

Asahi Kasei Corporation

Head Office: 2-6, Dojimahama 1-chome, Kita-ku, Osaka, Japan

Tokyo Head Office: 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan

Security code: 3407

Contact: Corporate Communications, Phone +81-3-3507-2060, Fax +81-3-3507-2495

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**Consolidated Results for 1st to 3rd Quarter Fiscal 2006:
April 1, 2006 – December 31, 2006**

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

I. Conditions for Preparation of Quarterly Statements

1. Change in scope of consolidation, application of equity method

No. of newly consolidated subsidiaries: 4.

No. of consolidated subsidiaries newly excluded: 0.

No. of unconsolidated subsidiaries and affiliates for which the equity method is newly applied: 1.

No. of unconsolidated subsidiaries and affiliates newly excluded from the equity method: 3.

II. Summary of Consolidated Results

1. Operating results (percent change from previous year in brackets)

	Q1–Q3 2006	Q1–Q3 2005
Net sales	1,187,059 [+8.8%]	1,090,749 [+7.8%]
Operating profit	94,187 [+15.4%]	81,630 [–8.9%]
Ordinary profit	93,528 [+15.8%]	80,785 [–8.5%]
Net income	56,851 [+22.0%]	46,581 [–0.3%]
Net income per share*	40.62	33.25
Diluted net income per share*	—	—

* Yen

2. Financial position

At end of	Dec. 2006	Dec. 2005
Total assets	1,485,102	1,412,554
Net assets	644,113	574,098
Net worth/total assets	42.9%	40.6%
Net worth per share*	454.88	410.09

* Yen

Note: Net assets at end of December 2005 does not include minority interests. Net worth at end of December 2005 is the same as shareholders' equity. Net worth at end of December 2006 comprises shareholders' equity and valuation, translation adjustment and others.

3. Cash flows

Nine months ended December	2006	2005
Cash flows from operating activities	70,306	37,198
Cash flows from investing activities	(69,601)	(41,466)
Cash flows from financing activities	(4,207)	12,148
Cash and cash equivalents at end of period	85,417	76,712

III. Forecast for fiscal year ending March 31, 2007

1. Consolidated forecast results*

Net sales	1,617,000
Ordinary profit	121,000
Net income	68,000
Net income per share (yen)	48.60

* 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.

2. Cash dividends

A ¥7 per share year-end dividend is planned, ¥1 per share higher than had been planned previously, making annual dividends of ¥12 per share together with the ¥5 per share interim dividend.

IV. Overview of Consolidated Results

1. Consolidated group results

The length of Japan's economic expansion exceeded that of the "Izanagi boom" of the late 1960s, with increasing private-sector capital investment and steady growth of industrial production during the nine-month period under review. The outlook for the operating climate nevertheless remains obscure, with persistently elevated feedstock prices, moderate domestic consumer spending, and increasingly severe competition in China and other world markets.

Consolidated net sales grew by ¥96.3 billion from a year ago to ¥1,187.1 billion, an 8.8% increase. Sales growth was greatest in chemicals operations, with product prices rising to compensate for increased feedstock costs. Operating profit grew by ¥12.6 billion to ¥94.2 billion, a 15.4% increase. Ordinary profit grew by ¥12.7 billion to ¥93.5 billion, a 15.8% increase. Net income grew by ¥10.3 billion to ¥56.9 billion, a 22.0% increase.

2. Results by operating segment

CHEMICALS

Sales for the segment grew by ¥66.1 billion to ¥556.2 billion, a 13.5% increase.

Operating profit grew by ¥2.6 billion to ¥37.0 billion, a 7.6% increase.

Sales and operating profit in volume products, comprising chemicals/derivative products and polymer products, increased. Higher feedstock costs were overcome by product price increases and by increased profitability in the nylon-related operations of adipic acid and Leona™ nylon 66 resin and filament.

Sales and operating profit in specialty products grew with increased shipments of Hipore™ Li-ion rechargeable battery membrane separators, export of membrane-process chlor-alkali electrolyzers to China, and increased shipments of ion-exchange membranes for chlor-alkali.

HOMES

Sales for the segment grew by ¥0.1 billion to ¥275.7 billion, a 0.1% increase.

