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Consolidated Results for 1st Half Fiscal Year 2005**April 1, 2005 – September 30, 2005**

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

I. Summary of Consolidated Results

1. Results for fiscal half ended September 30, 2005

(1) Operating results (percent change from first half of previous year in brackets)

Fiscal half ended September	2005	2004
Net sales	718,458 [+9.0%]	659,274 [+12.5%]
Operating profit	47,459 [-13.9%]	55,109 [+143.0%]
Ordinary profit	47,244 [-14.6%]	55,325 [+207.1%]
Net income	25,413 [-5.5%]	26,889 [+161.5%]
Net income per share*	18.15	19.20
Diluted net income per share*	—	—

* Yen

Notes:

1. Equity in profit of unconsolidated subsidiaries and affiliates: ¥658 million; during first half of previous fiscal year, ¥1,249 million.

2. Average shares outstanding, consolidated: 1,400,259,042; during first half of previous fiscal year, 1,400,805,235.

3. Change in method of accounting: Application of fixed assets impairment accounting.

(2) Financial position

At end of	Sep. 2005	Mar. 2005
Total assets	1,304,508	1,270,057
Shareholders' equity	542,064	511,726
Shareholders' equity/total assets	41.6%	40.3%
Shareholders' equity per share*	387.16	365.43

* Yen

(3) Cash flows

Fiscal half ended September	2005	2004
Cash flows from operating activities	33,153	32,713
Cash flows from investing activities	(27,473)	(29,556)
Cash flows from financing activities	(13,680)	(19,137)
Cash and cash equivalents at end of period	60,759	56,535

(4) Scope of consolidation, application of equity method

No. of consolidated subsidiaries: 105

No. of unconsolidated subsidiaries for which the equity method is applied: 27

No. of affiliate companies for which the equity method is applied: 26

(5) Changes in scope of consolidation, application of equity method

No. of newly included consolidated subsidiaries: 1

No. of consolidated subsidiaries newly excluded: 2

No. of unconsolidated subsidiaries and affiliate companies for which the equity method is newly applied: 3

No. of unconsolidated subsidiaries and affiliate companies newly excluded from application of the equity method: 3

2. Forecast for fiscal year ending March 31, 2006*

Net sales	1,500,000
Ordinary profit	103,000
Net income	59,000

Note: Net income per share: ¥42.14

* 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.

II. Overview of Consolidated Results

1. Consolidated group results

The Japanese economy began moving toward a gradual recovery with increased private-sector capital investment and renewed consumer spending during the term. The operating climate nevertheless remained challenging, with persistently elevated prices for petroleum and petrochemical feedstocks such as naphtha.

Consolidated net sales grew by ¥59.2 billion from a year ago to ¥718.5 billion, a 9.0% increase. Sales growth was strongest in chemicals operations, with strong overseas demand. Operating profit decreased by ¥7.7 billion to ¥47.5 billion, a 13.9% decline. Amortization of actuarial differences in retirement benefit accounts resulted in ¥6.8 billion of the ¥7.7 billion decrease (a ¥9.2 billion surplus was amortized during the year-ago term, and a ¥2.4 billion surplus was amortized during the term under review). Ordinary profit decreased by ¥8.1 billion to ¥47.2 billion, a 14.6% decline. Net income decreased by ¥1.5 billion to ¥25.4 billion, a 5.5% decline.

2. Results by operating segment

Leona™ nylon 66 filament operations were transferred from the Fibers segment to the Chemicals segment in April 2005. Results for the year-ago period have been revised accordingly for comparison purposes.

Within each segment, operating performance of individual businesses is described absent amortization of actuarial differences in retirement benefits accounting.

CHEMICALS

Sales for the segment grew by ¥45.2 billion to ¥318.8 billion, a 16.5% increase. Operating profit grew by ¥1.2 billion to ¥20.2 billion, a 6.1% increase. This included a ¥0.9 billion credit to amortize the actuarial surplus for retirement benefits, compared with a ¥2.5 billion credit a year ago.

Operating expenses in volume products rose with elevated prices for naphtha and other feedstocks, but market prices for products also rose and operating profit was on par with a year ago. Sales of acrylonitrile and styrene monomer grew with strong overseas demand, but operating profit in monomers and basic chemicals decreased due to elevated feedstock costs. Operating profit in polymers and elastomers increased, with strong performance in overseas subsidiaries for Xyron™ modified polyphenylene ether.

Operating profit from specialty products and systems increased with strong demand. The business portfolio of the Chemicals segment is being transformed through a concentration of resources on expansion of operations in specialty products and systems. Sales of Hipore™ Li-ion rechargeable battery membrane separators continued to grow in line with successive capacity expansions. Sales of Microza™ ultrafiltration and microfiltration membranes again grew, with notable orders in the emerging application of membrane bioreactor (MBR) systems. Shipments of ion-exchange membranes grew, particularly in China.

