Fiscal 2020 3rd Quarter Financial Results

– supplementary financial summary –

February 9, 2021

Asahi Kasei Corporation

Overview of Q3 results

October – December results

Net sales of ¥547.3 billion, up ¥27.4 billion (5.3%) from year-ago period

Operating income of ¥52.7 billion, up ¥14.2 billion (36.8%) from year-ago period

- Material: Operating income returned to year-ago level with recovery of automotive-related markets and petrochemical market prices
- Homes: Firm performance in real estate continued from H1; operating income increased from year-ago period
- Health Care: Firm performance in Critical Care business category continued from H1; operating income increased from year-ago period

April – December results

Net sales of ¥1,536.7 billion, down ¥51.9 billion (3.3%) from year-ago period

Operating income of ¥129.5 billion, down ¥10.7 billion (7.6%) from year-ago period

- Material: Bottomed-out in Q1; operating income steadily improving with recovery of automotive-related markets from Q2
- Homes and Health Care: Operating income increased from year-ago period despite negative impact from COVID-19 pandemic

FY 2020 full-year forecast (1)

Full-year forecast

Net sales of ¥2,091.0 billion, up ¥57.0 billion (2.8%) from November forecast,
down ¥60.6 billion (2.8%) from previous year

Operating income of ¥160.0 billion, up ¥20.0 billion (14.3%) from November forecast,
down ¥17.3 billion (9.7%) from previous year

- Forecast revised upward with firm performance in each segment
  Operating income increment of ¥14.0 billion in Material, ¥2.5 billion in Homes, and ¥5.5 billion in Health Care

- Major factors for upward revision of operating income forecast in Material shown below; H2 year-on-year operating income growth forecasted
  - Basic Materials (¥3.4 billion increment): Improved terms of trade for acrylonitrile (AN)
  - Performance Products (¥4.1 billion increment): Recovery of automotive markets
  - Specialty Solutions (¥5.9 billion increment): Sale of inventory of certain semiconductor products from plant where fire occurred; firm performance in separators

FY 2020 full-year forecast (2)

Full-year forecast (cont.)

- Net income of ¥71.0 billion, down ¥16.0 billion from November forecast

  Major factors shown below

  - Extraordinary loss

    Impact of fire at semiconductor plant (facilities, work in process, etc.)

  - Income tax expense

    Taxation on gain from intragroup asset transfer as part of reorganization related to Veloxis decided in Q3 (estimated to be some ¥25.0 billion; FY 2021 income taxes forecasted to decrease by nearly equivalent amount as part of settlement process in relation to said reorganization)

Shareholder returns

- Year-end dividend forecast of ¥17 per share, total annual dividend forecast of ¥34 per share
- Basic policy for stable dividends and continuously increased dividends remains unchanged; year-end dividend to be determined based on annual results

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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.



1. Consolidated results for fiscal quarter ended Dec. 2020

Summary of financial results

(¥ billion, unless otherwise specified)

	FY 2019		FY 2020		Oct.–Dec. 2020 vs. 2019		Apr.–Dec. 2020 vs. 2019	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec.	Increase (decrease)	% change	Increase (decrease)	% change
Net sales	519.9	1,588.5	547.3	1,536.7	27.4	+5.3%	(51.9)	-3.3%
Operating income	38.5	140.2	52.7	129.5	14.2	+36.8%	(10.7)	-7.6%
Ordinary income	40.4	145.7	54.8	132.3	14.4	+35.7%	(13.4)	-9.2%
Net income attributable to owners of the parent	26.0	103.8	33.2	80.0	7.2	+27.9%	(23.8)	-23.0%
¥/US$ exchange rate (market average)	109	109	105	106	(4)		(3)	
¥/€ exchange rate (market average)	120	121	125	122	4		1	

Statements of income, Apr.–Dec. 2020 vs. 2019

(¥ billion)

	FY 2019 Apr.–Dec.	% of sales	FY 2020 Apr.–Dec.	% of sales	Increase (decrease)	% change
Net sales	1,588.5	100.0%	1,536.7	100.0%	(51.9)	-3.3%
Cost of sales	1,079.2	67.9%	1,036.0	67.4%	(43.3)	-4.0%
Gross profit	509.3	32.1%	500.7	32.6%	(8.6)	-1.7%
Selling, general and administrative expenses	369.0	23.2%	371.2	24.2%	2.1	+0.6%
Operating income	140.2	8.8%	129.5	8.4%	(10.7)	-7.6%
Net non-operating income (expenses)	5.4		2.8		(2.7)	
of which,						
net financing income (expense)	3.4		2.6		(0.8)	
net equity in earnings (losses) of affiliates	6.6		1.2		(5.4)	
foreign exchange gains (loss)	(2.0)		(0.2)		1.8	
Ordinary income	145.7	9.2%	132.3	8.6%	(13.4)	-9.2%
Net extraordinary income (loss)	0.5		(14.1)		(14.6)	
Income before income taxes	146.2	9.2%	118.2	7.7%	(28.0)	-19.1%
Income taxes	(41.0)		(36.5)		4.6	
Net income attributable to non-controlling interests	(1.3)		(1.8)		(0.4)	
Net income attributable to owners of the parent	103.8	6.5%	80.0	5.2%	(23.8)	-23.0%