Operating profit decreased by ¥0.1 billion to ¥14.3 billion, a 0.7% decline. New orders worth ¥222.0 billion were received during the period for order-built homes, ¥4.2 billion less than a year ago.

Sales increased slightly, with growth in housing-related operations such as remodeling and real estate offsetting a sales decrease from fewer deliveries of order-built unit homes. Operating profit decreased slightly, as profit growth from large condominium construction projects and in housing-related operations such as remodeling and real estate was insufficient to overcome the effect of fewer deliveries of order-built unit homes.

PHARMA

Sales for the segment decreased by ¥0.1 billion to ¥80.9 billion, a 0.2% decline.

Operating profit grew by ¥4.4 billion to ¥14.4 billion, a 43.8% increase.

Sales decreased with reimbursement price cuts throughout pharmaceutical and medical device operations. Operating profit grew with increased shipments of Flivas™ therapy for benign prostatic hyperplasia and APS™ polysulfone-membrane artificial kidneys, and with licensing income.

FIBERS

Sales for the segment grew by ¥12.1 billion to ¥77.6 billion, an 18.5% increase.

Operating profit decreased by ¥0.4 billion to ¥2.7 billion, a 13.1% decline.

Sales grew with product price increases to offset elevated feedstock costs, increased shipments of Roica™ elastic polyurethane filament and Bemberg™ cupro fiber, and favorable exchange rates. Operating profit decreased with the effect of a tornado in September in Nobeoka, Miyazaki, and with the Dorlastan™ elastic polyurethane filament business acquired from Lanxess operating at a loss.

ELECTRONICS MATERIALS AND DEVICES

Sales for the segment grew by ¥9.7 billion to ¥85.7 billion, a 12.8% increase.

Operating profit grew by ¥4.1 billion to ¥18.5 billion, a 28.4% increase.

Product prices declined with intensified competition, and shipments in some application segments decreased as consumer electronics manufacturers adjusted inventories. Sales and operating profit nevertheless grew with generally strong demand for both electronic materials and electronic devices.

CONSTRUCTION MATERIALS

Sales for the segment grew by ¥3.7 billion to ¥47.6 billion, an 8.5% increase.

Operating profit grew by ¥1.2 billion to ¥4.9 billion, a 32.3% increase.

Sales and operating profit grew as demand for Hebel™ autoclaved lightweight concrete (ALC) panels and Eazet™ piles for small-scale construction was generally healthy, and with increased shipments of Neoma™ high-performance phenolic foam panels.

LIFE & LIVING

Sales for the segment grew by ¥0.3 billion to ¥41.3 billion, a 0.8% increase. Operating profit decreased by ¥0.2 billion to ¥4.3 billion, a 5.2% decline.

Sales grew with increased shipments of Saran Wrap™ cling film and Saran™ fiber. Operating profit decreased with higher advertising expenses and elevated feedstock costs.

SERVICES, ENGINEERING AND OTHERS

Sales for the segment grew by ¥4.3 billion to ¥22.0 billion, a 24.4% increase.

Operating profit grew by ¥1.3 billion to ¥3.0 billion, a 71.4% increase.

Engineering operations continued to perform well.

V. Consolidated Statements of Income

	Q1–Q3 2006	Q1–Q3 2005	Increase (decrease)	Percent change
Net sales	1,187,059	1,090,749	96,310	+8.8
Cost of sales	891,871	815,392	76,479	+9.4
Gross profit	295,188	275,357	19,831	+7.2
Selling, general and administrative expenses	201,001	193,727	7,274	+3.8
Operating profit	94,187	81,630	12,557	+15.4
Non-operating income	7,009	6,082	927	+15.2
Non-operating expenses	7,669	6,926	743	+10.7
Ordinary profit	93,528	80,785	12,743	+15.8
Special gains	2,053	1,874	179	+9.6
Special losses	4,597	7,742	(3,145)	-40.6
Income before income taxes and minority interests	90,984	74,918	16,066	+21.4
Net income	56,851	46,581	10,270	+22.0

