

# Fiscal 2009 2<sup>nd</sup> Quarter Financial Results

– supplementary financial summary –

November 2, 2009  
Asahi Kasei Corporation

## Consolidated results for 1<sup>st</sup> half fiscal year 2009

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# Consolidated results for 1<sup>st</sup> half fiscal year 2009

# Summary of financial results (i)

(¥ billion)

|                                 | H1 2008 | H1 2009 |                  | Forecast in Oct. | H1 2009 vs. H1 2008 |          | Result vs. forecast in Aug. |          |
|---------------------------------|---------|---------|------------------|------------------|---------------------|----------|-----------------------------|----------|
|                                 |         | Result  | Forecast in Aug. |                  | Increase (decrease) | % change | Increase (decrease)         | % change |
| Net sales                       | 843.2   | 658.6   | 651.0            | 665.0            | (184.5)             | -21.9%   | 7.6                         | 1.2%     |
| <i>Of which, overseas sales</i> | 236.9   | 176.2   | —                | —                | (60.7)              | -25.6%   | —                           | —        |
| Operating income                | 40.1    | 18.0    | 5.0              | 16.0             | (22.2)              | -55.2%   | 13.0                        | +259.3%  |
| Ordinary income                 | 40.7    | 15.1    | 3.5              | 13.5             | (25.6)              | -62.9%   | 11.6                        | +330.8%  |
| Net income                      | 23.4    | 4.2     | 0.0              | 4.0              | (19.2)              | -81.9%   | 4.2                         | —        |

| At closing            | Mar. 2009 | Sep. 2009 | Increase (decrease) |
|-----------------------|-----------|-----------|---------------------|
| Total assets          | 1,379.3   | 1,375.1   | (4.3)               |
| Equity                | 603.8     | 616.1     | 12.2                |
| Interest-bearing debt | 315.6     | 304.0     | (11.5)              |
| Debt/equity ratio     | 0.52      | 0.49      | (0.03)              |

# Summary of financial results (ii)

|                                      | H1 2008 | H1 2009 |
|--------------------------------------|---------|---------|
| Dividends per share                  | ¥7      | ¥5      |
| Net income per share (EPS)           | ¥16.74  | ¥3.03   |
| Shareholders' equity per share (BPS) | ¥479.31 | ¥440.54 |

## Scope of consolidation

|   |     |    |
|---|-----|----|
| Number of consolidated subsidiaries                         | 106 | 98 |
| Number of affiliates for which the equity method is applied | 50  | 50 |

## Key operating factors

|                                       |        |        |
|---------------------------------------|--------|--------|
| Naphtha price (¥/kL, domestic)        | 78,350 | 37,250 |
| ¥/US\$ exchange rate (market average) | 106    | 95     |
| Employees at end of period            | 24,330 | 25,076 |

# Statements of income

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(¥ billion)

|  | H1 2008 |            | H1 2009 |            | Increase<br>(decrease) | % change |
|--|---------|------------|---------|------------|------------------------|----------|
|  |         | % of sales |         | % of sales |                        |          |
| Net sales                                    | 843.2   | 100.0%     | 658.6   | 100.0%     | (184.5)                | -21.9    |
| Cost of sales                                | 658.0   | 78.0%      | 507.5   | 77.1%      | (150.5)                | -22.9    |
| Gross profit                                 | 185.2   | 22.0%      | 151.1   | 22.9%      | (34.1)                 | -18.4    |
| Selling, general and administrative expenses | 145.1   | 17.2%      | 133.1   | 20.2%      | (11.9)                 | -8.2     |
| Operating income                             | 40.1    | 4.8%       | 18.0    | 2.7%       | (22.2)                 | -55.2    |
| Non-operating expenses                       | 0.5     | /          | (2.9)   | /          | (3.4)                  | /        |
| of which,                                    |         |            |         |            |                        |          |
| financing income and expense                 | 0.0     | /          | (0.1)   | /          | (0.1)                  | /        |
| equity in earnings of affiliates             | 0.6     | /          | (0.2)   | /          | (0.8)                  | /        |
| Ordinary income                              | 40.7    | 4.8%       | 15.1    | 2.3%       | (25.6)                 | -62.9    |
| Extraordinary income (loss)                  | (1.4)   | /          | (4.6)   | /          | (3.2)                  | /        |
| Income before income taxes                   | 39.3    | 4.7%       | 10.5    | 1.6%       | (28.8)                 | -73.3    |
| Income taxes                                 | (15.4)  | /          | (6.4)   | /          | 9.0                    | /        |
| Minority interest in income (loss)           | (0.5)   | /          | 0.1     | /          | 0.6                    | /        |
| Net income                                   | 23.4    | 2.8%       | 4.2     | 0.6%       | (19.2)                 | -81.9    |

# Financing activity

## Net financing expenses

(¥ billion)

|                   | H1 2008 | H1 2009 | Increase<br>(decrease) |
|-------------------|---------|---------|------------------------|
| Interest expenses | (2.1)   | (1.9)   | 0.2                    |
| Interest income   | 0.6     | 0.6     | 0.0                    |
| Dividends income  | 1.6     | 1.2     | (0.4)                  |
| Others            | (0.0)   | (0.0)   | (0.0)                  |
| Total             | 0.0     | (0.1)   | (0.1)                  |

## Interest-bearing debt

(¥ billion)

| At end of                | Sep. 2008 | Mar. 2009 | Sep. 2009 | Mar.–Sep. 09<br>increase<br>(decrease) |
|--------------------------|-----------|-----------|-----------|--|
| Short-term loans payable | 47.1      | 100.8     | 100.9     | 0.1                                    |
| Commercial paper         | 95.0      | 55.0      | 64.0      | 9.0                                    |
| Long-term loans payable  | 68.5      | 132.5     | 130.4     | (2.1)                                  |
| Bonds payable            | 30.0      | 25.0      | 5.0       | (20.0)                                 |
| Lease obligations        | 0.7       | 2.3       | 3.7       | 1.4                                    |
| Total                    | 241.3     | 315.6     | 304.0     | (11.5)                                 |

# Extraordinary income and loss

(¥ billion)

|  | H1 2008 | H1 2009 | Increase<br>(decrease) |
|--|---------|---------|------------------------|
| Extraordinary income                           |         |         |                        |
| Gain on sales of investment securities         | 0.0     | 0.1     | 0.1                    |
| Gain on sales of property, plant and equipment | 0.1     | 0.0     | (0.0)                  |
| Total extraordinary income                     | 0.1     | 0.1     | 0.1                    |
| Extraordinary loss                             |         |         |                        |
| Loss on valuation of investment securities     | 0.2     | 0.7     | 0.5                    |
| Loss on disposal of noncurrent assets          | 1.0     | 1.3     | 0.3                    |
| Impairment loss                                | 0.2     | 0.1     | (0.1)                  |
| Environmental expenses                         | –       | 1.2     | 1.2                    |
| Business structure improvement expenses        | –       | 1.4     | 1.4                    |
| Total extraordinary loss                       | 1.4     | 4.7     | 3.3                    |
| Net extraordinary income (loss)                | (1.4)   | (4.6)   | (3.2)                  |

