

# Fiscal quarter ended December 2017

– supplementary financial summary –

February 7, 2018

Asahi Kasei Corporation

## Consolidated results for fiscal quarter ended Dec. 2017

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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. 2017

Period from April 1 to December 31, 2017,  
and October 1 to December 31, 2017.

# Summary of financial results

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(¥ billion)

	2016		2017		Oct.–Dec. 2017 vs. 2016		Apr.–Dec. 2017 vs. 2016		FY 2017 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	466.1	1,356.8	519.8	1,484.5	53.7	+11.5%	127.7	+9.4%	2,000.0	74.2%
Operating income	43.4	114.1	56.5	149.2	13.2	+30.4%	35.1	+30.7%	183.0	81.5%
Ordinary income	48.5	118.4	62.4	160.5	13.8	+28.5%	42.2	+35.6%	192.0	83.6%
Net income attributable to owners of the parent	36.7	89.7	69.5	140.3	32.7	+89.1%	50.7	+56.5%	140.0	100.2%

## Key operating factors

Naphtha price (¥/kL, domestic)	34,000	32,300	44,600	39,933
¥/US\$ exchange rate (market average)	109	107	113	112
¥/€ exchange rate (market average)	118	118	133	129

## Financial position

	At end of Mar. 2017	At end of Dec. 2017	Increase (decrease)
Total assets	2,254.5	2,422.5	168.0
Equity	1,151.3	1,300.6	149.3
Interest-bearing debt	402.8	402.3	(0.5)
Debt/equity ratio	0.35	0.31	(0.04)

# Statements of income

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(¥ billion)

	2016				2017				Oct.-Dec. 2017 vs. 2016		Apr.-Dec. 2017 vs. 2016	
	Oct.-Dec.		Apr.-Dec.		Oct.-Dec.		Apr.-Dec.		Increase (decrease)	% change	Increase (decrease)	% change
		% of sales										
Net sales	466.1	100.0%	1,356.8	100.0%	519.8	100.0%	1,484.5	100.0%	53.7	+11.5%	127.7	+9.4%
Cost of sales	317.8	68.2%	928.7	68.4%	351.0	67.5%	1,002.5	67.5%	33.2	+10.4%	73.8	+8.0%
Gross profit	148.4	31.8%	428.2	31.6%	168.8	32.5%	482.0	32.5%	20.5	+13.8%	53.9	+12.6%
Selling, general and administrative expenses	105.0	22.5%	314.0	23.1%	112.3	21.6%	332.8	22.4%	7.3	+7.0%	18.8	+6.0%
Operating income	43.4	9.3%	114.1	8.4%	56.5	10.9%	149.2	10.0%	13.2	+30.4%	35.1	+30.7%
Net non-operating income (expenses)	5.2	/	4.3	/	5.8	/	11.4	/	0.7	/	7.1	/
of which,												
net financing income (expenses)	0.6	/	1.7	/	2.2	/	3.6	/	1.5	/	1.9	/
net equity in earnings (losses) of affiliates	1.3	/	2.6	/	3.8	/	9.1	/	2.5	/	6.5	/
foreign exchange gains (loss)	3.6	/	0.3	/	(0.6)	/	(1.5)	/	(4.2)	/	(1.8)	/
Ordinary income	48.5	10.4%	118.4	8.7%	62.4	12.0%	160.5	10.8%	13.8	+28.5%	42.2	+35.6%
Net extraordinary income (loss)	2.2	/	3.0	/	7.3	/	10.8	/	5.1	/	7.8	/
Income before income taxes	50.7	10.9%	121.4	8.9%	69.7	13.4%	171.4	11.5%	19.0	+37.4%	50.0	+41.1%
Total Income taxes	(13.5)	/	(30.4)	/	0.3	/	(29.5)	/	13.7	/	1.0	/
Net income attributable to non-controlling interests	(0.5)	/	(1.3)	/	(0.5)	/	(1.6)	/	0.0	/	(0.2)	/
Net income attributable to owners of the parent	36.7	7.9%	89.7	6.6%	69.5	13.4%	140.3	9.5%	32.7	+89.1%	50.7	+56.5%

# Extraordinary income and loss

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(¥ billion)

	2016		2017		Oct.–Dec. '17 vs. '16 Increase (decrease)	Apr.–Dec. '17 vs. '16 Increase (decrease)
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.		
Gain on sales of investment securities	6.0	9.9	9.2	15.1	3.3	5.2
Gain on sales of noncurrent assets	0.0	0.1	0.1	0.5	0.1	0.5
Total extraordinary income	6.0	9.9	9.4	15.6	3.3	5.7
Loss on valuation of investment securities	0.0	0.0	0.0	0.0	(0.0)	(0.0)
Loss on disposal of noncurrent assets	1.0	2.3	1.4	2.9	0.4	0.6
Impairment loss	0.0	0.1	0.3	0.9	0.3	0.8
Business structure improvement expenses	2.8	3.8	0.4	1.1	(2.4)	(2.8)
Business integration expense	0.0	0.7	–	–	(0.0)	(0.7)
Total extraordinary loss	3.8	6.9	2.0	4.8	(1.8)	(2.1)
Net extraordinary income (loss)	2.2	3.0	7.3	10.8	5.1	7.8

# Balance sheets

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(¥ billion)

	At end of Mar. 2017	At end of Dec. 2017	Increase (decrease)		At end of Mar. 2017	At end of Dec. 2017	Increase (decrease)
Current assets	894.5	1,018.5	124.0	Liabilities	1,086.4	1,103.9	17.5
Cash and deposits	145.3	192.6	47.3	Current liabilities	594.9	635.2	40.3
Notes and accounts receivable–trade	302.8	334.9	32.1	Noncurrent liabilities	491.5	468.7	(22.8)
Inventories	346.7	384.5	37.8	Net assets	1,168.1	1,318.6	150.5
Other current assets	99.8	106.5	6.7	Shareholders' equity	1,030.1	1,130.9	100.8
Noncurrent assets	1,360.0	1,404.0	44.0	Capital stock	103.4	103.4	–
Property, plant and equipment	556.9	565.8	9.0	Capital surplus	79.4	79.4	(0.0)
Intangible assets	462.8	444.8	(17.9)	Retained earnings	850.5	952.0	101.5
Investments and other assets	340.3	393.3	53.0	Treasury stock	(3.2)	(3.9)	(0.7)
				Accumulated other comprehensive income	121.2	169.7	48.4
				Non-controlling interests	16.8	18.0	1.3
Total assets	2,254.5	2,422.5	168.0	Total liabilities and net assets	2,254.5	2,422.5	168.0

