

Fiscal quarter ended June 2007

– supplementary financial summary –

July 31, 2007

Asahi Kasei Corporation

Consolidated results for fiscal quarter ended June 2007

Summary of financial results.....4

Statements of income.....5

Balance sheets 6

Cash flows..... 7

Sales and operating profit by segment.... 8–10

Forecast for first fiscal half 2007

Consolidated operating performance.....12

Forecast by segment.....13–14

Appendix

Overview of results by segment.....16–23

Consolidated results for fiscal quarter ended June 2007

Summary of financial results

(¥ billion)

	April–June 2006	April–Sept. 2006	April–June 2007 a	April–Sept. 2007 forecast in May b	April–June 2006 vs. 2007		a/b
					Increase (decrease)	% change	
Net sales	348.5	768.9	385.2	802.0	36.7	+10.5	48.0%
Operating profit	15.3	50.7	25.9	50.0	10.6	+69.4	51.8%
Ordinary profit	15.1	48.8	28.2	49.5	13.2	+87.4	57.0%
Net income	9.2	29.0	18.1	25.5	8.9	+96.7	70.8%

Key operating factors

Naphtha price (¥/kL, domestic)	49,000	51,450	58,200	55,000
¥/US\$ exchange rate (market average)	115	115	121	115

Financial position

	At end of March 2007	At end of June 2007	Increase (decrease)
Total assets	1,459.9	1,452.8	(7.2)
Equity	645.7	657.9	12.2
Interest-bearing debt	216.9	211.7	(5.3)
Debt/equity ratio	0.34	0.32	(0.02)

Statements of income

(¥ billion)

	April–June 2006		April–June 2007		Increase (decrease)	% change
		% of sales		% of sales		
Net sales	348.5	100.0%	385.2	100.0%	36.7	+10.5
Cost of sales	267.7	76.8%	291.0	75.6%	23.4	+8.7
Gross profit	80.8	23.2%	94.1	24.4%	13.3	+16.5
Selling, general and administrative expenses	65.5	18.8%	68.2	17.7%	2.7	+4.1
Operating profit	15.3	4.4%	25.9	6.7%	10.6	+69.4
Non-operating expenses	(0.2)		2.3		2.5	
of which,						
financing income and expense	0.6		0.9		0.3	
equity in net earnings of unconsolidated subsidiaries and affiliates	(0.2)		1.0		1.2	
Ordinary profit	15.1	4.3%	28.2	7.3%	13.2	+87.4
Special gains and losses	(0.4)		(0.4)		0.1	
Income before income taxes and minority interest	14.6	4.2%	27.9	7.2%	13.2	+90.3
Income taxes	(5.3)		(9.7)		(4.3)	
Minority interest in income of consolidated subsidiaries	(0.1)		(0.1)		(0.0)	
Net income	9.2	2.6%	18.1	4.7%	8.9	+96.7

Balance sheets

(¥ billion)

	At end of Mar. 2007	At end of Jun. 2007	Increase (decrease)		At end of Mar. 2007	At end of Jun. 2007	Increase (decrease)
Current assets	723.0	715.7	(7.3)	Liabilities	806.4	786.7	(19.7)
Cash on hand and in banks	101.5	61.7	(39.8)	Current liabilities	503.6	506.3	2.7
Notes and accounts receivable, trade	300.4	312.6	12.2	Long-term liabilities	302.8	280.5	(22.4)
Inventories	240.0	263.2	23.2	Net assets	653.5	666.0	12.5
Other current assets	81.1	78.2	(2.9)	Shareholders' equity	561.8	569.9	8.2
Fixed assets	736.9	737.1	0.1	Common stock	103.4	103.4	–
Property, plant and equipment	427.0	426.0	(0.9)	Capital surplus	79.4	79.4	0.0
Intangible fixed assets	28.5	27.4	(1.0)	Retained earnings	380.5	388.8	8.3
Investments and other assets	281.5	283.6	2.1	Treasury stock, at cost	(1.5)	(1.7)	(0.1)
				Valuation, transition adjustment and others	83.9	88.0	4.1
				Minority interest in consolidated subsidiaries	7.9	8.1	0.3
Total assets	1,459.9	1,452.8	(7.2)	Total liabilities and net assets	1,459.9	1,452.8	(7.2)

(¥ billion)

