

Fiscal 2019 3rd Quarter
Financial Results
– supplementary financial summary –

February 7, 2020

Asahi Kasei Corporation

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Focus of Q1–Q3 2019 results

➤ Operating results for Q1–Q3 (April to December)

Net sales: ¥1,588.5 billion (increase of ¥1.8 billion, +0.1% year on year)

- ◆ Sales increase in existing businesses of Homes and Health Care; effect of consolidation of newly acquired Erickson and Cardiac Science. Decrease in Material.

Operating income: ¥140.2 billion (decrease of ¥16.9 billion, –10.7% year on year)

- ◆ Operating income increase with firm performance in Homes and Health Care. Decrease in Material with impact of economic slowdown in China, etc.
- ◆ Main factors of operating income decrease in Material
 - Reduced market prices, reduced volumes, inventory valuation, and naphtha cracker maintenance impacting petrochemicals
 - Slowdown of automotive markets
 - Reduced demand for hygienic and apparel material due to Chinese economic slowdown, etc.
 - Dry-process lithium-ion battery separator impacted by ESS fires in Korea

Focus of FY 2019 forecast

➤ FY2019 full-year forecast

Net sales: ¥2,190.0 billion (decrease of ¥31.0 billion, -1.4% from previous forecast¹)

Operating income: ¥178.5 billion (decrease of ¥14.5 billion, -7.5% from previous forecast¹)

- ◆ Firm performance in Homes and Health Care; both net sales and operating income in line with previous forecast
- ◆ Downward revision in Material with no expectation of notable improvement in market conditions, and impact of naphtha cracker suspension in January 2020
- ◆ Others
 - Expenses for acquisition of Veloxis included in corporate expenses and eliminations
 - Impact of novel coronavirus not factored in
- ◆ Net income attributable to owners of the parent: ¥127.5 billion
- ◆ Annual dividend: ¥34 per share planned, same as previous year, based on level of net income

¹ Announced in November 2019



1. Consolidated results for fiscal quarter ended Dec. 2019

Summary of financial results

(¥ billion, unless otherwise specified)

	FY 2018		FY 2019		Oct.–Dec. 2019 vs. 2018		Apr.–Dec. 2019 vs. 2018	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.	Increase (decrease)	% change	Increase (decrease)	% change
Net sales	545.3	1,586.7	519.9	1,588.5	(25.4)	-4.7%	1.8	+0.1%
Operating income ¹	52.8	157.1	38.5	140.2	(14.3)	-27.0%	(16.9)	-10.7%
Ordinary income ¹	55.4	165.7	40.4	145.7	(15.0)	-27.1%	(20.0)	-12.1%
Net income attributable to owners of the parent ¹	37.0	115.9	26.0	103.8	(11.0)	-29.8%	(12.1)	-10.4%

Key operating factors

Naphtha price (¥/kL, domestic)	54,200	52,133	41,200	42,267
¥/US\$ exchange rate (market average)	113	111	109	109
¥/€ exchange rate (market average)	129	130	120	121

¹ Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

Statements of income, Apr.–Dec. 2019 vs. 2018

(¥ billion)

	FY 2018 Apr.–Dec.		FY 2019 Apr.–Dec.		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	1,586.7	100.0%	1,588.5	100.0%	1.8	+0.1%
Cost of sales	1,076.7	67.9%	1,079.2	67.9%	2.5	+0.2%
Gross profit	510.0	32.1%	509.3	32.1%	(0.7)	-0.1%
Selling, general and administrative expenses ¹	352.9	22.2%	369.0	23.2%	16.2	+4.6%
Operating income ¹	157.1	9.9%	140.2	8.8%	(16.9)	-10.7%
Net non-operating income (expenses)	8.5	/	5.4	/	(3.1)	/
of which,						
net financing income (expenses)	3.6	/	3.4	/	(0.2)	/
net equity in earnings (losses) of affiliates	9.9	/	6.6	/	(3.3)	/
foreign exchange gains (loss)	(2.2)	/	(2.0)	/	0.2	/
Ordinary income ¹	165.7	10.4%	145.7	9.2%	(20.0)	-12.1%
Net extraordinary income (loss)	(1.0)	/	0.5	/	1.5	/
Income before income taxes ¹	164.7	10.4%	146.2	9.2%	(18.5)	-11.2%
Income taxes	(47.2)	/	(41.0)	/	6.2	/
Net income attributable to non-controlling interests ¹	(1.5)	/	(1.3)	/	0.2	/
Net income attributable to owners of the parent ¹	115.9	7.3%	103.8	6.5%	(12.1)	-10.4%

¹ Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

Balance sheets

(¥ billion)

	At end of Mar. 2019	At end of Dec. 2019	Increase (decrease)		At end of Mar. 2019	At end of Dec. 2019	Increase (decrease)
Current assets	1,051.4	1,140.2	88.8	Liabilities	1,172.5	1,267.1	94.6
Cash and deposits	193.9	209.9	16.0	Current liabilities	681.9	739.8	57.9
Notes and accounts receivable–trade	350.7	338.7	(12.0)	Noncurrent liabilities	490.6	527.3	36.7
Inventories	427.3	485.9	58.6	Net assets	1,402.7	1,439.6	36.9
Other current assets	79.4	105.7	26.2	Shareholders' equity	1,256.7	1,302.7	45.9
Noncurrent assets	1,523.8	1,566.5	42.7	Capital stock	103.4	103.4	–
Property, plant and equipment	621.4	664.1	42.8	Capital surplus	79.7	79.6	(0.1)
Intangible assets	530.0	544.5	14.5	Retained earnings	1,077.6	1,125.6	48.0
Investments and other assets	372.5	357.9	(14.6)	Treasury stock	(3.9)	(6.0)	(2.1)
				Accumulated other comprehensive income	124.7	115.2	(9.5)
				Non-controlling interests	21.2	21.7	0.5
Total assets	2,575.2	2,706.7	131.5	Total liabilities and net assets	2,575.2	2,706.7	131.5

Goodwill	319.9	325.9	6.0
Interest-bearing debt	424.5	539.6	115.1
D/E ratio	0.31	0.38	0.07

¹ Excluding lease obligations.

