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August 2, 2012

Consolidated Results for 1st Quarter Fiscal 2012: April 1, 2012 – June 30, 2012

(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 2012	Q1 2011
Net sales	365,001[−0.8%]	367,970 [+8.2%]
Operating income	10,846[−64.1%]	30,243 [+32.4%]
Ordinary income	8,129[−73.2%]	30,361 [+46.4%]
Net income	3,155[−83.7%]	19,384 [+109.3%]
Net income per share*	2.26	13.86
Diluted net income per share*	—	—

* Yen

Note: Comprehensive income (loss) was ¥(11,650) million during Q1 2012, and ¥26,401 million during Q1 2011.

2. Financial position

At end of	June 2012	March 2012
Total assets	1,655,659	1,410,568
Net assets	705,417	719,285
Net worth/total assets	41.9%	50.1%
Net worth per share*	496.49	505.72

* Yen

Notes:
- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth as of June 30, 2012, was ¥693,935 million; as of March 31, 2012, ¥706,846 million.

II. Cash Dividends

Fiscal year	Cash dividends per share*				
	Q1	Q2	Q3	Q4	Total annual
2011	—	7.00	—	7.00	14.00
2012	—				
2012 (forecast)		7.00	—	7.00	14.00

* Yen

Note: No revision of cash dividend forecast was made subsequent to the latest announced forecast.

III. Forecasts for Fiscal 2012 (April 1, 2012 – March 31, 2013)

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

	First half	Full year
Net sales	794,000 [+1.2%]	1,781,000 [+13.2%]
Operating income	35,500 [−44.3%]	112,000 [+7.4%]
Ordinary income	32,500 [−47.7%]	115,000 [+6.9%]
Net income	18,500 [−51.6%]	66,500 [+19.2%]
Net income per share*	13.24	47.58

* Yen

2. Comparison of previous and revised H1 2012 forecasts

(billions of yen)

	Previous H1 2012 forecast	Revised H1 2012 forecast	Increase (decrease)	*cf.* H1 2011 results
Net sales	847.0	794.0	(53.0)	784.4
Operating income	45.0	35.5	(9.5)	63.8
Ordinary income	46.0	32.5	(13.5)	62.1
Net income	25.5	18.5	(7.0)	38.2

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 the first half of fiscal 2012 announced on May 9, 2012, has been revised.
- The forecast for the full year shown above is that which was announced on May 9, 2012. A revision will be made when first half results are announced.

IV. Other Information

1. Changes in significant subsidiaries which affected scope of consolidation during the period

   Addition of two new subsidiaries: ZOLL Medical Corporation and Asahi Kasei Holdings US, Inc.

2. Special accounting methods for preparation of the consolidated balance sheets

   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. Changes in accounting policies, changes in accounting estimates, and retroactive restatement

   1) Change in accounting policy for naphtha resale transactions

   Asahi Kasei Chemicals Corp., a consolidated subsidiary of Asahi Kasei Corp., resells a portion of the naphtha it has originally purchased and subsequently purchases other naphtha for use, in order to improve raw material quality as well as save production costs. Through the third quarter of the fiscal year ended March 31, 2012, the naphtha resale amount was included in net sales, and the cost for purchased naphtha was included in cost of sales. During the fourth quarter of the fiscal year ended March 31, 2012, the Company changed its accounting policy for naphtha resale transactions to charging or crediting to cost of sales the net difference between sales and cost of sales for resold naphtha.

   This new accounting policy has also been applied to results for the first quarter of fiscal 2011 in the consolidated financial statements of this report. Results for the first quarter of fiscal 2011 shown herein therefore differ from those previously announced.

2) Change in accounting policy related to depreciation method

In accordance with an amendment to the Corporation Tax Act, Asahi Kasei Corp. and its consolidated subsidiaries located in Japan changed the method of depreciation of property, plant and equipment acquired on April 1, 2012, or later. This change takes effect beginning with the first quarter of fiscal 2012. The impact of this change on operating income, ordinary income, and income before income taxes in the first quarter of fiscal 2012 is immaterial.

4. Number of shares outstanding

	Q1 2012	FY 2011
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	4,936,619	4,925,730
Average number of shares outstanding during period	1,397,683,505	1,398,191,137*

* Q1 2011

V. Overview of Consolidated Results

1. Consolidated group results

The global economy entered a broad downturn during the April–June quarter of 2012 as the effects of the sovereign debt crisis in Europe spread to emerging economies. Although reconstruction demand following the Great East Japan Earthquake was a positive factor for the Japanese economy, the overall outlook remained challenging due to the effects of the sluggish global economy and the persistent strength of the yen.