	Q1 2006	Q1 2007
a. Cash flows from operating activities	(11.6)	(10.7)
b. Cash flows from investing activities	(15.5)	(14.4)
c. Free cash flows [a+b]	(27.1)	(25.1)
d. Cash flows from financing activities	7.7	(15.1)
e. Effect of exchange rate changes on cash and cash equivalents	0.1	(0.0)
f. Net decrease in cash and cash equivalents [c+d+e]	(19.2)	(40.2)
g. Cash and cash equivalents at beginning of year	86.4	101.7
h. Cash and cash equivalents held by newly consolidated subsidiaries	2.2	—
I. Cash and cash equivalents at end of year [f+g+h]	69.4	61.5

Sales and operating profit by segment

(¥ billion)

	Sales			Operating profit		
	Q1 2006	Q1 2007	Increase (decrease)	Q1 2006	Q1 2007	Increase (decrease)
Chemicals	189.9	218.1	28.3	6.4	17.2	10.8
Homes	58.6	62.3	3.7	(3.7)	(2.8)	0.9
Pharma	26.0	27.2	1.2	4.7	4.6	(0.1)
Fibers	23.0	28.2	5.3	0.5	1.7	1.1
Electronics Materials & Devices	27.7	29.2	1.5	6.4	5.8	(0.7)
Construction Materials	14.7	15.2	0.5	1.0	1.1	0.0
Services, Engineering and Others	8.6	4.8	(3.8)	1.5	0.4	(1.1)
Corporate Expenses and Eliminations	—	—	—	(1.6)	(2.0)	(0.4)
Consolidated	348.5	385.2	36.7	15.3	25.9	10.6

Sales increases/decreases by segment

(Q1 2006 vs. Q1 2007, ¥ billion)

	Sales		Increase (decrease) due to:				Net increase (decrease)
	Q1 2006	Q1 2007	Sales volume	Sales prices	of which, due to foreign exchange	Others	
Chemicals	189.9	218.1	11.2	17.1	1.0	0.0	28.3
Homes	58.6	62.3	(0.0)	4.7	–	(0.9)	3.7
Pharma	26.0	27.2	2.6	(0.4)	0.3	(1.0)	1.2
Fibers	23.0	28.2	4.5	0.7	0.2	0.0	5.3
Electronics Materials & Devices	27.7	29.2	3.0	(1.5)	0.2	0.0	1.5
Construction Materials	14.7	15.2	0.1	0.4	–	0.0	0.5
Services, Engineering and Others	8.6	4.8	(3.8)	0.0	0.0	0.0	(3.8)
Total	348.5	385.2	17.6	21.0	1.6	(1.9)	36.7

Operating profit increases/decreases by segment **AsahiKASEI**

(Q1 2006 vs. Q1 2007, ¥ billion)

	Operating profit		Increase (decrease) due to:				Net increase (decrease)
	Q1 2006	Q1 2007	Sales volume	Sales prices	of which, due to foreign exchange	Operating costs and others	
Chemicals	6.4	17.2	0.6	17.1	1.0	(6.9)	10.8
Homes	(3.7)	(2.8)	0.1	4.7	–	(3.9)	0.9
Pharma	4.7	4.6	1.5	(0.4)	0.3	(1.3)	(0.1)
Fibers	0.5	1.7	0.8	0.7	0.2	(0.4)	1.1
Electronics Materials & Devices	6.4	5.8	1.2	(1.5)	0.2	(0.4)	(0.7)
Construction Materials	1.0	1.1	(0.2)	0.4	–	(0.1)	0.0
Services, Engineering and Others	1.5	0.4	(1.0)	0.0	0.0	(0.1)	(1.1)
Corporate Expenses and Eliminations	(1.6)	(2.0)	0.0	0.0	0.0	(0.4)	(0.4)
Total	15.3	25.9	3.0	21.0	1.6	(13.4)	10.6

Forecast for first fiscal half 2007

Consolidated operating performance

(¥ billion)

	FY 2006			H1 2007 forecast*	Increase (decrease) b-a	FY 2007 forecast in May		Increase (decrease) b-c
	H1 a	H2	Total			H1 c	Total [†]	
Net sales	768.9	854.9	1,623.8	834.0	65.1	802.0	1682.0	32.0
Operating profit	50.7	77.1	127.8	56.0	5.3	50.0	126.0	6.0
Ordinary profit	48.8	77.7	126.5	56.5	7.7	49.5	123.5	7.0
Net income	29.0	39.6	68.6	32.0	3.0	25.5	70.0	6.5

* Revised forecast.

† Revision of the annual forecast will be made when first half results are announced.