# Balance sheets

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(¥ billion)

|   | At end of<br>Mar. 2009 | At end of<br>Sep. 2009 | Increase<br>(decrease) |  | At end of<br>Mar. 2009 | At end of<br>Sep. 2009 | Increase<br>(decrease) |
|---|------------------------|------------------------|------------------------|--|------------------------|------------------------|------------------------|
| Current assets                          | 682.2                  | 652.8                  | (29.5)                 | Liabilities                              | 768.0                  | 751.6                  | (16.3)                 |
| Cash and deposits                       | 98.0                   | 71.7                   | (26.3)                 | Current liabilities                      | 487.9                  | 474.2                  | (13.7)                 |
| Notes and accounts<br>receivable, trade | 208.9                  | 236.6                  | 27.8                   | Noncurrent liabilities                   | 280.1                  | 277.4                  | (2.7)                  |
| Inventories                             | 273.5                  | 266.2                  | (7.3)                  | Net assets                               | 611.4                  | 623.4                  | 12.1                   |
| Other current assets                    | 101.8                  | 78.2                   | (23.6)                 | Shareholders' equity                     | 599.1                  | 598.9                  | (0.3)                  |
| Noncurrent assets                       | 697.1                  | 722.3                  | 25.2                   | Capital stock                            | 103.4                  | 103.4                  | –                      |
| Property, plant and<br>equipment        | 441.3                  | 456.1                  | 14.8                   | Capital surplus                          | 79.4                   | 79.4                   | (0.0)                  |
| Intangible assets                       | 37.4                   | 39.2                   | 1.8                    | Retained earnings                        | 418.3                  | 418.1                  | (0.2)                  |
| Investments and other<br>assets         | 218.5                  | 227.0                  | 8.6                    | Treasury stock                           | (1.9)                  | (2.0)                  | (0.0)                  |
|   |                        |                        |                        | Valuation and translation<br>adjustments | 4.7                    | 17.2                   | 12.5                   |
|   |                        |                        |                        | Minority interest                        | 7.5                    | 7.4                    | (0.1)                  |
| Total assets                            | 1,379.3                | 1,375.1                | (4.3)                  | Total liabilities and net assets         | 1,379.3                | 1,375.1                | (4.3)                  |

# Cash flows and primary investments

## Cash flows

(¥ billion)

|  | H1 2008 | H1 2009 |
|--|---------|---------|
| a. Net cash provided by (used in) operating activities                                   | 27.2    | 52.6    |
| b. Net cash provided by (used in) investing activities                                   | (68.0)  | (53.7)  |
| c. Free cash flows [a+b]   | (40.8)  | (1.1)   |
| d. Net cash provided by (used in) financing activities                                   | 20.3    | (26.0)  |
| e. Effect of exchange rate change on cash and cash equivalents                           | (2.3)   | 0.6     |
| f. Net increase (decrease) in cash and cash equivalents [c+d+e]                          | (22.9)  | (26.5)  |
| g. Cash and cash equivalents at beginning of period                                      | 83.0    | 98.1    |
| h. Increase in cash and cash equivalents resulting from change of scope of consolidation | —       | 0.4     |
| i. Cash and cash equivalents at end of period [f+g+h]                                    | 60.1    | 72.0    |

## Primary investments

(¥ billion)

|                                  | FY 2008 |         | FY 2009 forecast |                  |
|----------------------------------|---------|---------|------------------|------------------|
|                                  | H1 2008 | FY 2008 | H1 2009          | FY 2009 forecast |
| Capital expenditure (tangible)   | 50.7    | 104.3   | 43.2             | 84.0             |
| Capital expenditure (intangible) | 16.2    | 22.4    | 3.9              | 6.0              |
| Depreciation and amortization    | 37.5    | 79.4    | 39.5             | 86.0             |
| R&D expenditures                 | 29.6    | 60.8    | 30.1             | 62.5             |

# H1 09 vs. H1 08 sales and operating income by segment

(¥ billion)

|  | Sales                |         |                        | Operating income     |         |                        | H1 2009 forecast<br>in Aug. |                     |
|--|----------------------|---------|------------------------|----------------------|---------|------------------------|-----------------------------|---------------------|
|  | H1 2008 <sup>†</sup> | H1 2009 | Increase<br>(decrease) | H1 2008 <sup>†</sup> | H1 2009 | Increase<br>(decrease) | Sales                       | Operating<br>income |
| Chemicals                              | 422.1                | 293.3   | (128.9)                | 13.1                 | 11.5    | (1.6)                  | 278.0                       | 5.0                 |
| Homes                                  | 170.3                | 157.7   | (12.6)                 | 3.0                  | 4.1     | 1.1                    | 158.0                       | 1.0                 |
| Health Care*                           | 62.8                 | 56.3    | (6.5)                  | 10.2                 | 3.4     | (6.8)                  | 57.0                        | 3.5                 |
| Fibers                                 | 64.1                 | 48.7    | (15.4)                 | 1.3                  | (2.9)   | (4.2)                  | 53.0                        | (3.5)               |
| Electronics*                           | 78.7                 | 68.5    | (10.2)                 | 12.6                 | 2.8     | (9.8)                  | 69.0                        | 2.0                 |
| Construction Materials                 | 31.3                 | 24.6    | (6.7)                  | 0.8                  | 0.6     | (0.2)                  | 25.0                        | 0.0                 |
| Services, Engineering<br>and Others    | 13.9                 | 9.6     | (4.3)                  | 3.1                  | 1.0     | (2.0)                  | 11.0                        | 1.0                 |
| Corporate Expenses<br>and Eliminations | —                    | —       | —                      | (4.0)                | (2.6)   | 1.3                    | —                           | (4.0)               |
| Consolidated                           | 843.2                | 658.6   | (184.5)                | 40.1                 | 18.0    | (22.2)                 | 651.0                       | 5.0                 |

\* The following segments are renamed from first quarter FY2009:  
 (Previously) Pharma (Renamed to) Health Care  
 Electronics Materials & Devices Electronics

<sup>†</sup> H1 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of R&D for electronics materials such as Marketing Center for FPC/FPD Materials from corporate expenses, and Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

# Overseas sales by segment

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(¥ billion)

|                                  | H1 2008*    |                |            | H1 2009     |                |            | Increase<br>(decrease) |          |
|----------------------------------|-------------|----------------|------------|-------------|----------------|------------|------------------------|----------|
|                                  | Total sales | Overseas sales | % of total | Total sales | Overseas sales | % of total |                        | % change |
| Chemicals                        | 422.1       | 162.6          | 38.5       | 293.3       | 115.7          | 39.5       | (46.9)                 | -28.9    |
| Homes                            | 170.3       | –              | –          | 157.7       | –              | –          | –                      | –        |
| Health Care                      | 62.8        | 14.9           | 23.7       | 56.3        | 12.5           | 22.2       | (2.4)                  | -16.0    |
| Fibers                           | 64.1        | 21.1           | 33.0       | 48.7        | 15.2           | 31.3       | (5.9)                  | -28.0    |
| Electronics                      | 78.7        | 34.3           | 43.6       | 68.5        | 31.2           | 45.5       | (3.1)                  | -9.1     |
| Construction Materials           | 31.3        | –              | –          | 24.6        | –              | –          | –                      | –        |
| Services, Engineering and Others | 13.9        | 3.9            | 28.4       | 9.6         | 1.6            | 16.4       | (2.4)                  | -60.1    |
| Total                            | 843.2       | 236.9          | 28.1       | 658.6       | 176.2          | 26.7       | (60.7)                 | -25.6    |
| Sales to East Asia†              |             | 142.5          | 16.9       |             | 119.0          | 18.1       | (23.5)                 | -16.5    |

Sales, excluding Homes and Construction Materials

641.6    236.9    36.9    476.4    176.2    37.0

\* H1 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

† China, Korea, and Taiwan.

# Sales increases/decreases by segment

(¥ billion)

|                                  | Sales        |              | Increase (decrease) due to: |               |                                   |              | Net increase (decrease) |
|----------------------------------|--------------|--------------|-----------------------------|---------------|-----------------------------------|--------------|-------------------------|
|                                  | H1 2008*     | H1 2009      | Sales volume                | Sales prices  | of which, due to foreign exchange | Others       |                         |
| Chemicals                        | 422.1        | 293.3        | (54.9)                      | (71.0)        | (5.3)                             | (3.0)        | (128.9)                 |
| Homes                            | 170.3        | 157.7        | (13.5)                      | 1.6           | –                                 | (0.7)        | (12.6)                  |
| Health Care                      | 62.8         | 56.3         | 3.0                         | (2.3)         | (1.5)                             | (7.2)        | (6.5)                   |
| Fibers                           | 64.1         | 48.7         | (10.7)                      | (4.7)         | (1.5)                             | 0.0          | (15.4)                  |
| Electronics                      | 78.7         | 68.5         | (8.0)                       | (6.6)         | (1.3)                             | 4.4          | (10.2)                  |
| Construction Materials           | 31.3         | 24.6         | (7.7)                       | 1.0           | –                                 | 0.0          | (6.7)                   |
| Services, Engineering and Others | 13.9         | 9.6          | (4.3)                       | 0.0           | 0.0                               | 0.0          | (4.3)                   |
| <b>Total</b>                     | <b>843.2</b> | <b>658.6</b> | <b>(96.1)</b>               | <b>(82.0)</b> | <b>(9.7)</b>                      | <b>(6.5)</b> | <b>(184.5)</b>          |

