

**Asahi Kasei Corporation**

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## Consolidated Results for 1st to 3rd Quarter Fiscal 2013: April 1, 2013 – December 31, 2013

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

**I. Summary of Consolidated Results**

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

|                               | Q1–Q3 2013         | Q1–Q3 2012        |
|-------------------------------|--------------------|-------------------|
| Net sales                     | 1,389,648 [+15.6%] | 1,202,612 [+2.8%] |
| Operating income              | 109,807 [+75.6%]   | 62,515 [–28.2%]   |
| Ordinary income               | 109,530 [+74.6%]   | 62,717 [–28.7%]   |
| Net income                    | 66,078 [+85.6%]    | 35,610 [–25.9%]   |
| Net income per share*         | 47.28              | 25.48             |
| Diluted net income per share* | —                  | —                 |

\* Yen

Note: Comprehensive income was ¥130,338 million during Q1–Q3 2013, and ¥55,967 million during Q1–Q3 2012.

## 2. Financial position

| At end of              | December 2013 | March 2013 |
|------------------------|---------------|------------|
| Total assets           | 1,959,415     | 1,800,170  |
| Net assets             | 935,166       | 824,451    |
| Net worth/total assets | 47.1%         | 45.1%      |
| Net worth per share*   | 659.83        | 581.05     |

\* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth as of December 31, 2013, was ¥922,060 million; as of March 31, 2013, ¥812,080 million.

**II. Cash Dividends**

| Fiscal year     | Cash dividends per share* |      |    |      | Total annual |
|-----------------|---------------------------|------|----|------|--------------|
|                 | Q1                        | Q2   | Q3 | Q4   |              |
| 2012            | —                         | 7.00 | —  | 7.00 | 14.00        |
| 2013            | —                         | 7.00 | —  | —    | —            |
| 2013 (forecast) | —                         | —    | —  | 8.00 | 15.00        |

\* Yen

Note: The Q4 cash dividend was increased by ¥1 per share from the most recent forecast, to ¥8 per share. The total annual dividend forecast has thus been revised to ¥15 per share.

### III. Forecasts for Fiscal 2013 (April 1, 2013 – March 31, 2014)

#### 1. Latest forecasts (percent change from results in year-ago period in brackets)

|                       |                    |
|-----------------------|--------------------|
| Net sales             | 1,896,000 [+13.8%] |
| Operating income      | 140,000 [+52.2%]   |
| Ordinary income       | 138,500 [+45.6%]   |
| Net income            | 77,000 [+43.4%]    |
| Net income per share* | 55.10              |

\* Yen

#### 2. Comparison of previous and revised fiscal 2013 forecasts

|                  | Previous forecast | Revised forecast | Increase (decrease) | (billions of yen)<br>cf. fiscal 2012 results |
|------------------|-------------------|------------------|---------------------|--|
| Net sales        | 1,904.0           | 1,896.0          | (8.0)               | 1,666.6                                      |
| Operating income | 145.0             | 140.0            | (5.0)               | 92.0   |
| Ordinary income  | 143.0             | 138.5            | (4.5)               | 95.1   |
| Net income       | 86.0              | 77.0             | (9.0)               | 53.7   |

Notes:

- Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.
- The forecast for fiscal 2013 announced on October 31, 2013, has been revised.

### IV. Other Information

1. Changes in significant subsidiaries which affected scope of consolidation during the period: None.
2. Special accounting methods for preparation of the consolidated financial statements

Income tax expenses: A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and quarterly income before income taxes is multiplied by the corresponding effective tax rate.