Balance sheets

(¥ billion)

	At end of Mar. 2020	At end of Dec. 2020	Increase (decrease)
Current assets	1,107.4	1,148.4	41.0
Cash and deposits	208.0	248.3	40.3
Notes and accounts receivable–trade	331.0	329.2	(1.8)
Inventories	477.8	480.3	2.5
Other current assets	90.6	90.6	(0.0)
Noncurrent assets	1,714.8	1,722.8	8.0
Property, plant and equipment	653.7	690.0	36.3
Intangible assets[1]	715.2	662.4	(52.9)
Investments and other assets[1]	345.9	370.4	24.5
Total assets	2,822.3	2,871.2	49.0

	At end of Mar. 2020	At end of Dec. 2020	Increase (decrease)
Liabilities	1,438.8	1,457.2	18.3
Current liabilities	842.5	695.9	(146.6)
Noncurrent liabilities[1]	596.3	761.3	165.0
Net assets	1,383.5	1,414.1	30.6
Shareholders' equity	1,302.8	1,336.1	33.3
Capital stock	103.4	103.4	–
Capital surplus	79.6	79.6	0.0
Retained earnings	1,125.7	1,159.0	33.3
Treasury stock	(6.0)	(5.9)	0.1
Accumulated other comprehensive income	56.5	52.1	(4.5)
Noncurrent liabilities	24.1	25.9	1.8
Total liabilities and net assets	2,822.3	2,871.2	49.0

Goodwill[1]	365.7	342.9	(22.8)
Interest-bearing debt[2]	703.8	718.8	14.9
D/E ratio	0.52	0.52	0.00

[1] Figures at the end of March 2020 retroactively revised reflecting PPA (purchase price allocation) results completed in Q1 2020 related to Veloxis Pharmaceuticals Inc. acquired on March 3, 2020 (CET).
Before revision: goodwill ¥149.1 billion, investments and other assets ¥5.5 billion
After revision: goodwill ¥45.2 billion, intangible assets ¥133.6 billion, noncurrent liabilities ¥24.3 billion

[2] Excluding lease obligations.

Cash flows

(¥ billion)

	Apr.–Dec. 2019	Apr.–Dec. 2020
a. Net cash provided by (used in) operating activities	82.6	175.4
b. Net cash provided by (used in) investing activities	(110.0)	(104.7)
c. Free cash flows [a+b]	(27.5)	70.7
d. Net cash provided by (used in) financing activities	56.3	(30.2)
e. Effect of exchange rate change on cash and cash equivalents	(0.7)	0.1
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	28.1	40.5
g. Cash and cash equivalents at beginning of period	180.5	204.8
h. Increase in cash and cash equivalents resulting from changes in scope of consolidation	0.1	1.8
i. Cash and cash equivalents at end of period [f+g+h]	208.7	247.1

Sales and operating income increase/decrease by segment, Apr.–Dec. 2020 vs. 2019

(¥ billion)

		Apr.–Dec. 2019	Apr.–Dec. 2020	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Material	Sales	835.9	705.6	(130.3)	-15.6%	(74.8)	(51.7)	(2.8)	(3.8)
	Operating income	79.1	42.8	(36.3)	-45.9%	(20.4)			35.8
Homes	Sales	489.7	512.3	22.6	+4.6%	(13.4)	1.9	–	34.1
	Operating income	46.2	48.2	2.0	+4.4%	(10.0)			10.2
Health Care[1]	Sales	251.1	307.9	56.8	+22.6%	47.7	0.3	0.3	8.8
	Operating income	35.8	55.8	20.1	+56.1%	25.0			(5.2)
Others	Sales	11.8	10.8	(1.0)	-8.4%	(1.0)	–	–	–
	Operating income	1.9	2.4	0.5	+23.4%	0.8			(0.3)
Corporate expenses and eliminations	Operating income	(22.7)	(19.7)	3.0	–	–	–	–	3.0
Consolidated	Sales	1,588.5	1,536.7	(51.9)	-3.3%	(41.5)	(49.5)	(2.5)	39.2
	Operating income	140.2	129.5	(10.7)	-7.6%	(4.6)			43.4

[1] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care segment from Q1 2020.