\* H1 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

# Operating income increases/decreases by segment

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(¥ billion)

|                                     | Operating income |             | Increase (decrease) due to: |               |                                   |                            | Net increase (decrease) |
|-------------------------------------|------------------|-------------|-----------------------------|---------------|-----------------------------------|----------------------------|-------------------------|
|                                     | H1 2008*         | H1 2009     | Sales volume                | Sales prices  | of which, due to foreign exchange | Operating costs and others |                         |
| Chemicals                           | 13.1             | 11.5        | (6.3)                       | (71.0)        | (5.3)                             | 75.7                       | (1.6)                   |
| Homes                               | 3.0              | 4.1         | (5.1)                       | 1.6           | –                                 | 4.6                        | 1.1                     |
| Health Care                         | 10.2             | 3.4         | 2.8                         | (2.3)         | (1.5)                             | (7.3)                      | (6.8)                   |
| Fibers                              | 1.3              | (2.9)       | (2.0)                       | (4.7)         | (1.5)                             | 2.6                        | (4.2)                   |
| Electronics                         | 12.6             | 2.8         | (1.6)                       | (6.6)         | (1.3)                             | (1.6)                      | (9.8)                   |
| Construction Materials              | 0.8              | 0.6         | (2.5)                       | 1.0           | –                                 | 1.2                        | (0.2)                   |
| Services, Engineering and Others    | 3.1              | 1.0         | (2.0)                       | 0.0           | 0.0                               | (0.0)                      | (2.0)                   |
| Corporate Expenses and Eliminations | (4.0)            | (2.6)       | –                           | –             | –                                 | 1.3                        | 1.3                     |
| <b>Total</b>                        | <b>40.1</b>      | <b>18.0</b> | <b>(16.7)</b>               | <b>(82.0)</b> | <b>(9.7)</b>                      | <b>76.5</b>                | <b>(22.2)</b>           |

\* H1 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of R&D for electronics materials such as Marketing Center for FPC/FPD Materials from corporate expenses, and Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

# Forecast for fiscal year 2009

# Consolidated operating performance

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(¥ billion)

|                  | FY 2008 |        |         | FY 2009 forecast |                |         | Increase<br>(decrease) | FY 2009<br>forecast in<br>May | Increase<br>(decrease) |
|------------------|---------|--------|---------|------------------|----------------|---------|------------------------|-------------------------------|------------------------|
|                  | H1      | H2     | Total   | H1               | H2<br>forecast | Total   |                        |                               |                        |
| Net sales        | 843.2   | 709.9  | 1,553.1 | 658.6            | 778.4          | 1,437.0 | (116.1)                | 1,355.0                       | 82.0                   |
| Operating income | 40.1    | (5.2)  | 35.0    | 18.0             | 32.0           | 50.0    | 15.0                   | 41.0                          | 9.0                    |
| Ordinary income  | 40.7    | (8.2)  | 32.5    | 15.1             | 31.9           | 47.0    | 14.5                   | 39.0                          | 8.0                    |
| Net income       | 23.4    | (18.7) | 4.7     | 4.2              | 11.8           | 16.0    | 11.3                   | 15.0                          | 1.0                    |

|  |        |        |        |        |        |        |          |        |       |
|--|--------|--------|--------|--------|--------|--------|----------|--------|-------|
| Naphtha price<br>(¥/kL, domestic)        | 78,350 | 39,500 | 58,925 | 37,250 | 40,000 | 38,625 | (20,300) | 30,000 | 8,625 |
| ¥/US\$ exchange rate<br>(market average) | 106    | 95     | 101    | 95     | 90     | 93     | (8)      | 95     | (2)   |

|                     | FY 2008 | FY 2009       |
|---------------------|---------|---------------|
| Dividends per share | ¥10     | ¥10 (planned) |
| Payout ratio        | 295.0%  | 87.4%         |

# Sales forecast by segment

(¥ billion)

|                                     | FY 2008* |       |         | FY 2009 forecast |                |         | Increase<br>(decrease) | FY 2009 forecast in May |       |         | Increase<br>(decrease) |
|-------------------------------------|----------|-------|---------|------------------|----------------|---------|------------------------|-------------------------|-------|---------|------------------------|
|                                     | H1       | H2    | Total   | H1               | H2<br>forecast | Total   |                        | H1                      | H2    | Total   |                        |
| Chemicals                           | 422.1    | 267.2 | 689.3   | 293.3            | 312.7          | 606.0   | (83.3)                 | 238.0                   | 253.0 | 491.0   | 115.0                  |
| Homes                               | 170.3    | 239.6 | 409.9   | 157.7            | 236.3          | 394.0   | (15.9)                 | 162.0                   | 236.0 | 398.0   | (4.0)                  |
| Health Care                         | 62.8     | 56.8  | 119.6   | 56.3             | 61.7           | 118.0   | (1.6)                  | 57.0                    | 64.0  | 121.0   | (3.0)                  |
| Fibers                              | 64.1     | 52.3  | 116.4   | 48.7             | 52.3           | 101.0   | (15.4)                 | 56.0                    | 58.0  | 114.0   | (13.0)                 |
| Electronics                         | 78.7     | 51.0  | 129.7   | 68.5             | 78.5           | 147.0   | 17.3                   | 63.0                    | 82.0  | 145.0   | 2.0                    |
| Construction<br>Materials           | 31.3     | 29.6  | 60.9    | 24.6             | 25.4           | 50.0    | (10.9)                 | 30.0                    | 30.0  | 60.0    | (10.0)                 |
| Services, Engineering<br>and Others | 13.9     | 13.4  | 27.3    | 9.6              | 11.4           | 21.0    | (6.3)                  | 13.0                    | 13.0  | 26.0    | (5.0)                  |
| Consolidated                        | 843.2    | 709.9 | 1,553.1 | 658.6            | 778.4          | 1,437.0 | (116.1)                | 619.0                   | 736.0 | 1,355.0 | 82.0                   |

\* FY 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

# Operating income forecast by segment

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(¥ billion)

|  | FY 2008* |        |       | FY 2009 forecast |                |       | Increase<br>(decrease) | FY 2009 forecast in May |       |       | Increase<br>(decrease) |
|--|----------|--------|-------|------------------|----------------|-------|------------------------|-------------------------|-------|-------|------------------------|
|  | H1       | H2     | Total | H1               | H2<br>forecast | Total |                        | H1                      | H2    | Total |                        |
| Chemicals                              | 13.1     | (19.6) | (6.5) | 11.5             | 10.0           | 21.5  | 28.0                   | 6.0                     | 9.0   | 15.0  | 6.5                    |
| Homes                                  | 3.0      | 18.8   | 21.9  | 4.1              | 17.9           | 22.0  | 0.1                    | 1.0                     | 17.0  | 18.0  | 4.0                    |
| Health Care                            | 10.2     | 1.9    | 12.0  | 3.4              | 4.6            | 8.0   | (4.0)                  | 3.0                     | 6.0   | 9.0   | (1.0)                  |
| Fibers                                 | 1.3      | (2.8)  | (1.5) | (2.9)            | (0.1)          | (3.0) | (1.5)                  | (2.5)                   | 0.5   | (2.0) | (1.0)                  |
| Electronics                            | 12.6     | (5.4)  | 7.3   | 2.8              | 5.2            | 8.0   | 0.7                    | 1.0                     | 7.0   | 8.0   | 0.0                    |
| Construction<br>Materials              | 0.8      | 0.8    | 1.7   | 0.6              | 0.4            | 1.0   | (0.7)                  | 0.5                     | 1.0   | 1.5   | (0.5)                  |
| Services, Engineering<br>and Others    | 3.1      | 2.6    | 5.6   | 1.0              | 0.5            | 1.5   | (4.1)                  | 0.5                     | 0.5   | 1.0   | 0.5                    |
| Corporate Expenses<br>and Eliminations | (4.0)    | (1.6)  | (5.5) | (2.6)            | (6.4)          | (9.0) | (3.5)                  | (4.5)                   | (5.0) | (9.5) | 0.5                    |
| Consolidated                           | 40.1     | (5.2)  | 35.0  | 18.0             | 32.0           | 50.0  | 15.0                   | 5.0                     | 36.0  | 41.0  | 9.0                    |