#### 3. Number of shares outstanding

|   | Q1–Q3 2013    | FY 2012        |
|---|---------------|----------------|
| Number of shares outstanding at end of period       | 1,402,616,332 | 1,402,616,332  |
| Number of shares of treasury stock at end of period | 5,187,722     | 5,016,645      |
| Average number of shares outstanding during period  | 1,397,533,757 | 1,397,663,351* |

\* Q1–Q3 2012

## V. Overview of Consolidated Results

### 1. Consolidated group results

The global economy during the April–December period of 2013 was increasingly firm with a gradual recovery in the US and signs of improvement in Europe, but the outlook became obscure as with destabilizing factors including slower growth in China and other emerging economies as well as a tapering of monetary easing in the US. Although the Japanese economy recovered gradually with improved corporate earnings backed by a lower yen exchange rate and higher stock prices and with revived consumer spending, the economic outlook remained unpredictable due to downside risks in the global economy and the impact of the upcoming consumption tax increase.

Consolidated net sales of Asahi Kasei Corp. and its consolidated subsidiaries and equity-method affiliates (the Asahi Kasei Group) increased by ¥187.0 billion (15.6%) from a year ago to ¥1,389.6 billion, with increased deliveries in the Homes segment, and increased sales volume in the Chemicals segment and of pharmaceutical products in the Health Care segment, as well as improved overall performance of exports due to the progressive weakening of the yen. Operating income increased by ¥47.3 billion (75.6%) to ¥109.8 billion, ordinary income increased by ¥46.8 billion (74.6%) to ¥109.5 billion, and net income increased by ¥30.5 billion (85.6%) to ¥66.1 billion.

### 2. Results by operating segment

The Asahi Kasei Group's operations are described by major business classification: seven reportable segments of Chemicals, Fibers, Homes, Construction Materials, Health Care, and Critical Care, together with an "Others" category. Beginning with the April–June quarter of 2013, the sequence of reportable segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care. In the Critical Care segment, results for the year-ago period were included beginning on April 27, 2012, while results were subject to consolidation throughout the entire period beginning with the April–December period of 2013.

#### CHEMICALS

Sales increased by ¥97.0 billion (19.4%) from a year ago to ¥598.4 billion, and operating income increased by ¥15.7 billion (90.0%) to ¥33.1 billion.

Chemicals and derivative products operations were impacted by low market prices for acrylonitrile and high feedstock prices, but the depreciation of the yen and improved market prices for styrene monomer contributed to performance. Polyethylene was impacted by high feedstock prices, but the depreciation of the yen contributed to performance in polymer products operations, and shipments of engineering plastics and of synthetic rubber for fuel-efficient tires were firm. In specialty products operations, the effect of the depreciation of the yen was most notable for ion-exchange membranes, and shipments of functional chemicals for pharmaceutical manufacture and of coating materials were firm.

#### FIBERS

Sales increased by ¥8.5 billion (10.4%) from a year ago to ¥89.9 billion, and operating income increased by ¥3.7 billion (122.7%) to ¥6.7 billion.

Although the cost of naphtha-derived feedstocks rose, operating income in fibers increased with the effect of the weaker yen and increased shipments of nonwovens such as Lamous™ artificial suede for automotive interiors and of Roica™ elastic polyurethane filament.

## HOMES

Sales increased by ¥29.8 billion (9.0%) from a year ago to ¥360.2 billion, and operating income increased by ¥7.0 billion (21.9%) to ¥38.8 billion. Orders for order-built homes increased by ¥25.6 billion (8.7%) to ¥321.1 billion.

In order-built homes operations, deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings increased based on strong orders in the previous year. In real estate operations, rental management performed well. Remodeling operations enjoyed strong orders for major remodeling work and other renovation work.

## CONSTRUCTION MATERIALS

Sales increased by ¥3.6 billion (9.2%) from a year ago to ¥42.8 billion, and operating income increased by ¥1.8 billion (55.0%) to ¥5.1 billion.

Shipments of Hebel™ autoclaved aerated concrete panels increased. In foundation systems, orders for Eazet™ and ATT Column™ piling systems for small-scale construction expanded with the development of new applications. Sales of Neoma™ high-performance phenolic foam insulation panels and structural materials were firm.