Cash flows

(¥ billion)

	Apr.-Dec. 2018	Apr.-Dec. 2019
a. Net cash provided by (used in) operating activities	102.4	82.6
b. Net cash provided by (used in) investing activities	(163.8)	(110.0)
c. Free cash flows [a+b]	(61.3)	(27.5)
d. Net cash provided by (used in) financing activities	103.4	56.3
e. Effect of exchange rate change on cash and cash equivalents	1.2	(0.7)
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	43.3	28.1
g. Cash and cash equivalents at beginning of period	148.6	180.5
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	0.8	0.1
i. Cash and cash equivalents at end of period [f+g+h]	192.7	208.7

Sales and operating income increase/decrease by segment, Apr.-Dec. 2018 and 2019

(¥ billion)

		Apr.-Dec. 2018	Apr.-Dec. 2019	Net increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Material ¹	Sales	889.4	835.9	(53.5)	-6.0%	(36.0)			20.4
	Operating income ²	106.8	79.1	(27.7)	-26.0%	(10.0)	(37.9)	(2.9)	20.2
Homes ³	Sales	446.8	489.7	42.9	+9.6%	34.8			4.4
	Operating income	38.7	46.2	7.4	+19.2%	6.4	3.7	–	(2.6)
Health Care	Sales	235.9	251.1	15.2	+6.4%	10.0			3.6
	Operating income	34.1	35.8	1.7	+4.8%	4.9	1.6	(0.3)	(4.8)
Others	Sales	14.6	11.8	(2.8)	-19.1%	(2.8)			–
	Operating income	1.6	1.9	0.3	+20.3%	0.6	–	–	(0.3)
Corporate expenses and eliminations	Operating income	(24.1)	(22.7)	1.4	–	–	–	–	1.4
Consolidated	Sales	1,586.7	1,588.5	1.8	+0.1%	6.0			28.4
	Operating income ²	157.1	140.2	(16.9)	-10.7%	1.9	(32.7)	(3.2)	13.9

¹ Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Material segment from Q3 2018.

² Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

³ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes segment from Q4 2018.



2. Forecast for fiscal year 2019

Consolidated operating performance forecast

(¥ billion)

	FY 2018			FY 2019				Increase (decrease) b-a	% change	FY 2019 forecast in Nov. c	Increase (decrease) b-c	
	H1	H2	Total a	H1	H2 forecast		Total b					
					Oct.-Dec.	Jan.-Mar.						
Net sales	1,041.5	1,128.9	2,170.4	1,068.6	519.9	601.5	1,121.4	2,190.0	19.6	+0.9%	2,221.0	(31.0)
Operating income	104.3	105.3	209.6	101.7	38.5	38.3	76.8	178.5	(31.1)	-14.8%	193.0	(14.5)
Ordinary income	110.3	109.7	220.0	105.3	40.4	37.8	78.2	183.5	(36.5)	-16.6%	199.5	(16.0)
Net income attributable to owners of the parent	78.9	68.6	147.5	77.9	26.0	23.7	49.6	127.5	(20.0)	-13.6%	143.0	(15.5)

Naphtha price (¥/kL, domestic)	51,100	47,700	49,400	42,800	41,200	46,000	43,600	43,200	(6,200)		41,900	1,300
¥/US\$ exchange rate (market average)	110	112	111	109	109	110	109	109	(2)		109	(0)
¥/€ exchange rate (market average)	130	127	128	121	120	120	120	121	(8)		121	0

Net income per share (EPS) (¥)	105.66	91.89	102.90
Dividends per share (¥)	34	34 (forecast)	36 (forecast)
Payout ratio (%)	32.2	37.0	35.0

Sales and operating income forecast by segment

(¥ billion)

	FY 2018			FY 2019					Increase (decrease) b-a	% change	FY 2019 forecast in Nov. c	Increase (decrease) b-c
	H1	H2	Total a	H1	H2 forecast		Total b					
					Oct.-Dec.	Jan.-Mar.						
Material ¹	578.1	598.1	1,176.2	560.2	275.7	278.1	553.8	1,114.0	(62.2)	-5.3%	1,139.0	(25.0)
Homes ²	298.7	361.1	659.8	333.4	156.3	231.3	387.6	721.0	61.2	+9.3%	727.0	(6.0)
Health Care	154.5	161.7	316.2	167.6	83.5	84.9	168.4	336.0	19.8	+6.3%	339.0	(3.0)
Others	10.2	8.1	18.3	7.4	4.4	7.2	11.6	19.0	0.7	+4.0%	16.0	3.0
Consolidated	1,041.5	1,128.9	2,170.4	1,068.6	519.9	601.5	1,121.4	2,190.0	19.6	+0.9%	2,221.0	(31.0)

