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November 6, 2015

Consolidated Results for 1st and 2nd Quarter Fiscal 2015: April 1, 2015 – September 30, 2015

(All figures in millions of yen, rounded to the nearest million, unless otherwise specified)

I. Summary of Consolidated Results

1. Operating results (percent change from previous year in brackets)

	Q1–Q2 2015	Q1–Q2 2014
Net sales	957,434 [−1.0%]	966,930 [+5.2%]
Operating income	84,439 [+19.1%]	70,927 [−4.5%]
Ordinary income	81,444 [+9.8%]	74,170 [+1.9%]
Net income attributable to owners of the parent	47,165 [− 4.8%]	49,522 [+6.3%]
Net income per share*	33.77	35.44
Diluted net income per share*	—	—

* Yen

Note: Comprehensive income was ¥26,867 million during Q1–Q2 2015, and ¥84,164 million during Q1–Q2 2014.

2. Financial position

At end of	September 2015	March 2015
Total assets	2,353,439	2,014,531
Net assets	1,110,443	1,097,722
Net worth/total assets	46.5%	53.7%
Net worth per share*	784.30	775.05

* Yen

Notes:
- Net worth consists of shareholders’ equity and accumulated other comprehensive income.
- Net worth as of September 30, 2015, was ¥1,095,524 million; as of March 31, 2015, ¥1,082,654 million.

II. Cash Dividends

Fiscal year	Cash dividends per share*				
	Q1	Q2	Q3	Q4	Total annual
2014	—	9.00	—	10.00	19.00
2015	—	10.00			
2015 (forecast)			—	10.00	20.00

* Yen

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

III. Forecasts for Fiscal 2015 (April 1, 2015 – March 31, 2016)

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

	For the fiscal year
Net sales	2,000,000 [+0.7%]
Operating income	164,000 [+3.8%]
Ordinary income	161,500 [−3.0%]
Net income attributable to owners of the parent	91,000 [−13.9%]
Net income per share*	65.15

* Yen

2. Comparison of previous and revised fiscal 2015 forecasts

(billions of yen)

	Previous forecast	Revised forecast	Increase (decrease)	*cf.* fiscal 2014 results
Net sales	2,000.0	2,000.0	–	1,986.4
Operating income	164.0	164.0	–	157.9
Ordinary income	166.5	161.5	(5.0)	166.5
Net income attributable to owners of the parent	106.0	91.0	(15.0)	105.7

Notes:

- Performance forecasts are based on the best information available at this time, but actual results may diverge from these forecasts due to a variety of factors which cannot be foreseen.
- The forecast for fiscal 2015 announced on May 12, 2015, has been revised.

IV. Other Information

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

Addition of two new subsidiaries: Polypore International, Inc. and Asahi Kasei Energy Storage Materials, Inc.

2. Special accounting methods for preparation of the consolidated financial statements

Income tax expenses: A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and quarterly income before income taxes is multiplied by the corresponding effective tax rate.

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

Changes in accounting policy

The Accounting Standards Board of Japan (ASBJ) issued ASBJ Statement No. 21 “Revised Accounting Standard for Business Combinations,” ASBJ Statement No. 22 “Revised Accounting Standard for Consolidated Financial Statements,” and ASBJ Statement No. 7 “Revised Accounting Standard for Business Divestitures.” These revised accounting standards are applied from the first quarter of the fiscal year ending March 31, 2016. Accordingly, differences resulting from changes in ownership interest in a subsidiary when control over the subsidiary is retained are recorded under capital surplus, and costs related to acquisition of increased ownership interest are recognized in the period in which they arise. Also, transitional accounting is applied to business combinations performed on or after the beginning of the first quarter of the fiscal year ending March 31, 2016, with revision of purchase price allocation applied to the quarterly consolidated financial statements during the quarter in which the date of the business combination occurs. The presentation method of net income was amended, and "minority interests" were changed to "non-controlling interests." For comparison purposes, information for the first to second quarter of the fiscal year ended March 31, 2015, and for the fiscal year ended March 31, 2015, is shown in accordance with the new standards in the accompanying consolidated financial statements.