\* FY 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of R&D for electronics materials such as Marketing Center for FPC/FPD Materials from corporate expenses, and Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

# Appendix

# Quarterly sales by segment

(¥ billion)

|                                     | FY2008*      |              |              |              | FY2009       |              | FY2009         |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
|                                     | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | H2<br>forecast |
| Chemicals                           | 195.0        | 227.2        | 156.7        | 110.4        | 132.9        | 160.3        | 312.7          |
| Homes                               | 63.7         | 106.6        | 112.1        | 127.5        | 58.5         | 99.2         | 236.3          |
| Health Care                         | 34.6         | 28.2         | 29.6         | 27.2         | 28.5         | 27.8         | 61.7           |
| Fibers                              | 30.7         | 33.4         | 28.1         | 24.2         | 22.4         | 26.3         | 52.3           |
| Electronics                         | 39.6         | 39.1         | 31.2         | 19.8         | 31.5         | 37.0         | 78.5           |
| Construction Materials              | 14.7         | 16.6         | 16.7         | 12.9         | 11.6         | 13.0         | 25.4           |
| Services, Engineering<br>and Others | 7.7          | 6.2          | 5.4          | 8.0          | 3.9          | 5.7          | 11.4           |
| <b>Total</b>                        | <b>386.0</b> | <b>457.2</b> | <b>379.8</b> | <b>330.1</b> | <b>289.3</b> | <b>369.3</b> | <b>778.4</b>   |

\* FY 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.

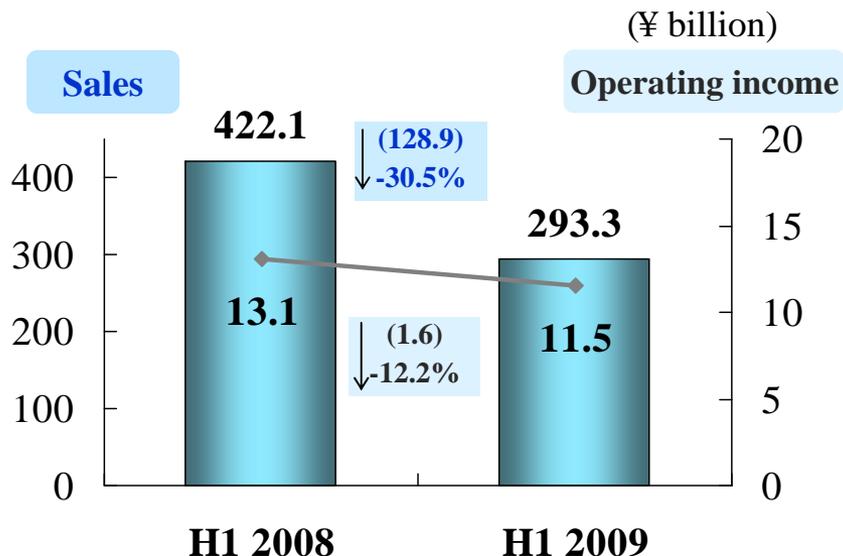
# Quarterly operating income by segment

(¥ billion)

|  | FY2008*     |             |            |               | FY2009       |             | FY2009         |
|--|-------------|-------------|------------|---------------|--------------|-------------|----------------|
|  | Q1          | Q2          | Q3         | Q4            | Q1           | Q2          | H2<br>forecast |
| Chemicals                              | 6.2         | 6.9         | (2.3)      | (17.3)        | 2.2          | 9.3         | 10.0           |
| Homes                                  | (3.7)       | 6.8         | 7.8        | 11.1          | (3.0)        | 7.1         | 17.9           |
| Health Care                            | 9.0         | 1.2         | 2.8        | (0.9)         | 3.1          | 0.3         | 4.6            |
| Fibers                                 | 1.1         | 0.2         | (0.5)      | (2.2)         | (1.5)        | (1.4)       | (0.1)          |
| Electronics                            | 6.8         | 5.8         | 1.2        | (6.6)         | (0.6)        | 3.4         | 5.2            |
| Construction Materials                 | 0.3         | 0.5         | 1.0        | (0.2)         | (0.0)        | 0.6         | 0.4            |
| Services, Engineering<br>and Others    | 1.3         | 1.8         | 1.0        | 1.5           | 0.4          | 0.6         | 0.5            |
| Corporate Expenses<br>and Eliminations | (1.6)       | (2.4)       | (1.1)      | (0.5)         | (1.0)        | (1.7)       | (6.4)          |
| <b>Total</b>                           | <b>19.4</b> | <b>20.7</b> | <b>9.9</b> | <b>(15.1)</b> | <b>(0.3)</b> | <b>18.3</b> | <b>32.0</b>    |

\* FY 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:

- Transfer of R&D for electronics materials such as Marketing Center for FPC/FPD Materials from corporate expenses, and Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.
- Transfer of Leona™ filament operations from Chemicals to Fibers.



## Review of operations

### Volume products:

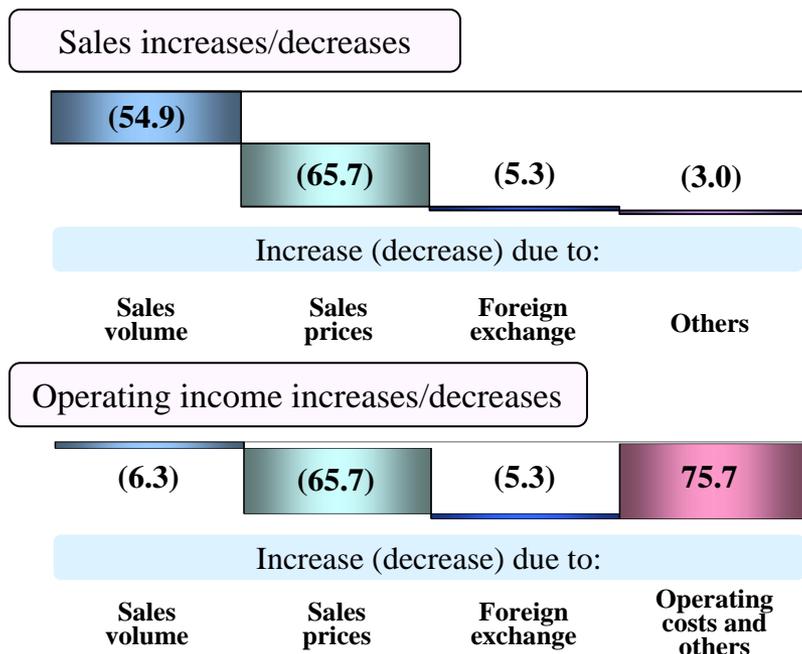
Sales decrease, but operating income increase in chemicals and derivative products. Lower product prices due to sharp drop in feedstock prices. Improved terms of trade. Sales and operating income decrease in polymer products. Sluggish shipments for electronics and automotive applications.

### Specialty products:

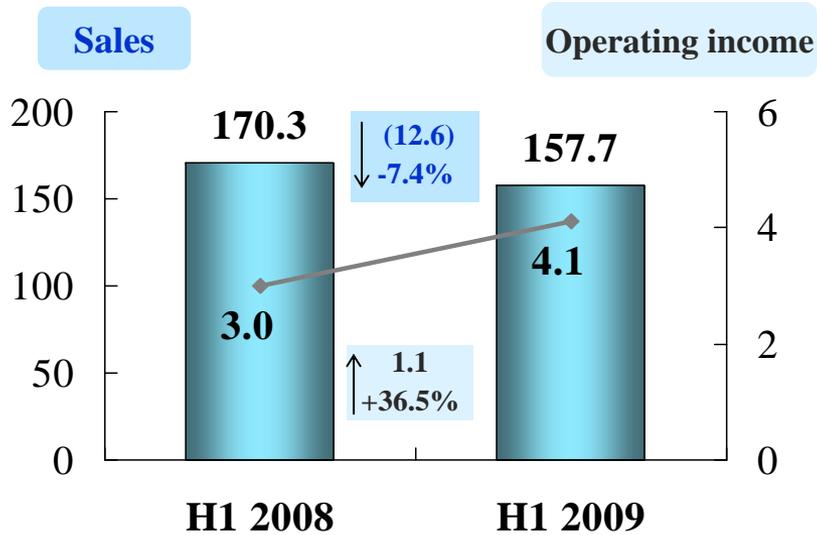
Sales decrease, but operating income on par with a year ago. Firm performance in Duranate™ HDI-based polyisocyanate, but sluggish recovery of operating performance in water-treatment and ion-exchange membrane business operations.