2. Forecast for fiscal year 2020

Consolidated operating performance forecast

(¥ billion, unless otherwise specified)

	FY 2019			FY 2020					Increase (decrease)	% change	FY 2020 forecast in Nov.	Increase (decrease)
	H1	H2	Total a	H1	Oct.−Dec.	Jan.−Mar.	H2 forecast	Total b	b-a		c	b-c
Net sales	1,068.6	1,083.0	2,151.6	989.4	547.3	554.3	1,101.6	2,091.0	(60.6)	-2.8%	2,034.0	57.0
Operating income	101.7	75.6	177.3	76.8	52.7	30.5	83.2	160.0	(17.3)	-9.7%	140.0	20.0
Ordinary income	105.3	78.7	184.0	77.5	54.8	32.7	87.5	165.0	(19.0)	-10.3%	142.0	23.0
Net income attributable to owners of the parent	77.9	26.1	103.9	46.8	33.2	(9.0)	24.2	71.0	(32.9)	-31.7%	87.0	(16.0)

Key operating factors

¥/US$ exchange rate (market average)	109	109	109	107	105	105	105	106	(3)		106	(0)
¥/€ exchange rate (market average)	121	120	121	121	125	120	122	122	1		121	1

Net income per share (EPS) (¥)	74.85	51.17	62.70
Dividends per share (¥)	34	34 (forecast)	34 (forecast)
Payout ratio (%)	45.4	66.4	54.2

Sales and operating income forecast by segment

Net sales

(¥ billion)

	FY 2019			FY 2020					Increase (decrease)	% change	FY2020 forecast in Nov.	Increase (decrease)
	H1	H2	Total a	H1	Oct.–Dec.	Jan.–Mar.	H2 forecast	Total b	b-a		c	b-c
Material	560.2	532.9	1,093.1	438.4	267.2	275.4	542.6	981.0	(112.1)	-10.3%	930.0	51.0
Homes	333.4	371.0	704.4	338.7	173.6	178.7	352.3	691.0	(13.4)	-1.9%	692.0	(1.0)
Health Care[1]	167.6	170.2	337.8	204.9	103.0	96.1	199.1	404.0	66.2	+19.6%	397.0	7.0
Others	7.4	8.9	16.3	7.5	3.4	4.2	7.5	15.0	(1.3)	-7.9%	15.0	–
Consolidated	1,068.6	1,083.0	2,151.6	989.4	547.3	554.3	1,101.6	2,091.0	(60.6)	-2.8%	2,034.0	57.0

Operating income

(¥ billion)

	FY 2019			FY 2020					Increase (decrease)	% change	FY2020 forecast in Nov.	Increase (decrease)
	H1	H2	Total a	H1	Oct.–Dec.	Jan.–Mar.	H2 forecast	Total b	b-a		c	b-c
Material	56.9	35.5	92.4	20.8	21.9	16.2	38.2	59.0	(33.4)	-36.1%	45.0	14.0
Homes	32.7	40.0	72.7	31.7	16.5	14.3	30.8	62.5	(10.2)	-14.0%	60.0	2.5
Health Care[1]	25.9	17.6	43.5	35.4	20.4	9.7	30.1	65.5	22.0	+50.6%	60.0	5.5
Others	1.1	2.1	3.2	1.7	0.7	1.1	1.8	3.5	0.3	+10.2%	3.5	–
Corporate expenses and eliminations	(14.9)	(19.6)	(34.5)	(12.9)	(6.8)	(10.8)	(17.6)	(30.5)	4.0	–	(28.5)	(2.0)
Consolidated	101.7	75.6	177.3	76.8	52.7	30.5	83.2	160.0	(17.3)	-9.7%	140.0	20.0

[1] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care segment from Q1 2020.



3. Appendix

Extraordinary income and loss

(¥ billion)

	FY 2019 Apr.–Dec.	FY 2020 Apr.–Dec.	Increase (decrease)
Gain on sales of investment securities	9.0	8.8	(0.3)
Gain on sales of noncurrent assets	1.4	0.3	(1.1)
Total extraordinary income	10.4	9.1	(1.4)
Loss on valuation of investment securities	1.2	0.0	(1.1)
Loss on disposal of noncurrent assets	4.7	6.5	1.8
Impairment loss	2.2	0.2	(2.0)
Business structure improvement expenses	0.3	4.8	4.5
Loss on disaster	1.5	–	(1.5)
Loss on fire at plant facilities	–	11.6	11.6
Total extraordinary loss	9.9	23.2	13.2
Net extraordinary income (loss)	0.5	(14.1)	(14.6)

Overseas sales by business category

(¥ billion)

	Apr.-Dec. 2019			Apr.-Dec. 2020			Increase (decrease)	% change
	Total sales	Overseas sales	% of total	Total sales	Overseas sales	% of total		
Basic Materials[1]	245.7	117.6	47.9%	185.7	79.9	43.0%	(37.8)	-32.1%
Performance Products[1]	324.1	186.9	57.7%	266.4	156.4	58.7%	(30.5)	-16.3%
Specialty Solutions[1]	236.0	153.4	65.0%	225.0	150.1	66.7%	(3.3)	-2.2%
Homes	446.8	14.3	3.2%	475.4	15.9	3.3%	1.6	+11.4%
Construction Materials	43.0	0.0	0.1%	37.0	0.0	0.0%	(0.0)	-83.1%
Health Care[2]	102.5	33.2	32.4%	115.0	46.3	40.3%	13.1	+39.6%
Critical Care	148.7	146.8	98.8%	192.9	191.2	99.1%	44.4	+30.2%
Others[1]	41.9	1.5	3.5%	39.3	3.2	8.1%	1.7	+117.1%
Total	1,588.5	653.7	41.2%	1,536.7	643.0	41.8%	(10.8)	-1.6%
Asia		340.6	21.4%		287.4	18.7%	(53.2)	-15.6%
of which, sales to China		151.1	9.5%		143.0	9.3%	(8.1)	-5.4%
The Americas		218.0	13.7%		246.0	16.0%	28.0	+12.8%
Europe		81.2	5.1%		89.9	5.9%	8.7	+10.7%
Other countries		13.9	0.9%		19.7	1.3%	5.7	+41.2%
Sales, excluding Homes and Construction Materials	1,098.8	639.5	58.2%	1,024.3	627.1	61.2%		