Key operating factors

Naphtha price (¥/kL, domestic)	51,450	48,450	49,950	60,100	8,650	55,000	55,000	5,100
¥/US\$ exchange rate (market average)	115	119	117	120	5	115	115	5

Sales forecast by segment

(¥ billion)

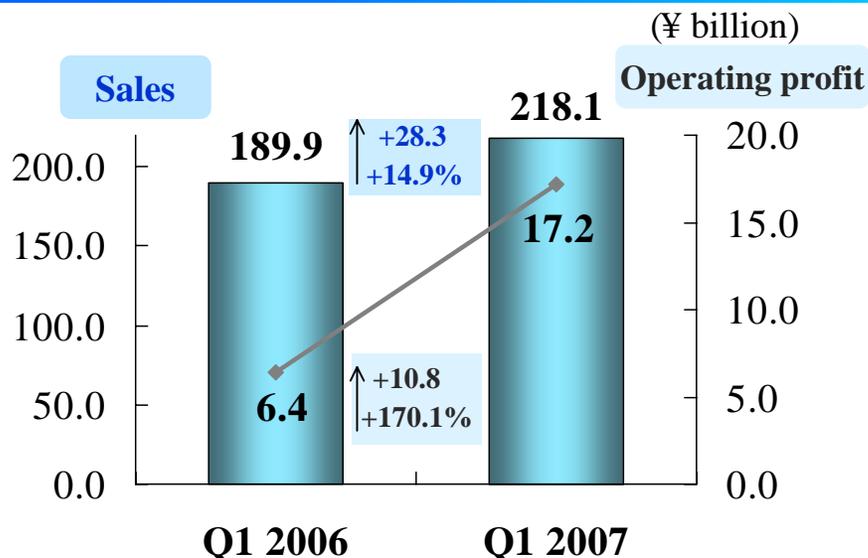
	FY 2006		FY2007		Increase (decrease)	H1 2007 forecast in May	Increase (decrease)
	Q1	1st half	Q1	1st half forecast			
Chemicals	189.9	394.2	218.1	452.0	57.8	421.0	31.0
Homes	58.6	169.1	62.3	167.0	(2.1)	169.0	(2.0)
Pharma	26.0	51.1	27.2	55.0	3.9	54.0	1.0
Fibers	23.0	50.6	28.2	56.0	5.4	55.0	1.0
Electronics Materials & Devices	27.7	56.4	29.2	59.0	2.6	58.0	1.0
Construction Materials	14.7	30.6	15.2	31.0	0.4	31.0	–
Services, Engineering and Others	8.7	16.9	4.8	14.0	(2.9)	14.0	–
Consolidated	348.5	768.9	385.2	834.0	65.1	802.0	32.0

Operating profit forecast by segment

(¥ billion)

	FY 2006		FY2007		Increase (decrease)	H1 2007 forecast in May	Increase (decrease)
	Q1	1st half	Q1	1st half forecast			
Chemicals	6.4	22.8	17.2	31.5	8.8	27.5	4.0
Homes	(3.7)	5.4	(2.8)	4.0	(1.4)	5.0	(1.0)
Pharma	4.7	7.2	4.6	7.0	(0.2)	5.5	1.5
Fibers	0.5	1.3	1.7	3.0	1.7	2.0	1.0
Electronics Materials & Devices	6.4	12.4	5.8	11.0	(1.4)	10.5	0.5
Construction Materials	1.0	2.5	1.1	2.5	(0.0)	2.5	–
Services, Engineering and Others	1.5	2.3	0.4	2.0	(0.3)	2.0	–
Corporate Expenses and Eliminations	(1.6)	(3.2)	(2.0)	(5.0)	(1.8)	(5.0)	–
Consolidated	15.3	50.7	25.9	56.0	5.3	50.0	6.0

Appendix



Review of operations

Higher feedstock costs with oil and naphtha price rises. Maintenance turnaround at ethylene center a year ago, but not this year. Strong demand for chemicals and derivative products. Sales and operating profit increase.

Volume products:

Profit increase due to strong overseas demand.

Chemicals and derivative products

Strong results in acrylonitrile and adipic acid.

Operating profit increase.