HOMES

Sales for the segment grew by ¥18.1 billion to ¥185.3 billion, a 10.8% increase. Operating profit decreased by ¥0.7 billion to ¥8.4 billion, a 7.2% decline. This included a ¥0.6 billion credit to amortize the actuarial surplus for retirement benefits, compared with a ¥1.6 billion credit a year ago.

Sales of order-built homes increased with higher unit prices and smooth delivery of outstanding orders, but operating profit decreased due to the elevated cost of materials and investments to enhance logistical efficiency.

Sales and operating profit in pre-built homes increased with the completion of large condominium reconstruction projects.

Sales and operating profit in housing-related operations increased, notably in remodeling and rental operations.

PHARMA

Sales for the segment grew by ¥0.8 billion to ¥53.6 billion, a 1.6% increase. Operating profit decreased by ¥1.5 billion to ¥5.6 billion, a 21.0% decline. This included a ¥0.1 billion credit to amortize the actuarial surplus for retirement benefits, compared with a ¥1.1 billion credit a year ago.

The operating environment for pharmaceuticals and medical devices remained challenging, including measures to curtail public health care expenses.

Sales of Flivas™ therapy for benign prostatic hyperplasia and Toledomin™ antidepressant continued to grow, and operating profit in pharmaceuticals increased.

Sales in medical devices grew with increased shipments of APS™ polysulfone-membrane hemodialyzers, but operating profit decreased with elevated

capital depreciation following plant expansions.

FIBERS

Sales for the segment decreased by ¥2.1 billion to ¥43.5 billion, a 4.6% decline. Operating profit decreased by ¥1.9 billion to ¥2.3 billion, a 45.0% decline. This included a ¥0.3 billion credit to amortize the actuarial surplus for retirement benefits, compared with a ¥0.8 billion credit a year ago.

Sales of Roica™ elastic polyurethane filament grew with the start-up of production in Thailand and other capacity increases, but operating profit decreased with intensified competition in China and lower market prices.

Sales of Bemberg™ cuprammonium rayon grew with strong overseas demand, and operating profit increased.

Sales of Eltas™ spunbond grew, notably in disposable diaper and hand warmer applications, but operating profit decreased with elevated feedstock costs.

ELECTRONICS MATERIALS AND DEVICES

Sales for the segment grew by ¥0.6 billion to ¥48.7 billion, a 1.3% increase. Operating profit decreased by ¥2.3 billion to ¥8.4 billion, a 21.6% decline. This included a ¥40 million credit to amortize the actuarial surplus for retirement benefits, compared with a ¥0.5 billion credit a year ago.

Demand for electronics devices was strong in cell phone, PC, DVD recorder, HD video recorder, and digital camera applications, but operating profit decreased due to intensified competition.

Sales of pellicles grew in large LCD panel applications, but market conditions for glass fabric were poor, and operating profit in electronics materials decreased with elevated feedstock costs.

CONSTRUCTION MATERIALS

Sales for the segment decreased by ¥1.7 billion to ¥28.4 billion, a 5.8% decline. Operating profit grew by ¥0.3 billion to ¥1.8 billion, a 22.7% increase. This included a ¥40 million credit to amortize the actuarial surplus for retirement benefits, compared with a ¥0.7 billion credit a year ago.

Shipments of Hebel™ autoclaved lightweight concrete (ALC) panels increased with large orders in factory and retail building projects and a general recovery in construction demand, and operating profit in building materials increased.

Shipments of Hebel Powerboard™ ALC panels increased with a successful expansion of the user base overcoming a lull in wood-frame home construction starts, and operating profit in housing materials increased.

Sales of precast concrete piles decreased while sales of Eazet™ and ATT Column™ piles for small-scale construction increased, and operating profit in foundation systems increased.

Operating profit in insulation materials decreased as operating expenses rose with elevated feedstock costs and sales of Neoma™ high-performance phenolic foam panels were constrained by the lull in wood-frame home construction starts.

LIFE & LIVING

Sales for the segment decreased by ¥3.7 billion to ¥26.7 billion, a 12.3% decline, largely due to the transfer of biaxially oriented polystyrene sheet operations to a joint venture with Dainippon Ink and Chemicals, Inc. Operating profit decreased by ¥0.4 billion to ¥2.5 billion, a 13.7% decline. This included a ¥0.1 billion credit to amortize the actuarial surplus for retirement benefits, compared with a ¥0.4 billion credit a year ago.

Operating expenses in home-use products rose with elevated feedstock costs, but operating profit grew with increased shipments of Saran Wrap™ cling film and

increased exports of Saran™ fiber.