## Highlights

- April, decision to construct new power generation facility using wood biomass fuel.
- June, announcement of study for unification of naphtha cracker operations in Mizushima with Mitsubishi Chemical Holdings Corp.
- June, Microza™ MF hollow-fiber membranes selected for large-scale waterworks facility in the Philippines – to be one of the largest membrane-filtration water-treatment facilities in Asia.
- June, conclusion of memorandum for study of acetonitrile production in Thailand.
- August, agreement for transfer of all shares held by Mitsubishi Chemical Corp. in PS Japan Corp. to Asahi Kasei Chemicals and Idemitsu Kosan Co., Ltd.; PS Japan becoming a consolidated subsidiary of Asahi Kasei Chemicals in Oct. 2009.



(¥ billion)



Results by product category\*

|                    | H1 2008      |                  | H1 2009      |                  | Increase (decrease) |                  |
|--------------------|--------------|------------------|--------------|------------------|---------------------|------------------|
|                    | Sales        | Operating income | Sales        | Operating income | Sales               | Operating income |
| Order-built homes  | 129.4        | /                | 115.8        | /                | (13.5)              | /                |
| Pre-built homes    | 6.0          |                  | 5.2          |                  | (0.8)               |                  |
| Others†            | 0.7          |                  | 0.8          |                  | 0.1                 |                  |
| <b>Total homes</b> | <b>136.0</b> | <b>0.6</b>       | <b>121.9</b> | <b>1.4</b>       | <b>(14.1)</b>       | <b>0.9</b>       |
| Housing-related    | 34.3         | 2.5              | 35.8         | 2.7              | 1.6                 | 0.2              |
| <b>Total</b>       | <b>170.3</b> | <b>3.0</b>       | <b>157.7</b> | <b>4.1</b>       | <b>(12.6)</b>       | <b>1.1</b>       |

\* Product category division unaudited.

## Review of operations

Order-built and pre-built homes:

- Sales decrease, but operating income increase. Substantial decrease in deliveries of Hebel Haus™ unit homes. Improved performance with implementation of operating cost reductions and other measures to raise operating efficiency.
- Maintaining relatively firm performance under the challenging general climate for housing. Value of new orders decreasing 1.6% from a year ago.

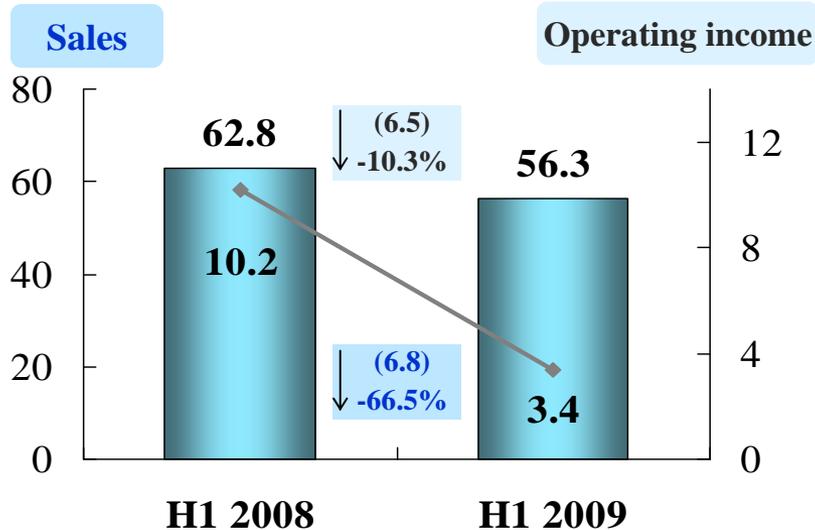
Housing-related operations:

Sales and operating income increase. Firm results in remodeling operations.

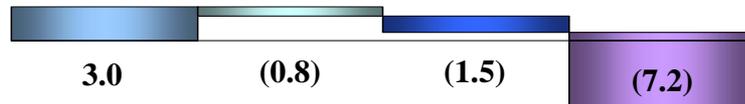
## Highlights

- May, market launch of Smart Hebel Haus™ high-performance/simple structure homes in affordable price range.
- July, market launch of Dura-Photo™ high-durability and high-performance photocatalyst paint developed jointly with Asahi Kasei Corp. and Asahi Kasei Chemicals Corp.
- August, market launch of Hebel Haus Shindaichi Premium™ homes targeting market for rebuilding.

(¥ billion)



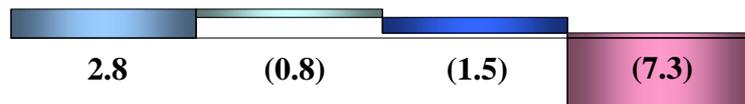
### Sales increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Others

### Operating income increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Operating costs and others

## Review of operations

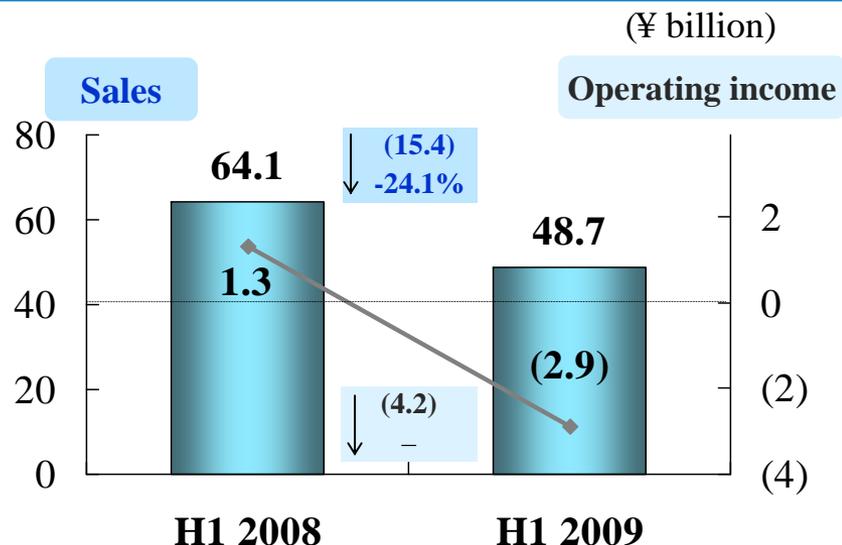
Pharmaceuticals: Sales and operating income decrease.

Increased shipments of Flivas™ agent for treatment of benign prostatic hyperplasia and Elcitonin™ calcitonin formulation, but substantial decrease in licensing income.

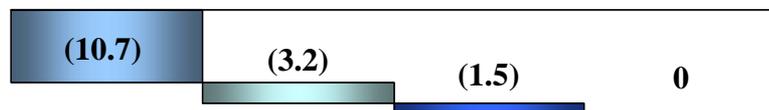
Devices: Sales and operating income decrease. Increased shipments of Planova™ virus removal filters and Sepacell™ leukocyte reduction filters to overseas markets, but sharp impact of the appreciation of the yen.

## Highlights

- April, completion of new hollow-fiber spinning plant for Planova™.
- April, license agreement for development and sale of Flivas™ in Korea.
- April, completion of new plant for Sepacell™.
- May, decision to withdraw from fine chemicals business, such as production and sale of coenzyme Q10.
- May, conclusion of agreement for business alliance with NxStage Medical, Inc., a home dialysis systems company.
- June, market launch of Planova™ BioEX, specifically designed virus removal filters for biopharmaceuticals processing.
- September, decision to construct a new plant for therapeutic apheresis devices; start-up in Mar. 2010.
- September, decision to acquire all shares of Med-tech Inc.; becoming a consolidated subsidiary of Asahi Kasei Kuraray Medical in Oct. 2009.
- November, start-up of medical device sales subsidiary in Korea.