Polymer products

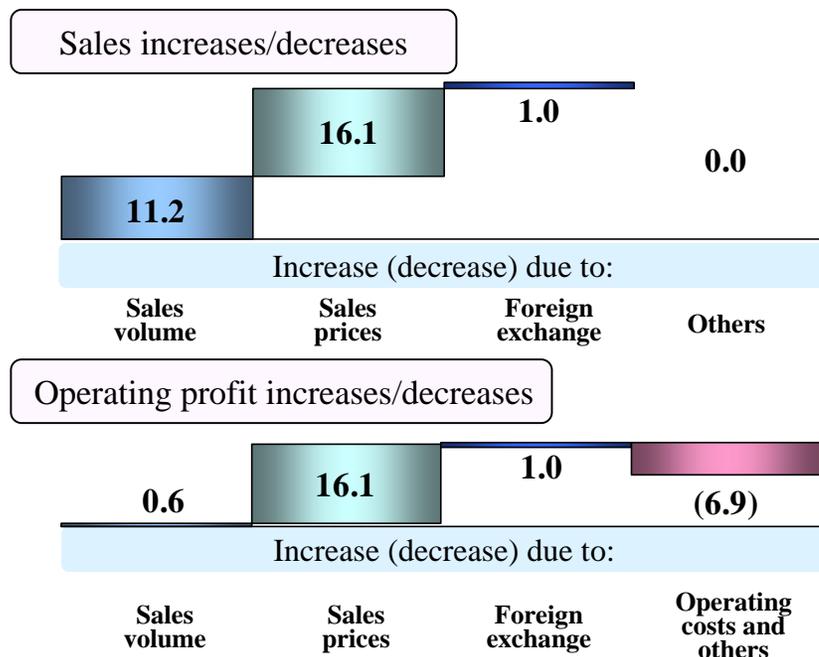
Strong results in polyacetal. Operating profit increase.

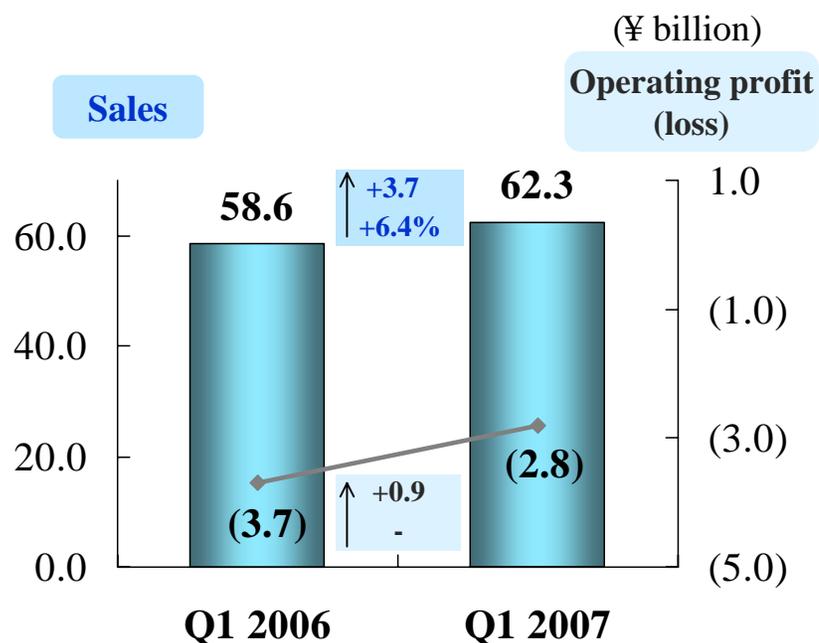
Specialty products:

Increased shipments of ion-exchange membranes to China. Operating profit increase.

Highlights

- May, decision to integrate industrial explosives business with that of Nippon Kayaku.
- June, decision to expand capacity for solution-polymerized styrene-butadiene rubber (S-SBR).





Review of operations

Higher unit prices for order-built unit homes. Increased deliveries of order-built multi-dwelling homes. Growth in housing-related operations such as real estate and remodeling. Sales increase and operating loss decrease.

With challenging general climate for housing continuing, value of new orders decreased 4.9% from the first quarter a year ago, which were particularly strong.

Results by product category*

	Q1 2006		Q1 2007		Increase (decrease)	
	Sales	Operating profit	Sales	Operating profit	Sales	Operating profit
Order-built homes	43.5	/	46.6	/	3.1	/
Pre-built homes	1.8	/	0.9	/	(0.9)	/
Others	0.1	/	0.1	/	0.0	/
Total homes	45.4	(4.5)	47.6	(4.0)	2.2	0.5
Housing-related	13.2	0.8	14.7	1.2	1.5	0.4
Total	58.6	(3.7)	62.3	(2.8)	3.7	0.9

* Product category division unaudited.