# Cash flows

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(¥ billion)

	2016		2017	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.
a. Net cash provided by (used in) operating activities	33.2	123.7	39.0	154.0
b. Net cash provided by (used in) investing activities	(12.6)	(63.1)	(16.1)	(69.1)
c. Free cash flows [a+b]	20.7	60.6	22.9	85.0
d. Net cash provided by (used in) financing activities	29.9	(13.4)	2.8	(43.1)
e. Effect of exchange rate change on cash and cash equivalents	4.9	(5.1)	4.0	5.1
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	55.4	42.0	29.7	47.0
g. Cash and cash equivalents at beginning of period	132.3	145.3	161.6	144.1
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	–	0.4	–	0.3
i. Cash and cash equivalents at end of period [f+g+h]	187.8	187.8	191.3	191.3

# Sales and operating income by segment, Oct.–Dec. 2016 and 2017

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(¥ billion)

	Sales			Operating income		
	Oct.–Dec. 2016	Oct.–Dec. 2017	Increase (decrease)	Oct.–Dec. 2016	Oct.–Dec. 2017	Increase (decrease)
Material <sup>1</sup>	253.0	288.6	35.6	27.4	36.8	9.4
Homes	139.5	149.3	9.7	12.4	13.3	0.9
Health Care	69.1	77.5	8.5	9.4	13.5	4.2
Others <sup>1</sup>	4.5	4.4	(0.1)	0.4	0.4	0.0
Corporate expenses and eliminations	–	–	–	(6.3)	(7.5)	(1.2)
Consolidated	466.1	519.8	53.7	43.4	56.5	13.2

<sup>1</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Material business category. FY 2016 figures are recalculated in accordance with the new classification.

# Sales and operating income by segment, Apr.–Dec. 2016 and 2017

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(¥ billion)

	Sales			Operating income		
	Apr.–Dec. 2016	Apr.–Dec. 2017	Increase (decrease)	Apr.–Dec. 2016	Apr.–Dec. 2017	Increase (decrease)
Material <sup>1</sup>	717.0	807.5	90.6	66.4	97.5	31.2
Homes	427.0	445.0	18.0	38.9	39.4	0.5
Health Care	201.4	220.0	18.7	26.9	32.0	5.0
Others <sup>1</sup>	11.5	12.0	0.5	1.3	1.1	(0.2)
Corporate expenses and eliminations	–	–	–	(19.3)	(20.8)	(1.5)
Consolidated	1,356.8	1,484.5	127.7	114.1	149.2	35.1

<sup>1</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Material business category. FY 2016 figures are recalculated in accordance with the new classification.

# Sales and operating income increase/decrease by business category<sup>1</sup>, Oct.–Dec. 2017 vs. 2016 (i)

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(¥ billion)

		Oct.–Dec. 2016	Oct.–Dec. 2017	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Fibers	Sales	31.4	34.7	3.3	1.9	0.6	0.2	0.9	–
	Operating income	3.4	3.0	(0.3)	0.6			–	(1.5)
Chemicals <sup>2</sup>	Sales	185.2	214.1	28.9	9.8	15.7	2.7	3.4	–
	Operating income	22.4	30.1	7.8	4.0			–	(12.0)
Electronics	Sales	36.4	39.8	3.5	3.1	(0.3)	0.5	0.7	–
	Operating income	1.7	3.7	2.0	1.1			–	1.1
Homes	Sales	125.4	134.7	9.3	1.2	0.0	–	8.1	–
	Operating income	10.8	11.9	1.1	1.3			–	(0.2)
Construction Materials	Sales	14.1	14.5	0.4	0.4	0.0	–	–	–
	Operating income	1.9	1.7	(0.2)	0.2			–	(0.4)

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category. FY 2016 figures are recalculated in accordance with the new classification.

# Sales and operating income increase/decrease by business category<sup>1</sup>, Oct.–Dec. 2017 vs. 2016 (ii)

**AsahiKASEI**

(¥ billion)

		Oct.–Dec. 2016	Oct.–Dec. 2017	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	34.3	36.7	2.4	0.4	0.5	0.0	1.6	–
	Operating income	5.4	8.2	2.8	0.5			–	1.8
Critical Care	Sales	34.8	40.8	6.0	4.3	0.4	0.3	1.3	–
	Operating income	4.0	5.4	1.4	2.5			–	(1.5)
Others <sup>2</sup>	Sales	4.5	4.4	(0.1)	(0.1)	–	–	–	–
	Operating income	0.4	0.4	0.0	(0.3)			–	0.4
Corporate expenses and eliminations	Operating loss	(6.5)	(7.9)	(1.3)	–	–	–	–	(1.3)
Consolidated	Sales	466.1	519.8	53.7	20.9	16.8	3.8	15.9	–
	Operating income	43.4	56.5	13.2	9.8			–	(13.5)

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category. FY 2016 figures are recalculated in accordance with the new classification.

# Sales and operating income increase/decrease by business category<sup>1</sup>, Apr.–Dec. 2017 vs. 2016 (i)

**AsahiKASEI**

(¥ billion)

		Apr.–Dec. 2016	Apr.–Dec. 2017	Net increase (decrease)	Increase (decrease) due to:				
					Sales volume	Sales prices	of which, due to foreign exchange	Others	Operating costs and others
Fibers	Sales	93.7	100.8	7.1	3.9	1.3	0.6	1.9	–
	Operating income	9.3	9.6	0.2	1.9				–
Chemicals <sup>2</sup>	Sales	520.0	589.2	69.2	13.7	48.1	8.5	7.5	–
	Operating income	55.6	78.7	23.1	8.5				–
Electronics	Sales	103.3	117.5	14.2	12.6	(0.8)	1.9	2.4	–
	Operating income	1.4	9.3	7.8	4.1				–
Homes	Sales	390.3	404.3	14.1	5.3	0.5	–	8.3	–
	Operating income	35.4	36.2	0.8	2.0				–
Construction Materials	Sales	36.7	40.6	3.9	3.2	(0.2)	–	0.9	–
	Operating income	3.7	3.5	(0.2)	1.4				–

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category. FY 2016 figures are recalculated in accordance with the new classification.

