

Fiscal quarter ended
December 2015
– supplementary financial summary –

February 4, 2016
Asahi Kasei Corporation

Consolidated results for fiscal quarter ended Dec. 2015

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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.

Consolidated results for fiscal quarter ended Dec. 2015

Summary of financial results

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(¥ billion)

	2014		2015 ¹		Oct.–Dec. 2015 vs. 2014		Apr.–Dec. 2015 vs. 2014		FY 2015 forecast in Nov. <i>b</i>	% of forecast <i>a/b</i>
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec. <i>a</i>	Increase (decrease)	% change	Increase (decrease)	% change		
Net sales	503.1	1,470.1	490.9	1,448.4	(12.2)	-2.4%	(21.7)	-1.5%	2,000.0	72.4%
Operating income	47.8	118.7	42.2	126.6	(5.6)	-11.7%	7.9	+6.7%	164.0	77.2%
Ordinary income	53.1	127.3	43.2	124.6	(9.9)	-18.7%	(2.6)	-2.1%	161.5	77.2%
Net income attributable to owners of the parent	38.9	88.4	24.6	71.7	(14.3)	-36.7%	(16.6)	-18.8%	91.0	78.8%

Key operating factors

Naphtha price (¥/kL, domestic)	66,000	68,933	40,900	45,600
¥/US\$ exchange rate (market average)	115	107	122	122

Financial position

	At end of Mar. 2015	At end of Dec. 2015 ¹	Increase (decrease)
Total assets	2,014.5	2,409.6	395.1
Equity	1,082.7	1,116.8	34.1
Interest-bearing debt	269.0	558.1	289.1
Debt/equity ratio	0.25	0.50	0.25

¹ Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015 (US Eastern time), etc. are included.

Statements of income

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(¥ billion)

	2014				2015				Oct.-Dec. 2015 vs. 2014		Apr.-Dec. 2015 vs. 2014	
	Oct.-Dec.		Apr.-Dec.		Oct.-Dec.		Apr.-Dec.		Increase (decrease)	% change	Increase (decrease)	% change
		% of sales										
Net sales	503.1	100.0%	1,470.1	100.0%	490.9	100.0%	1,448.4	100.0%	(12.2)	-2.4%	(21.7)	-1.5%
Cost of sales	359.3	71.4%	1,066.3	72.5%	343.0	69.9%	1,010.4	69.8%	(16.2)	-4.5%	(55.9)	-5.2%
Gross profit	143.9	28.6%	403.8	27.5%	147.9	30.1%	438.0	30.2%	4.0	+2.8%	34.2	+8.5%
Selling, general and administrative expenses	96.1	19.1%	285.1	19.4%	105.7	21.5%	311.3	21.5%	9.6	+10.0%	26.2	+9.2%
Operating income	47.8	9.5%	118.7	8.1%	42.2	8.6%	126.6	8.7%	(5.6)	-11.7%	7.9	+6.7%
Net non-operating income (expenses)	5.3	/	8.5	/	1.0	/	(2.0)	/	(4.3)	/	(10.6)	/
of which,												
net financing income (expense)	0.6	/	1.8	/	0.5	/	2.1	/	(0.1)	/	0.3	/
net equity in earnings (losses) of affiliates	0.5	/	1.7	/	(0.0)	/	(1.9)	/	(0.5)	/	(3.6)	/
foreign exchange income (loss)	4.0	/	6.0	/	(0.2)	/	(1.0)	/	(4.2)	/	(6.9)	/
Ordinary income	53.1	10.5%	127.3	8.7%	43.2	8.8%	124.6	8.6%	(9.9)	-18.7%	(2.6)	-2.1%
Net extraordinary income (loss)	(1.0)	/	(1.0)	/	(6.0)	/	(11.5)	/	(5.0)	/	(10.4)	/
Income before income taxes	52.1	10.4%	126.2	8.6%	37.2	7.6%	113.1	7.8%	(14.9)	-28.6%	(13.1)	-10.4%
Income taxes	(12.9)	/	(37.0)	/	(12.0)	/	(40.3)	/	0.9	/	(3.3)	/
Net income attributable to non-controlling interests	(0.4)	/	(0.8)	/	(0.6)	/	(1.1)	/	(0.2)	/	(0.3)	/
Net income attributable to owners of the parent	38.9	7.7%	88.4	6.0%	24.6	5.0%	71.7	5.0%	(14.3)	-36.7%	(16.6)	-18.8%

Extraordinary income and loss

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(¥ billion)

	2014		2015		Oct.–Dec. '15 vs. '14	Apr.–Dec. '15 vs. '14
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.	Increase (decrease)	Increase (decrease)
Gain on sales of investment securities	–	2.3	0.0	0.0	0.0	(2.2)
Gain on sales of noncurrent assets	0.1	0.4	0.1	0.2	0.0	(0.1)
Total extraordinary income	0.1	2.6	0.2	0.3	0.0	(2.4)
Loss on sales of investment securities	–	0.1	–	–	–	(0.1)
Loss on valuation of investment securities	0.0	0.5	–	0.3	(0.0)	(0.3)
Loss on disposal of noncurrent assets	0.5	1.7	0.9	2.4	0.4	0.7
Impairment loss	0.6	0.7	2.0	2.3	1.4	1.6
Business structure improvement expenses	0.0	0.6	0.7	1.2	0.7	0.7
Provision for loss on litigation	–	–	(2.9)	–	(2.9)	–
Litigation settlement	–	–	1.2	1.2	1.2	1.2
Loss on piling business ¹	–	–	1.3	1.3	1.3	1.3
Business integration expense	–	–	0.9	0.9	0.9	0.9
Special retirement expenses and other ²	–	–	2.1	2.1	2.1	2.1
Total extraordinary loss	1.1	3.7	6.1	11.7	5.0	8.1
Net extraordinary income (loss)	(1.0)	(1.0)	(6.0)	(11.5)	(5.0)	(10.4)

¹ Expenses incurred such as for investigation of manipulation of data in precast concrete pile installation work previously performed by Asahi Kasei Construction Materials Corp.

² Severance allowance etc. for management personnel of Polypore International, Inc. who retired following the acquisition by Asahi Kasei Corp.