Homes (ii)

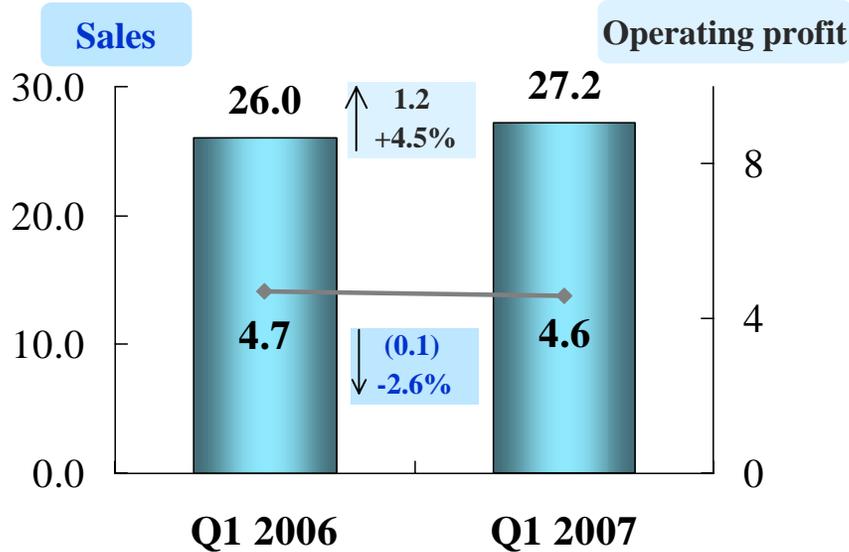
Sales and order trends

(¥ billion, % change from same period of previous year shown at right)

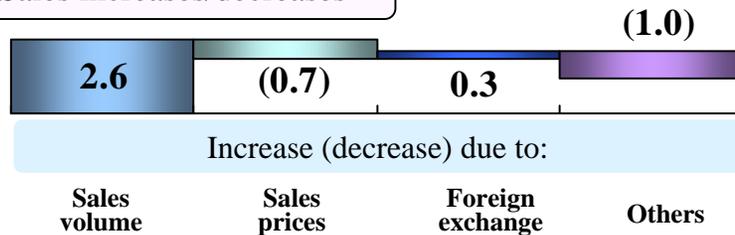
		Value of new orders during the term	Sales of order-built homes	Sales of pre-built homes	Other sales*	Unconsolidated	Consolidated subsidiaries	Consolidated	Order backlog
FY 03	H1	161.4 (+15.9%)	121.2 (-0.6%)	5.2 (-17.8%)	0.5	126.9 (-1.3%)	20.9 (+6.6%)	147.8 (-0.1%)	322.2
	H2	156.7 (+4.5%)	159.9 (+13.1%)	30.8 (+200.9%)	0.6	191.2 (+26.0%)	22.3 (+6.2%)	213.5 (+23.7%)	319.0
	annual	318.1 (+9.9%)	281.1 (+6.8%)	36.0 (+117.0%)	1.1	318.2 (+13.5%)	43.1 (+6.2%)	361.3 (+12.7%)	
FY 04	H1	153.1 (-5.2%)	138.9 (+14.6%)	6.6 (+25.3%)	0.5	146.0 (+15.0%)	21.3 (+1.9%)	167.3 (+13.2%)	333.2
	H2	148.7 (-5.1%)	171.9 (+7.5%)	13.6 (-55.9%)	0.6	186.0 (-2.8%)	22.5 (+0.9%)	208.5 (-2.3%)	310.1
	annual	301.8 (-5.1%)	310.7 (+10.6%)	20.1 (-44.1%)	1.1	332.0 (+4.3%)	43.8 (+1.6%)	375.8 (+4.0%)	
FY05	H1	150.4 (-1.7%)	140.2 (+0.9%)	20.5 (+213.0%)	0.4	161.1 (+10.4%)	24.3 (+14.1%)	185.3 (+10.8%)	320.4
	H2	162.9 (+9.5%)	179.3 (+4.3%)	13.1 (-3.6%)	0.6	193.0 (+3.8%)	26.1 (+16.0%)	219.2 (+5.1%)	304.0
	annual	313.3 (+3.8%)	319.4 (+2.8%)	33.6 (+67.0%)	1.1	354.1 (+6.7%)	50.4 (+15.1%)	404.5 (+7.7%)	
FY06	Q1	83.8 (+10.9%)	43.5 (-10.7%)	1.8 (-84.7%)	0.1	45.4 (-24.9%)	13.2 (+17.5%)	58.6 (-18.3%)	344.3
	Q2	72.3 (-3.3%)	91.2 (-0.3%)	4.2 (-53%)	0.3	95.7 (-5.0%)	14.8 (+13.8%)	110.5 (-2.7%)	325.3
	H1	156.1 (+3.7%)	134.7 (-3.9%)	6.0 (-70.9%)	0.5	141.1 (-12.4%)	28.0 (+15.2%)	169.1 (-8.7%)	325.3
	H2	147.3 (-9.6%)	182.9 (+2.0%)	23.0 (+75.8%)	0.5	206.4 (+6.9%)	30.2 (+15.7%)	236.6 (+7.9%)	289.8
	annual	303.4 (-3.2%)	317.6 (-0.6%)	28.9 (-13.8%)	1.0	347.5 (-1.9%)	58.2 (+15.5%)	405.7 (+0.3%)	
FY07	Q1	79.6 (-4.9%)	46.6 (+7.1%)	0.9 (-51.3%)	0.1	47.6 (+4.8%)	14.7 (+11.4%)	62.3 (+6.4%)	322.8
	Q2	74.0 (+2.4%)	84.6 (-7.2%)	3.6 (-12.0%)	0.4	88.6 (-7.0%)	16.1 (+8.8%)	104.7 (-5.2%)	312.2
	H1 forecast	153.6 (-1.6%)	131.2 (-2.6%)	4.5 (-23.9%)	0.5	136.2 (-3.5%)	30.8 (+10.0%)	167.0 (-1.2%)	

