

**Asahi Kasei Corporation**

Head Office: 3-3-23 Nakanoshima, Kita-ku, Osaka, Japan

Tokyo Head Office: 1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo, Japan

Security code: 3407

Contact: Corporate Communications, Phone +81-3-3296-3008, Fax +81-3-3296-3162

February 5, 2014

## Consolidated Results for 1st to 3rd Quarter Fiscal 2013: April 1, 2013 – December 31, 2013

(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–Q3 2013	Q1–Q3 2012
Net sales	1,389,648 [+15.6%]	1,202,612 [+2.8%]
Operating income	109,807 [+75.6%]	62,515 [–28.2%]
Ordinary income	109,530 [+74.6%]	62,717 [–28.7%]
Net income	66,078 [+85.6%]	35,610 [–25.9%]
Net income per share*	47.28	25.48
Diluted net income per share*	—	—

\* Yen

Note: Comprehensive income was ¥130,338 million during Q1–Q3 2013, and ¥55,967 million during Q1–Q3 2012.

## 2. Financial position

At end of	December 2013	March 2013
Total assets	1,959,415	1,800,170
Net assets	935,166	824,451
Net worth/total assets	47.1%	45.1%
Net worth per share*	659.83	581.05

\* Yen

Notes:

- Net worth consists of shareholders' equity and accumulated other comprehensive income.
- Net worth as of December 31, 2013, was ¥922,060 million; as of March 31, 2013, ¥812,080 million.

**II. Cash Dividends**

Fiscal year	Cash dividends per share*				Total annual
	Q1	Q2	Q3	Q4	
2012	—	7.00	—	7.00	14.00
2013	—	7.00	—		
2013 (forecast)				8.00	15.00

\* Yen

Note: The Q4 cash dividend was increased by ¥1 per share from the most recent forecast, to ¥8 per share. The total annual dividend forecast has thus been revised to ¥15 per share.

### III. Forecasts for Fiscal 2013 (April 1, 2013 – March 31, 2014)

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

Net sales	1,896,000 [+13.8%]
Operating income	140,000 [+52.2%]
Ordinary income	138,500 [+45.6%]
Net income	77,000 [+43.4%]
Net income per share*	55.10

\* Yen

#### 2. Comparison of previous and revised fiscal 2013 forecasts

	Previous forecast	Revised forecast	Increase (decrease)	(billions of yen) cf. fiscal 2012 results
Net sales	1,904.0	1,896.0	(8.0)	1,666.6
Operating income	145.0	140.0	(5.0)	92.0
Ordinary income	143.0	138.5	(4.5)	95.1
Net income	86.0	77.0	(9.0)	53.7

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 2013 announced on October 31, 2013, has been revised.

### IV. Other Information

1. Changes in significant subsidiaries which affected scope of consolidation during the period: None.
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. Number of shares outstanding

	Q1–Q3 2013	FY 2012
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	5,187,722	5,016,645
Average number of shares outstanding during period	1,397,533,757	1,397,663,351*

\* Q1–Q3 2012

## V. Overview of Consolidated Results

### 1. Consolidated group results

The global economy during the April–December period of 2013 was increasingly firm with a gradual recovery in the US and signs of improvement in Europe, but the outlook became obscure as with destabilizing factors including slower growth in China and other emerging economies as well as a tapering of monetary easing in the US. Although the Japanese economy recovered gradually with improved corporate earnings backed by a lower yen exchange rate and higher stock prices and with revived consumer spending, the economic outlook remained unpredictable due to downside risks in the global economy and the impact of the upcoming consumption tax increase.

