

Fiscal 2011 2nd Quarter Financial Results

– supplementary financial summary –

November 2, 2011
Asahi Kasei Corporation

Consolidated results for 1st half fiscal year 2011

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Consolidated results for 1st half fiscal year 2011

Summary of financial results (i)

(¥ billion)

	H1 2010	H1 2011	
		Result	Forecast in Aug.
Net sales	764.8	802.2	810.0
<i>of which, overseas sales</i>	225.1	227.8	–
Operating income	63.5	63.8	60.5
Ordinary income	59.6	62.1	60.0
Net income	28.5	38.2	35.0

H1 2011 vs. H1 2010		Result vs. forecast in Aug.	
Increase (decrease)	% change	Increase (decrease)	% change
37.4	+4.9%	(7.8)	-1.0%
2.7	+1.2%	–	–
0.2	+0.4%	3.3	+5.4%
2.6	+4.3%	2.1	+3.6%
9.7	+34.3%	3.2	+9.2%

At closing	Mar. 2011	Sep. 2011	Increase (decrease)
Total assets	1,425.9	1,403.3	(22.6)
Equity	663.6	695.4	31.8
Interest-bearing debt	253.9	194.5	(59.5)
Debt/equity ratio	0.38	0.28	(0.10)

Summary of financial results (ii)

	H1 2010	H1 2011
Dividends per share	¥5	¥7
Net income per share (EPS)	¥20.36	¥27.33
Shareholders' equity per share (BPS)	¥458.29	¥497.50

Scope of consolidation

Number of consolidated subsidiaries	102	103
Number of affiliates for which the equity method is applied	48	48

Key operating factors

Naphtha price (¥/kL, domestic)	46,150	56,950
¥/US\$ exchange rate (market average)	89	80
Employees at end of period	25,150	25,283

Statements of income

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(¥ billion)

	H1 2010		H1 2011		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	764.8	100.0%	802.2	100.0%	37.4	+4.9%
Cost of sales	563.3	73.7%	595.9	74.3%	32.6	+5.8%
Gross profit	201.5	26.3%	206.3	25.7%	4.8	+2.4%
Selling, general and administrative expenses	138.0	18.0%	142.5	17.8%	4.5	+3.3%
Operating income	63.5	8.3%	63.8	7.9%	0.2	+0.4%
Non-operating income (expenses)	(3.9)		(1.6)		2.3	
of which,						
financing income and expense	(0.0)		0.7		0.7	
equity in earnings of affiliates	1.1		0.9		(0.2)	
foreign exchange loss	(3.6)		(2.5)		1.1	
Ordinary income	59.6	7.8%	62.1	7.7%	2.6	+4.3%
Extraordinary income (loss)	(13.2)		(3.1)		10.1	
Income before income taxes	46.4	6.1%	59.1	7.4%	12.7	+27.4%
Income taxes	(16.9)		(20.0)		(3.1)	
Minority interest in income (loss)	(1.0)		(0.8)		0.2	
Net income	28.5	3.7%	38.2	4.8%	9.7	+34.3%

Financing activity

Net financing expenses

(¥ billion)

	H1 2010	H1 2011
Interest expenses	(1.7)	(1.4)
Interest income	0.5	0.7
Dividends income	1.2	1.5
Others	(0.0)	(0.0)
Total	(0.0)	0.7

Increase (decrease)
0.3
0.2
0.3
(0.0)
0.7

Interest-bearing debt

(¥ billion)

At end of	Sep. 2010	Mar. 2011	Sep. 2011
Short-term loans payable	101.7	108.9	64.5
Commercial paper	21.0	23.0	14.0
Long-term loans payable	107.7	91.7	85.3
Bonds payable	25.0	25.0	25.0
Lease obligations	4.9	5.3	5.7
Total	260.3	253.9	194.5

Mar.–Sep. 10 increase (decrease)
(44.4)
(9.0)
(6.4)
–
0.3
(59.5)

Extraordinary income and loss

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(¥ billion)

	H1 2010	H1 2011	Increase (decrease)
Extraordinary income			
Gain on sales of investment securities	–	0.1	0.1
Gain on sales of property, plant and equipment	0.0	0.3	0.3
Total extraordinary income	0.0	0.4	0.4
Extraordinary loss			
Loss on valuation of investment securities	0.4	0.5	0.1
Loss on disposal of noncurrent assets	2.3	1.4	(0.9)
Impairment loss	0.0	0.2	0.1
Environmental expenses	0.7	–	(0.7)
Loss on adjustment for changes of accounting for asset retirement obligations	1.2	–	(1.2)
Loss on disaster	–	0.9	0.9
Business structure improvement expenses	8.6*	0.6	(8.0)
Total extraordinary loss	13.2	3.5	(9.7)
Net extraordinary income (loss)	(13.2)	(3.1)	10.1

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

Balance sheets

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(¥ billion)

	At end of Mar. 2011	At end of Sep. 2011	Increase (decrease)		At end of Mar. 2011	At end of Sep. 2011	Increase (decrease)
Current assets	755.7	737.2	(18.4)	Liabilities	750.3	695.9	(54.4)
Cash and deposits	140.3	101.5	(38.8)	Current liabilities	489.9	443.2	(46.6)
Notes and accounts receivable, trade	273.4	257.4	(16.0)	Noncurrent liabilities	260.4	252.6	(7.8)
Inventories	256.2	291.4	35.1	Net assets	675.6	707.4	31.8
Other current assets	85.7	86.9	1.2	Shareholders' equity	659.4	689.2	29.8
Noncurrent assets	670.2	666.1	(4.2)	Capital stock	103.4	103.4	–
Property, plant and equipment	418.4	418.7	0.3	Capital surplus	79.4	79.4	0.0
Intangible assets	31.1	30.1	(1.0)	Retained earnings	478.7	508.7	30.1
Investments and other assets	220.8	217.3	(3.5)	Treasury stock	(2.1)	(2.4)	(0.2)
				Accumulated other comprehensive income	4.2	6.2	2.0
				Minority interests	12.0	12.0	0.0
Total assets	1,425.9	1,403.3	(22.6)	Total liabilities and net assets	1,425.9	1,403.3	(22.6)

Cash flows and primary investments

Cash flows

(¥ billion)