Fixed costs in packaging materials were reduced, but operating profit decreased with elevated feedstock costs.

SERVICES, ENGINEERING AND OTHERS

Sales for the segment grew by ¥2.1 billion to ¥13.4 billion, a 18.2% increase.

Operating profit grew by ¥0.5 billion to ¥1.3 billion, a 59.0% increase.

Operating profit in engineering operations increased with completion of several engineering projects, notably pharmaceutical production facilities. Operating profit in personnel staffing and placement operations grew with increased sales.

III. Consolidated Statements of Income

	Fiscal half ended Sep. 2005	Fiscal half ended Sep. 2004	Increase (decrease)	Percent change
Net sales	718,458	659,274	59,184	+9.0
Cost of sales	541,146	478,192	62,954	+13.2
Selling, general and administrative expenses	129,853	125,974	3,879	+3.1
Operating profit	47,459	55,109	(7,650)	-13.9
Non-operating income	4,790	5,343	(553)	—
Non-operating expenses	5,004	5,127	(123)	—
Ordinary profit	47,244	55,325	(8,081)	-14.6
Special gains	325	2,599	(2,274)	—
Special losses	6,948	16,797	(9,849)	—
Income before income taxes and minority interests	40,622	41,126	(504)	-1.2
Net income	25,413	26,889	(1,476)	-5.5

IV. Consolidated Balance Sheets

	At end of Sep. 2005	At end of Mar. 2005	Increase (decrease)
Assets section			
Current assets	611,481	589,719	21,762
Fixed assets	693,027	680,338	12,689
Tangible fixed assets	417,909	419,969	(2,060)
Intangible fixed assets	33,962	36,411	(2,449)
Investments and other assets	241,156	223,958	17,198
Total assets	1,304,508	1,270,057	34,451
Liabilities section			
Current liabilities	409,472	403,022	6,450
Long-term liabilities	346,198	348,956	(2,758)
Minority interest in consolidated subsidiaries	6,773	6,352	421
Shareholders' equity			
Issued and outstanding	103,389	103,389	—
Capital surplus	79,427	79,423	5
Retained earnings	315,200	295,594	19,606
Revaluation surplus	966	966	—
Net unrealized gains on securities	63,444	54,704	8,740
Foreign currency translation adjustment	(3,262)	(5,379)	2,117
Common stock in treasury, at cost	(17,099)	(16,969)	(130)
Total liabilities, minority interest and shareholders' equity	1,304,508	1,270,057	34,451

V. Cash Flows

Fiscal half ended September	2005	2004
Cash flows from operating activities	33,153	32,713
Cash flows from investing activities	(27,473)	(29,556)
Cash flows from financing activities	(13,680)	(19,137)
Effect of exchange rate changes on cash and cash equivalents	161	78
Net decrease in cash and cash equivalents	(7,839)	(15,902)
Cash and cash equivalents at beginning of year	68,456	70,898
Cash and cash equivalents held by newly consolidated subsidiaries	142	1,540
Cash and cash equivalents at end of year	60,759	56,535

VI. Segment Information

1. Industry segments

(1) Fiscal half ended September 30, 2005

	Chemicals	Homes	Pharma	Fibers	Electronics Materials and Devices	Construction Materials	Life & Living	Services, Engineering and Others	Combined	Corporate Expenses* and Eliminations	Consolidated
Sales											
Customers	318,787	185,306	53,577	43,548	48,738	28,391	26,723	13,388	718,458	—	718,458
Intersegment	8,008	45	16	1,334	466	5,703	1,872	12,502	29,944	(29,944)	—
Total	326,795	185,351	53,593	44,882	49,204	34,093	28,595	25,889	748,402	(29,944)	718,458
Operating expenses	306,585	176,959	47,989	42,605	40,849	32,261	26,079	24,593	697,921	(26,922)	670,999
Operating profit	20,209	8,392	5,604	2,277	8,355	1,832	2,516	1,296	50,481	(3,022)	47,459

(2) Fiscal half ended September 30, 2004†

	Chemicals	Homes	Pharma	Fibers	Electronics Materials and Devices	Construction Materials	Life & Living	Services, Engineering and Others	Combined	Corporate Expenses* and Eliminations	Consolidated
Sales											
Customers	273,596	167,250	52,758	45,651	48,113	30,125	30,458	11,324	659,274	—	659,274
Intersegment	6,888	39	4	1,102	388	5,598	2,062	17,641	33,772	(33,722)	—
Total	280,484	167,290	52,762	46,753	48,501	35,723	32,519	28,965	692,997	(33,722)	659,274
Operating expenses	261,444	158,244	45,669	42,615	37,846	34,230	29,602	28,150	637,800	(33,635)	604,166
Operating profit	19,040	9,046	7,093	4,138	10,655	1,493	2,917	815	55,196	(88)	55,109

* Operating expenses for which allocation to operating segments was not feasible were ¥6,987 million in the fiscal half ended September 30, 2005 and ¥4,636 million in the fiscal half ended September 30, 2004.