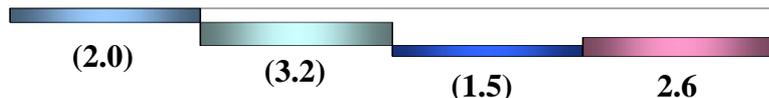
### Sales increases/decreases



### Increase (decrease) due to:

|              |              |                  |        |
|--------------|--------------|------------------|--------|
| Sales volume | Sales prices | Foreign exchange | Others |
|--------------|--------------|------------------|--------|

### Operating income increases/decreases



### Increase (decrease) due to:

|              |              |                  |                            |
|--------------|--------------|------------------|----------------------------|
| Sales volume | Sales prices | Foreign exchange | Operating costs and others |
|--------------|--------------|------------------|----------------------------|

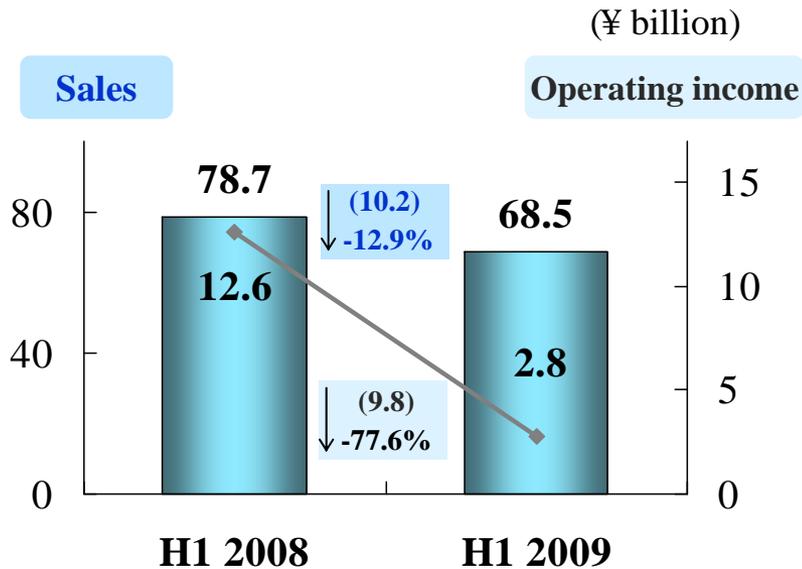
## Review of operations

Sales and operating income decrease due to decreased shipments, appreciation of the yen, and lower market prices.

- Roica™ elastic polyurethane filament:  
Substantial decline in market price due to deteriorating overseas market conditions.
- Bemberg™ regenerated cellulose:  
Decreased shipments to both domestic and overseas markets and impact of the appreciation of the yen.
- Nonwovens:  
Decreased shipments, particularly of spunbond.
- Leona™ nylon 66 filament:  
Decreased shipments for tire cord applications.

## Highlights

- July, decision for dissolution of Solutex Corp., the joint venture for polytrimethylene terephthalate (PTT) fiber operations with Teijin Fibers Ltd.



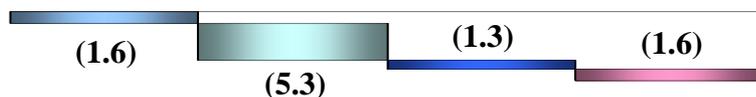
### Sales increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Others

### Operating income increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Foreign exchange      Operating costs and others

## Review of operations

Electronic devices:

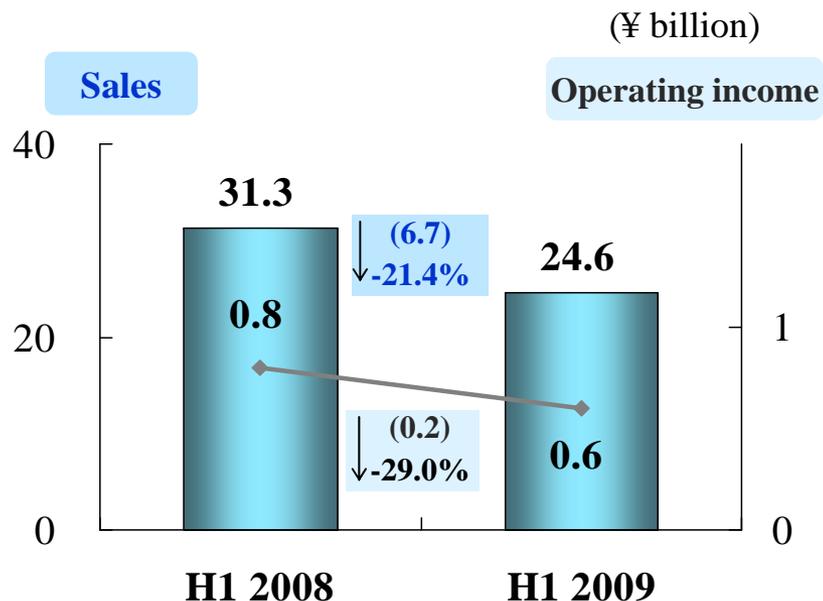
Sales increase, but operating income decrease. Electronic industry in general entering the path toward moderate recovery. Impact of the appreciating yen. Sluggish recovery of shipments of LSIs for conventional applications and decreased shipments of magnetic sensors, but increased shipments of LSIs for new applications.

Electronic materials:

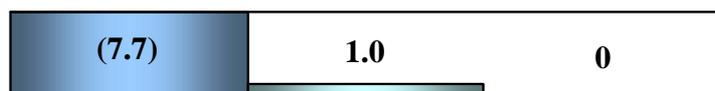
Sales increase, but operating income decrease. Decreased shipments of Hipore™ Li-ion rechargeable battery separator, Sunfort™ dry film photoresist, and glass fabric.

## Highlights

- April, acquisition of semiconductor business from Toko Inc.



### Sales increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Others

### Operating income increases/decreases



### Increase (decrease) due to:

Sales volume      Sales prices      Operating costs and others

## Review of operations

Sales and operating income decrease. Development of new applications and reduction of operating costs advanced. Decreased shipments of Hebel™ autoclaved aerated concrete (AAC) panels and other AAC-related products, piles and other foundation systems, and thermal insulation panels with a decline in new construction starts.

## Highlights

- May, decision to close autoclaved aerated concrete plant in Shiraoi.

- April, basic agreement for overseas business development for Evaheart™ implantable left ventricular assist system; conditional approval received in Sep. for clinical study in the U.S.

Joint development of business including clinical development, acquisition of regulatory approvals, and sales outside Japan for Evaheart™, which is under development by Sun Medical Technology Research Corp., a wholly owned subsidiary of Misuzu & Sun Medical Holdings.

- September, start of operation at new integrated research complex

A new integrated research complex constructed as the Asahi Kasei Group's key base in Fuji to reinforce R&D and advance the creation and development of new businesses in electronic and optical materials and in environment and energy-related technology.

- October, launch of Reveal® DX insertable cardiac monitor

Sales of Reveal® DX insertable cardiac monitor launched with initiation of coverage by Japan's National Health Insurance. Asahi Kasei has exclusive sales rights in Japan from Medtronic Japan Co., Ltd. for the Reveal® DX, which is indicated for patients suffering from unexplained syncope.

Evaheart™ is a trademark of Sun Medical Technology Research Corp.  
Reveal® is a registered trademark of Medtronic, Inc.