Consolidated net sales of Asahi Kasei Corp. and its consolidated subsidiaries and equity-method affiliates (the Asahi Kasei Group) increased by ¥187.0 billion (15.6%) from a year ago to ¥1,389.6 billion, with increased deliveries in the Homes segment, and increased sales volume in the Chemicals segment and of pharmaceutical products in the Health Care segment, as well as improved overall performance of exports due to the progressive weakening of the yen. Operating income increased by ¥47.3 billion (75.6%) to ¥109.8 billion, ordinary income increased by ¥46.8 billion (74.6%) to ¥109.5 billion, and net income increased by ¥30.5 billion (85.6%) to ¥66.1 billion.

### 2. Results by operating segment

The Asahi Kasei Group's operations are described by major business classification: seven reportable segments of Chemicals, Fibers, Homes, Construction Materials, Health Care, and Critical Care, together with an "Others" category. Beginning with the April–June quarter of 2013, the sequence of reportable segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care. In the Critical Care segment, results for the year-ago period were included beginning on April 27, 2012, while results were subject to consolidation throughout the entire period beginning with the April–December period of 2013.

#### CHEMICALS

Sales increased by ¥97.0 billion (19.4%) from a year ago to ¥598.4 billion, and operating income increased by ¥15.7 billion (90.0%) to ¥33.1 billion.

Chemicals and derivative products operations were impacted by low market prices for acrylonitrile and high feedstock prices, but the depreciation of the yen and improved market prices for styrene monomer contributed to performance. Polyethylene was impacted by high feedstock prices, but the depreciation of the yen contributed to performance in polymer products operations, and shipments of engineering plastics and of synthetic rubber for fuel-efficient tires were firm. In specialty products operations, the effect of the depreciation of the yen was most notable for ion-exchange membranes, and shipments of functional chemicals for pharmaceutical manufacture and of coating materials were firm.

#### FIBERS

Sales increased by ¥8.5 billion (10.4%) from a year ago to ¥89.9 billion, and operating income increased by ¥3.7 billion (122.7%) to ¥6.7 billion.

Although the cost of naphtha-derived feedstocks rose, operating income in fibers increased with the effect of the weaker yen and increased shipments of nonwovens such as Lamous™ artificial suede for automotive interiors and of Roica™ elastic polyurethane filament.

#### HOMES

Sales increased by ¥29.8 billion (9.0%) from a year ago to ¥360.2 billion, and operating income increased by ¥7.0 billion (21.9%) to ¥38.8 billion. Orders for order-built homes increased by ¥25.6 billion (8.7%) to ¥321.1 billion.

In order-built homes operations, deliveries of both Hebel Haus™ unit homes and Hebel Maison™ apartment buildings increased based on strong orders in the previous year. In real estate operations, rental management performed well. Remodeling operations enjoyed strong orders for major remodeling work and other renovation work.

#### CONSTRUCTION MATERIALS

Sales increased by ¥3.6 billion (9.2%) from a year ago to ¥42.8 billion, and operating income increased by ¥1.8 billion (55.0%) to ¥5.1 billion.

Shipments of Hebel™ autoclaved aerated concrete panels increased. In foundation systems, orders for Eazet™ and ATT Column™ piling systems for small-scale construction expanded with the development of new applications. Sales of Neoma™ high-performance phenolic foam insulation panels and structural materials were firm.

#### ELECTRONICS

Sales increased by ¥11.2 billion (11.1%) from a year ago to ¥111.3 billion, and operating income increased ¥11.4 billion (803.8%) to ¥12.8 billion.

Although electronic devices operations were impacted by reduced sales prices in each product category, the weaker yen contributed to performance, and shipments of electronic compasses and magnetic sensors for smartphones and other mobile applications increased. Electronic materials operations were impacted by reduced sales prices, especially for Hipore™ Li-ion battery separator, while the weaker yen contributed to performance, and sales grew for high-end products in each product category.

#### HEALTH CARE

Sales increased by ¥16.1 billion (15.9%) from a year ago to ¥117.0 billion, and operating income increased by ¥11.9 billion (82.4%) to ¥26.4 billion.