Balance sheets¹

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(¥ billion)

	At end of Mar. 2015	At end of Dec. 2015	Increase (decrease)		At end of Mar. 2015	At end of Dec. 2015	Increase (decrease)
Current assets	891.6	978.0	86.4	Liabilities	916.8	1,277.3	360.5
Cash and deposits	123.8	177.4	53.6	Current liabilities	507.4	848.3	340.9
Notes and accounts receivable-trade	325.6	321.2	(4.3)	Noncurrent liabilities	409.4	428.9	19.6
Inventories	339.7	370.7	31.0	Net assets	1,097.7	1,132.3	34.6
Other current assets	102.5	108.7	6.2	Shareholders' equity	879.0	922.7	43.7
Noncurrent assets	1,123.0	1,431.6	308.6	Capital stock	103.4	103.4	–
Property, plant and equipment	502.5	563.5	61.0	Capital surplus	79.4	79.4	0.0
Intangible assets	286.1	539.7	253.6	Retained earnings	699.3	743.1	43.8
Investments and other assets	334.4	328.4	(5.9)	Treasury stock	(3.0)	(3.1)	(0.1)
				Accumulated other comprehensive income	203.6	194.0	(9.6)
				Non-controlling interests	15.1	15.6	0.5
Total assets	2,014.5	2,409.6	395.1	Total liabilities and net assets	2,014.5	2,409.6	395.1

¹ Among the total assets/total liabilities and net assets at the end of Dec. 2015, ¥353.1 billion is attributed to the effect of the acquisition and consolidation of Polypore International, Inc. and its consolidated subsidiaries. Notable items include ¥259.7 billion in intangible assets (of which ¥180.2 billion is goodwill), and ¥301.4 billion in liabilities (interest-bearing debt).

Cash flows

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(¥ billion)

	2014		2015	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.
a. Net cash provided by (used in) operating activities	(1.9)	41.2	13.8	125.8
b. Net cash provided by (used in) investing activities	(31.2)	(79.0)	(25.5)	(261.0)
c. Free cash flows [a+b]	(33.1)	(37.9)	(11.7)	(135.2)
d. Net cash provided by (used in) financing activities	33.6	(6.4)	32.7	197.8
e. Effect of exchange rate change on cash and cash equivalents	3.7	5.6	(2.0)	(6.1)
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	4.2	(38.7)	19.0	56.5
g. Cash and cash equivalents at beginning of period	100.4	143.1	156.1	112.3
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	0.5	0.6	–	6.3
i. Cash and cash equivalents at end of period [f+g+h]	105.0	105.0	175.0	175.0

Sales and operating income by segment¹, Oct.–Dec. 2014 and 2015

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(¥ billion)

	Sales			Operating income		
	Oct.–Dec. 2014	Oct.–Dec. 2015	Increase (decrease)	Oct.–Dec. 2014	Oct.–Dec. 2015	Increase (decrease)
Chemicals & Fibers	250.8	208.1	(42.7)	20.6	18.4	(2.2)
Homes & Construction Materials	138.4	158.2	19.9	13.1	17.4	4.3
Electronics ²	39.9	48.4	8.6	5.9	(0.6)	(6.5)
Health Care	69.6	73.0	3.4	11.8	11.1	(0.7)
Others	4.6	3.2	(1.4)	0.2	0.2	(0.0)
Corporate expenses and eliminations	–	–	–	(3.8)	(4.2)	(0.5)
Consolidated	503.1	490.9	(12.2)	47.8	42.2	(5.6)

¹ Beginning with FY 2014, the former Chemicals segment and the former Fibers segment are combined as a new Chemicals & Fibers segment, the former Homes segment and the former Construction Materials segment are combined as a new Homes & Construction Materials segment, and the former Health Care segment and the former Critical Care segment are combined as a new Health Care segment.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics segment.

Sales and operating income by segment¹, Apr.–Dec. 2014 and 2015

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(¥ billion)

	Sales			Operating income		
	Apr.–Dec. 2014	Apr.–Dec. 2015	Increase (decrease)	Apr.–Dec. 2014	Apr.–Dec. 2015	Increase (decrease)
Chemicals & Fibers	728.3	651.4	(76.9)	47.2	57.4	10.2
Homes & Construction Materials	420.8	441.9	21.0	41.9	44.4	2.5
Electronics ²	113.9	129.7	15.8	13.3	7.4	(5.9)
Health Care	191.0	216.3	25.4	26.8	31.8	5.0
Others	16.2	9.1	(7.1)	0.9	0.3	(0.6)
Corporate expenses and eliminations	–	–	–	(11.2)	(14.6)	(3.3)
Consolidated	1,470.1	1,448.4	(21.7)	118.7	126.6	7.9

¹ Beginning with FY 2014, the former Chemicals segment and the former Fibers segment are combined as a new Chemicals & Fibers segment, the former Homes segment and the former Construction Materials segment are combined as a new Homes & Construction Materials segment, and the former Health Care segment and the former Critical Care segment are combined as a new Health Care segment.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics segment.

Sales and operating income increases/decreases by business category¹, Oct.–Dec. 2015 vs. 2014 (i)

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(¥ billion)

		Oct.–Dec. 2014	Oct.–Dec. 2015	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	217.9	174.3	(43.6)	(16.4)	(31.5)	2.5	4.3	–
	Operating income	18.0	14.5	(3.6)	(1.2)				
Fibers	Sales	32.9	33.8	0.9	1.4	(0.5)	0.1	–	–
	Operating income	2.6	4.0	1.4	0.3				
Homes	Sales	124.2	144.4	20.2	8.4	0.4	–	11.4	–
	Operating income	11.9	15.5	3.6	1.9				
Construction Materials	Sales	14.1	13.8	(0.3)	(0.3)	(0.0)	–	–	–
	Operating income	1.4	2.1	0.8	(0.1)				
Electronics ²	Sales	39.9	48.4	8.6	8.8	(0.2)	1.2	–	–
	Operating income	5.9	(0.6)	(6.5)	0.6				

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in Electronics.

Sales and operating income increases/decreases by business category¹, Oct.–Dec. 2015 vs. 2014 (ii)

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(¥ billion)

		Oct.–Dec. 2014	Oct.–Dec. 2015	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Health Care	Sales	39.7	36.9	(2.9)	(2.7)	(0.2)	(0.1)	–	–
	Operating income	9.3	7.7	(1.6)	(2.0)			–	0.5
Critical Care	Sales	29.8	36.1	6.3	4.8	(0.5)	(0.1)	2.0	–
	Operating income	2.4	3.4	0.9	3.5			–	(2.1)
Others	Sales	4.6	3.2	(1.4)	(1.4)	–	–	–	–
	Operating income	0.2	0.2	(0.0)	0.2	–	–	–	(0.2)
Corporate expenses and eliminations	Operating loss	(3.9)	(4.4)	(0.5)	–	–	–	–	(0.5)
Consolidated	Sales	503.1	490.9	(12.2)	2.7	(32.6)	3.6	17.7	–
	Operating income	47.8	42.2	(5.6)	3.2			–	23.8

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

Sales and operating income increases/decreases by business category¹, Apr.–Dec. 2015 vs. 2014 (i)

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(¥ billion)

		Apr.–Dec. 2014	Apr.–Dec. 2015	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Chemicals	Sales	631.0	550.8	(80.2)	(29.9)	(67.3)	19.4	17.0	–
	Operating income	40.0	46.1	6.1	(1.2)			–	74.6
Fibers	Sales	97.3	100.6	3.3	2.6	0.7	1.6	–	–
	Operating income	7.3	11.2	4.0	1.3			–	2.0
Homes	Sales	380.2	402.4	22.2	8.8	0.1	–	13.3	–
	Operating income	38.8	39.9	1.1	0.6			–	0.3
Construction Materials	Sales	40.6	39.4	(1.2)	(1.3)	0.2	–	–	–
	Operating income	3.5	5.2	1.8	(0.5)			–	2.1
Electronics ²	Sales	113.9	129.7	15.8	13.3	2.5	7.8	–	–
	Operating income	13.3	7.4	(5.9)	1.5			–	(9.9)

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in Electronics.