Operating income

(¥ billion)

	FY 2018			FY 2019					Increase (decrease)	% change	FY 2019 forecast in Nov. c	Increase (decrease) b-c
	H1	H2	Total a	H1	H2 forecast		Total b					
					Oct.-Dec.	Jan.-Mar.						
Material ¹	72.1	57.4	129.6	56.9	22.2	14.9	37.1	94.0	(35.6)	-27.4%	107.0	(13.0)
Homes ²	26.0	42.1	68.2	32.7	13.4	26.8	40.3	73.0	4.8	+7.1%	73.0	-
Health Care	22.0	19.8	41.8	25.9	9.9	6.7	16.6	42.5	0.7	+1.6%	42.0	0.5
Others	1.2	1.2	2.4	1.1	0.9	0.6	1.4	2.5	0.1	+3.7%	2.0	0.5
Corporate expenses and eliminations	(17.1)	(15.3)	(32.4)	(14.9)	(7.8)	(10.8)	(18.6)	(33.5)	(1.1)	-	(31.0)	(2.5)
Consolidated	104.3	105.3	209.6	101.7	38.5	38.3	76.8	178.5	(31.1)	-14.8%	193.0	(14.5)

¹ Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Material segment from Q3 2018.

² Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes segment from Q4 2018.



3. Appendix

Extraordinary income and loss

(¥ billion)

	FY 2018 Apr.-Dec.	FY 2019 Apr.-Dec.	Increase (decrease)
Gain on sales of investment securities	6.8	9.0	2.2
Gain on sales of noncurrent assets	0.5	1.4	1.0
Total extraordinary income	7.3	10.4	3.2
Loss on valuation of investment securities	0.0	1.2	1.1
Loss on disposal of noncurrent assets	3.0	4.7	1.7
Impairment loss	3.4	2.2	(1.1)
Business structure improvement expenses	1.9	0.3	(1.6)
Loss on disaster	–	1.5	1.5
Total extraordinary loss	8.3	9.9	1.7
Net extraordinary income (loss)	(1.0)	0.5	1.5

Overseas sales by business category¹

(¥ billion)

	Apr.-Dec. 2018			Apr.-Dec. 2019			Increase (decrease)	% change
	Total sales	Overseas sales		Total sales	Overseas sales			
		% of total	% of total		% of total	% of total		
Basic Materials	306.5	133.5	43.5%	259.0	117.6	45.4%	(15.8)	-11.9%
Performance Products ²	337.2	181.3	53.8%	332.8	186.9	56.2%	5.6	+3.1%
Specialty Solutions	244.5	158.5	64.8%	238.9	153.4	64.2%	(5.0)	-3.2%
Homes ³	404.6	0.0	0.0%	446.8	14.3	3.2%	14.2	—
Construction Materials	42.3	0.1	0.2%	43.0	0.0	0.1%	(0.1)	—
Health Care	104.0	34.0	32.7%	102.5	33.2	32.4%	(0.8)	-2.5%
Critical Care	132.0	130.4	98.8%	148.7	146.8	98.8%	16.4	+12.6%
Others	15.7	2.2	13.9%	16.9	1.5	8.7%	(0.7)	-33.1%
Total	1,586.7	640.0	40.3%	1,588.5	653.7	41.2%	13.7	+2.1%
Asia		370.6	23.4%		340.6	21.4%	(29.9)	-8.1%
of which, sales to China		164.5	10.4%		151.1	9.5%	(13.4)	-8.2%
The Americas		178.9	11.3%		218.0	13.7%	39.1	+21.8%
Europe		74.6	4.7%		81.2	5.1%	6.7	+8.9%
Other countries		16.0	1.0%		13.9	0.9%	(2.1)	-12.9%

Sales, excluding Homes

and Construction Materials

1,139.9	639.9	56.1%	1,098.8	639.5	58.2%
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¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, "Revision of business categories."

² Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

³ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes business category from Q4 2018.

Sales and operating income increase/decrease

by business category¹, Apr.-Dec. 2018 and 2019 (i)

(¥ billion)

		Apr.-Dec. 2018	Apr.-Dec. 2019	Net Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Basic Materials	Sales	306.5	259.0	(47.5)	-15.5%	(13.4)	(27.7)	2.3	(6.3)
	Operating income	45.2	26.1	(19.1)	-42.2%	(1.5)			10.1
Performance Products ²	Sales	337.2	332.8	(4.4)	-1.3%	(20.4)	(6.6)	(2.2)	22.6
	Operating income ³	36.2	28.5	(7.7)	-21.3%	(6.3)			5.2
Specialty solutions	Sales	244.5	238.9	(5.6)	-2.3%	(2.2)	(3.6)	(3.1)	0.2
	Operating income	29.2	23.3	(5.8)	-20.1%	(2.2)			(0.0)
Others in Material	Sales	1.1	5.0	3.9	-	-	-	-	3.9
	Operating income	(3.7)	1.2	4.9	-	-			4.9
Homes ⁴	Sales	404.6	446.8	42.2	+10.4%	34.5	3.3	-	4.4
	Operating income	35.4	42.2	6.8	+19.2%	5.7			(2.2)
Construction Materials	Sales	42.3	43.0	0.7	+1.6%	0.3	0.4	-	-
	Operating income	3.8	4.5	0.7	+19.3%	0.7			(0.3)

¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, "Revision of business categories." Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

³ Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

⁴ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes business category from Q4 2018.