The consolidated quarterly results of Asahi Kasei Corp. and its consolidated subsidiaries and equity-method affiliates (the Asahi Kasei Group) largely reflected the effects of decreased export demand and lower sales prices in the Chemicals and Electronics segments, although the impact was alleviated somewhat by continuing favorable performance in the Homes and Health Care segments. Net sales for the quarter were ¥365.0 billion, a decrease of ¥3.0 billion (0.8%) from a year ago. Operating income decreased by ¥19.4 billion (64.1%) from the first quarter a year ago to ¥10.8 billion. Ordinary income decreased by ¥22.2 billion (73.2%) from a year ago to ¥8.1 billion. Net income decreased by ¥16.2 billion (83.7%) to ¥3.2 billion.

2. Results by operating segment

The Asahi Kasei Group's operations are described by major business classification: seven reportable segments of Chemicals, Homes, Health Care, Fibers, Electronics, and Construction Materials, and Critical Care, and an "Others" category. Critical Care is a new segment added beginning with the first quarter of fiscal 2012, in which results of ZOLL Medical Corporation of the US and its subsidiaries, acquired on April 26, 2012, are reported.

CHEMICALS

Sales decreased by ¥16.8 billion (9.4%) from the first quarter a year ago to ¥161.1 billion, and operating income decreased by ¥15.1 billion (77.7%) to ¥4.3 billion.

Chemicals and derivative products operations were impacted by a major plant maintenance turnaround, decreased exports of acrylonitrile and adipic acid due to an economic slowdown in China, and deteriorating terms of trade. In polymer products operations, shipments of engineering plastics for automotive applications and synthetic rubber for tires were firm. In specialty products operations, solid performance was maintained in coating materials for the domestic Japanese market, home-use products such as Saran Wrap™, and functional additives for pharmaceuticals.

HOMES

Sales increased by ¥7.1 billion (9.0%) from the first quarter a year ago to ¥86.3 billion, and operating income was largely unchanged at ¥3.6 billion. Orders for order-built homes increased by ¥6.3 billion (6.6%) to ¥100.9 billion

In order-built homes operations, deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings increased. In housing-related operations, deliveries of condominiums in pre-built homes operations decreased, but remodeling operations performed well.

HEALTH CARE

Sales increased by ¥3.0 billion (10.2%) from the first quarter a year ago to ¥32.4 billion, and operating income increased by ¥2.2 billion (83.8%) to ¥4.7 billion.

Pharmaceuticals operations were impacted by reduced reimbursement prices, but sales of Recomodulin™ recombinant thrombomodulin and Teribone™, a new osteoporosis drug launched in November 2011, grew firmly. Devices-related operations were impacted by the strong yen, but shipments of APS™ polysulfone-membrane artificial kidneys increased.

FIBERS

Sales decreased by ¥1.5 billion (5.3%) from the first quarter a year ago to ¥26.3 billion, and operating income decreased by ¥0.9 billion (58.6%) to ¥0.6 billion.

Exports to China and other Asian countries of Bemberg™ regenerated cellulose and Leona™ nylon 66 filament for airbag applications remained firm. Shipments of Roica™ elastic polyurethane filament decreased.

ELECTRONICS

Sales decreased by ¥5.8 billion (14.7%) from the first quarter a year ago to ¥34.0 billion, and operating profitability decreased ¥5.2 billion resulting in an operating loss of ¥0.4 billion.

In electronic devices operations, shipments of mixed-signal LSIs for smartphones increased, but each product category was impacted by a general deterioration in market conditions across the electronics industry. In electronic materials operations, although shipments of Hipore™ Li-ion battery separator failed to exceed the level of a year ago, volumes have been recovering since the previous quarter. Sales prices in electronic materials also declined.

CONSTRUCTION MATERIALS

Sales increased by ¥1.5 billion (14.8%) from the first quarter a year ago to ¥11.5 billion, and operating income increased by ¥0.3 billion (120.4%) to ¥0.5 billion.

Sales of Hebel™ autoclaved aerated concrete panels were strong, and shipments of both Neoma™ high-performance phenolic foam insulation panels and foundation systems increased.

CRITICAL CARE

Sales were ¥9.1 billion, and an operating loss of ¥ 0.5 billion was recorded.