Pharmaceuticals operations were impacted by higher selling, general and administrative expenses, but shipments of Teribone™ osteoporosis drug and Recomodulin™ recombinant thrombomodulin increased. In devices-related operations, the weaker yen contributed to performance of blood-purification products, and shipments of Planova™ virus removal filters increased.

#### CRITICAL CARE

Sales increased by ¥21.5 billion (59.4%) from a year ago to ¥57.6 billion, gross operating income\* increased by ¥1.5 billion (26.5%) to ¥7.1 billion, and the consolidated operating loss increased by ¥0.4 billion to ¥2.7 billion. The effect of amortization of goodwill and other intangible assets, etc., related to acquisition of ZOLL Medical Corporation increased by ¥1.9 billion to ¥9.8 billion.

LifeVest™ wearable defibrillator operations expanded smoothly, and other products such as defibrillators for use by medical professionals performed well, but selling, general and administrative expenses grew with reinforced sales activity. The increase in sales and increase in operating loss were enlarged by the difference in the period subject to consolidation.

\* Operating income before amortization of goodwill and other intangible assets, etc., related to acquisition of ZOLL by Asahi Kasei.

#### OTHERS

Sales in “Others” decreased by ¥0.6 billion (4.6%) from a year ago to ¥12.5 billion, and operating income decreased by ¥0.7 billion (41.0%) to ¥1.0 billion.

## VI. Consolidated Financial Statements

### 1. Balance sheets

	At end of March 2013	At end of Dec. 2013
<b>Assets</b>		
Current assets		
Cash and deposits	109,513	115,620
Notes and accounts receivable–trade	306,222	334,524
Short-term investment securities	124	66
Merchandise and finished goods	145,470	157,627
Work in process	100,513	133,267
Raw materials and supplies	63,695	67,770
Deferred tax assets	21,945	23,576
Other	73,619	79,993
Allowance for doubtful accounts	(1,631)	(1,871)
<b>Total current assets</b>	<b>819,469</b>	<b>910,572</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	428,616	451,803
Accumulated depreciation	(241,191)	(249,174)
<b>Buildings and structures, net</b>	<b>187,425</b>	<b>202,629</b>
Machinery, equipment and vehicles	1,236,111	1,293,763
Accumulated depreciation	(1,082,480)	(1,125,286)
<b>Machinery, equipment and vehicles, net</b>	<b>153,631</b>	<b>168,477</b>
Land	58,176	58,245
Lease assets	13,980	13,787
Accumulated depreciation	(7,173)	(8,729)
<b>Lease assets, net</b>	<b>6,806</b>	<b>5,059</b>
Construction in progress	41,482	30,953
Other	129,716	137,976
Accumulated depreciation	(115,656)	(120,650)
<b>Other, net</b>	<b>14,060</b>	<b>17,326</b>
<b>Subtotal</b>	<b>461,581</b>	<b>482,688</b>
Intangible assets		
Goodwill	134,303	144,502
Other	121,114	123,669
<b>Subtotal</b>	<b>255,417</b>	<b>268,170</b>
Investments and other assets		
Investment securities	224,903	253,742
Long-term loans receivable	5,248	9,617
Deferred tax assets	8,487	9,399
Other	25,311	25,459
Allowance for doubtful accounts	(245)	(232)
<b>Subtotal</b>	<b>263,704</b>	<b>297,985</b>
<b>Total noncurrent assets</b>	<b>980,702</b>	<b>1,048,843</b>
<b>Total assets</b>	<b>1,800,170</b>	<b>1,959,415</b>