Sales and operating income increase/decrease

by business category¹, Apr.-Dec. 2018 and 2019 (ii)

(¥ billion)

		Apr.-Dec. 2018	Apr.-Dec. 2019	Net Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Health Care	Sales	104.0	102.5	(1.5)	-1.5%	0.6			(1.6)
	Operating income	17.2	17.8	0.6	+3.3%	(0.1)	(0.6)	(0.0)	1.3
Critical Care	Sales	132.0	148.7	16.7	+12.7%	9.4			5.2
	Operating income	16.9	18.0	1.1	+6.4%	5.0	2.2	(0.2)	(6.1)
Others	Sales	14.6	11.8	(2.8)	-19.1%	(2.8)			–
	Operating income	1.6	1.9	0.3	+20.3%	0.6	–	–	(0.3)
Corporate expenses and eliminations	Operating income	(24.6)	(23.3)	1.3	–	–	–	–	1.3
Consolidated	Sales	1,586.7	1,588.5	1.8	+0.1%	6.0			28.4
	Operating income ²	157.1	140.2	(16.9)	-10.7%	1.9	(32.7)	(3.2)	13.9

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

² Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

Sales forecast by business category¹

(¥ billion)

	FY 2018			FY 2019					Increase (decrease) b-a	% change	FY 2019 forecast in Nov. c	Total b-c
	H1	H2	Total a	H1	H2		Total b					
					Oct.-Dec.	Jan.-Mar.		forecast				
Basic Materials	205.5	194.2	399.7	172.6	86.4	84.0	170.4	343.0	(56.7)	-14.2%	347.0	(4.0)
Performance Products ²	214.2	242.9	457.1	225.5	107.3	109.2	216.5	442.0	(15.1)	-3.3%	461.0	(19.0)
Specialty Solutions	158.2	162.7	320.8	158.0	81.0	81.1	162.0	320.0	(0.8)	-0.3%	329.0	(9.0)
Others in Material	0.2	(1.7)	(1.5)	4.1	0.9	4.0	4.9	9.0	10.5	-	2.0	7.0
Homes ³	271.8	332.9	604.7	304.9	141.9	218.2	360.1	665.0	60.3	+10.0%	670.0	(5.0)
Construction Materials	26.9	28.2	55.1	28.6	14.4	13.0	27.4	56.0	0.9	+1.7%	57.0	(1.0)
Health Care	68.4	67.1	135.5	70.1	32.3	31.5	63.9	134.0	(1.5)	-1.1%	138.0	(4.0)
Critical Care	86.0	94.6	180.7	97.5	51.2	53.3	104.5	202.0	21.3	+11.8%	201.0	1.0
Others	10.2	8.1	18.3	7.4	4.4	7.2	11.6	19.0	0.7	+4.0%	16.0	3.0
Consolidated	1,041.5	1,128.9	2,170.4	1,068.6	519.8	601.5	1,121.4	2,190.0	19.6	+0.9%	2,221.0	(31.0)

¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, "Revision of business categories."

² Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

³ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes business category from Q4 2018.

Operating income forecast by business category¹

(¥ billion)

	FY 2018			FY 2019 forecast					Increase (decrease) b-a	% change	FY 2019 forecast in Nov. c	Increase (decrease) b-c
	H1	H2	Total a	H1	H2 forecast		Total b					
					Oct.-Dec.	Jan.-Mar.						
Basic Materials	32.8	20.3	53.1	20.1	6.1	2.4	8.4	28.5	(24.6)	-46.3%	33.5	(5.0)
Performance Products ²	22.7	24.6	47.4	20.7	7.8	6.0	13.8	34.5	(12.9)	-27.2%	41.5	(7.0)
Specialty Solutions	18.9	14.1	33.0	14.9	8.4	6.2	14.6	29.5	(3.5)	-10.5%	30.5	(1.0)
Others in Material	(2.3)	(1.6)	(3.9)	1.2	0.0	0.3	0.3	1.5	5.4	—	1.5	—
Homes ³	24.3	39.2	63.5	30.1	12.1	25.8	37.9	68.0	4.5	+7.1%	68.0	—
Construction Materials	1.9	2.9	4.7	2.7	1.8	0.5	2.3	5.0	0.3	+6.2%	5.0	—
Health Care	10.6	7.8	18.4	14.0	3.8	(0.8)	3.0	17.0	(1.4)	-7.8%	16.5	0.5
Critical Care	11.4	12.0	23.4	11.9	6.1	7.5	13.6	25.5	2.1	+9.0%	25.5	—
Others	1.2	1.2	2.4	1.1	0.9	0.6	1.4	2.5	0.1	+3.7%	2.0	0.5
Corporate expenses and eliminations	(17.2)	(15.2)	(32.4)	(15.0)	(8.3)	(10.2)	(18.5)	(33.5)	(1.1)	—	(31.0)	(2.5)
Consolidated	104.3	105.3	209.6	101.7	38.5	38.3	76.8	178.5	(31.1)	-14.8%	193.0	(14.5)

¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, “Revision of business categories.” Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

³ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes business category from Q4 2018.