# Sales and operating income increase/decrease by business category<sup>1</sup>, Apr.–Dec. 2017 vs. 2016 (ii)

**AsahiKASEI**

(¥ billion)

		Apr.–Dec. 2016	Apr.–Dec. 2017	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	102.1	103.1	1.0	(2.3)	0.9	0.1	2.4	–
	Operating income	16.1	18.1	1.9	(1.2)			–	2.2
Critical Care	Sales	99.2	117.0	17.7	11.6	0.8	0.4	5.3	–
	Operating income	10.8	13.9	3.1	6.6			–	(4.3)
Others <sup>2</sup>	Sales	11.5	12.0	0.5	0.5	–	–	–	–
	Operating income	1.3	1.1	(0.2)	(0.1)			–	(0.1)
Corporate expenses and eliminations	Operating loss	(19.5)	(21.1)	(1.6)	–	–	–	–	(1.6)
Consolidated	Sales	1,356.8	1,484.5	127.7	48.5	50.5	11.4	28.7	–
	Operating income	114.1	149.2	35.1	23.3			–	(38.8)

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category. FY 2016 figures are recalculated in accordance with the new classification.

# Forecast for fiscal year 2017

# Consolidated operating performance forecast

Asahi**KASEI**

(¥ billion)

	FY 2016			FY 2017 revised forecast					FY 2017 forecast in Nov.	Increase (decrease)
	H1	H2	Total	H1	H2		Total			
					Oct.–Dec.	Jan.–Mar.		forecast		
Net sales	890.7	992.3	1,883.0	964.7	519.8	565.5	1,085.3	2,050.0	2,000.0	50.0
Operating income	70.8	88.5	159.2	92.7	56.5	45.8	102.3	195.0	183.0	12.0
Ordinary income	69.9	90.8	160.6	98.2	62.4	47.5	109.8	208.0	192.0	16.0
Net income attributable to owners of the parent	52.9	62.1	115.0	70.9	69.5	28.7	98.1	169.0	140.0	29.0

## Key operating factors

Naphtha price (¥/kL, domestic)	31,450	37,900	34,675	37,600	44,600	49,200	46,900	42,250	40,800	1,450
¥/US\$ exchange rate (market average)	105	112	108	111	113	110	111	111	111	1
¥/€ exchange rate (market average)	118	119	119	126	133	130	132	129	128	1

	FY 2016	FY 2017
Dividends per share	¥24	¥28 (planned)
Payout ratio	29.1%	23.1%

# Sales forecast by business category

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(¥ billion)

	FY 2016			FY 2017 revised forecast					FY 2017 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2 forecast		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.				
Fibers	62.3	63.4	125.7	66.1	34.7	34.2	68.9	135.0	135.0	–
Chemicals <sup>1</sup>	334.8	378.0	712.8	375.2	214.1	217.8	431.8	807.0	761.0	46.0
Electronics	66.9	72.5	139.4	77.7	39.8	36.5	76.3	154.0	154.0	–
Homes	264.8	305.3	570.2	269.6	134.7	183.7	318.4	588.0	588.0	–
Construction Materials	22.6	26.2	48.8	26.1	14.5	12.4	26.9	53.0	53.0	–
Health Care	67.8	66.1	133.9	66.3	36.7	32.9	69.7	136.0	136.0	–
Critical Care	64.5	71.7	136.2	76.2	40.8	43.0	83.8	160.0	156.0	4.0
Others <sup>1</sup>	7.0	9.0	16.0	7.6	4.4	5.0	9.4	17.0	17.0	–
Consolidated	890.7	992.3	1,883.0	964.7	519.8	565.5	1,085.3	2,050.0	2,000.0	50.0

<sup>1</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category. FY 2016 figures are recalculated in accordance with the new classification.

# Operating income (loss) forecast by business category<sup>1</sup>

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(¥ billion)

	FY 2016			FY 2017 revised forecast					FY 2017 forecast in Nov. <i>b</i>	Increase (decrease) <i>a-b</i>
	H1	H2	Total	H1	H2 forecast		Total <i>a</i>			
					Oct.–Dec.	Jan.–Mar.				
Fibers	6.0	5.7	11.7	6.6	3.0	2.9	5.9	12.5	12.5	–
Chemicals <sup>2</sup>	33.3	41.1	74.4	48.6	30.1	19.3	49.4	98.0	88.5	9.5
Electronics	(0.3)	2.8	2.5	5.6	3.7	(0.3)	3.4	9.0	7.5	1.5
Homes	24.6	34.9	59.5	24.3	11.9	23.8	35.7	60.0	60.0	–
Construction Materials	1.8	2.6	4.5	1.8	1.7	1.0	2.7	4.5	4.5	–
Health Care	10.7	6.4	17.1	9.9	8.2	0.9	9.1	19.0	18.0	1.0
Critical Care	6.8	8.0	14.8	8.5	5.4	5.6	11.0	19.5	18.5	1.0
Others <sup>2</sup>	0.9	1.2	2.0	0.7	0.4	0.4	0.8	1.5	1.5	–
Corporate expenses and eliminations	(13.0)	(14.1)	(27.1)	(13.3)	(7.9)	(7.9)	(15.7)	(29.0)	(28.0)	(1.0)
Consolidated	70.8	88.5	159.2	92.7	56.5	45.8	102.3	195.0	183.0	12.0

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category.  
FY 2016 figures are recalculated in accordance with the new classification.