* Including commissions on property insurance.

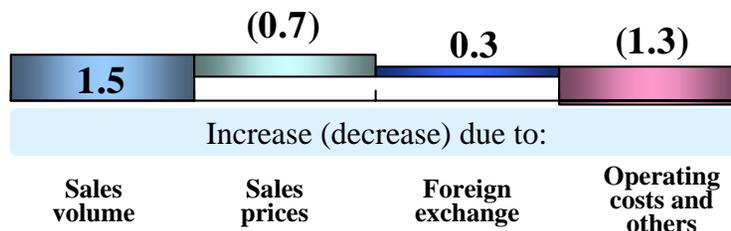
(¥ billion)



Sales increases/decreases



Operating profit increases/decreases



Review of operations

Increased shipments of APS™ polysulfone-membrane artificial kidneys and Planova™ virus removal filters. Sales increase. Slight operating profit decrease with lower licensing income and higher R&D expenditures in pharmaceuticals.

Highlights

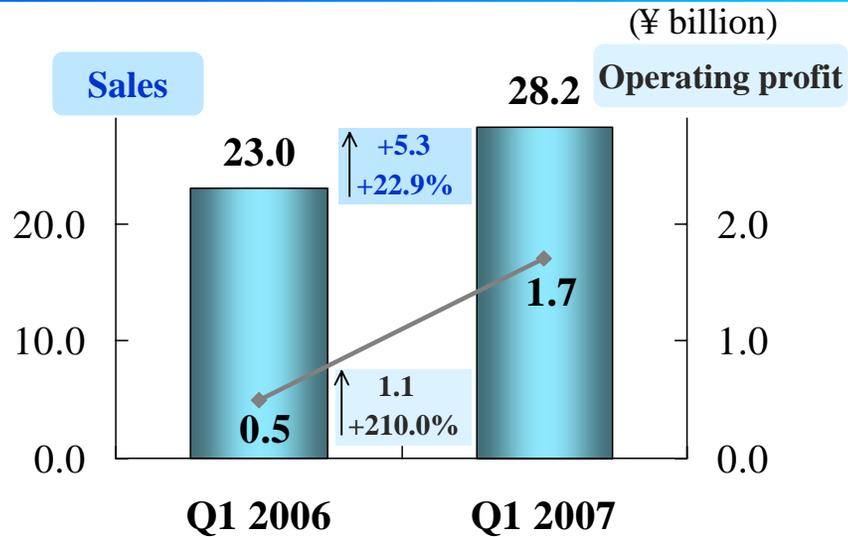
- May, alliance with Kawasumi Laboratories, Inc. and Terumo Corp. for blood bags and filters business in Asian markets, with capital participation.
- May, decision to construct new dry-pack APS™ polysulfone-membrane artificial kidney plant with integrated spinning and assembly lines.
- June, start of operation at medical device sales company in China.
- July, establishment of Apheresis Technology Square, training center for therapeutic apheresis products.