# Primary investments by segment

AsahiKASEI

(¥ billion)

|                                   | Capital expenditures |             |                  | Depreciation and amortization |             |                  | R&D expenditures |             |                  |
|-----------------------------------|----------------------|-------------|------------------|-------------------------------|-------------|------------------|------------------|-------------|------------------|
|                                   | FY 2008*             | H1          | FY 2009 forecast | FY 2008*                      | H1          | FY 2009 forecast | FY 2008*         | H1          | FY 2009 forecast |
| Chemicals                         | 36.3                 | 15.8        | 29.0             | 32.2                          | 15.0        |                  | 14.6             | 6.6         |                  |
| Homes                             | 7.0                  | 3.3         | 5.0              | 3.4                           | 2.1         |                  | 2.5              | 1.0         |                  |
| Health Care                       | 31.6                 | 4.2         | 12.5             | 10.3                          | 5.7         |                  | 16.4             | 9.0         |                  |
| Fibers                            | 12.4                 | 2.4         | 6.0              | 7.2                           | 3.7         |                  | 3.9              | 1.9         |                  |
| Electronics                       | 31.8                 | 11.5        | 25.0             | 19.8                          | 10.1        |                  | 18.4             | 8.8         |                  |
| Construction Materials            | 2.4                  | 0.7         | 2.5              | 3.6                           | 1.6         |                  | 1.0              | 0.5         |                  |
| Services, Engineering and Others  | 1.1                  | 0.4         | 1.0              | 0.8                           | 0.4         |                  | 0.1              | 0.1         |                  |
| Corporate assets and eliminations | 4.1                  | 8.8         | 9.0              | 2.1                           | 0.9         |                  | 3.9              | 2.0         |                  |
| <b>Total</b>                      | <b>126.7</b>         | <b>47.1</b> | <b>90.0</b>      | <b>79.4</b>                   | <b>39.5</b> | <b>86.0</b>      | <b>60.8</b>      | <b>30.1</b> | <b>62.5</b>      |

Purchases of investment securities, not included in the above capital expenditures<sup>†</sup> 17.5 5.6 12.0

<sup>†</sup> Notably investment in a joint venture for construction of acrylonitrile and methyl methacrylate plants in Thailand.

\* FY 2008 figures adjusted to reflect the April 2009 transfer of operations as follows:  
 - Transfer of R&D for electronics materials such as Marketing Center for FPC/FPD Materials from corporate expenses, and Hipore™ Li-ion rechargeable battery separators, photopolymers, epoxy resins, and other related operations from Chemicals to Electronics.  
 - Transfer of Leona™ filament operations from Chemicals to Fibers.

## Completed in H1 2009

- Sepacell™ leukocyte reduction filters – 4 million module/y capacity increase in Oita, Apr.
- New boiler using SDA pitch in Mizushima, NEDO-supported energy conservation project, July.\*
- New integrated research complex in Fuji, Aug.\*
- Ion-exchange membranes – capacity increase in Kawasaki.
- Hipore™ Li-ion rechargeable battery separator – capacity increase in Moriyama.\*
- LSIs – plant expansions in Nobeoka.\*

## Under construction at end of Sep. 2009

- Construction of production facility for naftopidil, marketed as Flivas™, an agent for treatment of benign prostatic hyperplasia, in Nobeoka, Oct. 2009.
- Roica™ spandex – capacity increase in Thailand, Nov. 2009.\*
- APS™ polysulfone-membrane artificial kidneys – 6 million module/y hollow-fiber spinning capacity increase in Nobeoka, Dec. 2009.\*
- Planova™ virus removal filters – new 40,000 m<sup>2</sup>/y assembly plant in Oita, Mar. 2010.
- New plant for therapeutic apheresis devices in Oita, Mar. 2011.
- LSIs – plant expansions in Nobeoka.\*
- Hipore™ Li-ion rechargeable battery separator – 30 million m<sup>2</sup>/y capacity increase in Moriyama (incl. increase completed in H1) and new 20 million m<sup>2</sup>/y plant in Hyuga, FY 09; 15 million m<sup>2</sup>/y capacity increase in Moriyama and 20 million m<sup>2</sup>/y capacity increase in Hyuga, FY 10.\*

\* Investment of ¥3 billion or more.

# 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* | Unconsolidated | Consolidated subsidiaries | Consolidated   | Order backlog |
|-------|-------------|-------------------------------------|----------------------------|--------------------------|--------------|----------------|---------------------------|----------------|---------------|
| FY 05 | H1          | 150.4 (-1.7%)                       | 140.2 (+0.9%)              | 20.5 (+213.0%)           | 0.4          | 161.1 (+10.4%) | 24.3 (+14.1%)             | 185.3 (+10.8%) | 320.4         |
|       | H2          | 162.9 (+9.5%)                       | 179.3 (+4.3%)              | 13.1 (-3.6%)             | 0.6          | 193.0 (+3.8%)  | 26.1 (+16.0%)             | 219.2 (+5.1%)  | 304.0         |
|       | annual      | 313.3 (+3.8%)                       | 319.4 (+2.8%)              | 33.6 (+67.0%)            | 1.1          | 354.1 (+6.7%)  | 50.4 (+15.1%)             | 404.5 (+7.7%)  |               |
| FY 06 | H1          | 156.1 (+3.7%)                       | 134.7 (-3.9%)              | 6.0 (-70.9%)             | 0.5          | 141.1 (-12.4%) | 28.0 (+15.2%)             | 169.1 (-8.7%)  | 325.3         |
|       | H2          | 147.3 (-9.6%)                       | 182.9 (+2.0%)              | 23.0 (+75.8%)            | 0.5          | 206.4 (+6.9%)  | 30.2 (+15.7%)             | 236.6 (+7.9%)  | 289.8         |
|       | annual      | 303.4 (-3.2%)                       | 317.6 (-0.6%)              | 28.9 (-13.8%)            | 1.0          | 347.5 (-1.9%)  | 58.2 (+15.5%)             | 405.7 (+0.3%)  |               |
| FY 07 | H1          | 153.6 (-1.5%)                       | 131.2 (-2.6%)              | 5.0 (-16.5%)             | 0.4          | 136.6 (-3.2%)  | 30.3 (+8.2%)              | 166.9 (-1.3%)  | 312.3         |
|       | H2          | 152.5 (+3.5%)                       | 165.9 (-9.3%)              | 19.5 (-15.1%)            | 0.5          | 186.0 (-9.9%)  | 33.3 (+10.3%)             | 219.3 (-7.3%)  | 298.8         |
|       | annual      | 306.1 (+0.9%)                       | 297.1 (-6.5%)              | 24.5 (-15.4%)            | 1.0          | 322.5 (-7.2%)  | 63.7 (+9.5%)              | 386.2 (-4.8%)  |               |
| FY 08 | H1          | 157.1 (+2.3%)                       | 129.4 (-1.4%)              | 6.0 (+19.7%)             | 0.7          | 136.0 (-0.4%)  | 34.3 (+13.2%)             | 170.3 (+2.0%)  | 326.6         |
|       | H2          | 133.9 (-12.1%)                      | 177.9 (+7.2%)              | 24.0 (+22.8%)            | 0.9          | 202.7 (+9.0%)  | 36.9 (+10.8%)             | 239.6 (+9.3%)  | 282.6         |
|       | annual      | 291.1 (-4.9%)                       | 307.3 (+3.4%)              | 29.9 (+22.2%)            | 1.5          | 338.7 (+5.0%)  | 71.2 (+11.8%)             | 409.9 (+6.1%)  |               |
| FY 09 | H1          | 154.6 (-1.6%)                       | 115.8 (-10.5%)             | 5.2 (-12.6%)             | 0.8          | 121.9 (-10.4%) | 35.8 (+4.4%)              | 157.7 (-7.4%)  | 321.3         |
|       | H2 forecast | 154.4 (+15.3%)                      | 169.2 (-4.9%)              | 28.3 (+18.0%)            | 0.7          | 198.2 (-2.2%)  | 38.2 (+3.5%)              | 236.3 (-1.4%)  | 306.5         |
|       | annual      | 309.0 (+6.2%)                       | 285.0 (-7.2%)              | 33.5 (+11.9%)            | 1.5          | 320.0 (-5.5%)  | 74.0 (+3.9%)              | 394.0 (-3.9%)  |               |

\* Including commissions on property insurance.