[1] Beginning with FY 2020, method of consolidation adjustment within the Material segment is changed. FY 2019 sales results are recalculated accordingly.
[2] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care business category from Q1 2020.

Sales and operating income increase/decrease by business category[1], Apr.–Dec. 2020 vs. 2019 (i)

(¥ billion)

		Apr.–Dec. 2019	Apr.–Dec. 2020	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Basic Materials	Sales[2]	245.7	185.7	(60.1)	-24.4%	(26.8)	(32.2)	(0.4)	(1.0)
	Operating income	26.1	4.2	(22.0)	-84.1%	(5.8)			16.1
Performance Products	Sales[2]	324.1	266.4	(57.7)	-17.8%	(49.9)	(11.6)	(0.6)	3.8
	Operating income	28.5	12.7	(15.8)	-55.4%	(17.4)			13.3
Specialty Solutions	Sales[2]	236.0	225.0	(11.0)	-4.7%	3.4	(7.8)	(1.9)	(6.6)
	Operating income	23.3	25.3	2.0	+8.6%	2.8			7.0
Others in Material	Sales[2]	30.1	28.5	(1.6)	-5.2%	(1.6)	–	–	–
	Operating income	1.2	0.6	(0.6)	-49.4%	0.0			(0.6)
Homes	Sales	446.8	475.4	28.6	+6.4%	(7.1)	1.6	–	34.1
	Operating income	42.2	44.9	2.7	+6.4%	(8.7)			9.8
Construction Materials	Sales	43.0	37.0	(6.0)	-14.0%	(6.3)	0.3	–	–
	Operating income	4.5	3.6	(0.9)	-20.6%	(1.4)			0.2

[1] Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.
[2] Beginning with FY 2020, method of consolidation adjustment within the Material segment is changed. FY 2019 sales results are recalculated accordingly.

Sales and operating income increase/decrease by business category[1], Apr.–Dec. 2020 vs. 2019 (ii)

(¥ billion)

		Apr.–Dec. 2019	Apr.–Dec. 2020	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Health Care[2]	Sales	102.5	115.0	12.6	+12.3%	2.4	(1.2)	(0.0)	11.4
	Operating income	17.8	19.6	1.8	+10.3%	0.9			2.2
Critical Care	Sales	148.7	192.9	44.2	+29.7%	45.3	1.5	0.4	(2.6)
	Operating income	18.0	36.3	18.2	+101.3%	24.2			(7.4)
Others	Sales	11.8	10.8	(1.0)	-8.4%	(1.0)	–	–	–
	Operating income	1.9	2.4	0.5	+23.4%	0.8			(0.3)
Corporate expenses and eliminations	Operating income	(23.3)	(20.0)	3.3	–	–	–	–	3.3
Consolidated	Sales	1,588.5	1,536.7	(51.9)	-3.3%	(41.5)	(49.5)	(2.5)	39.2
	Operating income	140.2	129.5	(10.7)	-7.6%	(4.6)			43.4

[1] Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.
[2] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care business category from Q1 2020.

Sales and operating income increase/decrease by segment, Oct.–Dec. 2020 vs. 2019

(¥ billion)

		Oct.–Dec. 2019	Oct.–Dec. 2020	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Material	Sales	275.7	267.2	(8.4)	-3.1%	5.5	(16.9)	(1.4)	3.0
	Operating income	22.2	21.9	(0.3)	-1.3%	4.5			12.0
Homes	Sales	156.3	173.6	17.3	+11.1%	1.2	2.7	–	13.5
	Operating income	13.4	16.5	3.1	+22.7%	(2.8)			3.2
Health Care[1]	Sales	83.5	103.0	19.5	+23.3%	19.7	0.1	0.1	(0.3)
	Operating income	9.9	20.4	10.6	+107.2%	11.3			(0.8)
Others	Sales	4.4	3.4	(1.1)	-23.8%	(1.1)	–	–	–
	Operating income	0.9	0.7	(0.2)	-23.6%	0.3			(0.5)
Corporate expenses and eliminations	Operating income	(7.8)	(6.8)	1.1	–	–	–	–	1.1
Consolidated	Sales	519.9	547.3	27.4	+5.3%	25.3	(14.1)	(1.3)	16.1
	Operating income	38.5	52.7	14.2	+36.8%	13.3			15.0

[1] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care segment from Q1 2020.

