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Consolidated Results for 1st to 3rd Quarters Fiscal 2009: April 1, 2009 – December 31, 2009

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

I. Summary of Consolidated Results

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

	Q1–Q3 2009	Q1–Q3 2008
Net sales	1,022,701 [−16.4%]	1,223,002 [—]
Operating income (loss)	39,968 [−20.2%]	50,055 [—]
Ordinary income (loss)	38,046 [−17.9%]	46,342 [—]
Net income (loss)	20,599 [−17.6%]	24,995 [—]
Net income (loss) per share*	14.73	17.87
Diluted net income (loss) per share*	—	—

* Yen

2. Financial position

At end of	December 2009	March 2009
Total assets	1,425,089	1,379,337
Net assets	633,793	611,351
Net worth/total assets	43.7%	43.8%
Net worth per share*	445.32	431.77

* Yen

Notes:
- Net worth consists of shareholders' equity and valuation and translation adjustments.
- Net worth as of December 31, 2009, was ¥622,741 million; as of March 31, 2009, ¥603,846 million.

II. Cash Dividends

Fiscal year	Cash dividends per share*				
	Q1	Q2	Q3	Q4	Total annual
2008	—	7.00	—	3.00	10.00
2009	—	5.00			
2009 (forecast)			—	5.00	10.00

* Yen

Note: No revision of cash dividend forecast during the period.

III. Forecast for Fiscal 2009 (April 1, 2009 – March 31, 2010)

1. Latest forecast (percent change from results in year-ago period in brackets)

Net sales	1,432,000 [−7.8%]
Operating income	53,000 [+51.6%]
Ordinary income	51,500 [+58.5%]
Net income	23,000 [+384.8%]
Net income per share*	16.45

* Yen

2. Comparison of previous and revised fiscal 2009 forecasts

(billions of yen)

	Previous forecast	Revised forecast	Increase (decrease)	*cf.* fiscal 2008 results
Net sales	1,437.0	1,432.0	(5.0)	1,553.1
Operating income	50.0	53.0	3.0	35.0
Ordinary income	47.0	51.5	4.5	32.5
Net income	16.0	23.0	7.0	4.7

Notes:
- 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.
- The forecast for fiscal 2009 announced on November 2, 2009, has been revised.

IV. Other Information

1. Changes in significant subsidiaries which affected scope of consolidation during the nine-month period ended December 31, 2009: None.

2. Adoption of simplified accounting methods and special accounting methods for preparation of quarterly consolidated financial statements.

   1) Simplified accounting methods

   Method of calculating allowance for doubtful accounts: Because the rate of unrecoverable receivables as of December 31, 2009, was not significantly different than that estimated at the end of the previous fiscal year, the rate of unrecoverable receivables as of the end of the previous fiscal year was used as a basis for estimating allowance for doubtful accounts.

   Valuation of inventories: No physical inventory as of December 31, 2009, was performed. Rather, the value of inventories is calculated using a reasonable method based on the physical inventory performed at the end of the previous fiscal year. The carrying amount of inventories is reduced to the estimated net sale price only where a decrease in profitability is apparent.

   Method of calculating depreciation of noncurrent assets: For assets depreciated using the declining-balance method, depreciation expenses for the fiscal year are calculated in proportion to the fiscal period.

Method of calculating deferred tax assets and liabilities: When there is no significant change in the operating environment or in the occurrence of temporary differences after the end of the previous fiscal year, collectibility of deferred tax assets is calculated based on the performance forecasts and tax planning used in the previous fiscal year. However, when there is significant change in the operating environment or in the occurrence of temporary differences after the end of the previous fiscal year, collectibility of deferred tax assets is calculated based on the performance forecasts and tax planning used in the previous fiscal year together with the effect of such significant change.

2) Special accounting methods for presentation of quarterly consolidated financial statements.

Income tax expenses: A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and quarterly income before income taxes is multiplied by the corresponding effective tax rate. The amount shown as "income taxes" includes both "income taxes – current" and "income taxes – deferred."

3. Changes in accounting principles/procedures, changes in methods of presentation in preparation of quarterly consolidated financial statements.

1) Change in standards for recording amount of completed work and cost of completed work.