## ELECTRONICS

Sales increased by ¥11.2 billion (11.1%) from a year ago to ¥111.3 billion, and operating income increased ¥11.4 billion (803.8%) to ¥12.8 billion.

Although electronic devices operations were impacted by reduced sales prices in each product category, the weaker yen contributed to performance, and shipments of electronic compasses and magnetic sensors for smartphones and other mobile applications increased. Electronic materials operations were impacted by reduced sales prices, especially for Hipore™ Li-ion battery separator, while the weaker yen contributed to performance, and sales grew for high-end products in each product category.

## HEALTH CARE

Sales increased by ¥16.1 billion (15.9%) from a year ago to ¥117.0 billion, and operating income increased by ¥11.9 billion (82.4%) to ¥26.4 billion.

Pharmaceuticals operations were impacted by higher selling, general and administrative expenses, but shipments of Teribone™ osteoporosis drug and Recomodulin™ recombinant thrombomodulin increased. In devices-related operations, the weaker yen contributed to performance of blood-purification products, and shipments of Planova™ virus removal filters increased.

## CRITICAL CARE

Sales increased by ¥21.5 billion (59.4%) from a year ago to ¥57.6 billion, gross operating income\* increased by ¥1.5 billion (26.5%) to ¥7.1 billion, and the consolidated operating loss increased by ¥0.4 billion to ¥2.7 billion. The effect of amortization of goodwill and other intangible assets, etc., related to acquisition of ZOLL Medical Corporation increased by ¥1.9 billion to ¥9.8 billion.

LifeVest™ wearable defibrillator operations expanded smoothly, and other products such as defibrillators for use by medical professionals performed well, but selling, general and administrative expenses grew with reinforced sales activity. The increase in sales and increase in operating loss were enlarged by the difference in the period subject to consolidation.

\* Operating income before amortization of goodwill and other intangible assets, etc., related to acquisition of ZOLL by Asahi Kasei.

## OTHERS

Sales in “Others” decreased by ¥0.6 billion (4.6%) from a year ago to ¥12.5 billion, and operating income decreased by ¥0.7 billion (41.0%) to ¥1.0 billion.

## VI. Consolidated Financial Statements

### 1. Balance sheets

|   | At end of<br>March 2013 | At end of<br>Dec. 2013 |
|---|-------------------------|------------------------|
| <b>Assets</b>                                 |                         |                        |
| Current assets                                |                         |                        |
| Cash and deposits                             | 109,513                 | 115,620                |
| Notes and accounts receivable–trade           | 306,222                 | 334,524                |
| Short-term investment securities              | 124                     | 66                     |
| Merchandise and finished goods                | 145,470                 | 157,627                |
| Work in process                               | 100,513                 | 133,267                |
| Raw materials and supplies                    | 63,695                  | 67,770                 |
| Deferred tax assets                           | 21,945                  | 23,576                 |
| Other   | 73,619                  | 79,993                 |
| Allowance for doubtful accounts               | (1,631)                 | (1,871)                |
| <b>Total current assets</b>                   | <b>819,469</b>          | <b>910,572</b>         |
| Noncurrent assets                             |                         |                        |
| Property, plant and equipment                 |                         |                        |
| Buildings and structures                      | 428,616                 | 451,803                |
| Accumulated depreciation                      | (241,191)               | (249,174)              |
| <b>Buildings and structures, net</b>          | <b>187,425</b>          | <b>202,629</b>         |
| Machinery, equipment and vehicles             | 1,236,111               | 1,293,763              |
| Accumulated depreciation                      | (1,082,480)             | (1,125,286)            |
| <b>Machinery, equipment and vehicles, net</b> | <b>153,631</b>          | <b>168,477</b>         |
| Land  | 58,176                  | 58,245                 |
| Lease assets                                  | 13,980                  | 13,787                 |
| Accumulated depreciation                      | (7,173)                 | (8,729)                |
| <b>Lease assets, net</b>                      | <b>6,806</b>            | <b>5,059</b>           |
| Construction in progress                      | 41,482                  | 30,953                 |
| Other   | 129,716                 | 137,976                |
| Accumulated depreciation                      | (115,656)               | (120,650)              |
| <b>Other, net</b>                             | <b>14,060</b>           | <b>17,326</b>          |
| <b>Subtotal</b>                               | <b>461,581</b>          | <b>482,688</b>         |
| Intangible assets                             |                         |                        |
| Goodwill                                      | 134,303                 | 144,502                |
| Other   | 121,114                 | 123,669                |
| <b>Subtotal</b>                               | <b>255,417</b>          | <b>268,170</b>         |
| Investments and other assets                  |                         |                        |
| Investment securities                         | 224,903                 | 253,742                |
| Long-term loans receivable                    | 5,248                   | 9,617                  |
| Deferred tax assets                           | 8,487                   | 9,399                  |
| Other   | 25,311                  | 25,459                 |
| Allowance for doubtful accounts               | (245)                   | (232)                  |
| <b>Subtotal</b>                               | <b>263,704</b>          | <b>297,985</b>         |
| <b>Total noncurrent assets</b>                | <b>980,702</b>          | <b>1,048,843</b>       |
| <b>Total assets</b>                           | <b>1,800,170</b>        | <b>1,959,415</b>       |