In the statements of cash flows for the first to second quarter of the fiscal year ending March 31, 2016, cash flows from purchases or sales of shares of subsidiaries that do not result in changes in scope of consolidation are included in cash flows from financing activities, while cash flows from expenses related to purchases of shares of subsidiaries that result in changes in scope of consolidation and expenses related to purchases or sales of shares of subsidiaries that do not result in changes in scope of consolidation are included in cash flows from operating activities.

Transitional accounting in accordance with Article 58, Paragraph 2, Item 4, of ASBJ Statement No. 21, Article 44, Paragraph 5, Item 4, of ASBJ Statement No. 22, and Article 57, Paragraph 4, Item 4, of ASBJ Statement No. 7 is applied from the beginning of the first quarter of the fiscal year ending March 31, 2016.

As a result, operating income, ordinary income, and income before income taxes each decreased by ¥1,942 million in the April–September period of 2015.

4. Number of shares outstanding

	Q1–Q2 2015	FY 2014
Number of shares outstanding at end of period	1,402,616,332	1,402,616,332
Number of shares of treasury stock at end of period	5,798,475	5,742,862
Average number of shares outstanding during period	1,396,844,291	1,397,242,864*

* Q1–Q2 2014

V. Overview of Consolidated Results

1. Consolidated group results

Although slower growth continued in China and other emerging economies, the global economy overall was on a path of gradual recovery during the April–September period of fiscal 2015, including recovery in Europe and signs of growth in consumer spending and capital expenditure in the US. The Japanese economy saw steady consumer spending along with firm corporate performance and capital expenditure, but uncertainty persisted regarding the risk of further downturn in emerging economies and instability of the overseas situation.

Consolidated net sales of Asahi Kasei Corp. and its consolidated subsidiaries and equity-method affiliates (the Asahi Kasei Group) decreased by ¥9.5 billion (1.0%) from a year ago to ¥957.4 billion with lower market prices for petrochemical products in chemicals operations. Operating income increased by ¥13.5 billion (19.1%) from a year ago to ¥84.4 billion with lower feedstock costs in chemicals operations and steady expansion of critical care operations. Ordinary income increased by ¥7.3 billion (9.8%) to ¥81.4 billion, and net income attributable to owners of the parent decreased by ¥2.4 billion (4.8%) to ¥47.2 billion.

2. Results by operating segment

The Asahi Kasei Group's operations are described by major business classification: four reportable segments of Chemicals & Fibers, Homes and Construction Materials, Electronics, and Health Care, together with an "Others" category. Beginning with the second quarter of fiscal 2015, results of Polypore International, Inc. and its consolidated subsidiaries (collectively "Polypore"), acquired on August 26, 2015 (US Eastern time), are included in the Electronics segment.

CHEMICALS & FIBERS

Sales decreased by ¥34.2 billion (7.2%) from a year ago to ¥443.3 billion, and operating income increased by ¥12.3 billion (46.3%) to ¥38.9 billion.

Among chemicals operations, market prices for petrochemicals were pulled down by falling oil and naphtha prices, although terms of trade for styrene monomer improved substantially as the feedstock price fall exceeded the product price decline. In performance polymers, shipments of engineering plastics increased and terms of trade improved due to lower feedstock costs. In specialty products, the effect of the weaker yen was most notable for ion-exchange membranes, while shipments of Saran Wrap™ cling film increased.

In fibers operations, the effect of the weaker yen was most notable for Bemberg™ cupro fiber, while shipments of Lamous™ artificial suede for automotive interiors and of Bemliese™ continuous-filament cellulose nonwoven for facial masks increased.

HOMES & CONSTRUCTION MATERIALS

Sales increased by ¥1.2 billion (0.4%) from a year ago to ¥283.6 billion, and operating income decreased by ¥1.8 billion (6.2%) to ¥27.0 billion.