Accounting Standard for Construction Contracts (ASBJ Statement No. 15) and Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18) are applied beginning with the quarter ended June 30, 2009. For construction contracts commencing during the quarter ended June 30, 2009, and thereafter, the percentage-of-completion method is applied to the portion completed by December 31, 2009, for which the outcome of the construction activity is deemed certain (progress of work estimated by percentage of cost incurred) and the completed-contract method is applied to other work. The impact of this change on the consolidated quarterly financial statements is immaterial.

4. Number of shares outstanding

	Q1–Q3 2009	FY 2008
Number of shares outstanding at end of period	1,402,616,332	1,402,616,332
Number of shares of treasury stock at end of period	4,188,645	4,070,731
Average number of shares outstanding during period	1,398,482,508	1,398,443,738*

* Q1–Q3 2008

V. Overview of Consolidated Results

1. Consolidated group results

The global economy was on a recovery trend during the April to December period, as economic stimulus packages in response to the financial crisis were effective, most notably in China, and the economic climate in Asia improved. Although increased exports to Asian countries brought signs of improvement in corporate earnings, the Japanese economy continued to be marked by curtailed capital investment, sluggish consumer spending, and an appreciating yen value. As such, the operating environment for Asahi Kasei and its consolidated subsidiaries (the Asahi Kasei Group) remained challenging.

Asahi Kasei's consolidated net sales for the period were ¥1,022.7 billion, a decrease of ¥200.3 billion (16.4%) from a year ago, with lower market prices in the Chemicals segment as an effect of declining feedstock prices. While operating income increased in the Chemicals segment with improved terms of trade and in the Homes segment with the achievement of operating cost reductions, overall operating income decreased by ¥10.1 billion (20.2%) to ¥40.0 billion as the Electronics and Fibers segments were impacted by sluggish recovery of market conditions and the Health Care segment had decreased licensing income. Ordinary income decreased by ¥8.3 billion (17.9%) to ¥38.0 billion, and net income decreased by ¥4.4 billion (17.6%) to ¥20.6 billion.

2. Results by operating segment

Six operating segments correspond to the main fields of business, and the Services, Engineering and Others segment comprises the remainder of operations. The following segment names have been revised beginning with the first quarter of fiscal 2009 for greater clarity and correspondence with the fields of businesses under operation.

Previously	*Changed to*
Electronics Materials & Devices segment	Electronics segment
Pharma segment	Health Care segment

The electronic materials operations of Asahi Kasei Corp., Asahi Kasei Chemicals, and Asahi Kasei EMD (renamed Asahi Kasei Microdevices on April 1, 2009) were transferred to Asahi Kasei E-materials on April 1, 2009. In consideration of the similarity of product types and characteristics to those of electronics operations, the operations of Asahi Kasei E-materials are reported in the Electronics segment. For comparison purposes, results for the year-ago period have been revised to reflect the transfer of the corresponding operations from the Chemicals segment and Corporate Expenses to the Electronics segment.

The Leona™ nylon 66 filament business of Asahi Kasei Chemicals was transferred to Asahi Kasei Fibers on April 1, 2009. For comparison purposes, results for the year-ago period in the Chemicals and Fibers segments have been revised to reflect this transfer.

CHEMICALS

Sales decreased by ¥126.6 billion (21.9%) from a year ago to ¥452.3 billion and operating income increased by ¥11.1 billion (103.0%) to ¥21.8 billion.

Although prices for chemicals and derivative products decreased as an effect of declining feedstock prices, operating income increased with improved terms of trade and a recovery of demand in Asian markets. In polymer products operations, operating income decreased due to slow-recovering demand in automobile and electronics applications. In specialty products operations, performance was good in home-use products such as Saran Wrap™ and firm in functional additives and coating materials, but recovery was sluggish in water-treatment and ion-exchange membrane businesses.

Homes

Sales decreased by ¥28.6 billion (10.1%) from a year ago to ¥253.7 billion and operating income increased slightly by ¥0.1 billion (0.5%) to ¥10.8 billion. Orders for order-built homes increased by ¥6.2 billion to ¥223.1 billion.

Although deliveries of order-built Hebel Haus™ unit homes decreased substantially, performance improved slightly with operating cost reductions and with firm results in remodeling and other housing-related operations.