	H1 2010	H1 2011
a. Net cash provided by (used in) operating activities	49.3	63.1
b. Net cash provided by (used in) investing activities	(37.4)	(38.6)
c. Free cash flows [a+b]	11.9	24.5
d. Net cash provided by (used in) financing activities	(11.9)	70.0
e. Effect of exchange rate change on cash and cash equivalents	(2.1)	0.3
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(2.1)	(45.1)
g. Cash and cash equivalents at beginning of period	93.1	134.5
h. Increase in cash and cash equivalents resulting from change of scope of consolidation	0.9	1.5
i. Effect of change in the reporting period of consolidated subsidiaries and affiliates	–	0.5
j. Cash and cash equivalents at end of period [f+g+h+i]	91.9	91.3

Primary investments

(¥ billion)

	H1 2010	FY 2010	H1 2011	FY 2011 forecast
	Capital expenditure (tangible)	30.1	60.1	34.1
Capital expenditure (intangible)	2.1	5.9	3.5	8.0
Total	32.2	66.0	37.6	95.0
Depreciation and amortization	40.9	85.2	38.3	81.0
R&D expenditures	30.7	62.3	32.0	66.0

H1 11 vs. H1 10 sales and operating income by segment

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(¥ billion)

	Sales			Operating income (loss)			H1 2011 forecast in Aug.	
	H1 2010	H1 2011	Increase (decrease)	H1 2010	H1 2011	Increase (decrease)	Sales	Operating income
Chemicals	365.0	377.8	12.8	37.3	34.1	(3.2)	389.0	35.0
Homes	173.5	200.0	26.4	10.1	17.9	7.8	192.0	15.0
Health Care	57.8	60.0	2.2	4.2	5.6	1.4	60.0	4.5
Fibers	54.6	56.1	1.6	2.3	2.1	(0.2)	55.0	2.0
Electronics	83.2	77.5	(5.6)	10.7	7.0	(3.7)	81.0	7.5
Construction Materials	23.4	22.2	(1.2)	1.1	0.8	(0.4)	24.0	1.0
Others	7.4	8.5	1.1	0.8	1.2	0.4	9.0	1.0
Corporate Expenses and Eliminations	–	–	–	(3.0)	(5.0)	(2.0)	–	(5.5)
Consolidated	764.8	802.2	37.4	63.5	63.8	0.2	810.0	60.5

Overseas sales by segment

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(¥ billion)

	H1 2010			H1 2011			Increase (decrease)	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		% change
Chemicals	365.0	150.4	41.2%	377.8	154.2	40.8%	3.8	+2.5%
Homes	173.5	–	–	200.0	–	–	–	–
Health Care	57.8	13.5	23.4%	60.0	15.3	25.4%	1.8	+13.1%
Fibers	54.6	19.2	35.2%	56.1	18.2	32.4%	(1.0)	-5.2%
Electronics	83.2	41.5	49.9%	77.5	39.5	51.0%	(2.0)	-4.8%
Construction Materials	23.4	–	–	22.2	–	–	–	–
Others	7.4	0.4	6.0%	8.5	0.6	7.3%	0.2	+39.1%
Total	764.8	225.1	29.4%	802.2	227.8	28.4%	2.7	+1.2%
Sales to East Asia*		145.6	19.0%		144.8	18.1%	(0.7)	-0.5%
of which, sales to China		81.7	10.7%		75.3	9.4%	(6.5)	-7.9%

Sales, excluding Homes and
Construction Materials

567.8 225.1 39.6% 580.0 227.8 39.3%

* China, Korea, and Taiwan.

Sales and operating income increases/decreases by segment (i)

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(¥ billion)

		H1 2010	H1 2011	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	365.0	377.8	12.8	1.0	17.3	(9.1)	(5.5)	–
	Operating income	37.3	34.1	(3.2)	0.2				–
Homes	Sales	173.5	200.0	26.4	23.5	0.0	–	3.0	–
	Operating income	10.1	17.9	7.8	7.8			–	(0.0)
Health Care	Sales	57.8	60.0	2.2	5.0	(1.4)	(0.3)	(1.3)	–
	Operating income	4.2	5.6	1.4	3.6			–	(0.7)
Fibers	Sales	54.6	56.1	1.6	1.6	(0.0)	(1.1)	0.0	–
	Operating income	2.3	2.1	(0.2)	0.2			–	(0.3)

Sales and operating income increases/decreases by segment (ii)

AsahiKASEI

(¥ billion)

		H1 2010	H1 2011	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Electronics	Sales	83.2	77.5	(5.6)	5.2	(10.9)	(2.0)	0.0	–
	Operating income	10.7	7.0	(3.7)	4.5			–	2.7
Construction Materials	Sales	23.4	22.2	(1.2)	(1.0)	(0.2)	–	0.0	–
	Operating income	1.1	0.8	(0.4)	(0.4)			–	0.2
Others	Sales	7.4	8.5	1.1	1.1	0.0	0.0	0.0	–
	Operating income	0.8	1.2	0.4	0.3			–	0.1
Corporate expenses and eliminations	Operating loss	(3.0)	(5.0)	(2.0)	–	–	–	–	(2.0)
Consolidated	Sales	764.8	802.2	37.4	36.4	4.8	(12.4)	(3.8)	–
	Operating income	63.5	63.8	0.2	16.2			–	(20.7)

Forecast for fiscal year 2011

Consolidated operating performance

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(¥ billion)

	FY 2010			FY 2011 forecast			Increase (decrease)	FY 2011 forecast in May	Increase (decrease)
	H1	H2	Total	H1	H2 forecast	Total			
Net sales	764.8	833.6	1,598.4	802.2	881.8	1,684.0	85.6	1,724.0	(40.0)
Operating income	63.5	59.4	122.9	63.8	60.2	124.0	1.1	120.0	4.0
Ordinary income	59.6	58.6	118.2	62.1	63.4	125.5	7.3	122.5	3.0
Net income	28.5	31.8	60.3	38.2	36.3	74.5	14.2	69.0	5.5

Naphtha price (¥/kL, domestic)	46,150	48,750	47,450	56,950	50,000	53,475	6,025	60,000	(6,525)
¥/US\$ exchange rate (market average)	89	82	86	80	77	78	(8)	80	(2)

	FY 2010	FY 2011
Dividends per share	¥11	¥14 (planned)
Payout ratio	25.5%	26.3%

Sales forecast by segment

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(¥ billion)