Sales and operating income increase/decrease by business category[1], Oct.–Dec. 2020 vs. 2019 (i)

(¥ billion)

		Oct.–Dec. 2019	Oct.–Dec. 2020	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Basic Materials	Sales[2]	82.1	69.0	(13.1)	-15.9%	(4.4)	(8.7)	(0.3)	0.0
	Operating income	6.1	4.1	(2.0)	-33.1%	0.1			6.6
Performance Products	Sales[2]	103.9	107.5	3.6	+3.4%	3.5	(5.1)	(0.3)	5.1
	Operating income	7.8	7.9	0.1	+1.2%	2.0			3.2
Specialty Solutions	Sales[2]	79.9	80.4	0.5	+0.7%	5.8	(3.1)	(0.8)	(2.2)
	Operating income	8.4	10.1	1.7	+20.8%	2.4			2.5
Others in Material	Sales[2]	9.7	10.3	0.6	+6.0%	0.6	–	–	–
	Operating income	0.0	(0.1)	(0.1)	–	0.1			(0.2)
Homes	Sales	141.9	161.0	19.1	+13.5%	3.1	2.6	–	13.5
	Operating income	12.1	15.5	3.4	+28.1%	(2.7)			3.5
Construction Materials	Sales	14.4	12.6	(1.8)	-12.4%	(1.8)	0.1	–	–
	Operating income	1.8	1.2	(0.6)	-33.4%	(0.2)			(0.5)

[1] Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.
[2] Beginning with FY 2020, method of consolidation adjustment within the Material segment is changed. FY 2019 sales results are recalculated accordingly.

Sales and operating income increase/decrease by business category[1], Oct.–Dec. 2020 vs. 2019 (ii)

(¥ billion)

		Oct.–Dec. 2019	Oct.–Dec. 2020	Increase (decrease)	% change	Increase (decrease) due to:			
						Sales volume	Sales prices	of which, due to foreign exchange	Others
Health Care[2]	Sales	32.3	40.7	8.4	+25.9%	4.4	(0.2)	(0.0)	4.2
	Operating income	3.8	8.8	5.0	+132.3%	2.8			2.4
Critical Care	Sales	51.2	62.3	11.1	+21.7%	15.3	0.3	0.1	(4.5)
	Operating income	6.1	11.7	5.6	+91.6%	8.5			(3.2)
Others	Sales	4.4	3.4	(1.1)	-23.8%	(1.1)	–	–	–
	Operating income	0.9	0.7	(0.2)	-23.6%	0.3			(0.5)
Corporate expenses and eliminations	Operating income	(8.3)	(7.0)	1.3	–	–	–	–	1.3
Consolidated	Sales	519.9	547.3	27.4	+5.3%	25.3	(14.1)	(1.3)	16.1
	Operating income	38.5	52.7	14.2	+36.8%	13.3			15.0

[1] Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.
[2] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care business category from Q1 2020.

Sales forecast by business category

(¥ billion)

	FY 2019			FY 2020					Increase (decrease)	% change	FY 2020 forecast in Nov.	Increase (decrease)
	H1	H2	Total a	H1	Oct.–Dec.	Jan.–Mar.	H2 forecst	Total b	b-a		c	b-c
Basic Materials[1]	163.6	153.2	316.8	116.7	69.0	79.3	148.3	265.0	(51.8)	-16.3%	250.0	15.0
Performance Products[1]	220.1	203.8	423.9	158.9	107.5	107.6	215.1	374.0	(49.9)	-11.8%	355.0	19.0
Specialty Solutions[1]	156.1	156.4	312.5	144.6	80.4	79.0	159.4	304.0	(8.5)	-2.7%	286.0	18.0
Others in Material[1]	20.4	19.6	40.0	18.2	10.3	9.5	19.8	38.0	(2.0)	-5.0%	39.0	(1.0)
Homes	304.9	344.4	649.3	314.4	161.0	167.6	328.6	643.0	(6.3)	-1.0%	643.0	–
Construction Materials	28.6	26.6	55.1	24.3	12.6	11.0	23.7	48.0	(7.1)	-13.0%	49.0	(1.0)
Health Care[2]	70.1	63.2	133.3	74.3	40.7	40.0	80.7	155.0	21.7	+16.3%	155.0	–
Critical Care	97.5	107.0	204.5	130.6	62.3	56.1	118.4	249.0	44.5	+21.8%	242.0	7.0
Others	7.4	8.9	16.3	7.5	3.4	4.2	7.5	15.0	(1.3)	-7.9%	15.0	–
Consolidated	1,068.6	1,083.0	2,151.6	989.4	547.3	554.3	1,101.6	2,091.0	(60.6)	-2.8%	2,034.0	57.0

[1] Beginning with FY 2020, method of consolidation adjustment within the Material segment is changed. FY 2019 sales results are recalculated accordingly.
[2] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care business category from Q1 2020.