# Sales and operating income forecast by segment

## Sales forecast

(¥ billion)

	FY 2016			FY 2017 revised forecast					FY 2017 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		
Material <sup>1</sup>	464.0	513.9	977.9	518.9	288.6	288.5	577.1	1,096.0	1,050.0	46.0
Homes	287.5	331.5	619.0	295.7	149.3	196.0	345.3	641.0	641.0	–
Health Care	132.3	137.8	270.1	142.5	77.5	76.0	153.5	296.0	292.0	4.0
Others <sup>1</sup>	7.0	9.0	16.0	7.6	4.4	5.0	9.4	17.0	17.0	–
Consolidated	890.7	992.3	1,883.0	964.7	519.8	565.5	1,085.3	2,050.0	2,000.0	50.0

## Operating income forecast

(¥ billion)

	FY 2016			FY 2017 revised forecast					FY 2017 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		
Material <sup>1</sup>	38.9	49.6	88.5	60.7	36.8	22.0	58.8	119.5	108.5	11.0
Homes	26.5	37.6	64.1	26.1	13.3	25.1	38.4	64.5	64.5	–
Health Care	17.6	14.4	31.9	18.4	13.5	6.5	20.1	38.5	36.5	2.0
Others <sup>1</sup>	0.9	1.2	2.0	0.7	0.4	0.4	0.8	1.5	1.5	–
Corporate expenses and eliminations	(13.1)	(14.2)	(27.3)	(13.3)	(7.5)	(8.2)	(15.7)	(29.0)	(28.0)	(1.0)
Consolidated	70.8	88.5	159.2	92.7	56.5	45.8	102.3	195.0	183.0	12.0

<sup>1</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Material business category. FY 2016 figures are recalculated in accordance with the new classification.

# Appendix

# Quarterly sales by business category

Asahi**KASEI**

(¥ billion)

	FY 2016				FY 2017			FY 2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Fibers	30.9	31.4	31.4	32.0	32.0	34.1	34.7	34.2
Chemicals <sup>1</sup>	167.0	167.9	185.2	192.8	178.3	196.8	214.1	217.8
Electronics	32.2	34.7	36.4	36.1	36.5	41.2	39.8	36.5
Homes	115.7	149.1	125.4	179.9	115.6	154.0	134.7	183.7
Construction Materials	10.3	12.3	14.1	12.1	12.6	13.5	14.5	12.4
Health Care	34.5	33.3	34.3	31.8	32.7	33.6	36.7	32.9
Critical Care	32.2	32.3	34.8	37.0	37.3	38.8	40.8	43.0
Others <sup>1</sup>	2.9	4.1	4.5	4.5	3.6	4.0	4.4	5.0
<b>Total</b>	<b>425.8</b>	<b>464.9</b>	<b>466.1</b>	<b>526.1</b>	<b>448.7</b>	<b>516.0</b>	<b>519.8</b>	<b>565.5</b>

<sup>1</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category. FY 2016 figures are recalculated in accordance with the new classification.

# Quarterly operating income (loss) by business category<sup>1</sup>

Asahi**KASEI**

(¥ billion)

	FY 2016				FY 2017			FY 2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Fibers	3.3	2.7	3.4	2.3	3.5	3.1	3.0	2.9
Chemicals <sup>2</sup>	14.7	18.6	22.4	18.8	22.5	26.0	30.1	19.3
Electronics	(0.1)	(0.2)	1.7	1.0	2.0	3.6	3.7	(0.3)
Homes	7.8	16.8	10.8	24.1	6.9	17.3	11.9	23.8
Construction Materials	0.9	1.0	1.9	0.8	0.7	1.1	1.7	1.0
Health Care	6.8	4.0	5.4	1.0	5.3	4.6	8.2	0.9
Critical Care	2.8	4.0	4.0	4.0	3.7	4.8	5.4	5.6
Others <sup>2</sup>	0.2	0.7	0.4	0.7	0.0	0.6	0.4	0.4
Corporate expenses and eliminations	(6.4)	(6.6)	(6.5)	(7.6)	(6.9)	(6.4)	(7.9)	(7.9)
<b>Total</b>	<b>29.9</b>	<b>40.9</b>	<b>43.4</b>	<b>45.1</b>	<b>37.9</b>	<b>54.8</b>	<b>56.5</b>	<b>45.8</b>

<sup>1</sup> Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

<sup>2</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category. FY 2016 figures are recalculated in accordance with the new classification.

# Overseas sales by business category, Apr.–Dec. 2016 and 2017

AsahiKASEI

(¥ billion)

	Apr.–Dec. 2016			Apr.–Dec. 2017			Increase (decrease) in overseas sales	
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		% change
Fibers	93.7	39.0	41.6%	100.8	44.3	43.9%	5.3	+13.5%
Chemicals <sup>1</sup>	520.0	242.3	46.6%	589.2	288.6	49.0%	46.3	+19.1%
Electronics	103.3	71.4	69.1%	117.5	81.4	69.3%	10.0	+14.0%
Homes	390.3	–	–	404.3	–	–	–	–
Construction Materials	36.7	0.0	0.0%	40.6	0.0	0.0%	0.0	–
Health Care	102.1	29.2	28.6%	103.1	31.0	30.0%	1.7	+5.9%
Critical Care	99.2	98.2	98.9%	117.0	115.5	98.7%	17.3	+17.6%
Others <sup>1</sup>	11.5	1.8	15.4%	12.0	2.7	22.1%	0.9	+49.2%
Total	1,356.8	481.9	35.5%	1,484.5	563.4	38.0%	81.5	+16.9%
Sales to East Asia <sup>2</sup>		216.2	15.9%		255.4	17.2%	39.1	+18.1%
of which, sales to China		124.3	9.2%		140.6	9.5%	16.2	+13.1%

Sales, excluding Homes and  
Construction Materials

929.9      481.9      51.8%      1,039.6      563.4      54.2%

<sup>1</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Material business category.  
FY 2016 figures are recalculated in accordance with the new classification

<sup>2</sup> China, Korea, and Taiwan.