	FY 2010			FY 2011 forecast			Increase (decrease)	FY 2011 forecast in May			Increase (decrease)		
	H1	H2	Total	H1	H2 forecast	Total		H1	H2	Total	H1	H2	Total
Chemicals	365.0	377.3	742.2	377.8	389.2	767.0	24.8	400.0	400.0	800.0	(22.2)	(10.8)	(33.0)
Homes	173.5	235.7	409.2	200.0	253.0	453.0	43.8	192.0	253.0	445.0	8.0	-	8.0
Health Care	57.8	58.6	116.4	60.0	64.0	124.0	7.6	61.0	63.0	124.0	(1.0)	1.0	-
Fibers	54.6	54.2	108.8	56.1	57.9	114.0	5.2	55.0	58.0	113.0	1.1	(0.1)	1.0
Electronics	83.2	75.2	158.3	77.5	80.5	158.0	(0.3)	83.0	86.0	169.0	(5.5)	(5.5)	(11.0)
Construction Materials	23.4	24.0	47.4	22.2	26.8	49.0	1.6	27.0	27.0	54.0	(4.8)	(0.2)	(5.0)
Others	7.4	8.6	16.0	8.5	10.5	19.0	3.0	9.0	10.0	19.0	(0.5)	0.5	-
Consolidated	764.8	833.6	1,598.4	802.2	881.8	1,684.0	85.6	827.0	897.0	1,724.0	(24.8)	(15.2)	(40.0)

Operating income forecast by segment

(¥ billion)

	FY 2010			FY 2011 forecast			Increase (decrease)	FY 2011 forecast in May			Increase (decrease)		
	H1	H2	Total	H1	H2 forecast	Total		H1	H2	Total	H1	H2	Total
Chemicals	37.3	27.0	64.4	34.1	23.9	58.0	(6.4)	27.0	27.5	54.5	7.1	(3.6)	3.5
Homes	10.1	26.4	36.5	17.9	29.1	47.0	10.5	13.0	29.0	42.0	4.9	0.1	5.0
Health Care	4.2	2.9	7.0	5.6	2.9	8.5	1.5	4.5	3.5	8.0	1.1	(0.6)	0.5
Fibers	2.3	1.9	4.2	2.1	1.4	3.5	(0.7)	1.5	2.5	4.0	0.6	(1.1)	(0.5)
Electronics	10.7	3.5	14.3	7.0	5.0	12.0	(2.3)	7.5	8.0	15.5	(0.5)	(3.0)	(3.5)
Construction Materials	1.1	1.0	2.1	0.8	1.7	2.5	0.4	1.5	2.0	3.5	(0.7)	(0.3)	(1.0)
Others	0.8	0.9	1.7	1.2	1.3	2.5	0.8	1.0	1.0	2.0	0.2	0.3	0.5
Corporate Expenses and Eliminations	(3.0)	(4.2)	(7.2)	(5.0)	(5.0)	(10.0)	(2.8)	(5.5)	(4.0)	(9.5)	0.5	(1.0)	(0.5)
Consolidated	63.5	59.4	122.9	63.8	60.2	124.0	1.1	50.5	69.5	120.0	13.3	(9.3)	4.0

Appendix

Statements of comprehensive income

(¥ billion)			
	FY 2010 H1	FY 2011 H1	Increase (decrease)
a: Income before minority interests	29.5	39.1	9.6
Valuation difference on available-for-sale securities	(7.6)	1.4	9.0
Deferred gains or losses on hedges	0.1	0.3	0.3
Foreign currency translation adjustment	(4.9)	0.5	5.4
Share of other comprehensive income of associates accounted for using equity method	(2.0)	(0.5)	1.6
b: Other comprehensive income	(14.5)	1.7	16.2
Comprehensive income [a+b]	15.0	40.8	25.8
Comprehensive income attributable to owners of the parent	14.3	40.2	25.9
Comprehensive income attributable to minority interests	0.7	0.6	(0.2)

Quarterly sales by segment

(¥ billion)

	FY2009				FY2010				FY2011		FY2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
Chemicals	132.9	160.3	159.0	169.8	178.4	186.6	189.9	187.4	186.0	191.8	389.2
Homes	58.5	99.2	96.0	136.0	64.5	109.0	90.5	145.2	79.2	120.8	253.0
Health Care	28.5	27.8	29.6	27.3	28.7	29.0	30.5	28.1	29.4	30.6	64.0
Fibers	22.4	26.3	25.9	26.6	26.5	28.1	27.1	27.1	27.7	28.4	57.9
Electronics	31.5	37.0	37.4	36.8	40.9	42.2	38.4	36.7	39.8	37.8	80.5
Construction Materials	11.6	13.0	12.4	10.1	11.0	12.4	13.7	10.3	10.1	12.2	26.8
Others*	3.9	5.7	3.8	4.3	3.5	3.9	3.7	4.9	4.0	4.5	10.5
Total	289.3	369.3	364.1	410.9	353.5	411.3	393.9	439.6	376.1	426.0	881.8

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

Quarterly operating income by segment

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(¥ billion)

	FY2009				FY2010				FY2011		FY2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	H2 forecast
Chemicals	2.2	9.3	10.3	4.2	15.3	22.0	16.6	10.5	19.4	14.7	23.9
Homes	(3.0)	7.1	6.7	14.5	(0.9)	11.0	7.9	18.5	3.6	14.3	29.1
Health Care	3.1	0.3	2.9	(2.3)	3.3	0.8	3.5	(0.6)	2.6	3.0	2.9
Fibers	(1.5)	(1.4)	(0.0)	0.1	1.2	1.1	1.3	0.6	1.4	0.7	1.4
Electronics	(0.6)	3.4	2.6	1.8	5.2	5.5	3.2	0.4	4.8	2.2	5.0
Construction Materials	(0.0)	0.6	1.1	(0.5)	0.3	0.8	1.3	(0.3)	0.2	0.5	1.7
Others*	0.4	0.6	0.1	0.7	0.3	0.5	0.2	0.7	0.4	0.8	1.3
Corporate Expenses and Eliminations	(1.0)	(1.7)	(1.7)	(0.9)	(2.0)	(1.0)	(2.8)	(1.4)	(2.2)	(2.7)	(5.0)
Total	(0.3)	18.3	22.0	17.7	22.8	40.7	31.0	28.4	30.2	33.5	60.2

* 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).