Sales and operating income increases/decreases by business category¹, Apr.–Dec. 2015 vs. 2014 (ii)

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(¥ billion)

		Apr.–Dec. 2014	Apr.–Dec. 2015	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Health Care	Sales	113.0	112.4	(0.5)	(0.6)	0.1	1.0	–	–
	Operating income	24.0	23.6	(0.4)	(0.9)			–	0.4
Critical Care	Sales	78.0	103.9	25.9	16.8	(1.8)	(1.5)	10.8	–
	Operating income	2.7	8.2	5.5	11.9			–	(4.7)
Others	Sales	16.2	9.1	(7.1)	(7.1)	–	–	–	–
	Operating income	0.9	0.3	(0.6)	0.4			–	(1.0)
Corporate expenses and eliminations	Operating loss	(11.7)	(15.3)	(3.6)	–	–	–	–	(3.6)
Consolidated	Sales	1,470.1	1,448.4	(21.7)	2.7	(65.4)	28.3	41.1	–
	Operating income	118.7	126.6	7.9	13.2			–	60.2

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

Forecast for fiscal year 2015

Consolidated operating performance forecast

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(¥ billion)

	FY 2014			FY 2015 revised forecast					FY 2015 forecast in Nov.
	H1	H2	Total	H1	H2		Total		
					Oct.–Dec.	Jan.–Mar.		forecast	
Net sales	966.9	1,019.5	1,986.4	957.4	490.9	505.7	996.6	1,954.0	2,000.0
Operating income	70.9	87.0	157.9	84.4	42.2	37.4	79.6	164.0	164.0
Ordinary income	74.2	92.4	166.5	81.4	43.2	36.9	80.1	161.5	161.5
Net income attributable to owners of the parent	49.5	56.1	105.7	47.2	24.6	18.2	42.8	90.0	91.0

Key operating factors

Naphtha price (¥/kL, domestic)	70,400	56,500	63,450	48,000	40,900	35,000	37,950	42,975	45,000
¥/US\$ exchange rate (market average)	103	117	110	122	122	120	121	121	121

	FY 2014	FY 2015
Dividends per share	¥19	¥20 (planned)
Payout ratio	25.1%	31.0%

Sales forecast by business category¹

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(¥ billion)

	FY 2014			FY 2015 revised forecast					FY 2015 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals	413.1	411.2	824.3	376.5	174.3	158.2	332.5	709.0	740.0	(31.0)
Fibers	64.4	66.0	130.3	66.8	33.8	32.4	66.2	133.0	134.0	(1.0)
Homes	256.0	295.8	551.8	258.0	144.4	183.6	328.0	586.0	587.0	(1.0)
Construction Materials	26.5	25.5	52.0	25.6	13.8	11.6	25.4	51.0	50.0	1.0
Electronics ²	74.0	76.4	150.4	81.3	48.4	45.3	93.7	175.0	182.0	(7.0)
Health Care	73.3	73.2	146.5	75.6	36.9	33.5	70.4	146.0	148.0	(2.0)
Critical Care	48.1	62.5	110.6	67.7	36.1	37.2	73.3	141.0	142.0	(1.0)
Others	11.6	8.9	20.5	5.9	3.2	3.9	7.1	13.0	17.0	(4.0)
Consolidated	966.9	1,019.5	1,986.4	957.4	490.9	505.7	996.6	1,954.0	2,000.0	(46.0)

¹ Corresponding to the former operating segments.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in Electronics.

Operating income forecast by business category¹

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(¥ billion)

	FY 2014			FY 2015 revised forecast					FY 2015 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals	22.0	32.3	54.2	31.6	14.5	9.9	24.4	56.0	59.0	(3.0)
Fibers	4.7	5.8	10.5	7.3	4.0	2.3	6.2	13.5	13.0	0.5
Homes	27.0	32.3	59.2	24.4	15.5	22.1	37.6	62.0	62.0	–
Construction Materials	2.1	2.0	4.1	3.1	2.1	0.3	2.4	5.5	5.0	0.5
Electronics ²	7.4	6.9	14.3	8.0	(0.6)	(0.4)	(1.0)	7.0	9.0	(2.0)
Health Care	14.7	12.0	26.7	15.9	7.7	1.4	9.1	25.0	25.0	–
Critical Care	0.3	3.8	4.1	4.8	3.4	4.3	7.7	12.5	12.0	0.5
Others	0.7	0.2	0.9	0.1	0.2	0.2	0.4	0.5	0.5	–
Corporate expenses and eliminations	(7.8)	(8.3)	(16.1)	(10.9)	(4.4)	(2.7)	(7.1)	(18.0)	(21.5)	3.5
Consolidated	70.9	87.0	157.9	84.4	42.2	37.4	79.6	164.0	164.0	–

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in Electronics.

Sales and operating income forecast by segment¹

Sales forecast

(¥ billion)

	FY 2014			FY 2015 revised forecast					FY 2015 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals & Fibers	477.5	477.2	954.6	443.3	208.1	190.6	398.7	842.0	874.0	(32.0)
Homes & Construction Materials	282.5	321.3	603.8	283.6	158.2	195.2	353.4	637.0	637.0	–
Electronics ²	74.0	76.4	150.4	81.3	48.4	45.3	93.7	175.0	182.0	(7.0)
Health Care	121.4	135.7	257.1	143.3	73.0	70.7	143.7	287.0	290.0	(3.0)
Others	11.6	8.9	20.5	5.9	3.2	3.9	7.1	13.0	17.0	(4.0)
Consolidated	966.9	1,019.5	1,986.4	957.4	490.9	505.7	996.6	1,954.0	2,000.0	(46.0)

Operating income forecast

(¥ billion)