Operating income forecast by business category[1]

(¥ billion)

	FY 2019			FY 2020					Increase (decrease)	% change	FY 2020 forecast in Nov.	Increase (decrease)
	H1	H2	Total a	H1	Oct.–Dec.	Jan.–Mar.	H2 forecast	Total b	b-a		c	b-c
Basic Materials	20.1	6.5	26.6	0.1	4.1	5.2	9.3	9.4	(17.2)	-64.6%	6.0	3.4
Performance Products	20.7	13.1	33.7	4.8	7.9	4.4	12.3	17.1	(16.6)	-49.3%	13.0	4.1
Specialty Solutions	14.9	15.5	30.4	15.2	10.1	6.1	16.2	31.4	1.0	+3.2%	25.5	5.9
Others in Material	1.2	0.5	1.6	0.7	(0.1)	0.5	0.4	1.1	(0.5)	-32.7%	0.5	0.6
Homes	30.1	37.3	67.4	29.4	15.5	14.1	29.6	59.0	(8.4)	-12.5%	56.5	2.5
Construction Materials	2.7	2.9	5.6	2.4	1.2	(0.1)	1.1	3.5	(2.1)	-37.4%	3.5	–
Health Care[2]	14.0	3.8	17.8	10.8	8.8	1.4	10.2	21.0	3.2	+17.8%	19.0	2.0
Critical Care	11.9	13.8	25.7	24.6	11.7	8.2	19.9	44.5	18.8	+73.3%	41.0	3.5
Others	1.1	2.1	3.2	1.7	0.7	1.1	1.8	3.5	0.3	+10.2%	3.5	–
Corporate expenses and eliminations	(15.0)	(19.8)	(34.8)	(13.0)	(7.0)	(10.5)	(17.5)	(30.5)	4.3	–	(28.5)	(2.0)
Consolidated	101.7	75.6	177.3	76.8	52.7	30.5	83.2	160.0	(17.3)	-9.7%	140.0	20.0

[1] Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.
[2] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in Health Care business category from Q1 2020.

Material segment (i)

(¥ billion)

	Sales			
	Apr.–Dec. 2019[1]	Apr.–Dec. 2020	Increase (decrease)	% change
Material segment	835.9	705.6	(130.3)	-15.6%
Basic Materials	245.7	185.7	(60.1)	-24.4%
Performance Products	324.1	266.4	(57.7)	-17.8%
Specialty Solutions	236.0	225.0	(11.0)	-4.7%
Others	30.1	28.5	(1.6)	-5.2%

	Operating income[2]			
	Apr.–Dec. 2019[1]	Apr.–Dec. 2020	Increase (decrease)	% change
Material segment	79.1	42.8	(36.3)	-45.9%
Basic Materials	26.1	4.2	(22.0)	-84.1%
Performance Products	28.5	12.7	(15.8)	-55.4%
Specialty Solutions	23.3	25.3	2.0	+8.6%
Others	1.2	0.6	(0.6)	-49.4%

Basic Materials

Operating income decrease:

(–) Deteriorated terms of trade and decreased shipments of AN

(–) Inventory valuation loss by the gross average method due to decreased prices for feedstock such as naphtha

[1] Beginning with FY 2020, method of consolidation adjustment within the Material segment is changed. FY 2019 sales results are recalculated accordingly.

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

Material segment (ii)

Performance Products

Operating income decrease:

(+) Improved terms of trade due to decreased prices for feedstock such as naphtha

(–) Decreased shipments of automobile-related products

(–) Decreased shipments of fiber products for apparel applications

Highlights

- May, decision to close spunbond nonwoven fabric plant in Nobeoka, Miyazaki
- September, acquisition of Adient's automotive fabrics business by Sage Automotive Interiors

Specialty Solutions

Operating income increase:

(+) Increased shipments of lithium-ion battery separator

(+) Increased shipments of electronic materials for communications infrastructure and tablet PCs

Highlights

- January, decision to build a second plant for Ceolus microcrystalline cellulose at the Mizushima Works in Kurashiki, Okayama

Homes segment (i)

(¥ billion)

	Net sales			
	Apr.–Dec. 2019	Apr.–Dec. 2020	Increase (decrease)	% change
Homes segment	489.7	512.3	22.6	+4.6%
Homes	446.8	475.4	28.6	+6.4%
Order-built homes, etc. (Asahi Kasei Homes)	287.9	282.0	(5.9)	-2.1%
Real estate (Asahi Kasei Realty & Residence)	95.7	135.6	39.8	+41.6%
Remodeling (Asahi Kasei Reform)	46.7	39.9	(6.8)	-14.6%
Other housing-related, etc.	16.4	18.0	1.5	+9.3%
Construction Materials	43.0	37.0	(6.0)	-14.0%