Primary investments by segment

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(¥ billion)

	Capital expenditures			Depreciation and amortization			R&D expenditures		
	FY 2010	FY 2011 forecast		FY 2010	FY 2011 forecast		FY 2010	FY 2011 forecast	
		H1			H1			H1	
Chemicals	23.2	18.0	43.0	31.9	14.4		15.5	7.9	
Homes	6.3	2.6	8.0	4.3	2.3		2.0	1.0	
Health Care	7.4	5.8	15.0	11.4	5.3		16.5	8.1	
Fibers	3.7	1.7	6.0	7.0	3.1		3.2	1.4	
Electronics	20.3	7.1	15.0	23.9	10.2		18.4	9.5	
Construction Materials	1.7	0.9	5.0	2.8	1.2		1.1	0.6	
Others	1.0	0.3	1.0	0.9	0.4		0.3	0.1	
Corporate assets and eliminations	2.5	1.3	2.0	3.1	1.4		5.4	3.3	
Total	66.0	37.6	95.0	85.2	38.3	81.0	62.3	32.0	66.0

Completed in H1 2011

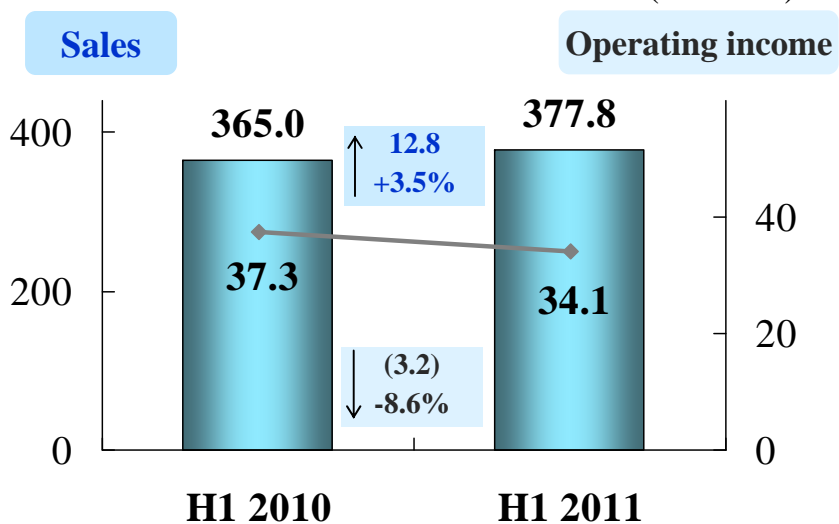
- Hipore™ Li-ion battery separator – 20 million m²/y and 15 million m²/y capacity increase in Hyuga.*
- New R&D facility for medical materials in Nobeoka, Jun. 2011.

Under construction at end of Sep. 2011

- Leona™ polyamide 66 resin – plant modification for mass production of high-melting-point grades in Nobeoka, Mar. 2012.
- New power generation facility using wood biomass fuel in Nobeoka, Jul. 2012.*
- Spunbond – new 20,000 ton/y plant in Thailand, Sep. 2012.*
- Acrylonitrile – 245,000 ton/y capacity increase in Korea, Jan. 2013.*
- Hipore™ Li-ion battery separator – 50 million m²/y capacity increase in Hyuga, Mar. 2013.*
- Solution-SBR – new 50,000 ton/y plant in Singapore, May 2013.*

* Investment of ¥3 billion or more.

(¥ billion)



Review of operations

Volume products:

Chemicals and derivative products

Decline in terms of trade especially for acrylonitrile in Q2, although they were favorable during Q1. Sales increase, but operating income decrease.

Polymer products

Good performance of synthetic rubber for tires. Decreased shipments of engineering plastics due to a decline in domestic production of automobiles. High feedstock costs. Sales increase, but flat operating income.

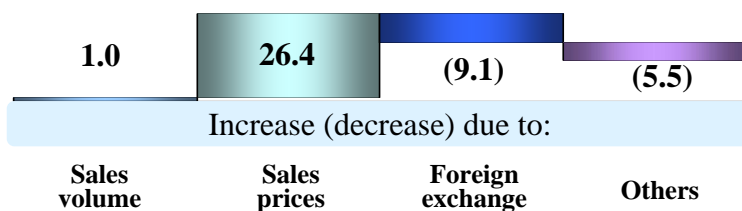
Specialty products:

Good performance in home-use products such as Saran Wrap™ and in ion-exchange membranes. Sales and operating income increase.

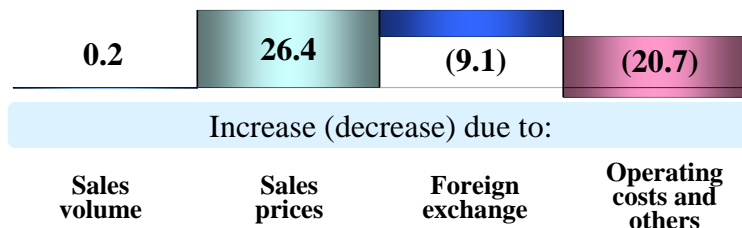
Highlights

- April, decision to establish joint venture with Saudi Basic Industries Corp. and Mitsubishi Corp. to study an acrylonitrile project in Saudi Arabia.

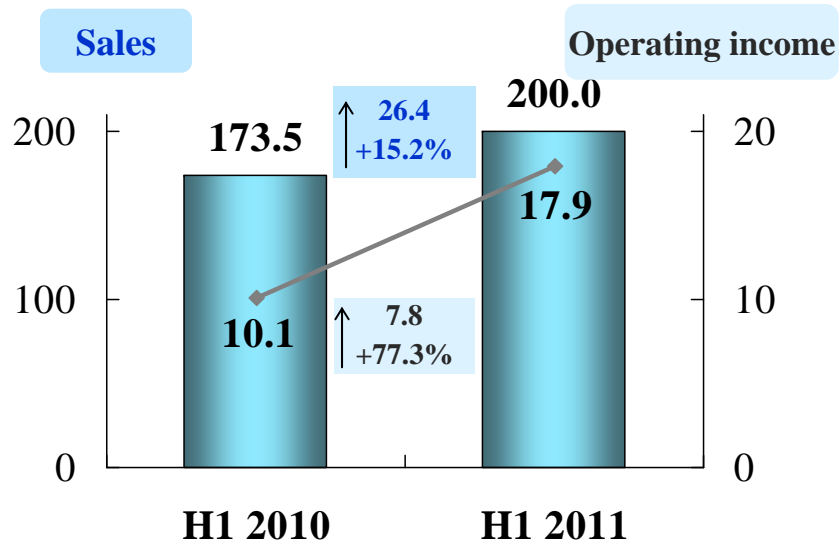
Sales increases/decreases



Operating income increases/decreases



(¥ billion)



Results by product category*

(¥ billion)

	H1 2010		H1 2011		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes	125.5	/	145.9	/	20.4	/
Pre-built homes	9.4		11.9		2.5	
Others	1.1		1.5		0.4	
Total homes	136.0	7.5	159.3	14.8	23.4	7.3
Housing-related	37.5	2.6	40.6	3.1	3.1	0.5
Total	173.5	10.1	200.0	17.9	26.5	7.8

* Product category division unaudited.