	At end of March 2013	At end of Dec. 2013
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	172,630	189,964
Short-term loans payable	113,043	103,374
Commercial paper	70,000	86,000
Current portion of bonds payable	5,000	—
Lease obligations	2,415	1,932
Accrued expenses	91,646	77,093
Income taxes payable	13,978	18,463
Advances received	61,953	85,526
Provision for periodic repairs	2,359	7,496
Provision for product warranties	2,143	2,115
Provision for removal cost of property, plant and equipment	1,910	2,936
Asset retirement obligations	722	548
Other	65,064	59,166
Total current liabilities	602,864	634,613
Noncurrent liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	146,929	152,414
Lease obligations	4,051	2,767
Deferred tax liabilities	39,985	56,309
Provision for retirement benefits	107,776	109,559
Provision for directors' retirement benefits	767	794
Provision for periodic repairs	4,255	258
Provision for removal cost of property, plant and equipment	2,960	983
Asset retirement obligations	2,834	3,745
Long-term guarantee deposited	18,396	18,309
Other	4,902	4,498
Total noncurrent liabilities	372,855	389,636
<b>Total liabilities</b>	<b>975,719</b>	<b>1,024,249</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,403	79,404
Retained earnings	553,557	600,184
Treasury stock	(2,431)	(2,558)
Total shareholders' equity	733,918	780,419
Accumulated other comprehensive income		
Net unrealized gain on other securities	62,622	85,505
Deferred gains or losses on hedges	(900)	(488)
Foreign currency translation adjustments	16,440	56,624
Total accumulated other comprehensive income	78,162	141,640
Minority interests	12,371	13,106
<b>Total net assets</b>	<b>824,451</b>	<b>935,166</b>
<b>Total liabilities and net assets</b>	<b>1,800,170</b>	<b>1,959,415</b>

## 2. Statements of income and statements of comprehensive income

### (1) Statements of income

	Q1-Q3 2012	Q1-Q3 2013
Net sales	1,202,612	1,389,648
Cost of sales	893,171	1,008,346
Gross profit	309,442	381,302
Selling, general and administrative expenses	246,927	271,495
Operating income	62,515	109,807
Non-operating income		
Interest income	1,037	879
Dividends income	2,368	2,743
Foreign exchange gains	1,568	2,256
Other	3,331	3,321
Total non-operating income	8,303	9,200
Non-operating expenses		
Interest expense	2,443	2,580
Equity in losses of affiliates	1,005	3,097
Other	4,653	3,800
Total non-operating expenses	8,101	9,477
Ordinary income	62,717	109,530
Extraordinary income		
Gain on sales of investment securities	66	319
Gain on sales of noncurrent assets	154	1,500
Total extraordinary income	219	1,818
Extraordinary loss		
Loss on valuation of investment securities	32	586
Loss on disposal of noncurrent assets	2,560	2,522
Impairment loss	1,081	283
Business structure improvement expenses	4,146	2,047
Loss on discontinuation of development project	—	4,493
Total extraordinary loss	7,818	9,930
Income before income taxes and minority interests	55,118	101,419
Total income taxes	18,871	34,697
Income before minority interests	36,247	66,721
Minority interests in income	637	643
Net income	35,610	66,078

(2) Statements of comprehensive income

	Q1-Q3 2012	Q1-Q3 2013
Income before minority interests	36,247	66,721
Other comprehensive income		
Net increase or decrease in unrealized gain on other securities	2,187	22,813
Deferred gains or losses on hedges	1,018	412
Foreign currency translation adjustment	14,433	38,625
Share of other comprehensive income of affiliates accounted for using equity method	2,082	1,767
Total other comprehensive income (loss)	19,720	63,617
Comprehensive income	55,967	130,338
Comprehensive income attributable to:		
Owners of the parent	55,006	129,189
Minority interests	961	1,149