Among homes operations, in order-built homes, deliveries decreased for Hebel Haus™ unit homes. In real estate operations, rental management performed well. In remodeling, orders increased centering on renovation work and equipment installation.

In construction materials operations, shipments of Hebel™ autoclaved aerated concrete (AAC) panels decreased, while feedstock costs declined and sales of Neoma™ high-performance phenolic foam insulation panels were firm.

ELECTRONICS

Sales increased by ¥7.3 billion (9.9%) from a year ago to ¥81.3 billion, and operating income increased by ¥0.7 billion (9.1%) to ¥8.0 billion.

In electronic devices operations, shipments of electronic compasses decreased, but operations benefitted from the weaker yen, and sales of audio LSIs and devices for camera modules for smartphones were firm.

In electronic materials operations, the weaker yen contributed to performance, and sales of Hipore™ Li-ion battery separator were firm.

Beginning with the second quarter of fiscal 2015, results of Polypore are included in this segment. The effect on operating income from amortization of goodwill and other intangible assets, etc. related to the acquisition of Polypore was ¥1.7 billion.

HEALTH CARE

Sales increased by ¥21.9 billion (18.0%) from a year ago to ¥143.3 billion, and operating income increased by ¥5.7 billion (38.2%) to ¥20.7 billion.

In pharmaceuticals operations, shipments of Flivas™ agent for treatment of benign prostatic hyperplasia decreased due to competition from generics, while sales of Teribone™ osteoporosis drug and Recomodulin™ recombinant thrombomodulin were firm.

Medical devices operations benefited from the weaker yen, while shipments increased for dialysis products, therapeutic apheresis devices, and Planova™ virus removal filters.

In critical care operations, the LifeVest™ wearable defibrillator business continues to expand smoothly, and sales of other products such as defibrillators and related accessories increased, but selling, general and administrative expenses grew with reinforced sales activity.

OTHERS

Sales in “Others” decreased by 5.7 billion (49.0%) from a year ago to ¥5.9 billion, and operating income decreased by 0.6 billion (79.7%) to ¥0.1 billion.

VI. Consolidated Financial Statements

1. Balance sheets

	At end of March 2015	At end of Sept. 2015
Assets		
Current assets		
Cash and deposits	123,821	160,911
Notes and accounts receivable–trade	325,568	307,958
Short-term investment securities	1,802	1,839
Merchandise and finished goods	161,554	174,341
Work in process	112,813	129,323
Raw materials and supplies	65,311	70,449
Deferred tax assets	21,707	21,959
Other	80,520	74,989
Allowance for doubtful accounts	(1,517)	(1,900)
Total current assets	891,579	939,869
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	471,033	492,329
Accumulated depreciation	(261,352)	(265,872)
Buildings and structures, net	209,681	226,457
Machinery, equipment and vehicles	1,345,790	1,376,109
Accumulated depreciation	(1,170,771)	(1,174,076)
Machinery, equipment and vehicles, net	175,019	202,032
Land	59,287	61,039
Lease assets	13,054	12,775
Accumulated depreciation	(10,232)	(10,590)
Lease assets, net	2,822	2,184
Construction in progress	37,566	49,008
Other	143,593	147,017
Accumulated depreciation	(125,461)	(127,424)
Other, net	18,133	19,593
Subtotal	502,507	560,313
Intangible assets		
Goodwill	153,835	333,755
Other	132,241	209,753
Subtotal	286,076	543,508
Investments and other assets		
Investment securities	289,393	264,890
Long-term loans receivable	9,952	9,773
Net defined benefit asset	2,929	3,083
Deferred tax assets	11,351	11,043
Other	21,016	21,265
Allowance for doubtful accounts	(273)	(304)
Subtotal	334,368	309,750
Total noncurrent assets	1,122,952	1,413,571
Total assets	2,014,531	2,353,439