	FY 2014			FY 2015 revised forecast					FY 2015 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.		forecast		
Chemicals & Fibers	26.6	38.0	64.6	38.9	18.4	12.1	30.6	69.5	72.0	(2.5)
Homes & Construction Materials	28.8	34.3	63.0	27.0	17.4	23.1	40.5	67.5	66.5	1.0
Electronics ²	7.4	6.9	14.3	8.0	(0.6)	(0.4)	(1.0)	7.0	9.0	(2.0)
Health Care	15.0	15.9	30.8	20.7	11.1	5.7	16.8	37.5	37.0	0.5
Others	0.7	0.2	0.9	0.1	0.2	0.2	0.4	0.5	0.5	–
Corporate expenses and eliminations	(7.5)	(8.3)	(15.8)	(10.3)	(4.2)	(3.4)	(7.7)	(18.0)	(21.0)	3.0
Consolidated	70.9	87.0	157.9	84.4	42.2	37.4	79.6	164.0	164.0	–

¹ Beginning with FY 2014, the former Chemicals segment and the former Fibers segment are combined as a new Chemicals & Fibers segment, the former Homes segment and the former Construction Materials segment are combined as a new Homes & Construction Materials segment, and the former Health Care segment and the former Critical Care segment are combined as a new Health Care segment.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in the Electronics segment.

Appendix

Sales and operating income by business category¹, Oct.–Dec. 2014 and 2015

AsahiKASEI

(¥ billion)

	Sales			Operating income		
	Oct.–Dec. 2014	Oct.–Dec. 2015	Increase (decrease)	Oct.–Dec. 2014	Oct.–Dec. 2015	Increase (decrease)
Chemicals	217.9	174.3	(43.6)	18.0	14.5	(3.6)
Fibers	32.9	33.8	0.9	2.6	4.0	1.4
Homes	124.2	144.4	20.2	11.9	15.5	3.6
Construction Materials	14.1	13.8	(0.3)	1.4	2.1	0.8
Electronics ²	39.9	48.4	8.6	5.9	(0.6)	(6.5)
Health Care	39.7	36.9	(2.9)	9.3	7.7	(1.6)
Critical Care	29.8	36.1	6.3	2.4	3.4	0.9
Others	4.6	3.2	(1.4)	0.2	0.2	(0.0)
Corporate expenses and eliminations	–	–	–	(3.9)	(4.4)	(0.5)
Consolidated	503.1	490.9	(12.2)	47.8	42.2	(5.6)
Overseas sales	178.1	172.2	(5.9)			
% of total	35.4%	35.1%	-0.3%			

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in Electronics.

Sales and operating income by business category¹, Apr.–Dec. 2014 and 2015

Asahi**KASEI**

(¥ billion)

	Sales			Operating income		
	Apr.–Dec. 2014	Apr.–Dec. 2015	Increase (decrease)	Apr.–Dec. 2014	Apr.–Dec. 2015	Increase (decrease)
Chemicals	631.0	550.8	(80.2)	40.0	46.1	6.1
Fibers	97.3	100.6	3.3	7.3	11.2	4.0
Homes	380.2	402.4	22.2	38.8	39.9	1.1
Construction Materials	40.6	39.4	(1.2)	3.5	5.2	1.8
Electronics ²	113.9	129.7	15.8	13.3	7.4	(5.9)
Health Care	113.0	112.4	(0.5)	24.0	23.6	(0.4)
Critical Care	78.0	103.9	25.9	2.7	8.2	5.5
Others	16.2	9.1	(7.1)	0.9	0.3	(0.6)
Corporate expenses and eliminations	–	–	–	(11.7)	(15.3)	(3.6)
Consolidated	1,470.1	1,448.4	(21.7)	118.7	126.6	7.9
Overseas sales	503.6	515.3	11.6			
% of total	34.3%	35.6%	+1.3%			

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, 22/36 are included in Electronics.

Quarterly sales by business category¹

Asahi**KASEI**

(¥ billion)

	FY 2014				FY 2015			FY 2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	196.9	216.2	217.9	193.3	194.1	182.4	174.3	158.2
Fibers	30.9	33.5	32.9	33.1	33.0	33.8	33.8	32.4
Homes	105.5	150.5	124.2	171.6	109.9	148.1	144.4	183.6
Construction Materials	12.3	14.2	14.1	11.4	12.2	13.4	13.8	11.6
Electronics ²	35.8	38.2	39.9	36.5	39.1	42.2	48.4	45.3
Health Care	35.7	37.5	39.7	33.5	38.5	37.0	36.9	33.5
Critical Care	23.3	24.9	29.8	32.7	32.7	35.0	36.1	37.2
Others	6.9	4.8	4.6	4.3	2.8	3.1	3.2	3.9
Total	447.1	519.8	503.1	516.3	462.4	495.1	490.9	505.7

¹ Corresponding to the former operating segments.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in Electronics.

Quarterly operating income by business category¹

Asahi**KASEI**

(¥ billion)

	FY 2014				FY 2015			FY 2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Chemicals	7.1	14.9	18.0	14.2	13.5	18.2	14.5	9.9
Fibers	2.2	2.5	2.6	3.2	3.9	3.4	4.0	2.3
Homes	8.4	18.5	11.9	20.4	6.1	18.4	15.5	22.1
Construction Materials	0.9	1.2	1.4	0.6	1.2	1.9	2.1	0.3
Electronics ²	4.0	3.4	5.9	1.0	5.1	2.9	(0.6)	(0.4)
Health Care	8.1	6.6	9.3	2.7	9.3	6.7	7.7	1.4
Critical Care	(0.3)	0.6	2.4	1.4	1.5	3.3	3.4	4.3
Others	0.4	0.3	0.2	0.1	(0.1)	0.3	0.2	0.2
Corporate expenses and eliminations	(4.2)	(3.6)	(3.9)	(4.4)	(4.8)	(6.1)	(4.4)	(2.7)
Total	26.6	44.3	47.8	39.2	35.5	48.9	42.2	37.4

¹ Corresponding to the former operating segments. Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in Electronics.

Overseas sales by business category¹, Apr.–Dec. 2014 and 2015

Asahi**KASEI**

(¥ billion)

	Apr.–Dec. 2014			Apr.–Dec. 2015			Increase (decrease) in overseas sales	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		% change
Chemicals	631.0	285.4	45.2%	550.8	248.3	45.1%	(37.1)	-13.0%
Fibers	97.3	40.1	41.2%	100.6	43.0	42.7%	2.9	+7.2%
Homes	380.2	–	–	402.4	–	–	–	–
Construction Materials	40.6	–	–	39.4	–	–	–	–
Electronics ²	113.9	72.4	63.6%	129.7	89.6	69.1%	17.2	+23.8%
Health Care	113.0	27.9	24.7%	112.4	30.7	27.3%	2.8	+10.1%
Critical Care	78.0	77.2	99.0%	103.9	103.0	99.2%	25.8	+33.5%
Others	16.2	0.7	4.3%	9.1	0.7	7.4%	(0.0)	-3.3%
Total	1,470.1	503.6	34.3%	1,448.4	515.3	35.6%	11.6	+2.3%
Sales to East Asia ³		272.3	18.5%		239.0	16.5%	(33.3)	-12.2%
of which, sales to China		150.9	10.3%		144.6	10.0%	(6.3)	-4.2%

Sales, excluding Homes and
Construction Materials

1,049.3 503.6 48.0% 1,006.5 515.3 51.2%

¹ Corresponding to the former operating segments.