Operating income from LifeVest™ wearable defibrillators and other products increased steadily, but an operating loss resulted as an effect of amortization of goodwill and other intangible assets.

OTHERS

Sales in “Others” increased by ¥0.4 billion (11.3%) from the first quarter a year ago to ¥4.4 billion, and operating income increased by ¥0.4 billion (112.4%) to ¥0.8 billion.

VI. Consolidated Financial Statements

1. Balance sheets

	At end of March 2012	At end of June 2012
Assets		
Current assets		
Cash and deposits	102,875	111,305
Notes and accounts receivable—trade	266,056	270,128
Short-term investment securities	360	1,121
Merchandise and finished goods	138,133	142,847
Work in process	87,450	108,161
Raw materials and supplies	53,623	53,532
Deferred tax assets	19,454	25,276
Other	54,835	66,480
Allowance for doubtful accounts	(1,017)	(1,049)
Total current assets	721,770	777,801
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	410,057	414,199
Accumulated depreciation	(235,060)	(237,244)
Buildings and structures, net	174,997	176,955
Machinery, equipment and vehicles	1,203,905	1,217,239
Accumulated depreciation	(1,075,668)	(1,083,493)
Machinery, equipment and vehicles, net	128,237	133,746
Land	55,667	55,748
Lease assets	11,694	12,761
Accumulated depreciation	(4,804)	(5,339)
Lease assets, net	6,890	7,422
Construction in progress	37,787	45,512
Other	122,426	124,441
Accumulated depreciation	(109,884)	(110,579)
Other, net	12,542	13,862
Subtotal	416,119	433,245
Intangible assets		
Goodwill	8,502	117,981
Other	36,687	101,107
Subtotal	45,189	219,089
Investments and other assets		
Investment securities	177,513	176,700
Long-term loans receivable	5,559	4,210
Deferred tax assets	18,965	19,604
Other	25,692	25,253
Allowance for doubtful accounts	(240)	(242)
Subtotal	227,489	225,524
Total noncurrent assets	688,798	877,858
Total assets	1,410,568	1,655,659

	At end of March 2012	At end of June 2012
Liabilities		
Current liabilities		
Notes and accounts payable—trade	143,194	157,689
Short-term loans payable	74,490	253,240
Commercial paper	15,000	51,000
Lease obligations	2,207	2,335
Accrued expenses	92,663	81,870
Income taxes payable	8,380	4,910
Advances received	49,950	65,027
Provision for periodic repairs	6,045	1,918
Provision for product warranties	2,151	2,058
Provision for removal cost of property, plant and equipment	1,818	1,715
Asset retirement obligations	460	456
Other	53,242	61,005
Total current liabilities	449,600	683,223
Noncurrent liabilities		
Bonds payable	25,000	25,000
Long-term loans payable	62,710	63,189
Lease obligations	4,707	4,690
Deferred tax liabilities	11,402	35,447
Provision for retirement benefits	106,277	106,719
Provision for directors' retirement benefits	806	700
Provision for periodic repairs	1,977	2,607
Provision for removal cost of property, plant and equipment	4,204	3,658
Asset retirement obligations	3,242	3,311
Long-term guarantee deposited	18,286	18,207
Other	3,072	3,490
Total noncurrent liabilities	241,683	267,019
Total liabilities	691,283	950,242
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,404	79,403
Retained earnings	516,401	512,783
Treasury stock	(2,388)	(2,393)
Total shareholders' equity	696,805	693,182
Accumulated other comprehensive income		
Net unrealized gain on other securities	40,148	37,005
Deferred gains or losses on hedges	(1,734)	(249)
Foreign currency translation adjustments	(28,374)	(36,004)
Total accumulated other comprehensive income	10,040	752
Minority interests	12,439	11,482
Total net assets	719,285	705,417
Total liabilities and net assets	1,410,568	1,655,659