|   | At end of<br>March 2013 | At end of<br>Dec. 2013 |
|---|-------------------------|------------------------|
| <b>Liabilities</b>  |                         |                        |
| Current liabilities   |                         |                        |
| Notes and accounts payable–trade                            | 172,630                 | 189,964                |
| Short-term loans payable                                    | 113,043                 | 103,374                |
| Commercial paper  | 70,000                  | 86,000                 |
| Current portion of bonds payable                            | 5,000                   | —                      |
| Lease obligations   | 2,415                   | 1,932                  |
| Accrued expenses  | 91,646                  | 77,093                 |
| Income taxes payable  | 13,978                  | 18,463                 |
| Advances received   | 61,953                  | 85,526                 |
| Provision for periodic repairs                              | 2,359                   | 7,496                  |
| Provision for product warranties                            | 2,143                   | 2,115                  |
| Provision for removal cost of property, plant and equipment | 1,910                   | 2,936                  |
| Asset retirement obligations                                | 722                     | 548                    |
| Other   | 65,064                  | 59,166                 |
| Total current liabilities                                   | 602,864                 | 634,613                |
| Noncurrent liabilities                                      |                         |                        |
| Bonds payable   | 40,000                  | 40,000                 |
| Long-term loans payable                                     | 146,929                 | 152,414                |
| Lease obligations   | 4,051                   | 2,767                  |
| Deferred tax liabilities                                    | 39,985                  | 56,309                 |
| Provision for retirement benefits                           | 107,776                 | 109,559                |
| Provision for directors' retirement benefits                | 767                     | 794                    |
| Provision for periodic repairs                              | 4,255                   | 258                    |
| Provision for removal cost of property, plant and equipment | 2,960                   | 983                    |
| Asset retirement obligations                                | 2,834                   | 3,745                  |
| Long-term guarantee deposited                               | 18,396                  | 18,309                 |
| Other   | 4,902                   | 4,498                  |
| Total noncurrent liabilities                                | 372,855                 | 389,636                |
| <b>Total liabilities</b>                                    | <b>975,719</b>          | <b>1,024,249</b>       |
| <b>Net assets</b>   |                         |                        |
| Shareholders' equity  |                         |                        |
| Capital stock   | 103,389                 | 103,389                |
| Capital surplus   | 79,403                  | 79,404                 |
| Retained earnings   | 553,557                 | 600,184                |
| Treasury stock  | (2,431)                 | (2,558)                |
| Total shareholders' equity                                  | 733,918                 | 780,419                |
| Accumulated other comprehensive income                      |                         |                        |
| Net unrealized gain on other securities                     | 62,622                  | 85,505                 |
| Deferred gains or losses on hedges                          | (900)                   | (488)                  |
| Foreign currency translation adjustments                    | 16,440                  | 56,624                 |
| Total accumulated other comprehensive income                | 78,162                  | 141,640                |
| Minority interests  | 12,371                  | 13,106                 |
| <b>Total net assets</b>                                     | <b>824,451</b>          | <b>935,166</b>         |
| <b>Total liabilities and net assets</b>                     | <b>1,800,170</b>        | <b>1,959,415</b>       |