² Beginning with Q2 2015, results of Polypore International, Inc. and its consolidated subsidiaries, acquired on August 26, 2015, are included in Electronics.

³ China, Korea, and Taiwan.

Statements of comprehensive income

Asahi**KASEI**

			(¥ billion)
	2014 Apr.–Dec.	2015 Apr.–Dec.	Increase (decrease)
a: Net income	89.2	72.9	(16.3)
Net increase or decrease in unrealized gain on other securities	25.0	1.6	(23.4)
Deferred gains or losses on hedges	0.0	1.4	1.4
Foreign currency translation adjustment	51.9	(12.7)	(64.6)
Remeasurements of defined benefit plans	2.8	1.8	(1.0)
Share of other comprehensive income of affiliates accounted for using equity method	4.5	(2.2)	(6.7)
b: Other comprehensive income	84.2	(10.1)	(94.3)
Comprehensive income [a+b]	173.4	62.8	(110.6)

Comprehensive income attributable to owners of the parent

171.6

62.1

(109.5)

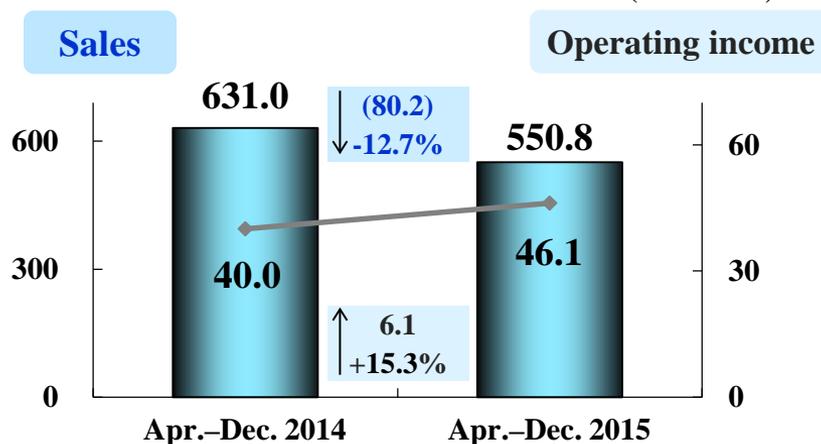
Comprehensive income attributable to non-controlling interests

1.8

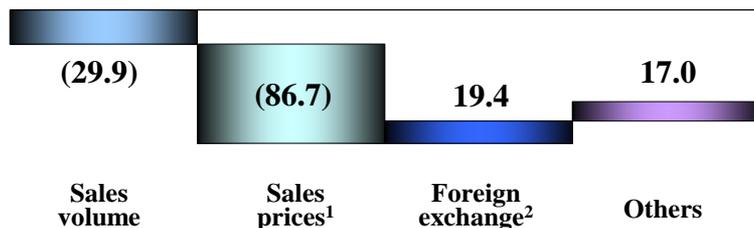
0.6

(1.1)

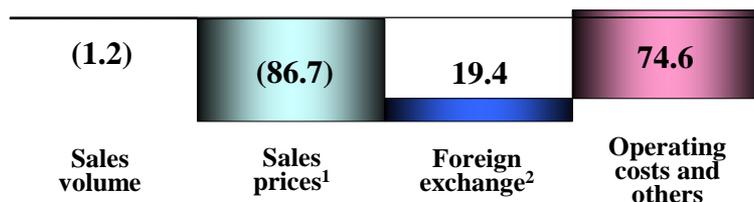
(¥ billion)



Sales increases/decreases due to:



Operating income increases/decreases due to:



Review of operations

Petrochemicals:

Benefit from the weaker yen. Decreased feedstock costs for petrochemical products with lower oil and naphtha prices. Deteriorated market prices most notably for acrylonitrile. Sales and operating income decrease.

Performance polymers:

Improved terms of trade due to lower feedstock costs. Increased shipments of synthetic rubber for fuel-efficient tires. Sales and operating income increase.

Specialty products:

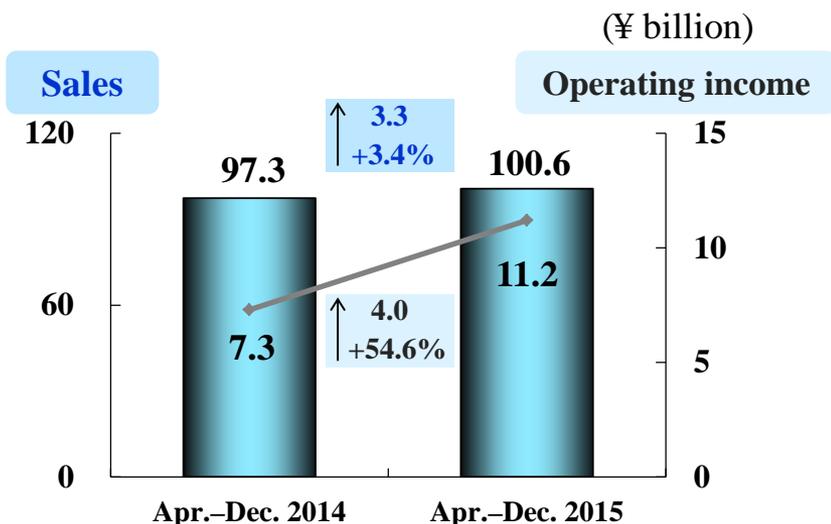
Benefit from the weaker yen most notably for ion-exchange membranes. Increased shipments of Saran Wrap cling film. Sales and operating income increase.

Highlights

- May, agreement with Mitsubishi Chemical Corp. to establish an equally held joint venture for the operation of a unified naphtha cracker in Mizushima.
- May, start-up of a second production line for Duranate hexamethylene diisocyanate (HDI)-based polyisocyanate, a hardener for non-yellowing polyurethane automotive coatings, etc., in China.
- July, decision to expand capacity for hydrogenated styrenic thermoplastic elastomer in Kawasaki.

¹ Increase (decrease) in sales prices excluding impact of foreign exchange.

² Impact of foreign exchange on sales prices.