	At end of March 2015	At end of Sept. 2015
Liabilities		
Current liabilities		
Notes and accounts payable–trade	151,867	149,263
Short-term loans payable	96,015	331,388
Commercial paper	—	12,000
Lease obligations	1,383	1,159
Accrued expenses	101,164	93,075
Income taxes payable	10,203	45,551
Advances received	74,675	84,952
Provision for periodic repairs	2,396	2,772
Provision for product warranties	2,562	2,422
Provision for removal cost of property, plant and equipment	2,832	2,188
Provision for loss on litigation	—	2,856
Asset retirement obligations	533	539
Other	63,817	77,239
Total current liabilities	507,449	805,403
Noncurrent liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	130,400	125,469
Lease obligations	1,219	702
Deferred tax liabilities	57,943	85,745
Provision for periodic repairs	1,248	733
Provision for removal cost of property, plant and equipment	7,865	7,052
Provision for loss on litigation	2,316	2,311
Net defined benefit liability	142,035	142,949
Asset retirement obligations	3,506	3,567
Long-term guarantee deposits	19,146	19,034
Other	3,683	10,031
Total noncurrent liabilities	409,360	437,593
Total liabilities	916,809	1,242,996
Net assets		
Shareholders’ equity		
Capital stock	103,389	103,389
Capital surplus	79,408	79,409
Retained earnings	699,259	732,456
Treasury stock	(3,041)	(3,100)
Total shareholders’ equity	879,014	912,153
Accumulated other comprehensive income		
Net unrealized gain on other securities	113,562	105,114
Deferred gains or losses on hedges	(1,697)	(270)
Foreign currency translation adjustment	99,531	85,149
Remeasurements of defined benefit plans	(7,757)	(6,622)
Total accumulated other comprehensive income	203,639	183,371
Non-controlling interests	15,068	14,919
Total net assets	1,097,722	1,110,443
Total liabilities and net assets	2,014,531	2,353,439

2. Statements of income and statements of comprehensive income

1) Statements of income

	Q1–Q2 2014	Q1–Q2 2015
Net sales	966,930	957,434
Cost of sales	707,035	667,380
Gross profit	259,896	290,053
Selling, general and administrative expenses	188,969	205,614
Operating income	70,927	84,439
Non-operating income		
Interest income	651	724
Dividends income	2,075	2,585
Equity in earnings of affiliates	1,202	—
Foreign exchange gains	1,970	—
Other	1,507	1,546
Total non-operating income	7,405	4,854
Non-operating expenses		
Interest expense	1,553	1,696
Equity in losses of affiliates	—	1,848
Foreign exchange loss	—	796
Other	2,609	3,509
Total non-operating expenses	4,162	7,849
Ordinary income	74,170	81,444
Extraordinary income		
Gain on sales of investment securities	2,274	25
Gain on sales of noncurrent assets	244	96
Total extraordinary income	2,518	122
Extraordinary loss		
Loss on sales of investment securities	112	—
Loss on valuation of investment securities	505	250
Loss on disposal of noncurrent assets	1,238	1,514
Impairment loss	140	381
Business structure improvement expenses	562	571
Provision for loss on litigation	—	2,901
Total extraordinary loss	2,555	5,618
Income before income taxes	74,133	75,948
Total income taxes	24,166	28,279
Net income	49,967	47,669
Net income attributable to non-controlling interests	445	504
Net income attributable to owners of the parent	49,522	47,165

2) Statements of comprehensive income

	Q1–Q2 2014	Q1–Q2 2015
Net income	49,967	47,669
Other comprehensive income		
Net increase (decrease) in unrealized gain on other securities	9,683	(8,472)
Deferred gains or losses on hedges	107	1,427
Foreign currency translation adjustment	20,503	(12,602)
Remeasurements of defined benefit plans	1,842	1,178
Share of other comprehensive income of affiliates accounted for using equity method	2,062	(2,333)
Total other comprehensive income	34,197	(20,802)
Comprehensive income	84,164	26,867
Comprehensive income attributable to:		
Owners of the Parent	83,300	26,897
Non-controlling interests	864	(31)