Material segment (i)

(¥ billion)

	Sales ¹			
	Apr.–Dec. 2018	Apr.–Dec. 2019	Increase (decrease)	% change
Material segment	889.4	835.9	(53.5)	-6.0%
Basic Materials	306.5	259.0	(47.5)	-15.5%
Performance Products ²	337.2	332.8	(4.4)	-1.3%
Specialty Solutions	244.5	238.9	(5.6)	-2.3%
Others	1.1	5.0	3.9	—

	Operating income ¹			
	Apr.–Dec. 2018	Apr.–Dec. 2019	Increase (decrease)	% change
Material segment³	106.8	79.1	(27.7)	-26.0%
Basic Materials	45.2	26.1	(19.1)	-42.2%
Performance Products ^{2,3}	36.2	28.5	(7.7)	-21.3%
Specialty Solutions	29.2	23.3	(5.8)	-20.1%
Others	(3.7)	1.2	4.9	—

Basic Materials

Operating income decrease:

- (–) Decreased shipments and increased fixed costs due to maintenance shutdown of naphtha cracker and plants for derivatives
- (–) Inventory valuation loss by the gross average method due to decreased naphtha price
- (–) Deteriorated terms of trade for each product
- (–) Foreign exchange loss for operations of Tongsuh Petrochemical Corp., Ltd.

¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, “Revision of business categories.” Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

³ Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

Material segment (ii)

Performance Products

Operating income decrease:

- (+) Consolidation of Sage Automotive Interiors, Inc.
- (-) Lower operating rate, increased fixed costs, and deteriorated terms of trade due to increasing competition for synthetic rubber for tires
- (-) Decreased shipments of fiber products
- (-) Decreased shipments of engineering plastics

Highlights

- May, announcement of receipt of certification as eco-friendly green material for Tenac-C Z4520 polyacetal resin in China
- July, announcement of decision to expand production capacity for Lamous artificial suede

Specialty Solutions

Operating income decrease:

- (-) Decreased shipments of Celgard Li-ion battery separator due to impact of energy storage system (ESS) fires in Korea
- (-) Decreased shipments of electronic devices due to slowdown of smartphone-related markets and Chinese economy

Homes segment (i)

(¥ billion)

	Sales			
	Apr.–Dec. 2018	Apr.–Dec. 2019	Increase (decrease)	% change
Homes segment	446.8	489.7	42.9	+9.6%
Homes	404.6	446.8	42.2	+10.4%
Order-built homes, etc. (Asahi Kasei Homes)	262.1	287.9	25.8	+9.8%
Real estate (Asahi Kasei Realty & Residence)	97.6	95.7	(1.8)	-1.9%
Remodeling (Asahi Kasei Reform)	42.9	46.7	3.7	+8.7%
Other housing-related, etc. ¹	1.9	16.4	14.5	—
Construction Materials	42.3	43.0	0.7	+1.6%

	Operating income ²			
	Apr.–Dec. 2018	Apr.–Dec. 2019	Increase (decrease)	% change
Homes segment	38.7	46.2	7.4	+19.2%
Homes	35.4	42.2	6.8	+19.2%
Order-built homes, etc. (Asahi Kasei Homes)	19.8	25.6	5.8	+29.3%
Real estate (Asahi Kasei Realty & Residence)	9.8	9.8	0.0	+0.2%
Remodeling (Asahi Kasei Reform)	4.4	5.6	1.2	+26.3%
Other housing-related, etc. ¹	1.4	1.2	(0.2)	-14.2%
Construction Materials	3.8	4.5	0.7	+19.3%

¹ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included from Q4 2018.

² Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

Operating income increase:

- (+) Increased deliveries of order-built homes
- (+) Higher average unit prices due to increased deliveries of larger homes
- (–) Increased fixed costs such as outsourcing expenses in Homes business category

Home order trend

Year-on-year 4.4% decrease in value of new orders for order-built homes. Decreased orders for unit homes.

Highlights

- April, announcement of launch of housing with home-care services provided for the elderly in need of care; October, start of the operation.
- June, receipt of the 18th Green and Sustainable Chemistry Award for insulation materials such as Neoma Foam phenolic foam insulation panels for contribution to decreased environmental burden.
- September, joining RE100 international initiative aiming for 100% renewable energy.

Homes segment (ii)

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

		Value of new orders during the term	Sales of order-built homes, etc. ^{1,2}	Sales of real estate ¹				Sales of remodeling	Other sales ³	Consolidated		Order backlog
				Pre-built homes	Rental housing	Other	Total					
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	
	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	
	H2	212.5 (+9.4%)	224.1 (+1.5%)	14.7	47.8	2.5	65.1	28.4	1.1	318.7 (+4.4%)	520.9	
	annual	405.6 (+1.2%)	406.8 (+0.6%)	26.8	93.2	4.2	124.1	55.2	2.2	588.3 (+3.2%)		
FY18	H1	210.1 (+8.8%)	175.5 (-4.0%)	16.8	49.7	1.6	68.1	27.2	1.0	271.8 (+0.8%)	557.8	
	H2	241.5 (+13.6%)	228.2 (+1.8%)	13.2	52.1	2.1	67.4	31.2	6.1	332.9 (+4.5%)	575.0	
	annual	451.6 (+11.3%)	403.7 (-0.8%)	29.9	101.8	3.7	135.4	58.4	7.1	604.7 (+2.8%)		
FY19	H1	201.9 (-3.9%)	197.3 (+12.4%)	7.6	54.4	2.3	64.3	32.0	11.3	304.9 (+12.2%)	589.0	
	Q3	96.5 (-5.3%)	90.6 (+4.5%)	2.2	27.8	1.4	31.4	14.7	5.1	141.8 (+6.8%)	598.9	
	H2 forecast	204.6 (-15.3%)	231.2 (+1.3%)	27.9	57.1	3.7	88.7	30.5	9.6	360.1 (+8.2%)	571.3	
	annual forecast	406.5 (-10.0%)	428.5 (+6.2%)	35.5	111.5	6.0	153.0	62.5	21.0	665.0 (+10.0%)		

¹ 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.