### 3. Statements of cash flows

	Q1-Q3 2012	Q1-Q3 2013
Cash flows from operating activities		
Income before income taxes and minority interests	55,118	101,419
Depreciation and amortization	58,184	63,315
Impairment loss	1,081	283
Amortization of goodwill	4,930	6,620
Amortization of negative goodwill	(201)	(173)
(Decrease) increase in provision for periodic repairs	(2,108)	1,136
Decrease in provision for product warranties	(217)	(50)
Decrease in provision for removal cost of property, plant and equipment	(1,602)	(951)
Increase in provision for retirement benefits	1,523	1,640
Interest and dividend income	(3,405)	(3,623)
Interest expense	2,443	2,580
Equity in losses of affiliates	1,005	3,097
Gain on sales of investment securities	(66)	(319)
Loss on valuation of investment securities	32	586
Gain on sale of property, plant and equipment	(154)	(1,500)
Loss on disposal of noncurrent assets	2,560	2,522
Increase in notes and accounts receivable-trade	(11,180)	(20,215)
Increase in inventories	(34,045)	(41,254)
Increase in notes and accounts payable-trade	11,245	10,849
Decrease in accrued expenses	(23,106)	(16,271)
Increase in advances received	16,745	23,160
Other, net	(12,002)	(5,792)
Subtotal	66,780	127,059
Interest and dividend income, received	4,346	4,412
Interest expense paid	(2,440)	(2,426)
Income taxes paid	(20,413)	(28,176)
Net cash provided by operating activities	48,273	100,869
Cash flows from investing activities		
Payments into time deposits	(5,696)	(5,927)
Proceeds from withdrawal of time deposits	9,256	5,520
Purchase of property, plant and equipment	(64,115)	(59,781)
Proceeds from sales of property, plant and equipment	383	2,295
Purchase of intangible assets	(11,994)	(12,630)
Purchase of investment securities	(3,081)	(2,168)
Proceeds from sales of investment securities	571	971
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(174,432)	(1,697)
Additional purchase of investments in consolidated subsidiaries	(1,332)	(152)
Payments of loans receivable	(9,183)	(9,784)
Collection of loans receivable	6,944	6,433
Other, net	(1,574)	(700)
Net cash used in investing activities	(254,254)	(77,622)

	Q1–Q3 2012	Q1–Q3 2013
Cash flows from financing activities		
Increase in short-term loans payable	34,938	2,982
Increase in commercial paper	97,000	16,000
Proceeds from long-term loans payable	88,117	11,864
Repayment of long-term loans payable	(8,340)	(27,685)
Proceeds from issuance of bonds payable	20,000	—
Redemption of bonds	—	(5,000)
Repayments of lease obligations	(1,874)	(1,946)
Purchase of treasury stock	(32)	(130)
Proceeds from disposal of treasury stock	4	2
Cash dividends paid	(19,567)	(19,566)
Cash dividends paid to minority shareholders	(665)	(553)
Other, net	(110)	108
Net cash provided(used in) by financing activities	209,471	(23,924)
Effect of exchange rate change on cash and cash equivalents	(1,809)	4,768
Net increase in cash and cash equivalents	1,681	4,091
Cash and cash equivalents at beginning of period	96,351	104,008
Increase in cash and cash equivalents resulting from changes of scope of consolidation	102	498
Effect of change in the reporting period of consolidated subsidiaries and affiliates	(5,327)	—
Cash and cash equivalents at end of period	92,808	108,597

## VII. Additional Information

### 1. Consolidated net sales and operating income (loss) by segment

Note: Beginning with the April–June quarter of 2013, the sequence of reportable segments has been changed to correspond with the classification of our four business sectors: Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care.

#### 1) Consolidated net sales by segment

(billions of yen)

	Q1–Q3 2012	Q1–Q3 2013	Increase (decrease)	Fiscal 2013 forecast
Chemicals	501.4	598.4	97.0	790.0
Fibers	81.4	89.9	8.5	122.0
Homes	330.4	360.2	29.8	534.0
Construction Materials	39.2	42.8	3.6	56.0
Electronics	100.2	111.3	11.2	145.0
Health Care	100.9	117.0	16.1	152.0
Critical Care	36.2	57.6	21.5	79.0
Others	13.1	12.5	(0.6)	18.0
Total	1,202.6	1,389.6	187.0	1,896.0