3. Statements of cash flows

	Q1–Q2 2014	Q1–Q2 2015
Cash flows from operating activities		
Income before income taxes	74,133	75,948
Depreciation and amortization	40,615	44,143
Impairment loss	140	381
Amortization of goodwill	4,334	6,042
Amortization of negative goodwill	(79)	(79)
Decrease in provision for periodic repairs	(5,197)	(139)
Increase (decrease) in provision for product warranties	185	(140)
Decrease in provision for removal cost of property, plant and equipment	(870)	(1,456)
Increase in provision for loss on litigation	—	2,901
Decrease in net defined benefit liability	(1,766)	(2,164)
Interest and dividend income	(2,726)	(3,309)
Interest expense	1,553	1,696
Equity in (earnings) losses of affiliates	(1,202)	1,848
Gain on sales of investment securities	(2,162)	(25)
Loss on valuation of investment securities	505	250
Gain on sale of property, plant and equipment	(244)	(96)
Loss on disposal of noncurrent assets	1,238	1,514
(Increase) decrease in notes and accounts receivable–trade	(5,504)	25,426
Increase in inventories	(19,749)	(20,481)
Increase (decrease) in notes and accounts payable–trade	15,484	(4,397)
Decrease in accrued expenses	(2,388)	(10,731)
Increase in advances received	2,696	10,209
Other, net	(1,956)	4,208
Subtotal	97,038	131,550
Interest and dividend income, received	3,941	4,441
Interest expense paid	(1,549)	(1,669)
Income taxes paid	(56,404)	(22,295)
Net cash provided by operating activities	43,025	112,027
Cash flows from investing activities		
Payments into time deposits	(7,520)	(3,671)
Proceeds from withdrawal of time deposits	6,485	10,430
Purchase of property, plant and equipment	(43,920)	(41,627)
Proceeds from sales of property, plant and equipment	322	249
Purchase of intangible assets	(5,809)	(4,698)
Purchase of investment securities	(227)	(1,523)
Proceeds from sales of investment securities	4,961	176
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(194,431)
Payments for transfer of business	—	(200)
Payments of loans receivable	(3,339)	(1,776)
Collection of loans receivable	2,949	1,796
Other, net	(1,686)	(251)
Net cash used in investing activities	(47,783)	(235,525)

	Q1–Q2 2014	Q1–Q2 2015
Cash flows from financing activities		
Net (decrease) increase in short-term loans payable	(30,683)	247,742
Increase in commercial paper	8,000	12,000
Proceeds from long-term loans payable	5,859	4,145
Repayment of long-term loans payable	(7,320)	(83,737)
Repayments of lease obligations	(1,036)	(779)
Purchase of treasury stock	(302)	(62)
Proceeds from disposal of treasury stock	7	5
Cash dividends paid	(13,974)	(13,969)
Cash dividends paid to non-controlling interests	(582)	(559)
Other, net	4	260
Net cash (used in) provided by financing activities	(40,027)	165,044
Effect of exchange rate change on cash and cash equivalents	1,899	(4,067)
Net (decrease) increase in cash and cash equivalents	(42,885)	37,480
Cash and cash equivalents at beginning of period	143,139	112,297
Increase in cash and cash equivalents resulting from changes in scope of consolidation	100	6,273
Cash and cash equivalents at end of period	100,354	156,051

4. Notes to consolidated financial statements

Contingent liabilities

It has become clear that Asahi Kasei Construction Materials Corp., a consolidated subsidiary of Asahi Kasei Corp., which performed pile installation work as secondary subcontractor for the construction of a condominium complex in Yokohama, Kanagawa, Japan, submitted incorrect data in the pile installation report for the 473 precast concrete piles installed for this project. There was diversion and modification of ammeter data obtained when boring holes for installation regarding 38 piles, and diversion and modification of flowmeter data for the injection of cement milk for consolidation of pile tips regarding 45 piles. Combining the two figures, without double-counting the 13 piles that are included in both, there were 70 piles for which incorrect data was included in the installation report.