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

### (1) Statements of income

|   | Q1-Q3 2012 | Q1-Q3 2013 |
|---|------------|------------|
| Net sales   | 1,202,612  | 1,389,648  |
| Cost of sales                                     | 893,171    | 1,008,346  |
| Gross profit                                      | 309,442    | 381,302    |
| Selling, general and administrative expenses      | 246,927    | 271,495    |
| Operating income                                  | 62,515     | 109,807    |
| Non-operating income                              |            |            |
| Interest income                                   | 1,037      | 879        |
| Dividends income                                  | 2,368      | 2,743      |
| Foreign exchange gains                            | 1,568      | 2,256      |
| Other   | 3,331      | 3,321      |
| Total non-operating income                        | 8,303      | 9,200      |
| Non-operating expenses                            |            |            |
| Interest expense                                  | 2,443      | 2,580      |
| Equity in losses of affiliates                    | 1,005      | 3,097      |
| Other   | 4,653      | 3,800      |
| Total non-operating expenses                      | 8,101      | 9,477      |
| Ordinary income                                   | 62,717     | 109,530    |
| Extraordinary income                              |            |            |
| Gain on sales of investment securities            | 66         | 319        |
| Gain on sales of noncurrent assets                | 154        | 1,500      |
| Total extraordinary income                        | 219        | 1,818      |
| Extraordinary loss                                |            |            |
| Loss on valuation of investment securities        | 32         | 586        |
| Loss on disposal of noncurrent assets             | 2,560      | 2,522      |
| Impairment loss                                   | 1,081      | 283        |
| Business structure improvement expenses           | 4,146      | 2,047      |
| Loss on discontinuation of development project    | —          | 4,493      |
| Total extraordinary loss                          | 7,818      | 9,930      |
| Income before income taxes and minority interests | 55,118     | 101,419    |
| Total income taxes                                | 18,871     | 34,697     |
| Income before minority interests                  | 36,247     | 66,721     |
| Minority interests in income                      | 637        | 643        |
| Net income  | 35,610     | 66,078     |

(2) Statements of comprehensive income

|   | Q1-Q3 2012 | Q1-Q3 2013 |
|---|------------|------------|
| Income before minority interests  | 36,247     | 66,721     |
| Other comprehensive income  |            |            |
| Net increase or decrease in unrealized gain on other securities                     | 2,187      | 22,813     |
| Deferred gains or losses on hedges  | 1,018      | 412        |
| Foreign currency translation adjustment   | 14,433     | 38,625     |
| Share of other comprehensive income of affiliates accounted for using equity method | 2,082      | 1,767      |
| Total other comprehensive income (loss)   | 19,720     | 63,617     |
| Comprehensive income  | 55,967     | 130,338    |
| Comprehensive income attributable to:   |            |            |
| Owners of the parent  | 55,006     | 129,189    |
| Minority interests  | 961        | 1,149      |