Review of operations

Order-built and pre-built homes:

- Increased deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings in order-built homes operations. Increased sales of condominiums in pre-built homes operations. Sales and operating income increase.
- Market launch of new products. Effect of government policy to support home purchases. Value of new orders increasing 4.2% from a year ago.

Housing-related operations:

Increased orders for remodeling. Increase in number of rental units in real estate operations. Sales and operating income increase.

Highlights

- April, launch of Hebel Haus™ Soranoma Plus featuring semi-outdoor space integrated with second-story living room.
- June, launch of Hebel Maison™ apartment buildings with features for living with pets.
- October, establishment of Asahi Kasei Fudousan Residence Corp. and start of operation of integrated real estate-related business.
- November, launch of Hebel Haus™ with a third-floor patio for family relaxation.

Homes (i)

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 homes	Sales of pre-built homes *	Other sales †	Consolidated subsidiaries	Consolidated	Order backlog
FY 07	H1	153.6 (-1.5%)	131.2 (-2.6%)	5.0 (-16.5%)	0.4	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	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	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	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	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	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	35.8 (+4.4%)	157.7 (-7.4%)	321.3
	H2	152.3 (+13.7%)	166.5 (-6.4%)	26.9 (+12.4%)	1.1	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	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	37.5 (+4.8%)	173.5 (+10.0%)	363.4
	H2	172.8 (+13.4%)	176.6 (+6.1%)	18.4 (-31.7%)	1.5	39.2 (+4.5%)	235.7 (+1.6%)	359.5
	annual	354.5 (+15.5%)	302.1 (+7.0%)	27.8 (-13.6%)	2.5	76.8 (+4.6%)	409.2 (+5.0%)	
FY 11	H1	189.4 (+4.2%)	145.9 (+16.3%)	11.9 (+26.5%)	1.5	40.6 (+8.3%)	200.0 (+15.2%)	403.0
	H2 forecast	174.1 (+0.8%)	193.0 (+9.3%)	13.6 (-26.0%)	46.4 (+13.9%)	253.0 (+7.3%)	384.1	
	annual	363.5 (+2.6%)	339.0 (+12.2%)	25.5 (-8.3%)	88.5 (+11.6%)	453.0 (+10.7%)		

* Beginning with H2 2011, sum of pre-built homes businesses of Asahi Kasei Homes Corp. and Asahi Kasei Fudousan Residence Corp. (housing development business transferred from the former to the latter on Oct. 1, 2011).

† Including commissions on property insurance.

Homes (ii)

Breakdown of H1 2011 sales and orders

(% change from previous year)

		Net sales		Number of units sold		Orders received			
		(¥ billion)	(% change)	(units)	(% change)	(¥ billion)	(% change)	(units)	(% change)
Unit homes *	1-2 story	94.4	+11.7%	3,111	+15.0%	111.9	+3.0%	3,779	+4.6%
	3+ story	31.9	+24.2%	1,148	+21.2%	44.4	-0.2%	1,741	-3.9%
	Total	126.3	+14.6%	4,259	+16.6%	156.3	+2.1%	5,520	+1.8%
Multi-dwelling homes	1-2 story	5.7	+14.6%	462	+7.4%	11.8	+21.4%	964	+12.7%
	3+ story	14.0	+34.6%	1,195	+29.0%	21.3	+12.8%	1,752	+6.4%
	Total	19.7	+28.1%	1,657	+22.2%	33.1	+15.7%	2,716	+8.6%
Order-built homes total		145.9	+16.3%	5,916	+18.1%	189.4	+4.2%	8,236	+3.9%
Pre-built homes (including condominiums)		11.9	+26.5%	143	-7.7%	-	-	-	-
Other sales		1.5	+41.1%	-	-	-	-	-	-
Total		159.3	+17.2%	6,059	+17.3%	189.4	+4.2%	8,236	+3.9%
Consolidated subsidiaries		40.6	+8.3%	-	-	-	-	-	-
Consolidated		200.0	+15.2%	6,059	+17.3%	189.4	+4.2%	8,236	+3.9%

* Unit homes classifications were revised in FY 2011, resulting in a portion of products reclassified from "3+ story" to "1-2 story". Calculation of % change is based on figures for the same period of the previous year revised accordingly.

Homes (iii)

Breakdown of sales and order forecast for FY 2011

(% change from previous year)

		Net sales		Number of units sold		Orders received			
		(¥ billion)	(% change)	(units)	(% change)	(¥ billion)	(% change)	(units)	(% change)
Unit homes *	1-2 story	209.8	+10.3%	7,010	+13.9%	213.3	+1.8%	7,250	+3.0%
	3+ story	75.5	+18.5%	2,950	+16.2%	85.2	+0.6%	3,370	+0.0%
	Total	285.3	+12.4%	9,960	+14.6%	298.5	+1.5%	10,620	+2.0%
Multi-dwelling homes	1-2 story	17.4	+11.1%	1,565	+10.1%	23.2	+10.5%	1,970	+7.7%
	3+ story	36.3	+11.4%	3,160	+9.5%	41.8	+6.5%	3,475	+3.5%
	Total	53.7	+11.3%	4,725	+9.7%	65.0	+7.8%	5,445	+5.0%
Order-built homes total		339.0	+12.2%	14,685	+13.0%	363.5	+2.6%	16,065	+3.0%
Pre-built homes † (including condominiums)		25.5	-8.3%	395	+3.4%	-	-	-	-
Housing-related operations and others		88.5	+11.6%	-	-	-	-	-	-
Consolidated		453.0	+10.7%	15,080	+12.7%	363.5	+2.6%	16,065	+3.0%

* Unit homes classifications were revised in FY 2011, resulting in a portion of products reclassified from “3+ story” to “1-2 story”. Calculation of % change is based on figures for the same period of the previous year revised accordingly.

† Beginning with H2 2011, sum of pre-built homes businesses of Asahi Kasei Homes Corp. and Asahi Kasei Fudousan Residence Corp. (housing development business transferred from the former to the latter on Oct. 1, 2011).