# Statements of comprehensive income

Asahi**KASEI**

(¥ billion)

	2016 Apr.–Dec.	2017 Apr.–Dec.	Increase (decrease)
a: Net income	91.0	141.9	50.9
Net increase or decrease in unrealized gain on other securities	16.6	20.6	4.1
Deferred gains or losses on hedges	0.2	(0.0)	(0.2)
Foreign currency translation adjustment	8.2	20.9	12.7
Remeasurements of defined benefit plans	6.3	5.9	(0.4)
Share of other comprehensive income of affiliates accounted for using equity method	0.3	1.5	1.2
b: Other comprehensive income	31.6	48.9	17.3
Comprehensive income [a+b]	122.6	190.8	68.2

Comprehensive income attributable to owners of the parent

121.1

188.7

67.7

Comprehensive income attributable to non-controlling interests

1.5

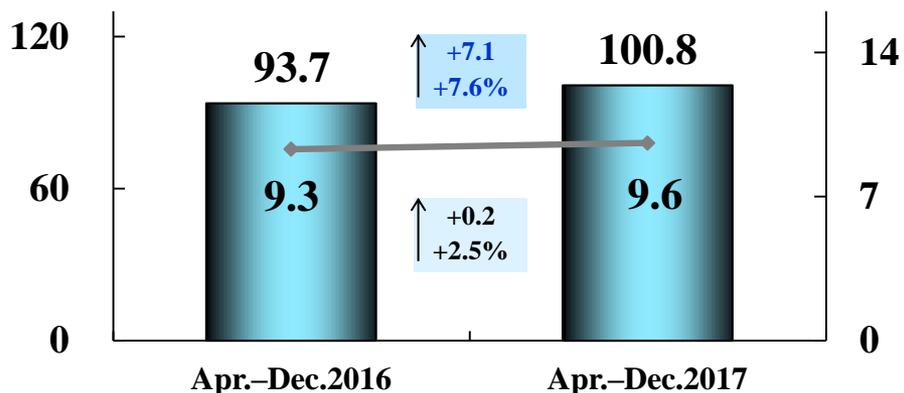
2.1

0.5

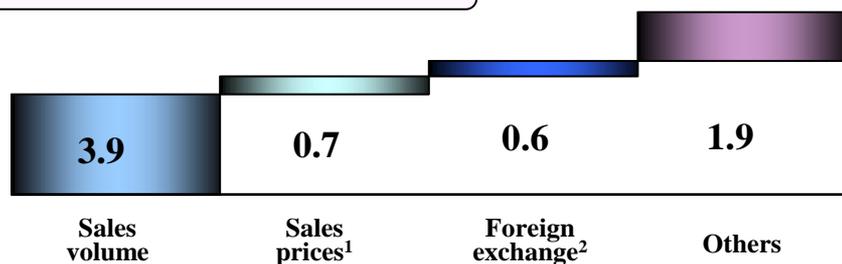
(¥ billion)

Sales

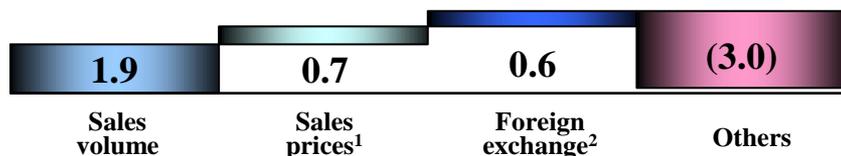
Operating income



Sales increase/decrease due to:



Operating income increase/decrease due to:



## Review of operations

Impact of higher feedstock costs. Strong performance of Lamous microfiber suede. Sales increase and slight operating income increase.

## Highlights

- September, decision to increase production capacity for Lamous microfiber suede in Nobeoka-shi, Miyazaki, Japan.
- January, decision to increase production capacity for Leona nylon 66 filament in Nobeoka-shi, Miyazaki, Japan.

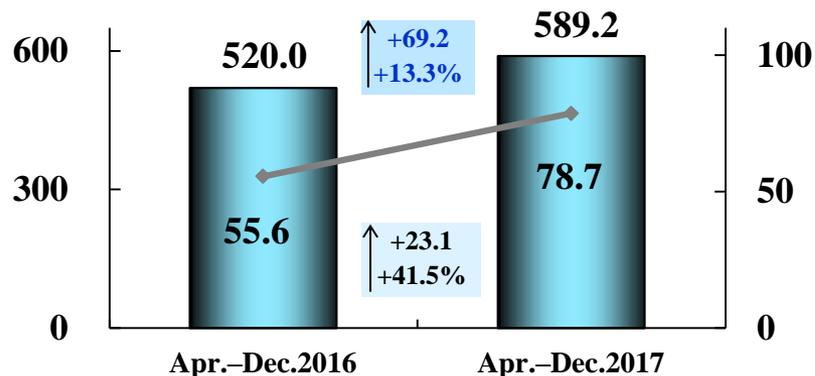
<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange.

<sup>2</sup> Impact of foreign exchange on sales prices.

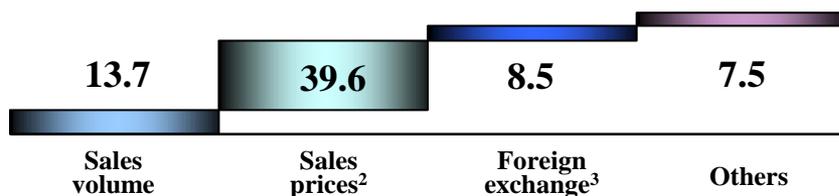
(¥ billion)

Sales

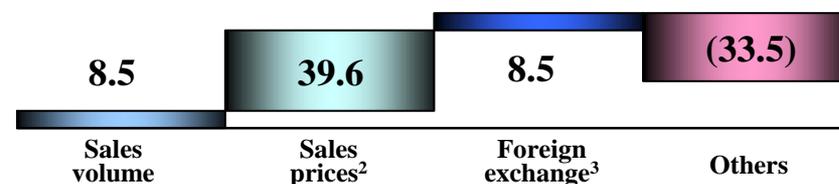
Operating income



Sales increase/decrease due to:



Operating income increase/decrease due to:



## Review of operations

Petrochemicals:

Improved market prices for acrylonitrile. Sales and operating income increase.

Performance polymers:

Improved terms of trade for synthetic rubber. Firm sales of engineering plastics. Sales and operating income increase.

Performance materials & consumables:

Increased shipments of ion-exchange membranes and electronic materials. Firm performance of Saran Wrap cling film and other consumables. Sales and operating income increase.