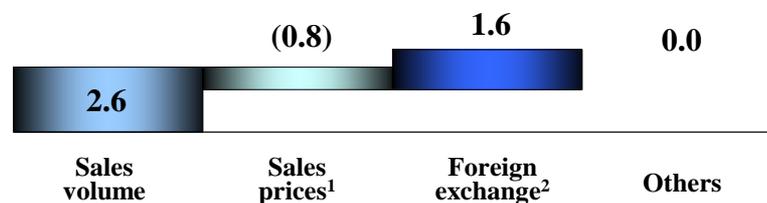
Review of operations

Firm sales of each product. Decreased feedstock costs. Benefit from the weaker yen most notably for Bemberg cupro fiber and Roica elastic polyurethane filament. Sales and operating income increase.

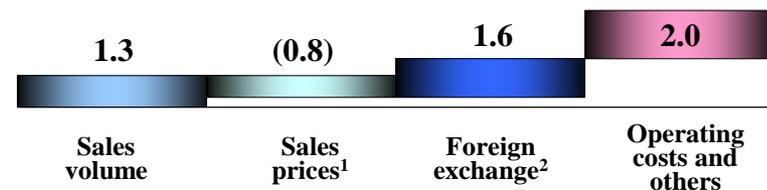
Highlights

- July, decision to expand production capacity for Bemliese in Nobeoka-shi, Miyazaki, Japan.

Sales increases/decreases due to:

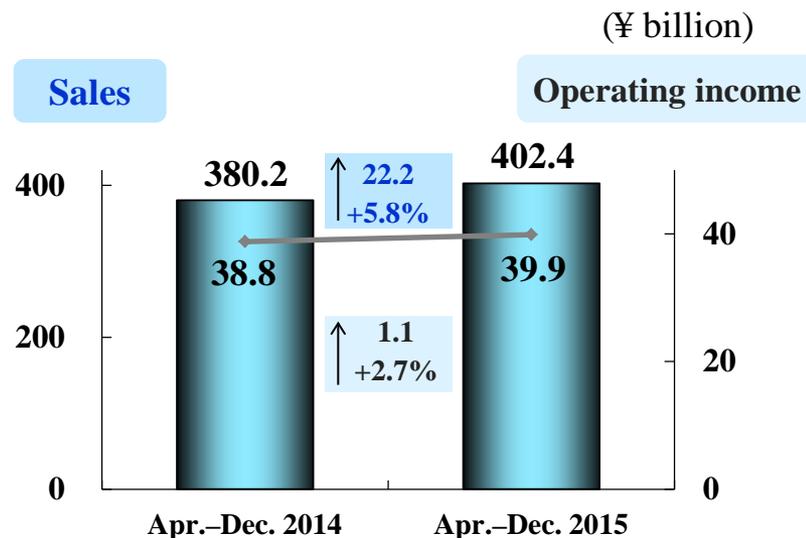


Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange.

² Impact of foreign exchange on sales prices.



Review of operations

Order-built homes:

- Decreased deliveries of Hebel Haus unit homes. Sales decrease, and operating income flat.
- 3.8% year-on-year decrease in value of new orders centered on apartment buildings, with advertising curtailed since late October.

Real estate, remodeling, and others:

Increased deliveries of condominium units in real estate. Increased orders in remodeling centering on renovation work and equipment installation. Sales and operating income increase.

Results by product category

(¥ billion)

	Apr.-Dec. 2014		Apr.-Dec. 2015		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	278.5	28.0	277.8	28.2	(0.7)	0.1
Real estate (Asahi Kasei Fudousan Residence, etc.)	60.4	4.7	81.6	5.3	21.2	0.6
Remodeling (Asahi Kasei Reform)	39.6	4.4	41.8	5.1	2.2	0.7
Other housing-related, etc.	1.6	1.7	1.2	1.4	(0.4)	(0.4)
Total	380.2	38.8	402.4	39.9	22.2	1.1

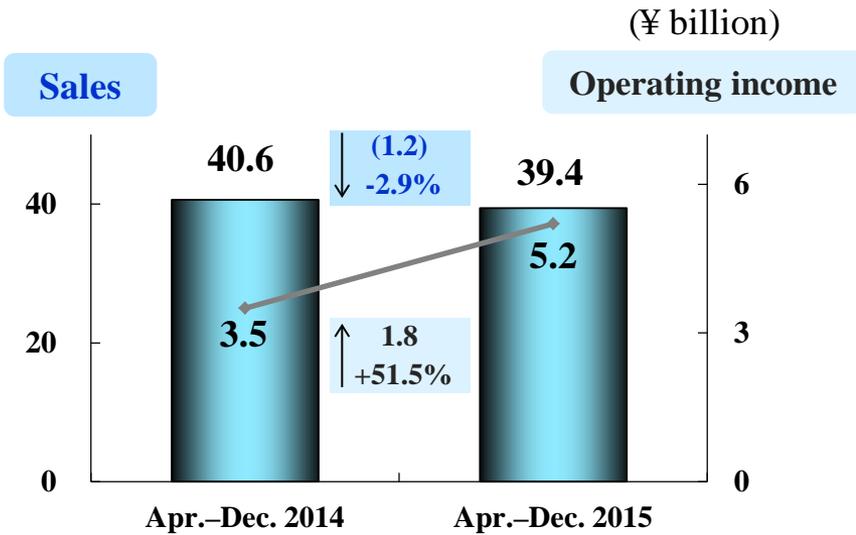
Homes (ii)

Sales¹ and order trends

(¥ billion, % indicates year-on-year comparison)