### 3. Statements of cash flows

|  | Q1-Q3 2012       | Q1-Q3 2013      |
|--|------------------|-----------------|
| <b>Cash flows from operating activities</b>                                      |                  |                 |
| Income before income taxes and minority interests                                | 55,118           | 101,419         |
| Depreciation and amortization  | 58,184           | 63,315          |
| Impairment loss  | 1,081            | 283             |
| Amortization of goodwill   | 4,930            | 6,620           |
| Amortization of negative goodwill  | (201)            | (173)           |
| (Decrease) increase in provision for periodic repairs                            | (2,108)          | 1,136           |
| Decrease in provision for product warranties                                     | (217)            | (50)            |
| Decrease in provision for removal cost of property, plant and equipment          | (1,602)          | (951)           |
| Increase in provision for retirement benefits                                    | 1,523            | 1,640           |
| Interest and dividend income   | (3,405)          | (3,623)         |
| Interest expense   | 2,443            | 2,580           |
| Equity in losses of affiliates   | 1,005            | 3,097           |
| Gain on sales of investment securities   | (66)             | (319)           |
| Loss on valuation of investment securities                                       | 32               | 586             |
| Gain on sale of property, plant and equipment                                    | (154)            | (1,500)         |
| Loss on disposal of noncurrent assets  | 2,560            | 2,522           |
| Increase in notes and accounts receivable-trade                                  | (11,180)         | (20,215)        |
| Increase in inventories  | (34,045)         | (41,254)        |
| Increase in notes and accounts payable-trade                                     | 11,245           | 10,849          |
| Decrease in accrued expenses   | (23,106)         | (16,271)        |
| Increase in advances received  | 16,745           | 23,160          |
| Other, net   | (12,002)         | (5,792)         |
| <b>Subtotal</b>  | <b>66,780</b>    | <b>127,059</b>  |
| Interest and dividend income, received   | 4,346            | 4,412           |
| Interest expense paid  | (2,440)          | (2,426)         |
| Income taxes paid  | (20,413)         | (28,176)        |
| <b>Net cash provided by operating activities</b>                                 | <b>48,273</b>    | <b>100,869</b>  |
| <b>Cash flows from investing activities</b>                                      |                  |                 |
| Payments into time deposits  | (5,696)          | (5,927)         |
| Proceeds from withdrawal of time deposits  | 9,256            | 5,520           |
| Purchase of property, plant and equipment  | (64,115)         | (59,781)        |
| Proceeds from sales of property, plant and equipment                             | 383              | 2,295           |
| Purchase of intangible assets  | (11,994)         | (12,630)        |
| Purchase of investment securities  | (3,081)          | (2,168)         |
| Proceeds from sales of investment securities                                     | 571              | 971             |
| Purchase of shares in subsidiaries resulting in change in scope of consolidation | (174,432)        | (1,697)         |
| Additional purchase of investments in consolidated subsidiaries                  | (1,332)          | (152)           |
| Payments of loans receivable   | (9,183)          | (9,784)         |
| Collection of loans receivable   | 6,944            | 6,433           |
| Other, net   | (1,574)          | (700)           |
| <b>Net cash used in investing activities</b>                                     | <b>(254,254)</b> | <b>(77,622)</b> |

|  | Q1-Q3 2012 | Q1-Q3 2013 |
|--|------------|------------|
| Cash flows from financing activities   |            |            |
| Increase in short-term loans payable   | 34,938     | 2,982      |
| Increase in commercial paper   | 97,000     | 16,000     |
| Proceeds from long-term loans payable  | 88,117     | 11,864     |
| Repayment of long-term loans payable   | (8,340)    | (27,685)   |
| Proceeds from issuance of bonds payable  | 20,000     | —          |
| Redemption of bonds  | —          | (5,000)    |
| Repayments of lease obligations  | (1,874)    | (1,946)    |
| Purchase of treasury stock   | (32)       | (130)      |
| Proceeds from disposal of treasury stock   | 4          | 2          |
| Cash dividends paid  | (19,567)   | (19,566)   |
| Cash dividends paid to minority shareholders   | (665)      | (553)      |
| Other, net   | (110)      | 108        |
| Net cash provided(used in) by financing activities                                     | 209,471    | (23,924)   |
| Effect of exchange rate change on cash and cash equivalents                            | (1,809)    | 4,768      |
| Net increase in cash and cash equivalents  | 1,681      | 4,091      |
| Cash and cash equivalents at beginning of period                                       | 96,351     | 104,008    |
| Increase in cash and cash equivalents resulting from changes of scope of consolidation | 102        | 498        |
| Effect of change in the reporting period of consolidated subsidiaries and affiliates   | (5,327)    | —          |
| Cash and cash equivalents at end of period   | 92,808     | 108,597    |