Sales of Asahi Kasei Pharma Corporation (¥ billion)

		FY 2006		FY 2007
		Q1	H1	Q1
	Pharmaceuticals	13.0	24.8	12.1
	Others	1.1	2.9	1.5
Non-consolidated		14.1	27.7	13.6
Asahi Kasei Medical		10.8	21.0	12.4
Others		1.1	2.4	1.2
Consolidated		26.0	51.1	27.2

Main pharmaceuticals domestic sales (¥ billion)

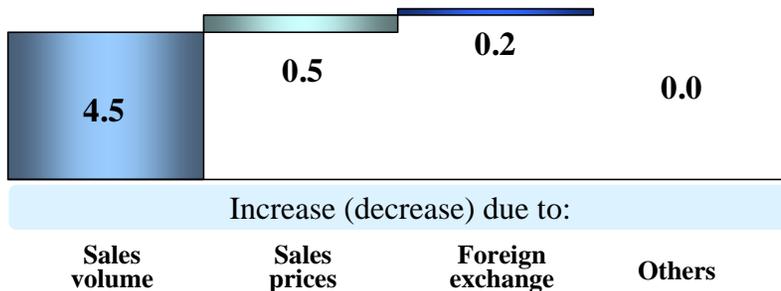
	FY 2006		FY 2007
	Q1	H1	Q1
Elcitonin™	3.6	7.1	3.5
Bredinin™	1.6	3.0	1.6
Flivas™	2.3	4.6	2.4
Toledomin™	1.5	3.0	1.6
Exacin™	0.3	0.5	0.3
Ricamycin™	0.2	0.2	0.1
Eril™	0.4	0.7	0.4



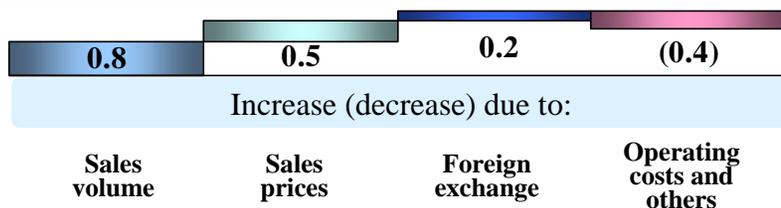
Review of operations

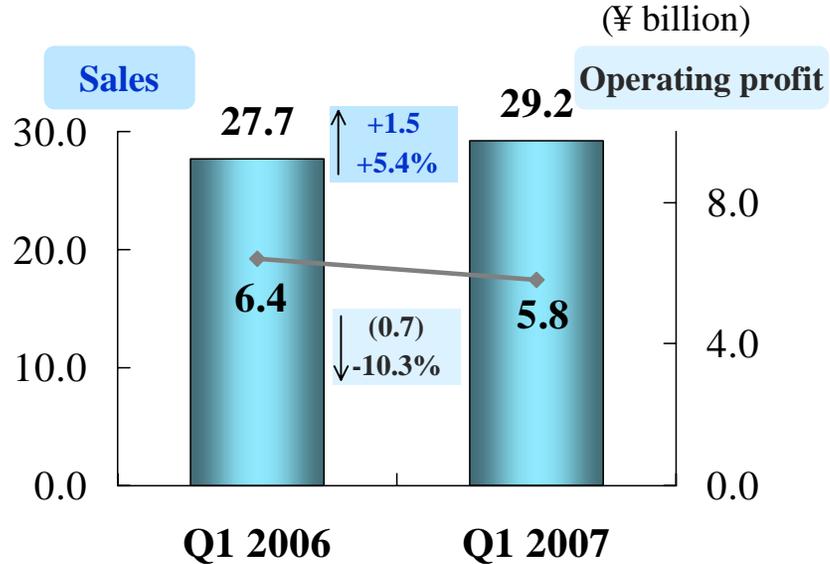
Increased profit from elastic polyurethane filament with recovery of profitability of operations in Europe and the US and with strong overseas demand. Growth of BembergTM regenerated cellulose with increased exports. Sales and operating profit increase.