		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes		Other sales	Consolidated subsidiaries		Consolidated	Order backlog	
FY11	H1	189.4 (+4.2%)	145.9 (+16.3%)	11.9	(+26.5%)	1.5	40.6	(+8.3%)	200.0 (+15.2%)	403.0	
	H2	182.5 (+5.6%)	193.7 (+9.7%)	11.8	(-35.7%)		46.5	(+14.2%)	252.0 (+6.9%)	391.8	
	annual	371.9 (+4.9%)	339.6 (+12.4%)	23.7	(-14.7%)		88.7	(+11.8%)	452.0 (+10.4%)		
		Value of new orders during the term	Sales of order-built homes, etc.	Sales of real estate				Sales of remodeling	Other sales	Consolidated	Order backlog
				Pre-built homes	Rental housing	Other	Total				
FY12	H1	207.5 (+9.5%)	161.4	4.4	23.3	1.1	28.8	21.6	1.2	213.0 (+6.5%)	441.5
	H2	204.9 (+12.3%)	205.9	16.2	24.5	1.1	41.9	24.7	0.7	273.1 (+8.4%)	444.6
	annual	412.4 (+10.9%)	367.3	20.6	47.8	2.2	70.6	46.3	1.9	486.2 (+7.6%)	
FY13	H1	251.9 (+21.4%)	181.0 (+12.1%)	4.5	26.2	1.4	32.1	24.5	0.8	238.4 (+11.9%)	519.9
	H2	169.4 (-17.3%)	213.1 (+3.5%)	24.8	27.9	1.1	53.7	28.1	1.1	296.0 (+8.4%)	481.5
	annual	421.3 (+2.2%)	394.1 (+7.3%)	29.3	54.1	2.5	85.8	52.6	1.9	534.4 (+9.9%)	
FY14	H1	217.6 (-13.6%)	187.9 (+3.9%)	9.8	29.3	1.4	40.6	26.3	1.1	256.0 (+7.4%)	516.3
	Q3	96.4 (+39.4%)	90.6 (+6.2%)	3.7	15.3	0.8	19.8	13.3	0.5	124.2 (+2.0%)	524.8
	H2	208.0 (+22.8%)	216.2 (+1.5%)	18.0	31.8	1.6	51.4	27.3	0.9	295.8 (-0.1%)	514.5
	annual	425.7 (+1.0%)	404.2 (+2.6%)	27.8	61.1	3.1	92.0	53.6	2.0	551.8 (+3.3%)	
FY15	H1	217.3 (-0.2%)	183.8 (-2.2%)	10.4	33.5	1.7	45.6	27.8	0.9	258.0 (+0.8%)	554.6
	Q3	84.8 (-12.1%)	94.1 (+3.9%)	16.4	18.8	0.8	36.0	14.1	0.3	144.4 (+16.2%)	546.9
	H2 forecast	193.0 (-7.2%)	229.2 (+6.0%)	28.6	38.5	2.3	69.4	28.2	1.1	328.0 (+10.9%)	522.3
	annual forecast	410.3 (-3.6%)	413.0 (+2.2%)	39.0	72.0	4.0	115.0	56.0	2.0	586.0 (+6.2%)	

¹ Product categories are revised from FY 2012. A portion of sales previously included in pre-built homes is now included in order-built homes, etc. Otherwise, sales in the previous pre-built homes category are now included in real estate.



Review of operations

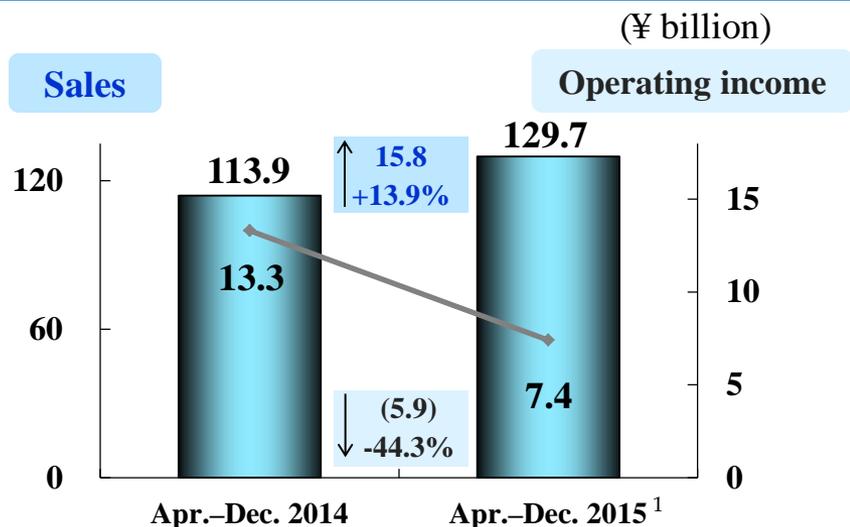
Decreased shipments of autoclaved aerated concrete panels and foundation systems. Benefit from lower feedstock costs. Firm sales of Neoma high-performance phenolic foam insulation panels. Sales decrease, but operating income increase.

Sales increases/decreases due to:



Operating income increases/decreases due to:



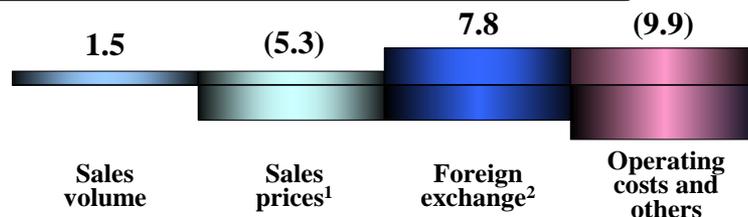


¹ Includes results of Polypore International, Inc., etc. beginning with Q2 2015.

Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange.

² Impact of foreign exchange on sales prices.

Review of operations

Electronic devices: Benefit from the weaker yen.

Firm sales of electronic devices for smartphones, such as audio LSIs and devices for camera modules. Decreased shipments of electronic compasses in response to changes in the competitive environment. Sales and operating income decrease.

Electronic materials: Benefit from the weaker yen.

Firm sales of Hipore Li-ion battery separator. Sales flat, and operating income increase.

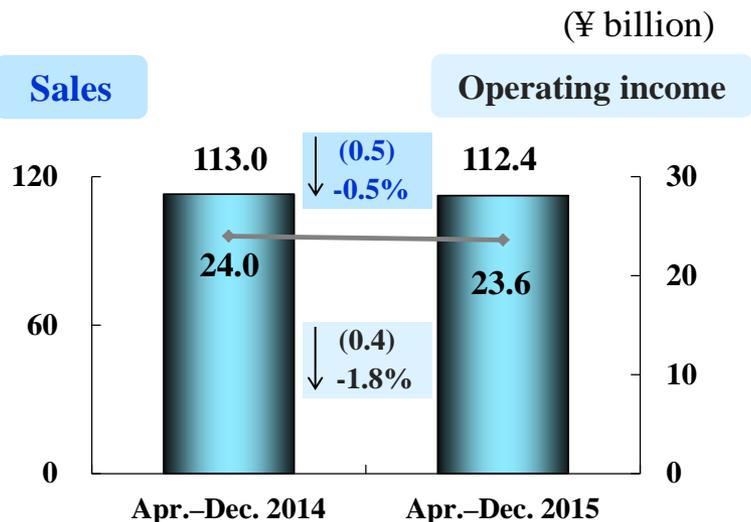
Highlights

- August, completion of acquisition of Polypore International, Inc.
- September, announcement of capacity increase for Hipore in Hyuga-shi, Miyazaki, Japan.

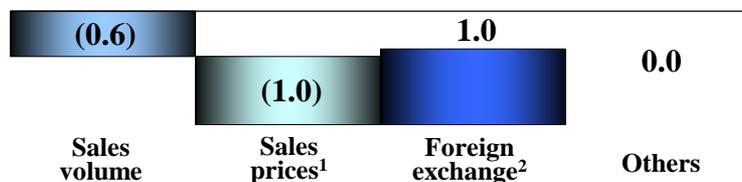
Amortization/depreciation related to acquisition of Polypore International, Inc.