## VII. Additional Information

### 1. Consolidated net sales and operating income (loss) by segment

Note: Beginning with the April-June quarter of 2013, the sequence of reportable segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

#### 1) Consolidated net sales by segment

(billions of yen)

|                        | Q1-Q3<br>2012 | Q1-Q3<br>2013 | Increase<br>(decrease) | Fiscal 2013<br>forecast |
|------------------------|---------------|---------------|------------------------|-------------------------|
| Chemicals              | 501.4         | 598.4         | 97.0                   | 790.0                   |
| Fibers                 | 81.4          | 89.9          | 8.5                    | 122.0                   |
| Homes                  | 330.4         | 360.2         | 29.8                   | 534.0                   |
| Construction Materials | 39.2          | 42.8          | 3.6                    | 56.0                    |
| Electronics            | 100.2         | 111.3         | 11.2                   | 145.0                   |
| Health Care            | 100.9         | 117.0         | 16.1                   | 152.0                   |
| Critical Care          | 36.2          | 57.6          | 21.5                   | 79.0                    |
| Others                 | 13.1          | 12.5          | (0.6)                  | 18.0                    |
| Total                  | 1,202.6       | 1,389.6       | 187.0                  | 1,896.0                 |

## 2) Consolidated operating income (loss) by segment

(billions of yen)

|                                     | Q1-Q3<br>2012 | Q1-Q3<br>2013 | Increase<br>(decrease) | Fiscal 2013<br>forecast |
|-------------------------------------|---------------|---------------|------------------------|-------------------------|
| Chemicals                           | 17.4          | 33.1          | 15.7                   | 38.0                    |
| Fibers                              | 3.0           | 6.7           | 3.7                    | 8.5                     |
| Homes                               | 31.8          | 38.8          | 7.0                    | 62.0                    |
| Construction Materials              | 3.3           | 5.1           | 1.8                    | 6.0                     |
| Electronics                         | 1.4           | 12.8          | 11.4                   | 14.0                    |
| Health Care                         | 14.5          | 26.4          | 11.9                   | 28.5                    |
| Critical Care                       | (2.3)         | (2.7)         | (0.4)                  | (3.5)                   |
| Others                              | 1.6           | 1.0           | (0.7)                  | 1.5                     |
| Combined                            | 70.7          | 121.2         | 50.4                   | 155.0                   |
| Corporate expenses and eliminations | (8.2)         | (11.4)        | (3.1)                  | (15.0)                  |
| Consolidated                        | 62.5          | 109.8         | 47.3                   | 140.0                   |

## 2. Operating income increases/decreases by segment

(billions of yen)

|  | Increase (decrease) due to: |   |       | Operating<br>costs and<br>others | Net<br>increase<br>(decrease) |
|--|-----------------------------|---|-------|----------------------------------|-------------------------------|
|  | Sales<br>volume             | Sales prices [of which, due to<br>foreign exchange] |       |                                  |                               |
| Chemicals                              | 2.1                         | 41.6  | 39.8  | (28.0)                           | 15.7                          |
| Fibers                                 | 0.7                         | 4.8   | 4.9   | (1.8)                            | 3.7                           |
| Homes                                  | 8.0                         | 4.0   | —     | (5.0)                            | 7.0                           |
| Construction Materials                 | 0.9                         | 0.3   | —     | 0.6                              | 1.8                           |
| Electronics                            | 2.7                         | 4.5   | 13.6  | 4.3                              | 11.4                          |
| Health Care                            | 11.5                        | 5.2   | 5.1   | (4.8)                            | 11.9                          |
| Critical Care*                         | 5.0                         | 0.3   | (0.1) | (5.7)                            | (0.4)                         |
| Others                                 | (0.2)                       | —   | —     | (0.5)                            | (0.7)                         |
| Subtotal                               | 30.7                        | 60.8  | 63.3  | (41.0)                           | 50.4                          |
| Corporate expenses<br>and eliminations | —                           | —   | —     | (3.1)                            | (3.1)                         |
| Consolidated                           | 30.7                        | 60.8  | 63.3  | (44.2)                           | 47.3                          |