## Highlights

- July, decision to increase production capacity for S-SBR for fuel-efficient tires in Singapore.
- August, decision to construct a new plant for plastic compounds in Changshu, Jiangsu, China, with start-up scheduled in early 2020.
- September, establishment of joint ventures with China National Bluestar (Group) Co., Ltd., for the integrated production and sale of Xyron modified polyphenylene ether, including its intermediate materials 2,6-xyleneol and polyphenylene ether, in Nantong, Jiangsu, China.
- October, selection of Microza hollow-fiber membrane for a seawater desalination plant in Doha, Kuwait City, Kuwait, representing the company's largest-scale hollow-fiber filtration membrane order ever received.

<sup>1</sup> Beginning with FY 2017, the Energy Division, which was formerly included in Others, is reclassified into the Chemicals business category. FY 2016 figures are recalculated in accordance with the new classification.

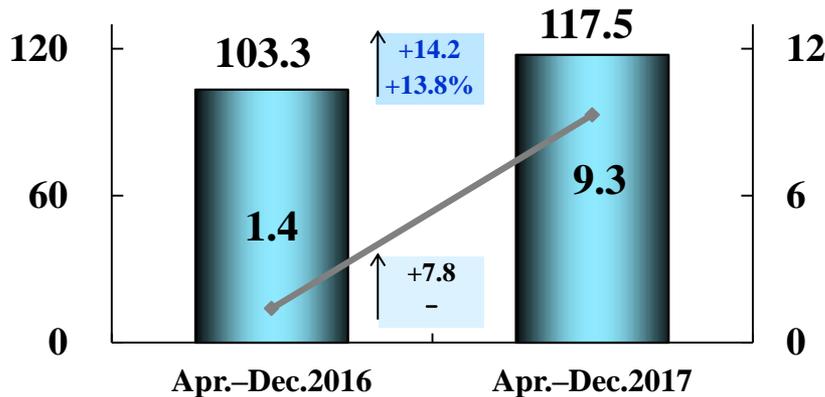
<sup>2</sup> Increase (decrease) in sales prices excluding impact of foreign exchange.

<sup>3</sup> Impact of foreign exchange on sales prices.

(¥ billion)

Sales

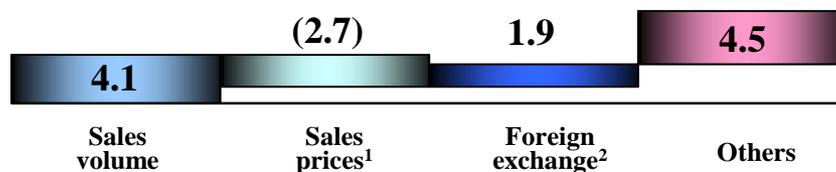
Operating income



Sales increase/decrease due to:



Operating income increase/decrease due to:



<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange.

<sup>2</sup> Impact of foreign exchange on sales prices.

## Review of operations

Separators:

Considerably increased shipments of each battery separator product, centered on Li-ion battery separator. Sales and operating income increase.

Electronic devices:

Firm sales of electronic devices for camera modules and magnetic sensors for household appliances. Sales and operating income increase.

## Highlights

- January, decision to increase production capacity for Celgard dry-process Li-ion battery separator in North Carolina, the US, by 150 million m<sup>2</sup>/year with start-up scheduled in H2 2018.
- January, decision to increase production capacity for Hipore wet-process Li-ion battery separator in Moriyama, Shiga, Japan, by 90 million m<sup>2</sup>/year with start-up scheduled in H1 2020.
- January, agreement to acquire shares of Senseair AB, a Swedish manufacturer of gas sensor modules.



Results by product category

(¥ billion)

	Apr.-Dec. 2016		Apr.-Dec. 2017		Increase (decrease)	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Order-built homes, etc. (Asahi Kasei Homes)	270.7	23.0	268.7	21.8	(2.0)	(1.2)
Real estate (Asahi Kasei Realty & Residence)	77.7	6.9	92.7	8.6	15.0	1.7
Remodeling (Asahi Kasei Reform)	41.9	4.0	41.2	4.1	(0.7)	0.1
Other housing-related, etc.	(0.1)	1.5	1.7	1.6	1.8	0.2
<b>Total</b>	<b>390.3</b>	<b>35.4</b>	<b>404.3</b>	<b>36.2</b>	<b>14.1</b>	<b>0.8</b>

## Review of operations

Order-built homes:

- Decreased deliveries of Hebel Maison apartment buildings. Increased SG&A expenses such as advertising expenses. Sales and operating income decrease.
- Value of new orders flat year-on-year. Increased value of new orders for multi-dwelling homes with firm demand for apartment buildings, but decreased value for unit homes.

Real estate, remodeling and others:

Firm performance of rental management and condominium construction in real estate. Solid performance in remodeling. Sales and operating income increase.

## Highlights

- May, new high-durability double-layer insulation system adopted in all products.
- June, start of sales of Hebel Haus Cubic Roomy, a new model of the main product series of Hebel Haus Cubic two-story unit homes.
- August, formation of capital alliance with McDonald Jones Homes Pty Ltd, an Australian company which constructs and sells unit homes.
- November, launch of promotion to commemorate 50th anniversary of production of Hebel autoclaved aerated concrete in Japan.