Health Care

Sales decreased by ¥6.5 billion (7.0%) from a year ago to ¥85.9 billion and operating income decreased by ¥6.7 billion (51.6%) to ¥6.3 billion.

In pharmaceuticals operations, shipments of the Flivas™ agent for treatment of benign prostatic hyperplasia and the Elcitonin™ calcitonin formulation increased, but licensing income decreased substantially. Performance in APS™ polysulfone-membrane artificial kidneys and throughout device-related operations was sharply impacted by the strong yen and increased capital depreciation.

Fibers

Sales decreased by ¥17.6 billion (19.1%) from a year ago to ¥74.6 billion and an operating loss of ¥2.9 billion resulted with a ¥3.6 billion decrease in profitability.

Performance in Roica™ elastic polyurethane filament was significantly impacted by a decline in market prices. Bemberg™ regenerated cellulose was impacted by the appreciation of the yen and a decrease in shipments. In nonwoven operations, shipments of spunbond decreased. Shipments of Leona™ nylon 66 filament increased in air-bag applications but decreased in tire cord applications.

Electronics

Sales decreased by ¥4.0 billion (3.6%) from a year ago to ¥105.9 billion and operating income decreased by ¥8.4 billion (60.6%) to ¥5.5 billion.

In electronic devices operations, shipments of LSIs in new applications increased, but recovery in shipments of LSIs for conventional applications was sluggish, shipments of magnetic sensors decreased, and performance was impacted by the strong yen. Shipments of electronic materials, most notably Hipore™ Li-ion rechargeable battery separator, were on a recovery trend, but performance was impacted by declining sales prices.

Construction Materials

Sales decreased by ¥11.1 billion (23.1%) from a year ago to ¥36.9 billion and operating income decreased by ¥0.2 billion (11.2%) to ¥1.7 billion.

Development of new applications and reduction of operating costs continued to advance, but shipments of building materials and housing materials such as Hebel™ autoclaved aerated concrete (AAC) panels and other AAC-related products, piles and other foundation systems, and thermal insulation panels decreased with a decline in new construction starts.

Services, Engineering and Others

Sales decreased by ¥5.9 billion (30.7%) from a year ago to ¥13.4 billion and operating income decreased by ¥2.9 billion (71.9%) to ¥1.2 billion.

Decreased orders were received in engineering operations due to a curtailment of capital investments.

VI. Consolidated Balance Sheets

	At end of Dec. 2009	At end of March 2009
Assets		
Current assets		
Cash and deposits	83,396	97,969
Notes and accounts receivable, trade	257,694	208,868
Short-term investment securities	609	406
Merchandise and finished goods	133,373	138,098
Work in process	101,344	82,832
Raw materials and supplies	52,453	52,609
Deferred tax assets	19,455	18,444
Other	66,311	85,626
Allowance for doubtful accounts	(1,632)	(2,648)
Total current assets	713,003	682,205
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	408,725	381,725
Accumulated depreciation	(228,474)	(217,710)
Buildings and structures, net	180,251	164,014
Machinery, equipment and vehicles	1,179,757	1,138,427
Accumulated depreciation	(1,009,125)	(977,646)
Machinery, equipment and vehicles, net	170,632	160,781
Land	54,797	53,740
Lease assets	5,274	2,540
Accumulated depreciation	(858)	(227)
Lease assets, net	4,416	2,313
Construction in progress	26,497	44,140
Other	115,318	109,437
Accumulated depreciation	(99,308)	(93,155)
Other, net	16,009	16,282
Subtotal	452,604	441,271
Intangible assets		
Goodwill	6,589	7,449
Other	29,538	29,935
Subtotal	36,127	37,384
Investments and other assets		
Investment securities	163,445	157,091
Long-term receivables	6,392	2,670
Deferred tax assets	23,944	28,874
Other	29,727	29,993
Allowance for doubtful accounts	(152)	(151)
Subtotal	223,355	218,477
Total noncurrent assets	712,087	697,132
Total assets	1,425,089	1,379,337

