

Judgment of the court of first instance in litigation with Actelion Ltd. of Switzerland

With regard to litigation in the US by Asahi Kasei's subsidiary Asahi Kasei Pharma against Actelion Ltd. of Switzerland and its affiliated companies and executives in relation to a license agreement for fasudil, a rho-kinase inhibitor discovered and owned by Asahi Kasei Pharma, the California Superior Court has entered a judgment ordering the defendants to pay US\$516.6 million in recognition of the petition of Asahi Kasei Pharma.

In June 2006 Asahi Kasei Pharma concluded a license agreement with CoTherix, Inc., under which CoTherix was granted development and commercialization rights for fasudil. Actelion then acquired CoTherix in January 2007. As CoTherix subsequently discontinued the development of fasudil, Asahi Kasei Pharma instituted litigation in November 2008 against Actelion and its affiliated companies and executives at The Superior Court of California, County of San Mateo, claiming damages from the defendants for unlawfully stopping the development.

Separately, Asahi Kasei Pharma conducted arbitration proceedings with the International Chamber of Commerce, seeking damages from CoTherix for breach of the license agreement. In December 2009 the arbitration panel issued a final award ordering CoTherix to pay approximately US\$91 million, and Asahi Kasei Pharma has already received the full amount.

The effect on the consolidated financial performance of the Asahi Kasei Group will be disclosed without delay when matters related to this litigation are finalized.

About Actelion

Actelion Ltd., established in 1997, is a pharmaceutical company headquartered in Basel, Switzerland, with consolidated net sales of CHF1,929 million in 2010. Its main product is Tracleer®, a therapy for pulmonary arterial hypertension.

Rho-kinase

Rho-kinase is a phosphorylating enzyme involved in intracellular signaling. It has drawn attention in recent years as a biologically functional molecule for control of the constriction and relaxation vascular smooth muscle. Vasoconstriction is accentuated when rho-kinase present in vascular smooth muscle becomes abnormally active, resulting in impairment of tissue function due to insufficient blood flow. As a rho-kinase inhibitor, fasudil suppresses vasoconstriction while enabling improvement to the accompanying tissue damage.