2. Statements of income and statements of comprehensive income

(1) Statements of income

	Q1 2011	Q1 2012
Net sales	367,970	365,001
Cost of sales	268,407	274,374
Gross profit	99,562	90,627
Selling, general and administrative expenses	69,319	79,781
Operating income	30,243	10,846
Non-operating income		
Interest income	313	373
Dividends income	1,145	1,007
Equity in earnings of affiliates	716	—
Other	994	814
Total non-operating income	3,168	2,193
Non-operating expenses		
Interest expense	715	792
Equity in losses of affiliates	—	524
Foreign exchange loss	1,207	1,500
Other	1,128	2,095
Total non-operating expenses	3,050	4,911
Ordinary income	30,361	8,129
Extraordinary income		
Gain on sales of noncurrent assets	—	33
Total extraordinary income	—	33
Extraordinary loss		
Loss on valuation of investment securities	35	22
Loss on disposal of noncurrent assets	539	1,128
Impairment loss	27	27
Loss on disaster	600	—
Business structure improvement expenses	611	18
Total extraordinary loss	1,813	1,194
Income before income taxes and minority interests	28,548	6,967
Total income taxes	8,886	3,750
Income before minority interests	19,662	3,217
Minority interests in income	278	62
Net income	19,384	3,155

(2) Statements of comprehensive income

	Q1 2011	Q1 2012
Income before minority interests	19,662	3,217
Other comprehensive income		
Net increase or decrease in unrealized gain on other securities	3,156	(3,086)
Deferred gains or losses on hedges	134	1,428
Foreign currency translation adjustment	2,808	(11,684)
Share of other comprehensive income of affiliates accounted for using equity method	642	(1,526)
Total other comprehensive income (loss)	6,739	(14,867)
Comprehensive income (loss)	26,401	(11,650)
Comprehensive income (loss) attributable to:		
Owners of the parent	26,065	(11,447)
Minority interests	336	(203)

3. Statements of cash flows

	Q1 2011	Q1 2012
Cash flows from operating activities		
Income before income taxes and minority interests	28,548	6,967
Depreciation and amortization	18,361	17,895
Impairment loss	27	27
Amortization of goodwill	269	1,397
Amortization of negative goodwill	(58)	(58)
Decrease in provision for periodic repairs	(360)	(3,497)
Decrease in provision for product warranties	(346)	(230)
Decrease in provision for removal cost of property, plant and equipment	(506)	(649)
Increase in provision for retirement benefits	284	538
Interest and dividend income	(1,458)	(1,379)
Interest expense	715	792
Equity in (earnings) losses of affiliates	(716)	524
Loss on valuation of investment securities	35	22
Gain on sale of property, plant and equipment	—	(33)
Loss on disposal of noncurrent assets	539	1,128
Decrease in notes and accounts receivable—trade	15,357	6,573
Increase in inventories	(28,214)	(22,685)
(Decrease) increase in notes and accounts payable—trade	(1,340)	12,965
Decrease in accrued expenses	(15,851)	(15,054)
Increase in advances received	7,349	13,660
Other, net	8,975	(10,511)
Subtotal	31,612	8,391
Interest and dividend income, received	2,274	2,112
Interest expense paid	(786)	(983)
Income taxes paid	(20,206)	(4,827)
Net cash provided by operating activities	12,894	4,692
Cash flows from investing activities		
Payments into time deposits	(6,504)	(3,828)
Proceeds from withdrawal of time deposits	2,804	2,784
Purchase of property, plant and equipment	(12,604)	(16,652)
Proceeds from sales of property, plant and equipment	—	99
Purchase of intangible assets	(1,572)	(2,732)
Purchase of investment securities	(457)	(1,128)
Proceeds from sales of investment securities	196	500
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(174,308)
Additional purchase of investments in consolidated subsidiaries	—	(1,310)
Payments of loans receivable	(711)	(3,123)
Collection of loans receivable	749	2,018
Other, net	(696)	706
Net cash used in investing activities	(18,795)	(196,973)

	Q1 2011	Q1 2012
Cash flows from financing activities		
Increase in short-term loans payable	448	185,425
(Decrease) increase in commercial paper	(4,000)	36,000
Proceeds from long-term loans payable	831	812
Repayment of long-term loans payable	(14,036)	(5,243)
Repayments of lease obligations	(427)	(625)
Purchase of treasury stock	(9)	(8)
Proceeds from disposal of treasury stock	1	2
Cash dividends paid	(8,389)	(9,784)
Cash dividends paid to minority shareholders	(470)	(403)
Other, net	(198)	(60)
Net cash (used in) provided by financing activities	(26,251)	206,117
Effect of exchange rate change on cash and cash equivalents	1,065	(5,329)
Net (decrease) increase in cash and cash equivalents	(31,087)	8,507
Cash and cash equivalents at beginning of period	134,450	96,351
Increase in cash and cash equivalents resulting from changes of scope of consolidation	1,528	102
Effect of change in the reporting period of consolidated subsidiaries and affiliates	469	(5,327)
Cash and cash equivalents at end of period	105,360	99,634

VII. Additional Information

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

Note: Beginning with the first quarter of fiscal 2012, Critical Care is added as a new operating segment, in which results of ZOLL Medical Corporation of the US, acquired on April 26, 2012, are reported.