² Income from maintenance service which was previously included in SG&A is included in sales beginning with FY 2019.

³ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included from Q4 2018.

Health Care segment (i)

(¥ billion)

	Sales			
	Apr.–Dec. 2018	Apr.–Dec. 2019	Increase (decrease)	% change
Health Care segment	235.9	251.1	15.2	+6.4%
Health Care	104.0	102.5	(1.5)	-1.5%
Critical Care	132.0	148.7	16.7	+12.7%

	Operating income ¹			
	Apr.–Dec. 2018	Apr.–Dec. 2019	Increase (decrease)	% change
Health Care segment	34.1	35.8	1.7	+4.8%
Health Care	17.2	17.8	0.6	+3.3%
Critical Care	16.9	18.0	1.1	+6.4%

Operating income increase:

(+) Decreased fixed costs in pharmaceutical business

(+) Increased shipments in Resuscitation business²

Highlights

- June, agreement for acquisition of Cardiac Science Corp., a US manufacturer of medical devices; August, completion of acquisition.
- September, approval to manufacture and sell Teribone autoinjector in Japan; launch in December.
- October, acquisition of ViruSure, an Austrian provider of biosafety testing services.
- November, announcement to acquire Veloxis Pharmaceuticals Inc., a US pharmaceutical company; completion of the tender offer in January.
- November, agreement with Woolsey Pharmaceuticals, a US pharmaceutical company, for licensing of fasudil hydrochloride hydrate in the territories except Japan, China, South Korea, and Taiwan.

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

² ZOLL's business unit which includes defibrillators for professional use, AEDs (automated external defibrillators), etc.

Health Care segment (ii)

Sales of Health Care business category

(¥ billion)

		FY 2018			FY 2019	
		Oct.-Dec.	Apr.-Dec.	Total	Oct.-Dec.	Total
	Domestic pharmaceuticals	15.7	45.1	58.3	14.0	44.6
	Others	1.3	4.1	6.1	1.4	4.2
	Asahi Kasei Pharma	17.0	49.2	64.5	15.4	48.8
	Devices ¹	18.5	54.8	71.0	17.0	53.7
	Total	35.6	104.0	135.5	32.4	102.5

¹Asahi Kasei Medical and its affiliate companies.

Main pharmaceuticals domestic sales

(¥ billion)

		FY 2018			FY 2019	
		Oct.-Dec.	Apr.-Dec.	Total	Oct.-Dec.	Total
	Teribone	7.2	21.6	28.3	6.0	20.4
	Recomodulin	3.5	9.4	11.8	2.9	9.0
	Kevzara	0.4	0.8	1.3	1.2	3.1
	Flivas	0.9	2.6	3.3	0.6	2.0
	Bredinin	0.8	2.3	3.0	0.6	2.0
	Elcitonin	0.6	1.9	2.3	0.5	1.5
	Reclast	0.4	1.0	1.4	0.4	1.1

Health Care segment (iii)

Financial performance of Critical Care business category in US dollars

(\$ million)

	FY 2018			FY 2019		Apr.-Dec. 2019 vs 2018	
	Oct.-Dec.	Apr.-Dec.	Total	Oct.-Dec.	Apr.-Dec.	Increase (decrease)	% change
Net sales	407	1,187	1,629	471	1,368	181	15.2%
Gross operating income before PPA ¹ impact	81	244	333	92	267	24	9.7%
Goodwill ²	(19)	(56)	(75)	(25)	(68)	(13)	/
Other intangible assets, etc. ²	(13)	(36)	(47)	(11)	(34)	2	
Amortization/depreciation from PPA ¹ revaluation	(31)	(91)	(122)	(36)	(102)	(10)	
Consolidated operating income	49	152	211	56	166	13	8.7%

¹ Purchase price allocation

² Figures shown for goodwill and other intangible assets, etc. consist of the following:

1) Amortization of goodwill and other intangible assets, etc. based on Japan GAAP and US GAAP in relation to acquisition of ZOLL by Asahi Kasei in April 2012

2) Amortization of goodwill and other intangible assets, etc. based on Japan GAAP in relation to acquisitions by ZOLL after April 2012

(Figures shown for gross operating income before PPA impact include amortization of intangible assets, etc. based on US GAAP in relation to acquisitions by ZOLL after April 2012.)

