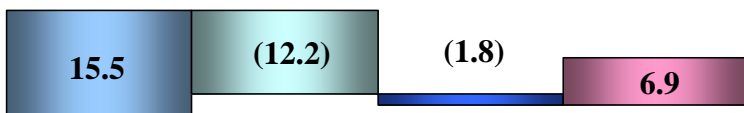
### Sales increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Others

### Operating income increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Operating costs and others

## Review of operations

Electronic devices:

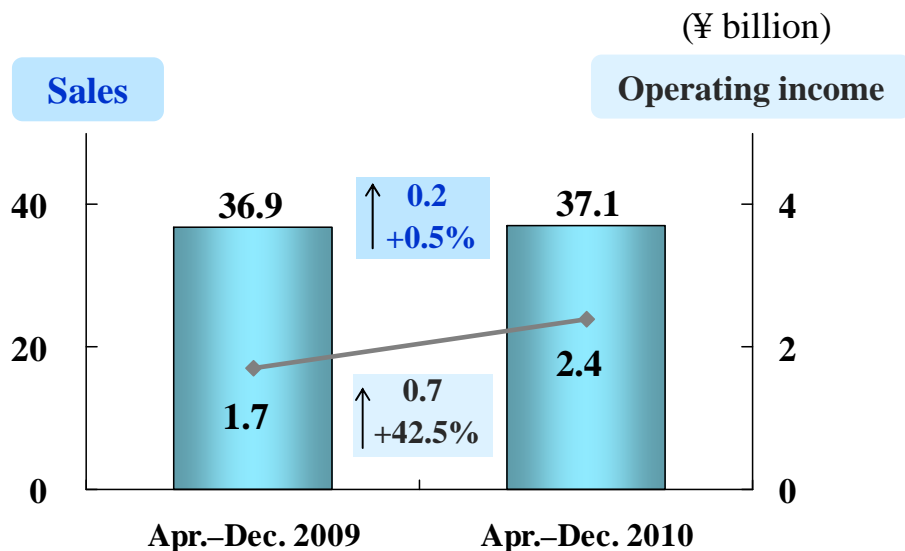
Increased shipments of LSIs for smartphones and other portable devices, particularly overseas. Sales and operating income increase.

Electronic materials:

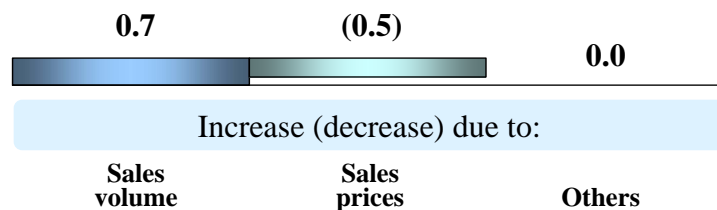
Increased shipments of Hipore™ Li-ion battery separator and Sunfort™ dry film photoresist. Sales and operating income increase.

## Highlights

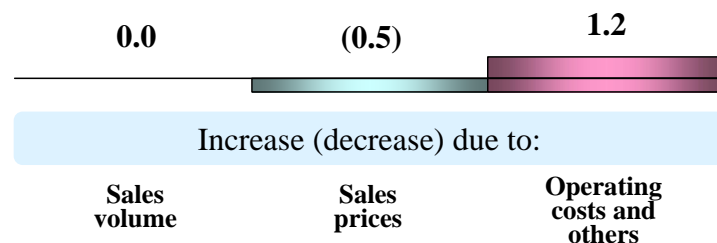
- April, completion of new plant for Hipore™ in Hyuga.
- April, launch of new 3-axis electronic compass for portable appliances; size reduced to less than half that of previous equivalent product.
- October, acquisition of all shares of Asahi Kasei Toko Power Devices, making it a wholly owned subsidiary ahead of schedule.
- October, launch of photomask pellicles compatible with ArF exposure and capacity expansion for semiconductor pellicles.



### Sales increases/decreases



### Operating income increases/decreases



## Review of operations

Decreased shipments of Hebel™ autoclaved aerated concrete (AAC) panels in non-housing applications. Increased shipments of Neoma™ high-performance foam insulation panels, supported by government policy such as eco-point program for energy conservation. Increased shipments of Eazet™ and ATT Column™ small-scale piles in new applications. Good performance in steel-frame structural components and systems, particularly in the BasePack™ earthquake-resistant column base attachment system. Sales and operating income increase.

## Highlights

- October, launch of Jupii™ floor insulation panels for wood-frame houses.

## – 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.