1) Consolidated net sales by segment

(billions of yen)

	Q1 2011	Q1 2012	Increase (decrease)	First half FY 2012 forecast
Chemicals*	177.9	161.1	(16.8)	334.0
Homes	79.2	86.3	7.1	213.0
Health Care	29.4	32.4	3.0	65.0
Fibers	27.7	26.3	(1.5)	54.0
Electronics	39.8	34.0	(5.8)	69.0
Construction Materials	10.1	11.5	1.5	26.0
Critical Care	—	9.1	9.1	23.0
Others	4.0	4.4	0.4	10.0
Total	368.0	365.0	(3.0)	794.0

* Q1 2011 sales in the Chemicals segment are ¥8.2 billion lower than previously reported due to a change in the accounting policy for naphtha resale.

2) Consolidated operating income (loss) by segment

(billions of yen)

	Q1 2011	Q1 2012	Increase (decrease)	First half FY 2012 forecast
Chemicals	19.4	4.3	(15.1)	14.5
Homes	3.6	3.6	0.0	18.0
Health Care	2.6	4.7	2.2	6.0
Fibers	1.4	0.6	(0.9)	1.5
Electronics	4.8	(0.4)	(5.2)	1.0
Construction Materials	0.2	0.5	0.3	1.5
Critical Care	—	(0.5)	(0.5)	(1.5)
Others	0.4	0.8	0.4	1.0
Combined	32.5	13.8	(18.7)	42.0
Corporate expenses and eliminations	(2.2)	(2.9)	(0.7)	(6.5)
Consolidated	30.2	10.8	(19.4)	35.5

2. Operating income increases/decreases by segment

(billions of yen)

	Increase (decrease) due to:				Net increase (decrease)
	Sales volume	Sales prices [*of which, due to foreign exchange*]		Operating costs and others	
Chemicals	(2.0)	(5.3)	*(0.7)*	(7.7)	(15.1)
Homes	4.8	(1.4)	—	(3.4)	0.0
Health Care	3.7	(1.1)	*(0.4)*	(0.5)	2.2
Fibers	(0.3)	(0.5)	*(0.3)*	(0.1)	(0.9)
Electronics	(2.0)	(2.8)	*(0.2)*	(0.3)	(5.2)
Construction Materials	0.3	0.1	—	(0.1)	0.3
Critical Care	—	—	—	(0.5)	(0.5)
Others	0.4	—	—	0.0	0.4
Corporate expenses and eliminations	—	—	—	(0.7)	(0.7)
Consolidated	4.9	(11.0)	*(1.6)*	(13.2)	(19.4)

3. Major financial metrics (consolidated)

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

	Q1 2011	Q1 2012
Capital expenditure (tangible)	13.6	22.0
Capital expenditure (intangible)	1.1	3.6
Depreciation and amortization	18.4	17.9
Balance of payments	0.7	0.6
of which, dividends received	*1.1*	*1.0*
Employees at end of period	25,378	28,401
D/E ratio	0.34	0.57

4. Contract trends for home construction operations

	Q1 2011	Q1 2012	Increase (decrease)	First half FY 2012 forecast
No. of orders received (home units)	4,066	4,553	487	8,850
Value of orders received (¥ billion)	94.6	100.9	6.3	200.0
Backlog of orders (¥ billion)	403.1	433.1	30.0	434.3
No. of sales (home units)	2,061	2,379	318	6,560
Value of sales (¥ billion)	51.0	59.7	8.7	157.5

5. Key operating factors

		Q1 2011	Q1 2012	Increase (decrease)	First half FY 2012 forecast
Naphtha price (yen/kL, domestic)		59,000	60,600	1,600	54,800
Exchange rates (market average)	Yen/US$	82	80	(2)	79
	Yen/€	117	103	(15)	100

6. Interest-bearing debt (consolidated)

(billions of yen)

	At end of March 2012	At end of June 2012	Increase (decrease)
Short-term loans payable	74.5	253.2	178.7
Commercial paper	15.0	51.0	36.0
Long-term loans payable	62.7	63.2	0.5
Bonds payable	25.0	25.0	—
Lease obligations	6.9	7.0	0.1
Total	184.1	399.5	215.3