# Homes (ii)

## Sales<sup>1</sup> and order trends

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

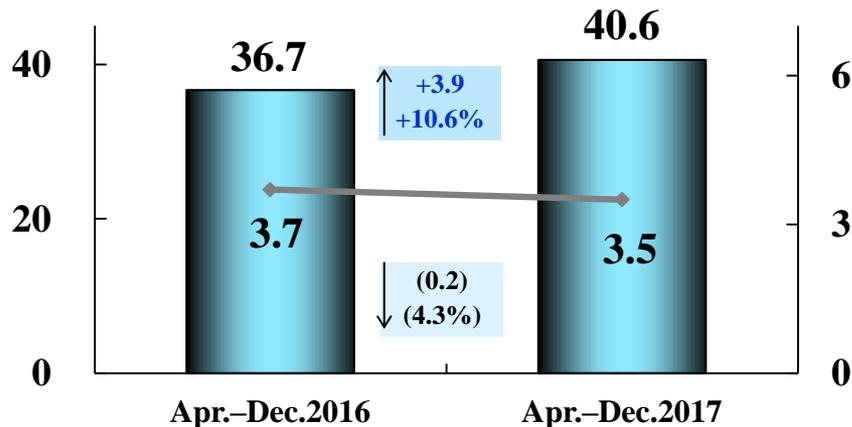
		Value of new orders during the term	Sales of order-built homes, etc. <sup>1</sup>	Sales of real estate <sup>1</sup>				Sales of remodeling	Other sales	Consolidated	Order backlog
				Pre-built homes	Rental housing	Other	Total				
FY13	H1	251.9 (+21.4%)	181.0 (+12.1%)	4.5	26.2	1.4	32.1	24.5	0.8	238.4 (+11.9%)	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
	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
	H2	183.1 (-12.0%)	227.7 (+5.3%)	27.7	39.0	1.8	68.4	28.1	0.7	325.0 (+9.9%)	513.1
	annual	400.4 (-5.9%)	411.5 (+1.8%)	38.1	72.5	3.5	114.1	55.9	1.6	583.0 (+5.7%)	
FY16	H1	206.6 (-4.9%)	183.5 (-0.1%)	11.8	41.2	1.8	54.8	27.0	(0.5)	264.8 (+2.6%)	538.8
	Q3	89.5 (+5.5%)	87.2 (-7.3%)	1.0	21.1	0.8	23.0	14.8	0.4	125.4 (-13.2%)	542.7
	H2	194.3 (+6.1%)	220.8 (-3.1%)	9.5	43.5	1.6	54.6	29.1	0.8	305.3 (-6.1%)	515.8
	annual	400.9 (+0.1%)	404.3 (-1.8%)	21.3	84.7	3.4	109.4	56.1	0.4	570.2 (-2.2%)	
FY17	H1	193.1 (-6.5%)	182.7 (-0.4%)	12.0	45.3	1.6	59.0	26.8	1.1	269.6 (+1.8%)	528.9
	Q3	104.1 (+16.4%)	86.0 (-1.4%)	9.2	23.2	1.3	33.7	14.4	0.6	134.7 (+7.4%)	548.5
	H2 forecast	215.8 (+11.0%)	223.3 (+1.1%)	15.0	47.7	2.4	65.0	28.7	1.4	318.4 (+4.3%)	524.6
	annual forecast	408.8 (+2.0%)	406.0 (+0.4%)	27.0	93.0	4.0	124.0	55.5	2.5	588.0 (+3.1%)	

<sup>1</sup> As the rental management operation of Asahi Kasei Homes was transferred to Asahi Kasei Realty & Residence, the corresponding sales previously included in order-built homes, etc., are combined with rental housing under real estate beginning with H2 2015.

(¥ billion)

## Sales

## Operating income



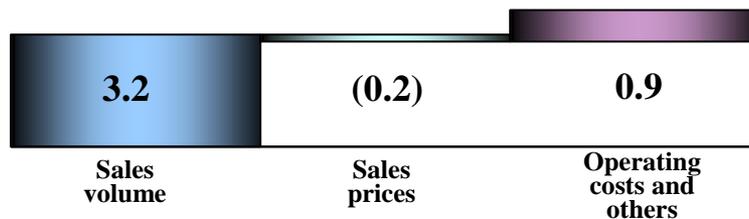
## Review of operations

Firm shipments of Neoma Foam phenolic foam insulation panels. Impact of higher feedstock costs. Sales increase, but operating income flat.

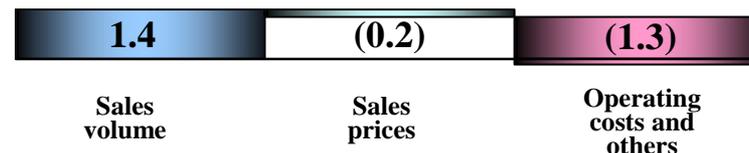
## Highlights

- January, announcement to launch sales of Neoma Zeus, a new phenolic foam insulation panel with higher insulation performance than previous products.

Sales increase/decrease due to:



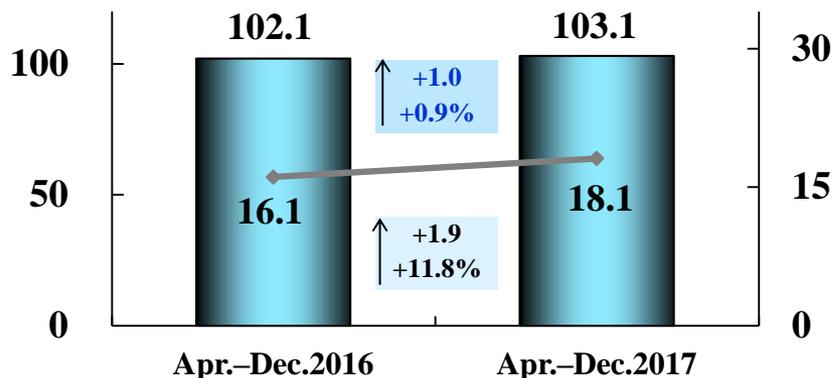
Operating income increase/decrease due to:



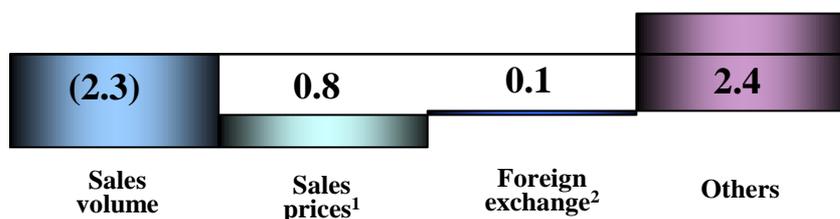
(¥ billion)

Sales

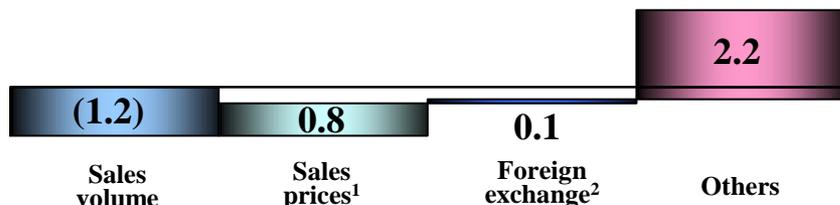
Operating income



Sales increase/decrease due to:



Operating income increase/decrease due to:



## Review of operations

Pharmaceuticals:

Increased shipments of Teribone osteoporosis drug. Decreased shipments centering on Flivas agent for treatment of benign prostatic hyperplasia due to competition from generics. Sales and operating income decrease.