Asahi Kasei Corp. has established a task force and a fact-finding committee within the company together with an independent commission to advance investigation. On October 22, 2015, Asahi Kasei Construction Materials Corp. reported its record of similar pile installation work over the past 10 years to Japan's Ministry of Land, Infrastructure, Transport and Tourism. Efforts are now proceeding to confirm whether or not there was manipulation of installation data regarding the 3,040 relevant construction projects, with results scheduled to be disclosed on November 13, 2015.

Progress as of November 6, 2015, is as follows:

The person who worked as the site agent for the installation of piles for which manipulation of data was found for the Yokohama condominium construction project was the site agent for 41 of the 3,040 projects. Manipulation of data was found for 19 of the 41 projects, including the Yokohama project. During the course of investigation, it was also found that the same person also worked as deputy site agent for 1 project and as installation technician for 1 project. No manipulation of data was found regarding these 2 projects, but cross-checking with the prime contractor for 1 of the 2 has not been completed. Confirmation regarding the remainder of the 3,040 projects is proceeding with priority on schools as well as medical and care facilities. Further work is proceeding in order to identify the prime contractor in cases where contact has not been possible due to change of address, etc.

During the course of investigation it has also been found that manipulation of data occurred for projects at which the site agents were persons other than the person who was the site agent for the Yokohama project. In these cases, as with the Yokohama case, investigation is proceeding to identify the circumstances of, and motivation for, the manipulation of data.

The fact-finding committee of Asahi Kasei Corp. is investigating all the cases of manipulation of data which have been identified in connection with the different site agents, by interviewing related parties, examining available documents, etc., while receiving guidance and counsel from the independent commission. Regarding inquiries from prime contractors and local governments, information is provided promptly.

Regarding construction projects for which manipulation of data has been found, provision of data and other cooperation is provided to enable the prime contractors to swiftly inform the customers, etc. Cooperation is also provided to the prime contractors regarding confirmation of the safety of the current condition of the structures that were built.

Although there is a possibility that an effect on the consolidated results of Asahi Kasei Corp. may emerge such as the recording of a reserve, no such effect is reflected in the consolidated financial statements for the April–September period of 2015 due to the difficulty of making a rational estimate of the amount of financial impact from this matter as of the time of preparation of the consolidated financial statements.

VII. Additional Information

Note: Results of Polypore, acquired on August 26, 2015 (US Eastern time), are included in the Electronics segment.

1. Consolidated net sales and operating income by segment

1) Consolidated net sales by segment

(billions of yen)

		Q1–Q2 2014	Q1–Q2 2015	Increase (decrease)	Fiscal 2015 forecast
	Chemicals	413.1	376.5	(36.6)	740.0
	Fibers	64.4	66.8	2.5	134.0
Chemicals & Fibers		477.5	443.3	(34.2)	874.0
	Homes	256.0	258.0	2.0	587.0
	Construction Materials	26.5	25.6	(0.9)	50.0
Homes & Construction Materials		282.5	283.6	1.2	637.0
Electronics		74.0	81.3	7.3	182.0
	Health Care	73.3	75.6	2.3	148.0
	Critical Care	48.1	67.7	19.6	142.0
Health Care		121.4	143.3	21.9	290.0
Others		11.6	5.9	(5.7)	17.0
Total		966.9	957.4	(9.5)	2,000.0

2) Consolidated operating income by segment

(billions of yen)