Performance of main subsidiaries

(¥ billion)

	H1 2010		H1 2011	
	Sales	Operating income	Sales	Operating income
Asahi Kasei Reform	16.7	1.6	17.8	2.1
Asahi Kasei Real Estate	19.8	0.6	21.8	0.7

Asahi Kasei Reform (remodeling business)

H1: Decreased deliveries during early part of the year due to earthquake's effect on supply chain. Record-high orders thanks to increased orders for environmental products such as solar panels. Sales and operating income increase.

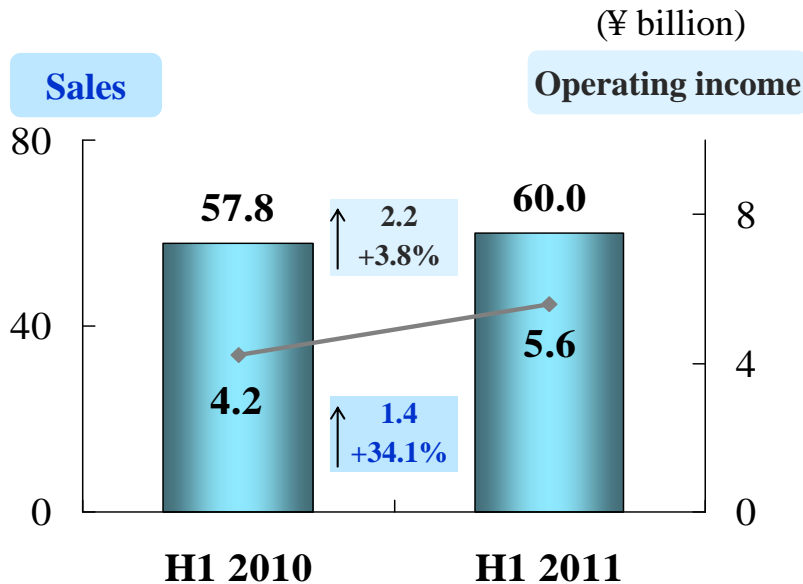
H2 forecast: Continuing growth in orders.

FY11 forecast: Sales and operating income increase.

Asahi Kasei Real Estate

H1: Growth in number of home rental units with increased deliveries of Hebel Maison™ apartment buildings. Sales and operating income increase.

H2: Renamed Asahi Kasei Fudousan Residence Corp. with start of operation of integrated housing development businesses (pre-built unit homes and condominiums business transferred from Asahi Kasei Homes Corp.)



Review of operations

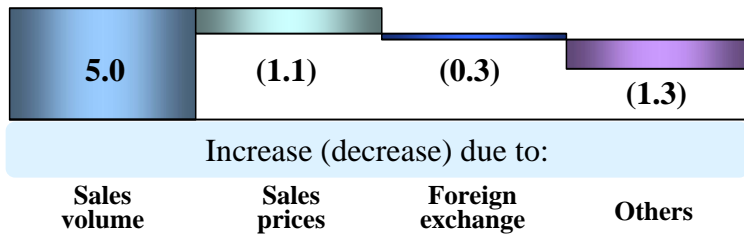
Pharmaceuticals: Higher SG&A with an increase in medical representatives. Substantial increase in shipments of Recomedulin™ recombinant thrombomodulin. Sales and operating income increase.

Devices: Impact of the strong yen and lower product prices in each product category. Substantial increase in shipments of Planova™ virus removal filters. Sales and operating income increase.

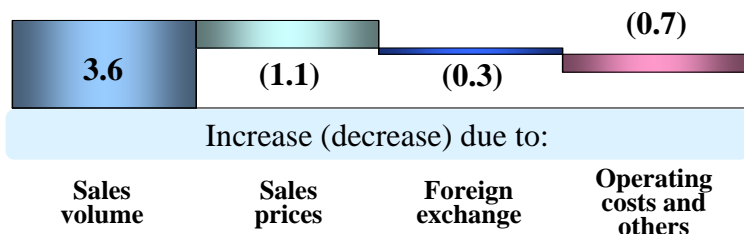
Highlights

- May, Dong-A Pharmaceutical Co., Ltd., Asahi Kasei Pharma's licensing partner in Korea, obtained approval for the sale of Flivas™ in Korea as an agent for the treatment of benign prostatic hyperplasia.
- August, agreement to transfer all shares held by Kuraray in Asahi Kasei Kuraray Medical to Asahi Kasei, making it a wholly owned subsidiary in April 2012.
- August, judgment of the court of first instance in litigation with Actelion Ltd. of Switzerland, ordering the defendants to pay US\$516.6 million to Asahi Kasei Pharma.
- September, approval for manufacture and sale of Teribone™ osteoporosis drug in Japan.
- October, license agreement with Zosano Pharma, Inc. of the US for development of a microprojection patch formulation of Teribone™ osteoporosis drug; start of clinical trial next year.
- October, decision to construct new research complex for pharmaceuticals.

Sales increases/decreases



Operating income increases/decreases



Sales of Health Care segment

(¥ billion)

		FY 2010		FY 2011	
		H1		H1	forecast
	Pharmaceuticals	26.9	55.4	28.5	59.0
	Others	3.6	5.8	2.4	3.9
Asahi Kasei Pharma consolidated		30.5	61.2	30.9	62.9
Devices*		27.3	55.1	29.0	61.1
Total		57.8	116.4	60.0	124.0

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

Main pharmaceuticals domestic sales

(¥ billion)

	FY 2010		FY 2011	
	H1		H1	forecast
Flivas™	6.8	13.9	6.9	14.2
Elcitonin™	6.9	13.4	6.7	13.3
Recomodulin™	1.6	4.2	3.4	7.8
Bredinin™	3.3	6.5	3.2	6.4
Toledomin™	1.9	3.5	1.5	2.9
Eril™	0.7	1.4	0.6	1.4