Devices:

Firm performance of each business. Impact of weaker yen. Sales and operating income increase.

## Highlights

- May, approval for an extension of the maximum duration of treatment for the osteoporosis drug Teribone 56.5 µg subcutaneous injection.
- June, application for import drug registration for Flivas (naftopidil) in China.
- October, announcement of an open competition for new-drug development proposals from researchers at domestic and overseas universities, research institutions, and corporations.
- October, receipt of 510(k) clearance from the US Food and Drug Administration for Lucica Glycated Albumin-L, an in vitro diagnostic assay kit for glycated albumin formulated for the US market.
- November, announcement of Phase III clinical study results of famciclovir for the treatment of recurrent herpes simplex.
- December, agreement with Sanofi for marketing of Kevzara Subcutaneous Injection, a treatment for rheumatoid arthritis in Japan; launch in February.
- December, decision to construct a new spinning plant for Planova filters in Nobeoka-shi, Miyazaki, Japan.

<sup>1</sup> Increase (decrease) in sales prices excluding impact of foreign exchange.

<sup>2</sup> Impact of foreign exchange on sales prices.

# Health Care (ii)

## Sales of Health Care business category

(¥ billion)

		FY 2016			FY 2017	
		Oct.–Dec.	Apr.–Dec.	Total		
					Oct.–Dec.	Apr.–Dec.
	Domestic pharmaceuticals	16.3	47.5	61.5	16.5	47.0
	Others	1.5	4.9	6.4	1.1	3.9
Asahi Kasei Pharma consolidated		17.8	52.4	67.8	17.6	50.9
Devices <sup>1</sup>		16.6	49.7	66.1	19.1	52.2
Total		34.4	102.1	133.9	36.7	103.1

<sup>1</sup> Asahi Kasei Medical and its affiliate companies.

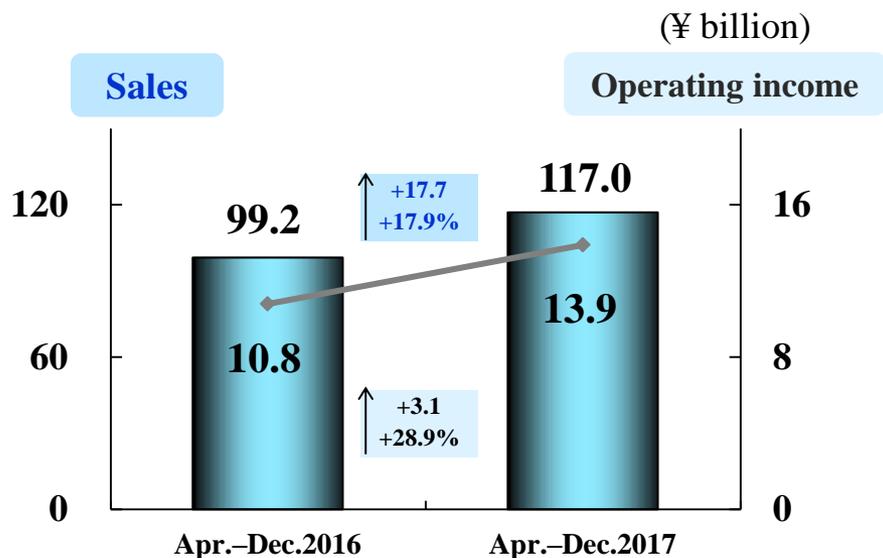
## Main pharmaceuticals domestic sales

(¥ billion)

	FY 2016			FY 2017	
	Oct.–Dec.	Apr.–Dec.	Total		
				Oct.–Dec.	Apr.–Dec.
Teribone	6.1	18.1	23.9	7.2	20.5
Recomodulin	3.7	10.0	12.6	3.5	9.3
Flivas	1.5	4.7	5.9	1.3	3.7
Elcitonin	1.1	3.4	4.4	0.9	2.8
Bredinin	1.1	3.3	4.2	1.0	2.9

## Pharmaceutical pipeline

Development stage	Code name, form, generic name	Classifications	Indication	Region	Origin	Remarks
Phase III	ART-123, injection, recombinant thrombomodulin alpha	Anticoagulant	Acute exacerbation of idiopathic pulmonary fibrosis (AE-IPF)	Japan	In-house	Additional indication
	MN-10-T, autoinjection, teriparatide acetate	Osteoporosis drug	Osteoporosis with high risk of fracture	Japan	In-house	New formulation; new dose
Phase II	ART-123, injection, recombinant thrombomodulin alpha	Anticoagulant	Chemotherapy-induced peripheral neuropathy (CIPN)	Japan	In-house	Additional indication
Pending approval (overseas)	Flivas, tablet, naftopidil	Dysuria treatment	Benign prostatic hyperplasia	China	In-house	
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alpha	Anticoagulant	Severe sepsis with coagulopathy	United States, Europe, etc	In-house	
	HE-69, tablet, mizoribine	Immunosuppressant	Lupus nephritis, nephrotic syndrome	China	In-house	Additional indication



## Review of operations

Increased shipments of defibrillators for professional use. Firm performance of LifeVest wearable defibrillator business. Sales and operating income increase.

## Financial performance of Critical Care business category

(\$ million)

	Oct.-	Apr.-	FY 2016	Oct.-	Apr.-	FY 2017 forecast
	Dec.	Dec.		Dec.	Dec.	
Net sales	318	930	1,256	361	1,047	1,438
Gross operating income before PPA <sup>1</sup> impact	67	193	259	78	216	297
Amortization/depreciation from PPA <sup>1</sup> revaluation	(31)	(92)	(122)	(31)	(92)	(122)
Goodwill	(19)	(56)	(75)	(19)	(56)	(75)
Other intangible assets, etc.	(12)	(35)	(47)	(12)	(35)	(47)
Consolidated operating income	36	101	136	48	125	175

<sup>1</sup> Purchase price allocation.