## Breakdown of H1 2009 sales and orders

(% change from H1 2008)

|   |           | Net sales   |            | Number of units sold |            | Orders received |            |         |            |
|---|-----------|-------------|------------|----------------------|------------|-----------------|------------|---------|------------|
|   |           | (¥ billion) | (% change) | (units)              | (% change) | (¥ billion)     | (% change) | (units) | (% change) |
| Unit homes                                  | 1-2 story | 75.6        | -12.3%     | 2,575                | -16.0%     | 96.9            | -4.1%      | 3,077   | -6.3%      |
|   | 3+ story  | 28.4        | -8.8%      | 1,022                | 13.4%      | 32.8            | -10.2%     | 1,360   | 13.6%      |
|   | Total     | 104.0       | -11.4%     | 3,597                | -9.3%      | 129.7           | -5.7%      | 4,437   | -1.0%      |
| Multi-dwelling homes                        | 1-2 story | 4.3         | -18.8%     | 404                  | -24.2%     | 8.0             | 3.7%       | 749     | 9.0%       |
|   | 3+ story  | 7.5         | 13.0%      | 686                  | 5.5%       | 16.9            | 42.2%      | 1,494   | 20.0%      |
|   | Total     | 11.8        | -1.2%      | 1,090                | -7.9%      | 24.9            | 27.0%      | 2,243   | 16.1%      |
| Order-built homes total                     |           | 115.8       | -10.5%     | 4,687                | -9.0%      | 154.6           | -1.6%      | 6,680   | 4.2%       |
| Pre-built homes<br>(including condominiums) |           | 5.2         | -12.6%     | 62                   | -63.3%     | –               | –          | –       | –          |
| Other sales*                                |           | 0.8         | 21.1%      | –                    | –          | –               | –          | –       | –          |
| Total                                       |           | 121.9       | -10.4%     | 4,749                | -10.7%     | 154.6           | -1.6%      | 6,680   | 4.2%       |
| Consolidated subsidiaries                   |           | 35.8        | 4.4%       | –                    | –          | –               | –          | –       | –          |
| Consolidated                                |           | 157.7       | -7.4%      | 4,749                | -10.7%     | 154.6           | -1.6%      | 6,680   | 4.2%       |

\* Including commissions on property insurance.

## Breakdown of sales and orders forecast for FY 2009

(% change from FY 2008)

|   |           | Net sales   |            | Number of units sold |            | Orders received |            |         |            |
|---|-----------|-------------|------------|----------------------|------------|-----------------|------------|---------|------------|
|   |           | (¥ billion) | (% change) | (units)              | (% change) | (¥ billion)     | (% change) | (units) | (% change) |
| Unit homes                                  | 1-2 story | 179.7       | -8.4%      | 6,180                | -11.6%     | 193.9           | +3.1%      | 6,350   | +0.5%      |
|   | 3+ story  | 67.8        | -6.7%      | 2,395                | -1.2%      | 65.3            | +2.7%      | 2,535   | +7.4%      |
|   | Total     | 247.5       | -7.9%      | 8,575                | -8.9%      | 259.2           | +3.0%      | 8,885   | +2.3%      |
| Multi-dwelling homes                        | 1-2 story | 13.5        | -7.0%      | 1,335                | -7.9%      | 17.5            | +25.4%     | 1,450   | +14.0%     |
|   | 3+ story  | 24.0        | +0.6%      | 2,390                | -0.5%      | 32.3            | +27.0%     | 2,945   | +17.6%     |
|   | Total     | 37.5        | -2.3%      | 3,725                | -3.3%      | 49.8            | +26.4%     | 4,395   | +16.4%     |
| Order-built homes total                     |           | 285.0       | -7.2%      | 12,300               | -7.3%      | 309.0           | +6.2%      | 13,280  | +6.6%      |
| Pre-built homes<br>(including condominiums) |           | 33.5        | +11.9%     | 760                  | +1.2%      | –               | –          | –       | –          |
| Other sales*                                |           | 1.5         | -2.3%      | –                    | –          | –               | –          | –       | –          |
| Total                                       |           | 320.0       | -5.5%      | 13,060               | -6.8%      | 309.0           | +6.2%      | 13,280  | +6.6%      |
| Consolidated subsidiaries                   |           | 74.0        | +3.9%      | –                    | –          | –               | –          | –       | –          |
| Consolidated                                |           | 394.0       | -3.9%      | 13,060               | -6.8%      | 309.0           | +6.2%      | 13,280  | +6.6%      |

\* Including commissions on property insurance.

## Performance of main subsidiaries

(¥ billion)

|                         | H1 2008 |                  | H1 2009 |                  |
|-------------------------|---------|------------------|---------|------------------|
|                         | Sales   | Operating income | Sales   | Operating income |
| Asahi Kasei Reform      | 15.7    | 1.6              | 16.2    | 1.8              |
| Asahi Kasei Real Estate | 17.5    | 0.6              | 18.4    | 0.6              |

**Asahi Kasei Reform**

H1 sales and operating income increase at the remodeling subsidiary. Orders secured with expansion of sales force, largely with personnel transferred from order-built homes operations, and addition of environmentally friendly products such as solar panels. Ongoing effort to increase orders in H2 with larger sales force; increased orders offsetting rise in payroll cost. Increased sales and unchanged operating income forecast for FY 09.

**Asahi Kasei Real Estate**

Increased sales and unchanged operating income in H1. Growth in number of home rental units. Improved profitability in land brokerage operations outweighing slight rise in vacancy rate. H2 effort on maintaining growth in rental units and lowering vacancy rate. Increased sales and operating income forecast for FY 09.

## Sales of Health Care segment

(¥ billion)

|                                 |                 | FY 2008 |       | FY 2009 |          |
|---------------------------------|-----------------|---------|-------|---------|----------|
|                                 |                 | H1      |       | H1      | forecast |
|                                 | Pharmaceuticals | 30.4    | 56.3  | 26.7    | 54.8     |
|                                 | Others          | 5.4     | 10.3  | 4.0     | 8.2      |
| Asahi Kasei Pharma consolidated |                 | 35.8    | 66.6  | 30.7    | 63.0     |
| Devices*                        |                 | 27.0    | 53.0  | 25.6    | 55.0     |
| Total                           |                 | 62.8    | 119.6 | 56.3    | 118.0    |

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

## Main pharmaceuticals domestic sales

(¥ billion)

|              | FY 2008 |      | FY 2009 |          |
|--------------|---------|------|---------|----------|
|              | H1      |      | H1      | forecast |
| Elcitonin™   | 6.8     | 13.2 | 7.3     | 14.0     |
| Flivas™      | 4.5     | 9.8  | 6.8     | 13.8     |
| Bredinin™    | 3.1     | 6.2  | 3.3     | 6.5      |
| Toledomin™   | 2.9     | 5.7  | 2.6     | 5.3      |
| Eril™        | 0.7     | 1.4  | 0.7     | 1.5      |
| Recomodulin™ | 0.2     | 0.4  | 0.5     | 1.3      |

## Main pharmaceutical products

|  | Generic name                     | Mechanism/substance class     | Indication  | Formulation | Co-development partner |
|--|----------------------------------|-------------------------------|---|-------------|------------------------|
| Elcitonin™   | Elcatonin                        | Eel calcitonin derivative     | Osteoporosis pain   | Injection   | —                      |
| Flivas™  | Naftopidil                       | Selective $\alpha$ -1 blocker | Benign prostatic hypertrophy  | Tablet      | —                      |
| Bredinin™  | Mizoribine                       | Immuno suppressant            | 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   | —                      |
| Recomodulin™<br>Market launch in May 2008                    | Recombinant thrombomodulin alpha | Blood coagulation             | Disseminated intravascular coagulation  | Injection   | —                      |
| Famvir™<br>Market launch in July 2008, distributed by Maruho | Famciclovir                      | Antiviral                     | Shingles (zoster)   | Tablet      | Novartis Pharma AG     |

## Pharmaceutical pipeline

| Development stage      | Product               | Objective                                | Class                               | Indication                |
|------------------------|-----------------------|--|-------------------------------------|---------------------------|
| Phase III              | AT-877<br>(Injection) | Additional indication                    | Rho-kinase inhibitor                | Acute cerebral infarction |
|                        | PTH<br>(Injection)    | New biologic                             | Synthetic human parathyroid hormone | Osteoporosis              |
|                        | AK-120<br>(Oral)      | Additional indication                    | Famciclovir antiviral               | Herpes simplex            |
| Phase II               | AT-877<br>(Oral)      | Additional indication<br>New dosage form | Rho-kinase inhibitor                | Pulmonary hypertension    |
| Preparing for Phase II | AK150<br>(Injection)  | New chemical entity                      | Pentosan polysulfate                | Osteoarthritis            |

## – 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.