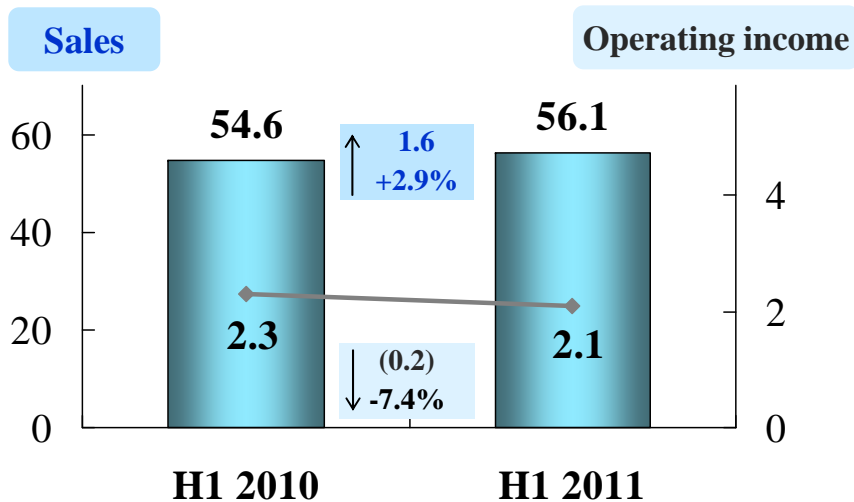
Main pharmaceutical products

	Generic name	Mechanism/ substance class	Indication	Formulation
Flivas™	Naftopidil	Selective α -1 blocker	Benign prostatic hypertrophy	Tablet
Elcitonin™	Elcatonin	Eel calcitonin derivative	Osteoporosis pain	Injection
Recomodulin™	Recombinant thrombomodulin alpha	Blood coagulation	Disseminated intravascular coagulation	Injection
Bredinin™	Mizoribine	Immunosuppressant	Kidney transplantation, lupus nephritis, nephrosis syndrome, rheumatoid arthritis	Tablet
Toledomin™	Milnacipran hydrochloride	SNRI	Depression	Tablet
Eril™	Fasudil	Rho-kinase inhibitor	Cerebral vasospasm after subarachnoid hemorrhage surgery	Injection
Famvir™ Distributed by Maruho	Famciclovir	Antiviral	Shingles (zoster)	Tablet

Pharmaceutical pipeline

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Approved	MN-10-T, injection, teriparatide acetate	New route of administration, new efficacy, new dose; once-weekly administration	Synthetic human parathyroid hormone (PTH)	Osteoporosis	In-house
Phase III	AK-156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
	AK-120, oral, famciclovir	Additional indication	Antiviral	Herpes simplex	Licensed
Phase II	AT-877, oral, fasudil hydrochloride hydrate	Additional indication, new dosage form	Rho-kinase inhibitor	Pulmonary arterial hypertension	In-house
	AK150, injection, pentosan polysulfate sodium	New chemical entity	Anti-osteoarthritic	Osteoarthritis	Licensed
Phase II (overseas)	ART-123, injection, recombinant thrombomodulin alpha	New biologic	Recombinant human thrombomodulin	Sepsis with disseminated intravascular coagulation	In-house
	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house

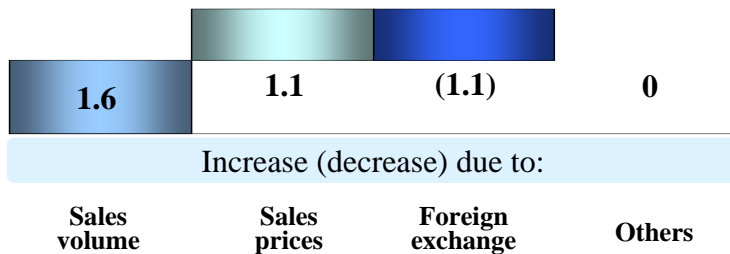
(¥ billion)



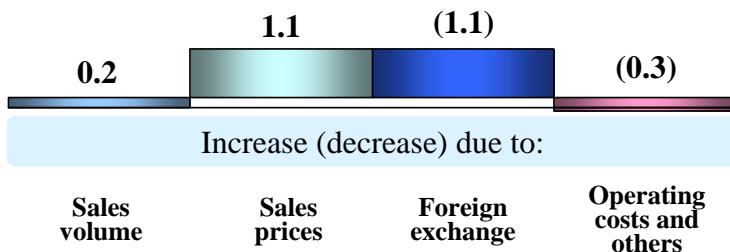
Review of operations

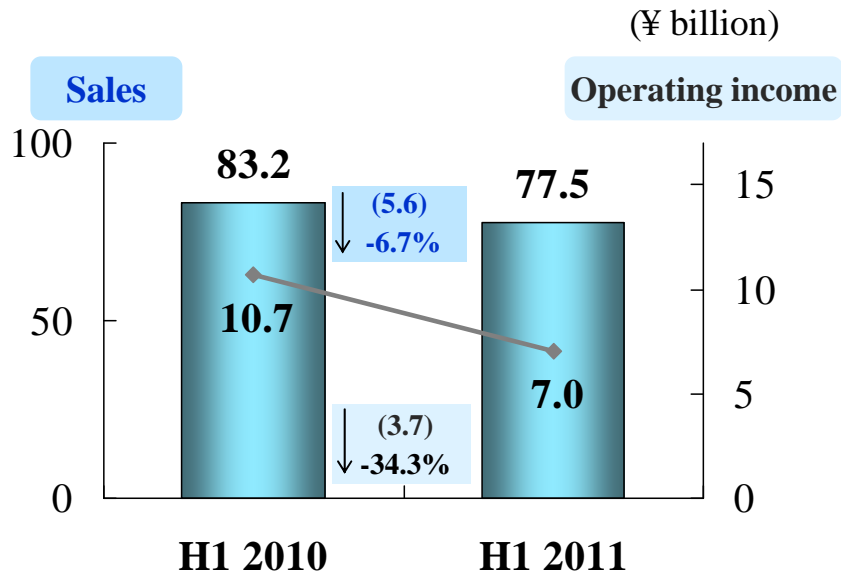
Good performance of Leona™ nylon 66 filament for tire cord and Bemberg™ regenerated cellulose for linings. Impact of high feedstock costs and the strong yen in each product category. Sales increase, but operating income decrease.

Sales increases/decreases



Operating income increases/decreases





Review of operations

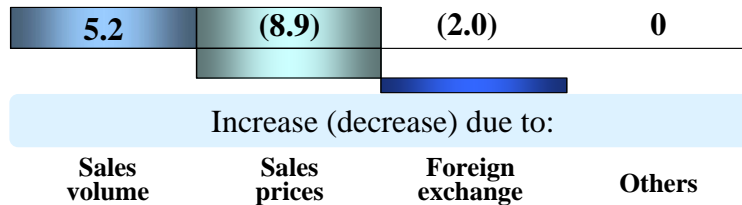
Electronic devices:

Increased shipments of mixed-signal LSIs for smartphones. Impact of decline in product prices and the strong yen. Sales and operating income decrease.