## 2) Consolidated operating income (loss) by segment

(billions of yen)

	Q1-Q3 2012	Q1-Q3 2013	Increase (decrease)	Fiscal 2013 forecast
Chemicals	17.4	33.1	15.7	38.0
Fibers	3.0	6.7	3.7	8.5
Homes	31.8	38.8	7.0	62.0
Construction Materials	3.3	5.1	1.8	6.0
Electronics	1.4	12.8	11.4	14.0
Health Care	14.5	26.4	11.9	28.5
Critical Care	(2.3)	(2.7)	(0.4)	(3.5)
Others	1.6	1.0	(0.7)	1.5
Combined	70.7	121.2	50.4	155.0
Corporate expenses and eliminations	(8.2)	(11.4)	(3.1)	(15.0)
Consolidated	62.5	109.8	47.3	140.0

## 2. Operating income increases/decreases by segment

(billions of yen)

	Increase (decrease) due to:			Operating costs and others	Net increase (decrease)
	Sales volume	Sales prices [of which, due to foreign exchange]			
Chemicals	2.1	41.6	39.8	(28.0)	15.7
Fibers	0.7	4.8	4.9	(1.8)	3.7
Homes	8.0	4.0	—	(5.0)	7.0
Construction Materials	0.9	0.3	—	0.6	1.8
Electronics	2.7	4.5	13.6	4.3	11.4
Health Care	11.5	5.2	5.1	(4.8)	11.9
Critical Care*	5.0	0.3	(0.1)	(5.7)	(0.4)
Others	(0.2)	—	—	(0.5)	(0.7)
Subtotal	30.7	60.8	63.3	(41.0)	50.4
Corporate expenses and eliminations	—	—	—	(3.1)	(3.1)
Consolidated	30.7	60.8	63.3	(44.2)	47.3

\* Effect of difference in period subject to consolidation is included in "operating costs and others."

## 3. Major financial metrics (consolidated)

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

	Q1-Q3 2012	Q1-Q3 2013	Fiscal 2013 forecast
Capital expenditure (tangible)	70.6	56.1	89.0
Capital expenditure (intangible)	12.2	6.5	14.5
Depreciation and amortization*	58.2	63.3	89.5
Balance of payments	0.9	1.0	0.9
<i>of which, dividends received</i>	2.4	2.7	3.1
R&D expenses	52.6	51.9	72.0
Employees at end of period	28,435	29,146	
D/E ratio	0.56	0.42	

\* Excluding amortization of goodwill.

#### 4. Contract trends for home construction operations

	Q1-Q3 2012	Q1-Q3 2013	Increase (decrease)	Fiscal 2013 forecast
No. of orders received (home units)	12,994	14,109	1,115	18,780
Value of orders received (¥ billion)	295.5	321.1	25.6	426.0
Backlog of orders (¥ billion)	447.6	505.9	58.3	486.1
No. of sales (home units)	9,673	10,486	813	16,730
Value of sales (¥ billion)	239.7	259.7	20.0	384.5

#### 5. Key operating factors

	Q1-Q3 2012	Q1-Q3 2013	Increase (decrease)	Fiscal 2013 forecast	
Naphtha price (yen/kL, domestic)	55,400	65,733	10,333	67,125	
Exchange rates					
(market average)	Yen/US\$	80	99	19	100
	Yen/€	102	132	30	134

#### 6. Interest-bearing debt (consolidated)

(billions of yen)

	At end of March 2013	At end of Dec. 2013	Increase (decrease)
Short-term loans payable	113.0	103.4	(9.7)
Commercial paper	70.0	86.0	16.0
Current portion of bonds payable	5.0	—	(5.0)
Long-term loans payable	146.9	152.4	5.5
Bonds payable	40.0	40.0	—
Lease obligations	6.5	4.7	(1.8)
Total	381.4	386.5	5.0