Sales increases/decreases



Operating profit increases/decreases

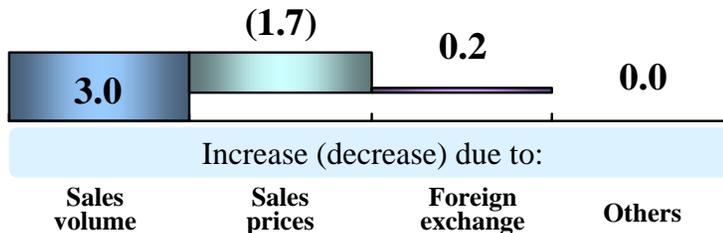




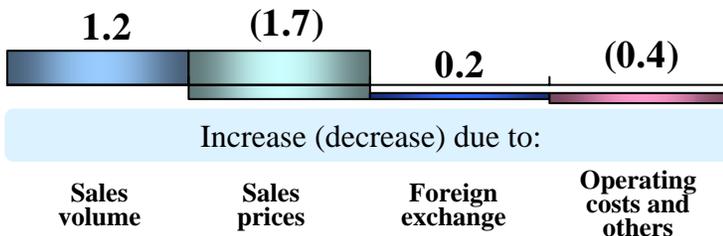
Review of operations

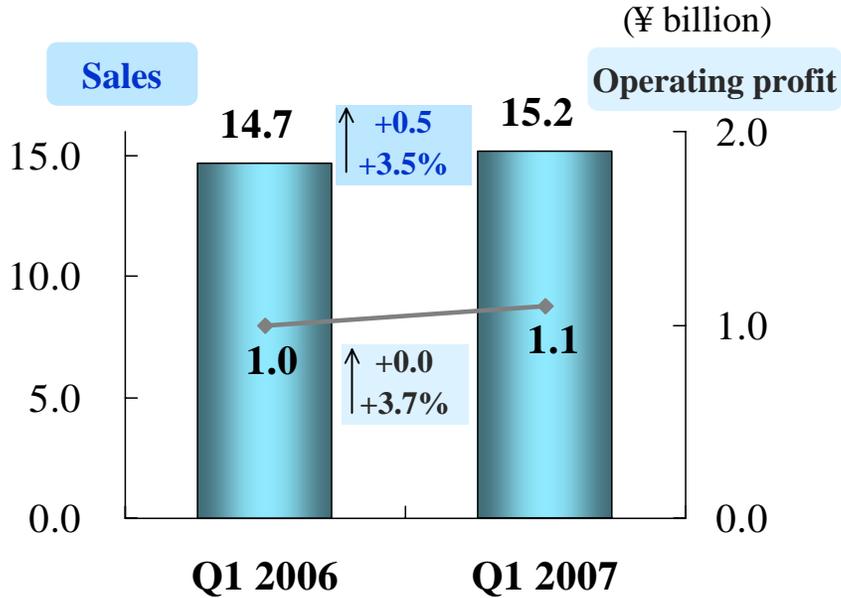
Increased shipments of electronics materials.
 Lower product prices for LSIs. Sales increase and operating profit decrease.

Sales increases/decreases



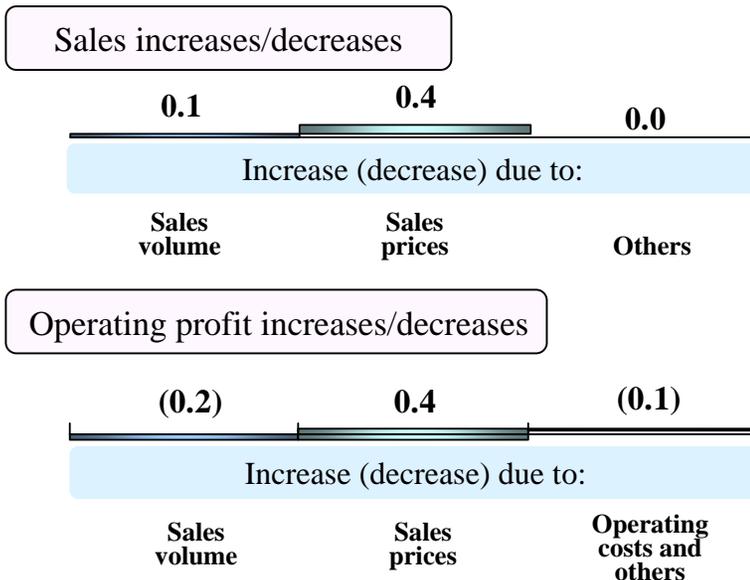
Operating profit increases/decreases





Review of operations

Good performance of Hebel™ autoclaved lightweight concrete panels. Increased sales of foundation systems with generally healthy demand in construction markets. Sales increase and slight operating profit increase.



– 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.