(¥ billion)

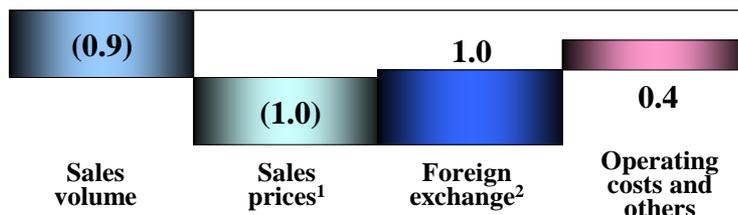
	FY 2015 forecast			
	H1 result (1 month)	H2 forecast		Total
		Oct.-Dec.		
Goodwill	0.8	2.3	4.6	5.4
Other intangible assets, etc.	0.9	2.7	3.1	4.1
Total	1.7	5.0	7.8	9.4



Sales increases/decreases due to:



Operating income increases/decreases due to:



¹ Increase (decrease) in sales prices excluding impact of foreign exchange.

² Impact of foreign exchange on sales prices.

Review of operations

Pharmaceuticals:

Firm sales of Teribone osteoporosis drug and Recomedulin recombinant thrombomodulin. Decreased shipments of Flivas agent for treatment of benign prostatic hyperplasia due to competition from generics. Sales and operating income decrease.

Devices:

Benefit from the weaker yen. Increased shipments of dialysis products and Planova virus removal filters. Sales and operating income increase.

Highlights

- September, launch of XIAFLEX for Dupuytren's contracture in Japan.
- September, application for approval in Japan to manufacture and market zoledronic acid hydrate (development code: AK156) for treatment of osteoporosis.
- November, approval for Dong-A ST Co. Ltd., Asahi Kasei Pharma's licensing partner, to sell Teribone in Korea.

Health Care (ii)

Sales of Health Care business category

(¥ billion)

		FY 2014			FY 2015	
		Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
	Domestic pharmaceuticals	20.8	58.9	75.2	18.3	55.8
	Others	1.6	4.0	5.4	1.6	4.4
	Asahi Kasei Pharma consolidated	22.4	62.9	80.6	19.9	60.2
	Devices ¹	17.4	50.1	65.9	17.0	52.2
	Total	39.7	113.0	146.5	36.9	112.4

¹ Asahi Kasei Medical and its affiliate companies.

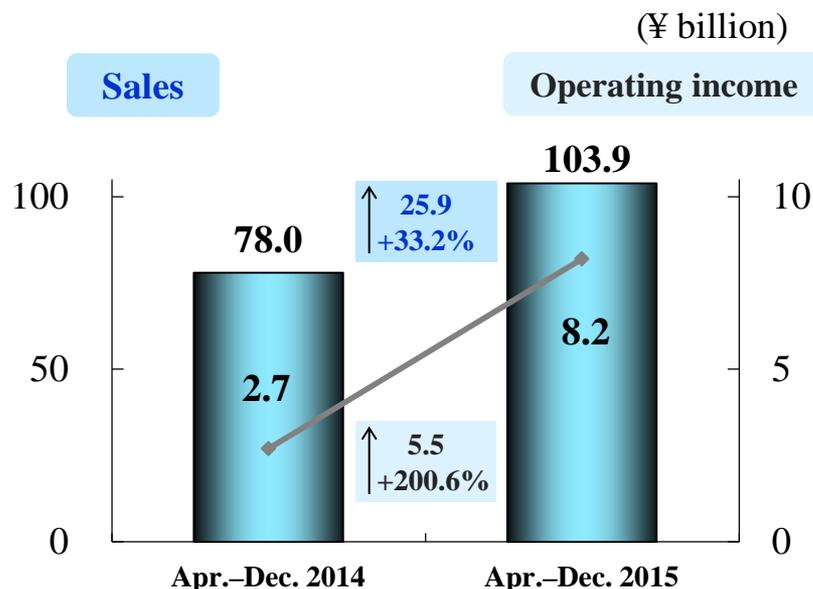
Main pharmaceuticals domestic sales

(¥ billion)

	FY 2014			FY 2015	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Teribone	6.9	19.4	25.4	7.0	20.9
Recomodulin	3.7	9.2	11.7	3.5	9.7
Flivas	3.6	10.1	13.2	2.1	7.7
Elcitonin	1.5	4.8	6.1	1.4	4.0
Bredinin	1.5	4.3	5.6	1.4	4.0

Pharmaceutical pipeline

Development stage	Code name, form, generic name	Remarks	Classifications	Indication	Origin
Approved	XIAFLEX AK-160, injection	New biologic	Collagenase clostridium histolyticum	Dupuytren's contracture	Licensed
Pending approval	AK156, injection, zoledronic acid	New efficacy, new dose; once-yearly administration	Bisphosphonate	Osteoporosis	Licensed
Phase II	HC-58, injection, elcatonin	Additional indication	Calcitonin	Shoulder hand syndrome	In-house
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alpha	New biologic	Recombinant human thrombomodulin	Sepsis with disseminated intravascular coagulation	In-house
	HE-69, mizoribine	Additional indication	Immunosuppressant	Lupus nephritis, nephrosis syndrome	In-house
Phase II (overseas)	AK106	New chemical entity	Anti-inflammatory	Rheumatoid arthritis	In-house



Review of operations

Smooth expansion of LifeVest wearable defibrillator operations. Increased sales of other products such as defibrillators and related accessories. Increased SG&A expenses with reinforced sales activity. Sales and operating income increase.

Highlights

- September, acquisition of Kyma Medical Technologies, Ltd., Tel Aviv, Israel, which develops technologies to measure early signs of congestive heart failure.

Financial performance of Critical Care business category

(¥ billion)

	FY 2014			FY 2015 forecast		
	Oct.-Dec.	Apr.-Dec.	FY 2014	Oct.-Dec.	Apr.-Dec.	FY 2015 forecast
Net sales	29.8	78.0	110.6	36.1	103.8	141.0
Gross operating income before PPA ¹ impact	6.0	12.6	17.6	7.2	19.4	27.5
Amortization/depreciation from PPA ¹ revaluation	(3.5)	(9.8)	(13.5)	(3.8)	(11.3)	(15.0)
Goodwill	(2.1)	(5.7)	(7.9)	(2.3)	(6.8)	(9.1)
Other intangible assets, etc.	(1.5)	(4.1)	(5.6)	(1.5)	(4.4)	(5.9)
Consolidated operating income	2.4	2.7	4.1	3.4	8.2	12.5

¹ Purchase price allocation.