	Operating income[1]			
	Apr.–Dec. 2019	Apr.–Dec. 2020	Increase (decrease)	% change
Homes segment	46.2	48.2	2.0	+4.4%
Homes	42.2	44.9	2.7	+6.4%
Order-built homes, etc. (Asahi Kasei Homes)	25.6	22.2	(3.5)	-13.5%
Real estate (Asahi Kasei Realty & Residence)	9.8	18.3	8.5	+86.4%
Remodeling (Asahi Kasei Reform)	5.6	3.7	(1.9)	-33.9%
Other housing-related, etc.	1.2	0.8	(0.4)	-34.3%
Construction Materials	4.5	3.6	(0.9)	-20.6%

Operating income increase:

(+) Firm performance of pre-built homes in real estate

(–) Decreased deliveries of order-built homes

(–) Decreased number of remodeling works

Home order trend

- Year-on-year 23.1% decrease in value of new orders for order-built homes due to restriction of admission to model homes to prevent the spread of COVID-19 infection.

Highlights

- September, acquisition of Austin Companies providing electric, foundation, and HVAC work for home construction in the US.

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

Homes segment (ii)

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

		Value of new orders during the term		Sales of order-built homes, etc.[1]		Sales of real estate				Sales of remodeling	Other sales[2]	Consolidated		Order backlog
						Pre-built homes	Rental housing	Other	Total					
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
	H2	198.4	(-17.8%)	218.4	(-4.3%)	28.0	56.8	2.8	87.6	29.4	9.0	344.4	(+3.4%)	578.2
	annual	400.3	(-11.3%)	415.7	(+3.0%)	35.5	111.2	5.1	151.9	61.3	20.4	649.3	(+7.4%)	
FY20	H1	145.3	(-28.1%)	187.8	(-4.8%)	30.9	58.1	2.1	91.0	25.8	9.8	314.4	(+3.1%)	543.8
	Q3	84.3	(-12.6%)	94.2	(+3.9%)	9.0	29.9	5.6	44.6	14.1	8.2	161.0	(+13.5%)	538.6
	H2 forecast	178.5	(-10.0%)	206.2	(-5.6%)	11.6	61.4	7.5	80.5	27.2	14.7	328.6	(-4.6%)	525.4
	annual forecast	323.8	(-19.1%)	394.0	(-5.2%)	42.5	119.5	9.5	171.5	53.0	24.5	643.0	(-1.0%)	

[1] Income from maintenance service which was previously included in SG&A is included in sales beginning with FY 2019.
[2] 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. 2019	Apr.–Dec. 2020	Increase (decrease)	% change
Health care segment	251.1	307.9	56.8	+22.6%
Health Care[1]	102.5	115.0	12.6	+12.3%
Critical Care	148.7	192.9	44.2	+29.7%

	Operating income[2]			
	Apr.–Dec. 2019	Apr.–Dec. 2020	Increase (decrease)	% change
Health care segment	35.8	55.8	20.1	+56.1%
Health Care[1]	17.8	19.6	1.8	+10.3%
Critical Care	18.0	36.3	18.2	+101.3%

Operating income increase:

(+) Good performance of Critical Care business centering on ventilators

(+) Increased shipments of Planova virus removal filters

(–) Increased amortization of goodwill and intangible assets due to acquisition of Veloxis

Highlights

- May, new drug approval in China for Flivas agent for dysuria treatment
- June, introduction of the ZOLL AED 3 defibrillator in the US
- January, license agreement with Eli Lilly and Company for chronic pain drug candidate (AK1780)

[1] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care business category from Q1 2020.
[2] Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.

Health Care segment (ii)

Sales of Health Care business category

(¥ billion)

	FY 2019			FY 2020	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Pharmaceuticals[1]	15.4	48.8	63.5	21.9	59.8
Medical devices	16.9	53.7	69.9	18.8	55.2
Total	32.3	102.5	133.3	40.7	115.0

Main pharmaceuticals sales

(Sales region, monetary unit)	FY 2019			FY 2020	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.
Asahi Kasei Pharma					
Teribone (Japan, ¥ billion)	6.0	20.4	27.5	8.6	22.8
Recomodulin (Japan, ¥ billion)	2.9	9.0	10.9	2.7	7.5
Kevzara (Japan, ¥ billion)	1.2	3.1	4.3	1.5	3.9
Bredinin (Japan, ¥ billion)	0.6	2.0	2.5	0.6	1.6
Flivas (Japan, ¥ billion)	0.6	2.0	2.5	0.5	1.5
Elcitonin (Japan, ¥ billion)	0.5	1.5	1.9	0.4	1.1
Reclast (Japan, ¥ billion)	0.4	1.1	1.4	0.4	1.0
Veloxis Pharmaceuticals					
Envarsus XR (US, $ million)				34	94

[1] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in pharmaceuticals from Q1 2020.