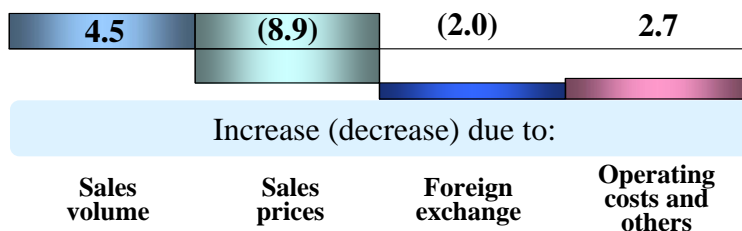
Electronic materials:

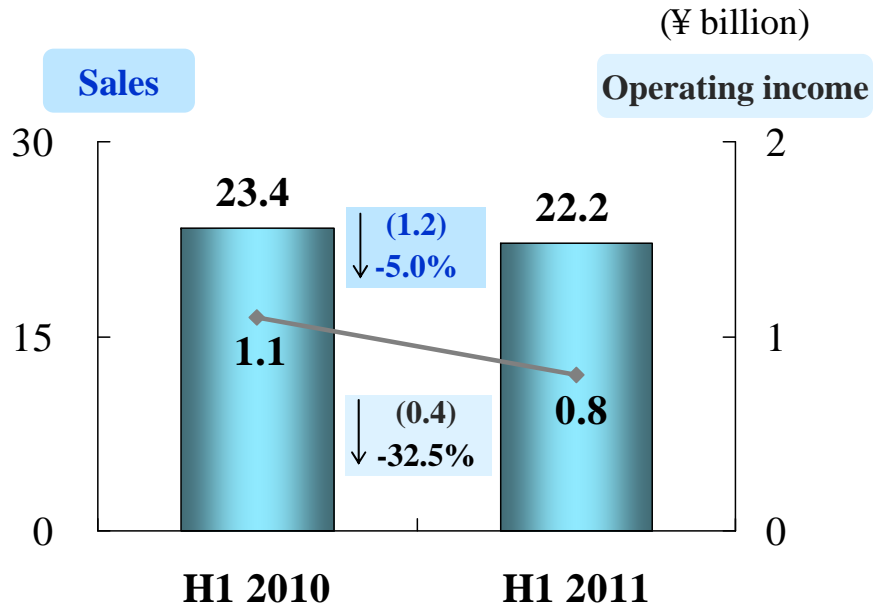
Increased shipments of Hipore™ Li-ion battery separator. Impact of lower product prices and higher feedstock costs. Sales and operating income decrease.

Sales increases/decreases



Operating income increases/decreases

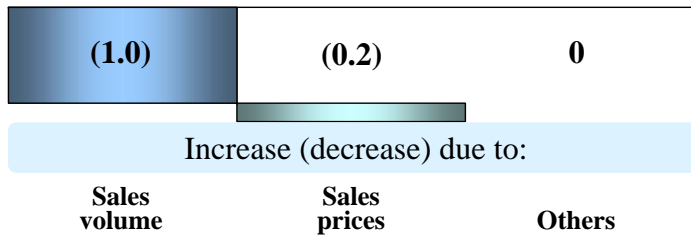




Review of operations

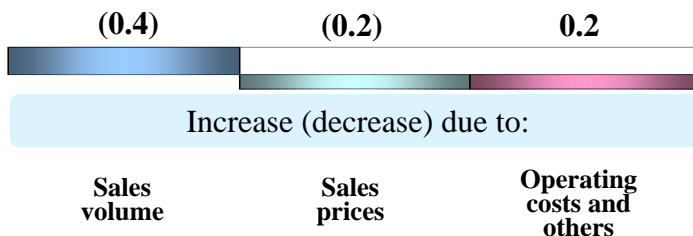
Good performance in structural materials operations. Temporary suspension of operation of plants in Ibaraki Prefecture which manufacture Neoma™ phenolic foam insulation panels and Hebel™ autoclaved aerated concrete panels, as well as segment-wide impact of suspension or postponement of work on many construction projects, both due to the Great East Japan Earthquake. Sales and operating income decrease.

Sales increases/decreases



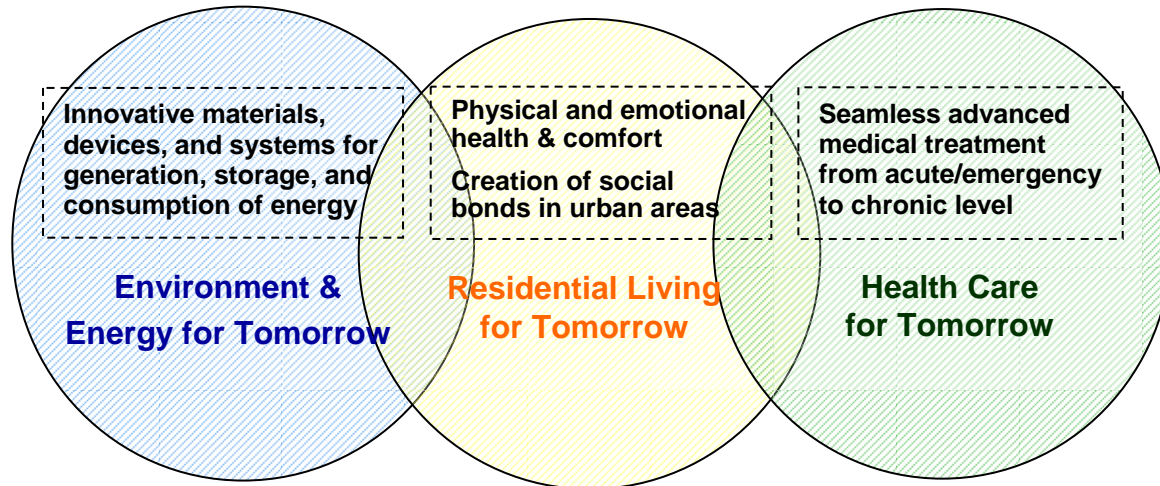
Increase (decrease) due to:

Operating income increases/decreases



Increase (decrease) due to:

Three projects combining multiple business units



Highlights of combined-unit projects

- August, market launch of AED (automated external defibrillator) with conclusion of agreement with ZOLL Medical Corp. for exclusive sales rights in Japan. Development of business in the field of emergency and critical care.
- September, start of joint R&D with tella, inc. for cell processing equipment for cancer treatment.
- October, establishment of a joint venture with FDK Corp. for lithium ion capacitor business, further strengthening of R&D and supply capabilities by combining technologies.

– 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.