Health Care segment (iv)

Main pharmaceuticals products

	Generic name	Classification	Indication	Formulation
Teribone	Teriparatide acetate	Synthetic human parathyroid hormone (PTH)	Osteoporosis with high risk of fracture	Injection
Reclast	Zoledronic acid	Osteoporosis drug	Osteoporosis	Injection
Recomodulin	Recombinant thrombomodulin alfa	Anticoagulant	Disseminated intravascular coagulation	Injection
Kevzara	Sarilumab (rDNA origin)	Interleukin-6 inhibitor	Rheumatoid arthritis not responding well to conventional treatments	Injection
Flivas	Naftopidil	Dysuria treatment	Benign prostatic hyperplasia	Tablet
Elcitonin	Elcatonin	Eel calcitonin derivative	Osteoporosis pain	Injection
Bredinin	Mizoribine	Immunosuppressant	Rheumatoid arthritis, kidney transplantation, nephrotic syndrome, lupus nephritis	Tablet

Health Care segment (v) Pharmaceutical pipeline

Development stage	Code name, form, generic name	Classification	Indication	Region	Origin	Remarks
Phase III	AK1820, injection/ capsule, isavuconazole	Antifungal agent	Invasive fungal infections	Japan	Licensed	
Phase II	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Chemotherapy- induced peripheral neuropathy (CIPN)	Japan	In-house	Additional indication
Phase II	AK1830, oral	Analgesic	Pain associated with osteoarthritis	Japan	Licensed	
Pending approval (overseas)	Flivas, tablet, naftopidil	Dysuria treatment	Benign prostatic hyperplasia	China	In-house	
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alfa	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

Sales and operating income increase/decrease by segment, Oct.-Dec. 2018 and 2019

(¥ billion)

		Oct.-Dec. 2018	Oct.-Dec. 2019	Net Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Material ¹	Sales	311.3	275.7	(35.6)	-11.4%	(8.6)			(6.6)
	Operating income ²	34.7	22.2	(12.5)	-36.0%	(2.9)	(20.4)	0.4	10.8
Homes ³	Sales	148.1	156.3	8.1	+5.5%	4.5			3.5
	Operating income	12.7	13.4	0.8	+6.1%	0.9	0.2	–	(0.3)
Health Care	Sales	81.5	83.5	2.1	+2.5%	(1.2)			2.2
	Operating income	12.1	9.9	(2.3)	-18.6%	(0.9)	1.0	0.0	(2.4)
Others	Sales	4.4	4.4	0.0	+0.7%	0.0			–
	Operating income	0.4	0.9	0.5	–	0.3	–	–	0.1
Corporate expenses and eliminations	Operating income	(7.0)	(7.8)	(0.8)	–	–	–	–	(0.8)
Consolidated	Sales	545.3	519.9	(25.4)	-4.7%	(5.3)			(0.9)
	Operating income ²	52.8	38.5	(14.3)	-27.0%	(2.7)	(19.2)	0.4	7.5

¹ Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Material segment from Q3 2018.

² Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

³ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes segment from Q4 2018.

Sales and operating income increase/decrease

by business category¹, Oct.-Dec. 2018 and 2019 (i)

(¥ billion)

		Oct.-Dec. 2018	Oct.-Dec. 2019	Net Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Basic Materials	Sales	101.0	86.4	(14.6)	-14.4%	0.2	(13.1)	2.8	(1.7)
	Operating income	12.5	6.1	(6.4)	-51.4%	0.8			5.8
Performance Products ²	Sales	123.0	107.3	(15.7)	-12.7%	(9.1)	(4.9)	(0.9)	(1.6)
	Operating income ³	13.4	7.8	(5.6)	-42.0%	(3.6)			2.9
Specialty solutions	Sales	86.3	81.0	(5.4)	-6.2%	0.3	(2.4)	(1.4)	(3.3)
	Operating income	10.2	8.4	(1.9)	-18.4%	(0.2)			0.7
Others in Material	Sales	0.9	0.9	0.0	—	—	—	—	0.0
	Operating income	(1.5)	0.0	1.5	—	—	—	—	1.5
Homes ⁴	Sales	132.8	141.9	9.1	+6.9%	5.6	0.1	—	3.5
	Operating income	11.1	12.1	1.0	+8.9%	0.6			0.3
Construction Materials	Sales	15.4	14.4	(1.0)	-6.5%	(1.1)	0.1	—	—
	Operating income	1.9	1.8	(0.1)	-7.6%	0.3			(0.5)

¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, “Revision of business categories.” Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

³ Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

⁴ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes business category from Q4 2018.

by business category¹, Oct.-Dec. 2018 and 2019 (ii)

(¥ billion)

		Oct.-Dec. 2018	Oct.-Dec. 2019	Net Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Health Care	Sales	35.6	32.3	(3.2)	-9.0%	(2.3)	(0.4)	(0.0)	(0.5)
	Operating income	6.5	3.8	(2.8)	-42.4%	(1.9)			(0.5)
Critical Care	Sales	45.9	51.2	5.3	+11.5%	1.1	1.4	0.0	2.7
	Operating income	5.6	6.1	0.5	+9.5%	1.0			(1.9)
Others	Sales	4.4	4.4	0.0	+0.7%	0.0	-	-	-
	Operating income	0.4	0.9	0.5	-	0.3			0.1
Corporate expenses and eliminations	Operating income	(7.4)	(8.3)	(0.9)	-	-	-	-	(0.9)
Consolidated	Sales	545.3	519.9	(25.4)	-4.7%	(5.3)	(19.2)	0.4	(0.9)
	Operating income ²	52.8	38.5	(14.3)	-27.0%	(2.7)			7.5

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

² Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

Quarterly sales by segment¹

(¥ billion)

