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**Consolidated Results for 1st Quarter Fiscal 2003:
April 1, 2003 – June 30, 2003**

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

I. Conditions for Preparation of Quarterly Statements

1. Scope of consolidation, application of equity method

No. of consolidated subsidiaries: 99 (1 less than in year ended March 31, 2003).

No. of unconsolidated subsidiaries and affiliates for which the equity method is applied: 55 (1 less than in year ended March 31, 2003).

II. Summary of Consolidated Results

1. Operating results

	Q1 2003	cf. FY 2002
Net sales	259,248	1,193,615
Operating profit	4,415	61,555
Ordinary profit	3,305	50,389
Net income (loss)	560	(66,791)
Net income (loss) per share*	0.40	(47.63)
Diluted net income (loss) per share*	—	—

* Yen

Note:

Results for the same quarter of the previous year and comparisons therewith are not shown because accounts were not closed on a quarterly basis during the previous fiscal year.

Discussion of operating results:

During the quarter, the domestic economy remained stagnant with a difficult employment outlook and weak demand. The operating environment was mixed; SARS brought adverse effects during the first half of the quarter, while some economic indicators improved throughout the quarter.

During the first half of the quarter, market conditions for the CHEMICAL AND CHEMICAL-RELATED and FIBERS AND TEXTILES sectors deteriorated, and marketing activities in Asia were curtailed due to SARS. Asian demand recovered during the second half of the quarter and business broadly recovered to the state prior to SARS. Saran Wrap™ and other consumer-use products performed well.

In the HOUSING AND CONSTRUCTION MATERIALS sector, results for Housing operations were weak as is characteristic of the first quarter in a market distinguished by seasonal sales peaks in the second and fourth quarters. However, new orders for homes continued to increase as a result of concerted marketing efforts. In Construction Materials, sales of new products increased, but overall performance remained poor as demand for existing products remained weak.

In the ELECTRONICS sector, operations in both electronic parts and electronic materials

performed well, supported by vigorous demand throughout the electronics industry.

In the HEALTH CARE sector, the challenging environment for pharmaceuticals continued with government measures to curtail medical expenses. Medical device operations, particularly in artificial kidneys, performed well.

In the LIQUORS, SERVICES AND OTHERS sector, basic agreement was reached during the quarter for the divestment of *sake* operations. Following the September 2002 divestment of low-alcohol beverage operations, this will effect a complete withdrawal of liquors operations in the Asahi Kasei Group.

The outlook for the second quarter is for profits to be markedly higher than in the first quarter. Housing operations, where home sales will increase sharply, and the ELECTRONICS sector, with continuing strong demand, will contribute notably to the increase and keep us on course to meet our initial forecasts for the first fiscal half.

2. Financial position

	At end of June 2003	At end of March 2003
Total assets	1,234,688	1,212,374
Shareholders' equity	407,957	407,639
Shareholders' equity/total assets	33.0%	33.6%
Shareholders' equity per share*	291.14	290.92

* Yen

III. Forecast for First Fiscal Half 2003 (April 1, 2003 – September 30, 2003)

Net sales	595,000
Ordinary profit	21,000
Net income	11,000
Net income per share*	7.85

* Yen

Discussion of forecast results:

The CHEMICAL AND CHEMICAL-RELATED sector and Construction Materials operations are now expected to perform somewhat less well than initially foreseen. The ELECTRONICS and FIBERS AND TEXTILES sectors are now expected to perform somewhat better than initially foreseen. Taken together, it is believed that consolidated performance will not be notably affected by these changes; a revision of the forecast previously announced for the first fiscal half is thus unnecessary. The forecast for the fiscal year will be reviewed at the close of the first fiscal half.

Note: 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.

IV. Consolidated Statements of Income

	Q1 2003	<i>cf.</i> FY 2002
Net sales	259,248	1,193,615
Cost of sales	189,650	864,083
Selling, general and administrative expenses	65,184	267,976
Operating profit	4,415	61,555
Non-operating income	1,352	5,665
Non-operating expenses	2,462	16,831
Ordinary profit	3,305	50,389
Special gains	1,331	63,942
Special losses	2,631	215,201
Income (loss) before income taxes and minority interests	2,004	(100,869)
Net income (loss)	560	(66,791)

V. Consolidated Balance Sheets

	At end of June 2003	At end of March 2003	Increase (decrease)
Assets section			
Current assets	565,828	548,877	16,951
Fixed assets	668,859	663,497	5,362
Tangible fixed assets	429,250	427,188	2,062
Intangible fixed assets	38,644	37,612	1,032
Investments and other assets	200,965	198,697	2,268
Total assets	1,234,688	1,212,374	22,314
Liabilities section			
Current liabilities	403,599	385,315	18,284
Long-term liabilities	412,249	408,531	3,718
Total liabilities	815,848	793,847	22,001
Minority interest in consolidated subsidiaries	10,882	10,889	(7)
Shareholders' equity			
Issued and outstanding	103,389	103,389	—
Additional paid-in capital	79,396	79,396	—
Retained earnings	226,648	230,292	(3,644)
Other	15,028	11,061	3,967
Common stock in treasury, at cost	(16,504)	(16,499)	(5)
Total shareholders' equity	407,957	407,639	318
Total liabilities, minority interest and shareholders' equity	1,234,688	1,212,374	22,314

VI. Operating Sector Information

1. Consolidated net sales

(billions of yen)

	Fiscal year 2002	First quarter 2003	First fiscal half 2003 forecast
Chemical and Chemical-related	477.6	117.6	243.0
Housing and Construction Materials <i>of which, Housing</i>	383.7 320.6	61.4 47.3	188.0 157.0
Fibers and Textiles	110.6	25.0	51.0
Electronics	71.6	19.7	41.0
Health Care	105.5	27.9	56.0
Liquors, Services and Others	44.8	7.8	16.0
Total	1,193.6	259.2	595.0

2. Consolidated operating profit (loss)

(billions of yen)

	Fiscal year 2002	First quarter 2003	First fiscal half 2003 forecast
Chemical and Chemical-related	24.7	2.6	8.5
Housing and Construction Materials	10.4	(6.5)	3.5
Fibers and Textiles	1.0	0.5	(0.5)
Electronics	11.0	4.0	7.5
Health Care	15.0	3.9	6.0
Liquors, Services and Others	(0.5)	(0.2)	(1.0)
Combined	61.6	4.4	24.0
Eliminations	(0.0)	0.0	0.0
Consolidated	61.6	4.4	24.0

3. Contract trends for home construction operations

	Q1 2003	Q1 2002	Increase (decrease)	Percent change	<i>cf.</i> FY 2002
Value of orders received (¥ billion)	78.9	65.6	13.3	+20.3	289.3
No. of orders received (home units)	3,861	3,374	487	+14.4	14,843
Backlog of orders (¥ billion)	324.0	284.9	39.1	+13.7	282.0
No. of sales (home units)	1,722	1,715	7	+0.4	12,746
Value of sales (¥ billion)	36.9	36.7	0.2	+0.5	263.3