VI. Consolidated Balance Sheets

	At end of Dec. 2006	At end of Mar. 2006	Increase (decrease)
Assets			
Current assets	738,427	644,192	94,235
Fixed assets	746,674	731,852	14,822
Property, plant and equipment	432,347	414,368	17,979
Intangible fixed assets	28,821	33,094	(4,273)
Investments and other assets	285,507	284,390	1,117
Total assets	1,485,102	1,376,044	109,058
Liabilities			
Current liabilities	530,785	439,724	91,061
Long-term liabilities	310,204	335,193	(24,989)
Total liabilities	840,989	774,916	66,073
Net assets			
Shareholders' equity	550,186	—	—
Common stock	103,389	—	—
Capital surplus	79,447	—	—
Retained earnings	385,125	—	—
Treasury stock, at cost	(17,775)	—	—
Valuation, translation adjustment and others	86,291	—	—
Minority interest in consolidated subsidiaries	7,636	—	—
Total net assets	644,113	—	—
Total liabilities, and net assets	1,485,102	—	—
Minority interest in consolidated subsidiaries	—	6,917	—
Shareholders' equity	—	594,211	—
Issued and outstanding	—	103,389	—
Capital surplus	—	79,433	—
Retained earnings	—	342,450	—
Others	—	86,251	—
Common stock in treasury, at cost	—	(17,311)	—
Total liabilities, minority interest and shareholders' equity	—	1,376,044	—

VII. Cash Flows

Nine months ended December	2006	2005
Cash flows from operating activities	70,306	37,198
Cash flows from investing activities	(69,601)	(41,466)
Cash flows from financing activities	(4,207)	12,148
Effect of exchange rate changes on cash and cash equivalents	294	234
Net increase (decrease) in cash and cash equivalents	(3,209)	8,113
Cash and cash equivalents at beginning of period	86,390	68,456
Cash and cash equivalents held by newly consolidated subsidiaries	2,236	142
Cash and cash equivalents at end of period	85,417	76,712

VIII. Operating Segment Information

1. Consolidated net sales

(billions of yen)

	Q1-Q3 2006	Q1-Q3 2005	Increase (decrease)	FY 2006 forecast
Chemicals	556.2	490.1	66.1	744.0
Homes	275.7	275.6	0.1	407.0
Pharma	80.9	81.0	(0.1)	104.0
Fibers	77.6	65.5	12.1	107.0
Electronics Materials & Devices	85.7	76.0	9.7	113.0
Construction Materials	47.6	43.9	3.7	62.0
Life & Living	41.3	41.0	0.3	53.0
Services, Engineering and Others	22.0	17.7	4.3	27.0
Total	1,187.1	1,090.7	96.3	1,617.0

2. Consolidated operating profit

(billions of yen)

	Q1-Q3 2006	Q1-Q3 2005	Increase (decrease)	FY 2006 forecast
Chemicals	37.0	34.3	2.6	48.5
Homes	14.3	14.4	(0.1)	28.5
Pharma	14.4	10.0	4.4	15.0
Fibers	2.7	3.1	(0.4)	3.5
Electronics Materials & Devices	18.5	14.4	4.1	23.0
Construction Materials	4.9	3.7	1.2	5.0
Life & Living	4.3	4.5	(0.2)	4.5
Services, Engineering and Others	3.0	1.8	1.3	4.0
Combined	99.0	86.2	12.8	132.0
Corporate expenses and eliminations	(4.8)	(4.6)	(0.2)	(7.0)
Consolidated	94.2	81.6	12.6	125.0

3. Contract trends for home construction operations

	Q1-Q3 2006	Q1-Q3 2005	Increase (decrease)	FY 2006 forecast
Value of orders received (¥ billion)	222.0	226.2	(4.2)	301.0
No. of orders received (home units)	9,409	10,099	(690)	12,821
Backlog of orders (¥ billion)	315.8	324.3	(8.5)	287.0
No. of sales (home units)	9,060	9,266	(206)	14,278
Value of sales (¥ billion)	210.1	211.9	(1.8)	318.0

4. Key operating factors

	Q1-Q3 2006	FY 2006 forecast
Naphtha price (yen/kL, domestic)	50,300	49,600
Yen/US\$ exchange rate (market average)	116	116