	FY 2018				FY 2019			FY 2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Material segment	280.2	297.9	311.3	286.9	271.4	288.9	275.7	278.1
Basic Materials	97.7	107.8	101.0	93.2	84.3	88.3	86.4	84.0
Performance Products ²	104.3	109.9	123.0	119.9	112.3	113.3	107.3	109.2
Specialty Solutions	76.7	81.5	86.3	76.3	72.2	85.8	81.0	81.1
Others	1.5	(1.3)	0.9	(2.6)	2.6	1.5	0.9	4.0
Homes segment	128.7	170.0	148.1	212.9	144.6	188.9	156.3	231.3
Homes ³	115.7	156.1	132.8	200.1	130.6	174.3	141.9	218.2
Construction Materials	13.0	13.9	15.4	12.8	14.0	14.5	14.4	13.0
Health Care segment	76.3	78.2	81.5	80.2	82.7	84.9	83.5	84.9
Health Care	34.7	33.8	35.6	31.5	34.3	35.8	32.3	31.5
Critical Care	41.7	44.4	45.9	48.7	48.4	49.1	51.2	53.3
Others	4.6	5.6	4.4	3.7	3.5	3.9	4.4	7.2
Consolidated	489.8	551.7	545.3	583.7	502.1	566.6	519.9	601.5

¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, "Revision of business categories."

² Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

³ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes business category from Q4 2018.

Quarterly operating income by segment¹

(¥ billion)

	FY 2018				FY 2019			FY 2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Material segment³	34.9	37.2	34.7	22.8	25.9	31.0	22.2	14.9
Basic Materials	14.6	18.1	12.5	7.9	8.8	11.3	6.1	2.4
Performance Products ^{2,3}	12.0	10.7	13.4	11.2	10.4	10.2	7.8	6.0
Specialty Solutions	9.2	9.7	10.2	3.8	5.4	9.5	8.4	6.2
Others	(0.9)	(1.3)	(1.5)	(0.1)	1.3	(0.1)	0.0	0.3
Homes segment	7.8	18.3	12.7	29.4	9.9	22.8	13.4	26.8
Homes ⁴	7.1	17.2	11.1	28.1	8.8	21.3	12.1	25.8
Construction Materials	0.8	1.1	1.9	0.9	1.3	1.5	1.8	0.5
Health Care segment	12.3	9.7	12.1	7.7	12.6	13.3	9.9	6.7
Health Care	7.2	3.5	6.5	1.2	6.8	7.2	3.8	(0.8)
Critical Care	5.1	6.3	5.6	6.5	5.9	6.1	6.1	7.5
Others	0.6	0.6	0.4	0.8	0.3	0.8	0.9	0.6
Corporate expenses and eliminations	(7.6)	(9.5)	(7.0)	(8.2)	(7.4)	(7.5)	(7.8)	(10.8)
Consolidated³	47.9	56.4	52.8	52.5	41.3	60.4	38.5	38.3

¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, "Revision of business categories." Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

² Results of Sage Automotive Interiors, Inc. and its consolidated subsidiaries, acquired on September 27, 2018 (US Eastern time), are included in the Performance Products business category from Q3 2018.

³ Q3 2018 results issued in February 2019 were based on preliminary calculation of PPA for amortization of goodwill, etc. related to acquisition of Sage Automotive Interiors, Inc. and its consolidated subsidiaries. Current figures are revised to reflect final calculation of the said PPA.

⁴ Results of Erickson Framing Operations LLC and its consolidated subsidiaries, acquired on November 30, 2018 (US Eastern time), are included in the Homes business category from Q4 2018.

FY 2016 and FY 2017 results for Material recalculated in accordance with the new classifications¹

Sales

(¥ billion)

	FY 2016				FY 2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Material segment	230.1	233.9	253.0	260.9	246.8	272.1	288.6	280.2
Basic Materials	68.5	68.8	78.6	84.4	72.2	87.4	98.4	98.8
Performance Products	94.3	90.7	97.4	103.1	100.7	102.0	106.0	104.0
Specialty Solutions	67.6	72.5	78.1	75.2	73.4	82.7	83.7	77.4
Others	(0.3)	1.9	(1.1)	(1.7)	0.6	(0.0)	0.5	0.0

Operating income²

	FY 2016				FY 2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Material segment	17.8	21.1	27.4	22.1	28.0	32.7	36.8	24.4
Basic Materials	3.3	5.8	9.2	7.9	6.0	10.3	14.0	11.3
Performance Products	9.3	10.6	11.0	8.7	13.5	12.3	11.5	8.2
Specialty Solutions	4.9	5.9	8.2	6.6	9.0	10.6	11.4	6.3
Others	0.3	(1.1)	(0.9)	(1.1)	(0.5)	(0.5)	(0.1)	(1.3)

¹ Beginning with FY 2019, the business categories in the Material segment are reclassified as shown on P36, "Revision of business categories."

² Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

Revision of business categories

Beginning with FY 2019, the business categories in the Material segment are reclassified from the former Fibers, Chemicals, and Electronics, into Basic Materials, Performance Products, and Specialty Solutions.

Segments	Business categories		
	Former		New
Material	Fibers		Basic Materials (Former petrochemicals)
	Chemicals (Petrochemicals, performance polymers, performance materials and consumables)		Performance Products (Former Fibers, performance polymers, consumables)
	Electronics (Separators, electronic devices)		Specialty Solutions (Former performance materials, separators, electronic devices)
			Others
Homes	No change		
Health Care			
Others			
Corporate expenses and eliminations			

FY 2018 results in this presentation material are recalculated in accordance with the new classifications.

Creating for Tomorrow

The commitment of the Asahi Kasei Group:

To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.

Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.

This is what we mean by “Creating for Tomorrow.”

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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.