\* Effect of difference in period subject to consolidation is included in "operating costs and others."

## 3. Major financial metrics (consolidated)

(billions of yen, except employees and D/E ratio)

|                                     | Q1-Q3<br>2012 | Q1-Q3<br>2013 | Fiscal 2013<br>forecast |
|-------------------------------------|---------------|---------------|-------------------------|
| Capital expenditure (tangible)      | 70.6          | 56.1          | 89.0                    |
| Capital expenditure (intangible)    | 12.2          | 6.5           | 14.5                    |
| Depreciation and amortization*      | 58.2          | 63.3          | 89.5                    |
| Balance of payments                 | 0.9           | 1.0           | 0.9                     |
| <i>of which, dividends received</i> | 2.4           | 2.7           | 3.1                     |
| R&D expenses                        | 52.6          | 51.9          | 72.0                    |
| Employees at end of period          | 28,435        | 29,146        |                         |
| D/E ratio                           | 0.56          | 0.42          |                         |

\* Excluding amortization of goodwill.

#### 4. Contract trends for home construction operations

|                                      | Q1-Q3<br>2012 | Q1-Q3<br>2013 | Increase<br>(decrease) | Fiscal 2013<br>forecast |
|--------------------------------------|---------------|---------------|------------------------|-------------------------|
| No. of orders received (home units)  | 12,994        | 14,109        | 1,115                  | 18,780                  |
| Value of orders received (¥ billion) | 295.5         | 321.1         | 25.6                   | 426.0                   |
| Backlog of orders (¥ billion)        | 447.6         | 505.9         | 58.3                   | 486.1                   |
| No. of sales (home units)            | 9,673         | 10,486        | 813                    | 16,730                  |
| Value of sales (¥ billion)           | 239.7         | 259.7         | 20.0                   | 384.5                   |

#### 5. Key operating factors

|                                     | Q1-Q3<br>2012 | Q1-Q3<br>2013 | Increase<br>(decrease) | Fiscal 2013<br>forecast |     |
|-------------------------------------|---------------|---------------|------------------------|-------------------------|-----|
| Naphtha price<br>(yen/kL, domestic) | 55,400        | 65,733        | 10,333                 | 67,125                  |     |
| Exchange rates                      | Yen/US\$      | 80            | 99                     | 19                      | 100 |
| (market average)                    | Yen/€         | 102           | 132                    | 30                      | 134 |

#### 6. Interest-bearing debt (consolidated)

(billions of yen)

|                                  | At end of<br>March 2013 | At end of<br>Dec. 2013 | Increase<br>(decrease) |
|----------------------------------|-------------------------|------------------------|------------------------|
| Short-term loans payable         | 113.0                   | 103.4                  | (9.7)                  |
| Commercial paper                 | 70.0                    | 86.0                   | 16.0                   |
| Current portion of bonds payable | 5.0                     | —                      | (5.0)                  |
| Long-term loans payable          | 146.9                   | 152.4                  | 5.5                    |
| Bonds payable                    | 40.0                    | 40.0                   | —                      |
| Lease obligations                | 6.5                     | 4.7                    | (1.8)                  |
| Total                            | 381.4                   | 386.5                  | 5.0                    |