		Q1–Q2 2014	Q1–Q2 2015	Increase (decrease)	Fiscal 2015 forecast
	Chemicals	22.0	31.6	9.7	59.0
	Fibers	4.7	7.3	2.6	13.0
Chemicals & Fibers		26.6	38.9	12.3	72.0
	Homes	27.0	24.4	(2.5)	62.0
	Construction Materials	2.1	3.1	1.0	5.0
Homes & Construction Materials		28.8	27.0	(1.8)	66.5
Electronics		7.4	8.0	0.7	9.0
	Health Care	14.7	15.9	1.2	25.0
	Critical Care	0.3	4.8	4.5	12.0
Health Care		15.0	20.7	5.7	37.0
Others		0.7	0.1	(0.6)	0.5
Combined		78.4	94.8	16.4	185.0
Corporate expenses and eliminations		(7.5)	(10.3)	(2.9)	(21.0)
Total		70.9	84.4	13.5	164.0

Note: Figures for operating income by business category within segments include intrasegment transactions which are eliminated from the segment totals.

2. Operating income increases/decreases by segment

(billions of yen)

		Increase (decrease) due to:				Net increase (decrease)
		Sales volume	Sales prices [*of which, due to foreign exchange*]		Operating costs and others	
	Chemicals	0.0	(35.8)	*16.9*	45.5	9.7
	Fibers	1.0	1.3	*1.5*	0.3	2.6
Chemicals & Fibers		1.0	(34.5)	*18.4*	45.8	12.3
	Homes	(1.2)	(0.3)	—	(1.0)	(2.5)
	Construction Materials	(0.4)	0.2	—	1.2	1.0
Homes & Construction Materials		(1.6)	(0.1)	—	(0.0)	(1.8)
Electronics		0.9	2.8	*6.6*	(3.0)	0.7
	Health Care	1.1	0.2	*1.1*	(0.1)	1.2
	Critical Care	8.4	(1.2)	*(1.4)*	(2.6)	4.5
Health Care		9.5	(1.0)	*(0.3)*	(2.8)	5.7
Others		0.2	—	—	(0.8)	(0.6)
Subtotal		10.0	(32.9)	*24.7*	39.2	16.4
Corporate expenses and eliminations		—	—	—	(2.9)	(2.9)
Consolidated		10.0	(32.9)	*24.7*	36.4	13.5

3. Major financial metrics (consolidated)

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

	Q1–Q2 2014	Q1–Q2 2015	Fiscal 2015 forecast
Capital expenditure (tangible)	36.8	38.3	90.0
Capital expenditure (intangible)	5.9	3.9	16.0
Depreciation and amortization*	40.6	44.1	94.0
R&D expenses	36.0	38.7	85.0
Balance of payments	1.1	1.6	
of which, dividends received	*(2.1)*	*(2.6)*	
Employees at end of period	29,862	32,790	
D/E ratio	0.29	0.47	

* Excluding amortization of goodwill.

4. Contract trends for home construction operations

	Q1–Q2 2014	Q1–Q2 2015	Increase (decrease)	Fiscal 2015 forecast
No. of orders received (home units)	10,174	9,614	(560)	20,420
Value of orders received (¥ billion)	217.6	217.3	(0.4)	435.7
Backlog of orders (¥ billion)	516.3	554.6	38.3	547.2
No. of sales (home units)	7,924	7,705	(219)	18,550
Value of sales (¥ billion)	182.9	177.2	(5.7)	403.0

5. Key operating factors

		Q1–Q2 2014	Q1–Q2 2015	Increase (decrease)	Fiscal 2015 forecast
Naphtha price (yen/kL, domestic)		70,400	48,000	(22,400)	45,000
Exchange rates (market average)	Yen/US$	103	122	19	121
	Yen/€	139	135	(4)	133

6. Interest-bearing debt (consolidated)

(billions of yen)

	At end of March 2015	At end of Sept. 2015	Increase (decrease)
Short-term loans payable	96.0	331.4	235.4
Commercial paper	—	12.0	12.0
Long-term loans payable	130.4	125.5	(4.9)
Bonds payable	40.0	40.0	—
Lease obligations	2.6	1.9	(0.7)
Total	269.0	510.7	241.7