† Chemicals and Fibers segments revised to reflect the April 2005 transfer of Leona™ nylon 66 filament operations.

2. Geographic information

(1) Fiscal half ended September 30, 2005

Segment information is not shown because over 90% of total sales were from operations domiciled in Japan and over 90% of total assets were located in Japan.

(2) Fiscal half ended September 30, 2004

Segment information is not shown because over 90% of total sales were from operations domiciled in Japan and over 90% of total assets were located in Japan.

3. Overseas sales

(1) Fiscal half ended September 30, 2005

	East Asia*	Other regions	Total
Overseas sales	105,055	71,267	176,322
Consolidated net sales	—	—	718,458
Overseas sales/ consolidated net sales	14.6%	9.9%	24.5%

* China (including Hong Kong), Korea, and Taiwan.

(2) Fiscal half ended September 30, 2004

	East Asia*	Other regions	Total
Overseas sales	92,667	59,397	152,064
Consolidated net sales	—	—	659,274
Overseas sales/ consolidated net sales	14.1%	9.0%	23.1%

* China (including Hong Kong), Korea, and Taiwan.

VII. Overview of Operating Segments

1. Consolidated net sales by operating segment

	Fiscal half ended September 2005		Fiscal half ended September 2004		Increase (decrease)	Percent change
	Net sales	% of total	Net sales	% of total		
Chemicals	318,787	44.4	273,596	41.5	45,191	+16.5
Homes	185,306	25.8	167,250	25.4	18,056	+10.8
Pharma	53,577	7.4	52,758	8.0	819	+1.6
Fibers	43,548	6.1	45,651	6.9	(2,103)	-4.6
Electronics Materials and Devices	48,738	6.8	48,113	7.3	625	+1.3
Construction Materials	28,391	3.9	30,125	4.6	(1,734)	-5.8
Life & Living	26,723	3.7	30,458	4.6	(3,735)	-12.3
Services, Engineering and Others	13,388	1.9	11,324	1.7	2,064	+18.2
Total	718,458	100.0	659,274	100.0	59,184	+9.0

2. Major products, by operating segment

Chemicals

Monomers and basic chemicals

- Ammonia
- Nitric acid
- Caustic soda
- Acrylonitrile (AN)
- Styrene monomer
- Methyl methacrylate (MMA) monomer
- PMMA resin
- High-compound fertilizers
- Adipic acid

Polymers and elastomers

- Suntec™ polyethylene (PE)
- Stylac™-AS styrene-acrylonitrile
- Stylac™-ABS acrylonitrile-butadiene-styrene
- Synthetic rubber
- Tenac™ polyacetal
- Xyron™ modified polyphenylene ether (mPPE)
- Leona™ nylon 66 polymer and filament

Specialty products and systems

- Coating materials
- Latex
- Ceolus™ microcrystalline cellulose
- Explosives
- Explosion-bonded metal clad
- APR™ photosensitive resin and printing plate making systems
- Microza™ UF and MF membranes and systems
- Hipore™ microporous membrane
- Ion-exchange membranes and electrolysis systems

Homes

- Hebel Haus™ houses
- Hebel Maison™ apartments
- Condominiums
- Remodeling
- Real estate
- Residential land development
- Home financing

Pharma

- Elcitonin™, Bredinin™, Flivas™, Toledomin™, and other pharmaceuticals
- Pharmaceutical intermediates
- Diagnostic reagents
- APS™ artificial kidneys
- Sepacell™ leukocyte reduction filters
- Cellsorba™ leukocyte adsorption columns
- Planova™ virus removal filters
- Contact lenses

Fibers

- Roica™ elastic polyurethane filament
- Eltas™ spunbond, Lamous™ artificial suede, and other nonwovens
- Bemberg™ cuprammonium rayon
- Polyester filament

Electronics Materials and Devices

- Pimel™ photosensitive polyimide
- Sunfort™ photosensitive dry film resist (DFR)
- Photomask pellicles
- LSIs
- Hall elements
- Glass fabric

Construction Materials

- Hebel™ autoclaved lightweight concrete (ALC) panels
- Piles
- Neoma™ foam insulation panels
- Artificial fish reefs

Life & Living

- Saran Wrap™ cling film
- Ziploc™ storage bags
- Film
- Sheet
- Foam

Services, Engineering and Others

- Plant engineering
- Environmental engineering
- Personnel staffing and placement
- Think tank services