Health Care segment (iii) Main pharmaceuticals products

	Generic name	Classification	Indication	Formulation
Asahi Kasei Pharma				
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 Inj. 20S	Elcatonin	Osteoporosis drug	Osteoporosis pain	Injection
Bredinin	Mizoribine	Immunosuppressant	Rheumatoid arthritis, kidney transplantation, nephrotic syndrome, lupus nephritis	Tablet
Veloxis Pharmaceuticals				
Envarsus XR	Tacrolimus extended-release tablets	Immunosuppressant drug	Kidney transplantation	Tablet

Health Care segment (iv) 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	
Phase II			Chronic low back pain			
Pending approval (overseas)	HE-69, tablet, mizoribine	Immunosuppressant	Lupus nephritis, nephrotic syndrome	China	In-house	Additional indication
Phase III (overseas)	ART-123, injection, recombinant thrombomodulin alfa	Anticoagulant	Severe sepsis with coagulopathy	United States, Europe, etc.	In-house	

Health Care segment (reference)

Financial performance of Critical Care business category in US dollars

($ million)

	FY 2019			FY 2020		Apr.–Dec. 2020 vs 2019	
	Oct.–Dec.	Apr.–Dec.	Total	Oct.–Dec.	Apr.–Dec.	Increase (decrease)	% change
Net sales	471	1,368	1,880	596	1,818	449	+32.9%
Gross operating income before PPA[1] impact	92	267	374	148	450	183	+68.2%
Goodwill[2]	(25)	(68)	(93)	(25)	(75)	(7)	
Other intangible assets, etc.[2]	(11)	(34)	(45)	(11)	(33)	1	
Amortization/depreciation from PPA[1] revaluation	(36)	(102)	(138)	(36)	(108)	(7)	
Consolidated operating income	56	166	236	112	342	176	+106.3%

[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.)

Quarterly sales by segment

(¥ billion)

	FY 2019				FY 2020			FY 2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Material segment[1]	271.4	288.9	275.7	257.3	204.7	233.7	267.2	275.4
Basic Materials	80.2	83.5	82.1	71.1	57.5	59.2	69.0	79.3
Performance Products	109.9	110.3	103.9	99.8	68.2	90.7	107.5	107.6
Specialty Solutions	71.1	85.0	79.9	76.5	70.0	74.6	80.4	79.0
Others	10.3	10.1	9.7	9.9	9.0	9.2	10.3	9.5
Homes segment	144.6	188.9	156.3	214.7	150.9	187.8	173.6	178.7
Homes	130.6	174.3	141.9	202.5	139.1	175.3	161.0	167.6
Construction Materials	14.0	14.5	14.4	12.2	11.9	12.5	12.6	11.0
Health Care segment	82.7	84.9	83.5	86.7	95.7	109.2	103.0	96.1
Health Care[2]	34.3	35.8	32.3	30.9	36.5	37.8	40.7	40.0
Critical Care	48.4	49.1	51.2	55.8	59.2	71.4	62.3	56.1
Others	3.5	3.9	4.4	4.5	3.9	3.6	3.4	4.2
Consolidated	502.1	566.6	519.9	563.1	455.2	534.2	547.3	554.3

[1] Beginning with FY 2020, method of consolidation adjustment within the Material segment is changed. FY 2019 and Q1 2020 sales results are recalculated accordingly.
[2] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care business category from Q1 2020.

Quarterly operating income by segment[1]

(¥ billion)

	FY 2019				FY 2020			FY 2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 forecast
Material segment	25.9	31.0	22.2	13.3	8.9	12.0	21.9	16.2
Basic Materials	8.8	11.3	6.1	0.4	(1.7)	1.8	4.1	5.2
Performance Products	10.4	10.2	7.8	5.3	1.4	3.4	7.9	4.4
Specialty Solutions	5.4	9.5	8.4	7.1	7.8	7.4	10.1	6.1
Others	1.3	(0.1)	0.0	0.5	1.4	(0.7)	(0.1)	0.5
Homes segment	9.9	22.8	13.4	26.6	10.8	20.9	16.5	14.3
Homes	8.8	21.3	12.1	25.2	9.8	19.6	15.5	14.1
Construction Materials	1.3	1.5	1.8	1.1	1.1	1.3	1.2	(0.1)
Health Care segment	12.6	13.3	9.9	7.7	15.5	19.9	20.4	9.7
Health Care[2]	6.8	7.2	3.8	0.1	5.7	5.1	8.8	1.4
Critical Care	5.9	6.1	6.1	7.7	9.8	14.8	11.7	8.2
Others	0.3	0.8	0.9	1.2	0.7	1.0	0.7	1.1
Corporate expenses and eliminations	(7.4)	(7.5)	(7.8)	(11.8)	(5.8)	(7.1)	(6.8)	(10.8)
Consolidated	41.3	60.4	38.5	37.0	30.1	46.7	52.7	30.5

[1] Figures for operating income by business category include intrasegment transactions which are eliminated from the segment totals.
[2] Results of Veloxis Pharmaceuticals Inc., acquired on March 3, 2020 (CET), are included in the Health Care business category from Q1 2020.

AsahiKASEI



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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.
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to contributing to the development of society,
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This is what we mean by “Creating for Tomorrow.”