	At end of Dec. 2009	At end of March 2009
Liabilities		
Current liabilities		
Notes and accounts payable, trade	138,258	113,378
Short-term loans payable	93,136	100,786
Commercial paper	65,000	55,000
Current portion of bonds	—	20,000
Lease obligations	1,014	489
Income taxes payable	14,709	4,097
Accrued expenses	72,987	86,947
Advances received	55,064	40,203
Provision for repairs	7,595	1,674
Provision for product warranties	4,908	9,396
Other	48,099	55,951
Total current liabilities	500,770	487,921
Noncurrent liabilities		
Bonds payable	25,000	5,000
Long-term loans payable	123,502	132,474
Lease obligations	3,440	1,845
Deferred tax liabilities	6,220	4,257
Provision for retirement benefits	110,852	109,864
Provision for directors' retirement benefits	1,202	1,046
Provision for repairs	106	4,499
Long-term guarantee deposited	18,176	19,149
Other	2,029	1,931
Total noncurrent liabilities	290,527	280,065
Total liabilities	791,296	767,986
Net assets		
Shareholders' equity		
Capital stock	103,389	103,389
Capital surplus	79,403	79,404
Retained earnings	427,426	418,292
Treasury stock	(1,998)	(1,946)
Total shareholders' equity	608,219	599,139
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	32,160	23,301
Deferred gains or losses on hedges	0	(178)
Foreign currency translation adjustment	(17,638)	(18,416)
Total valuation and translation adjustments	14,522	4,708
Minority interests	11,052	7,504
Total net assets	633,793	611,351
Total liabilities and net assets	1,425,089	1,379,337

VII. Consolidated Statements of Income

	Q1–Q3 2008	Q1–Q3 2009
Net sales	1,223,002	1,022,701
Cost of sales	959,511	781,217
Gross profit	263,491	241,483
Selling, general and administrative expenses	213,436	201,516
Operating income	50,055	39,968
Non-operating income		
Interest income	776	766
Dividends income	2,368	1,727
Equity in earnings of affiliates	865	343
Other	2,200	2,147
Total non-operating income	6,209	4,983
Non-operating expenses		
Interest expense	3,092	2,828
Foreign exchange loss	3,487	1,229
Other	3,343	2,849
Total non-operating expenses	9,922	6,905
Ordinary income	46,342	38,046
Extraordinary income		
Gain on sales of investment securities	17	102
Gain on sales of noncurrent assets	542	24
Gain on change in equity	—	153
Gain on arbitration award	—	6,502
Total extraordinary income	559	6,781
Extraordinary loss		
Loss on valuation of investment securities	335	1,308
Loss on disposal of noncurrent assets	2,445	1,667
Impairment loss	273	78
Environmental expenses	—	1,237
Business structure improvement expenses	—	2,503
Total extraordinary loss	3,052	6,794
Income before income taxes	43,848	38,033
Income taxes	18,310	17,168
Minority interests in income	543	267
Net income	24,995	20,599

VIII. Cash flows

	Q1–Q3 2008	Q1–Q3 2009
Cash flows from operating activities:		
Income (loss) before income taxes	43,848	38,033
Depreciation and amortization	58,330	62,417
Impairment loss	273	78
Amortization of goodwill	472	858
Amortization of negative goodwill	(70)	(68)
Increase (decrease) in provision for repairs	(1,171)	1,529
Increase (decrease) in provision for product warranties	5,072	(4,489)
Increase (decrease) in provision for retirement benefits	(4,344)	(585)
Interest and dividend income	(3,144)	(2,493)
Interest expense	3,092	2,828
Equity in (earnings) losses of affiliates	(865)	(343)
Loss (gain) on sales of investment securities	(17)	(102)
Loss (gain) on valuation of investment securities	335	1,308
Loss (gain) on sales of property, plant and equipment	(542)	(24)
Loss (gain) on disposal of noncurrent assets	2,445	1,667
Gain on arbitration award	—	(6,502)
Decrease (increase) in notes and accounts receivable, trade	20,469	(44,331)
Decrease (increase) in inventories	(56,113)	(2,244)
Increase (decrease) in notes and accounts payable, trade	21,163	18,682
Increase (decrease) in accrued expenses	(23,462)	(15,732)
Increase (decrease) in advances received	11,642	14,774
Other, net	(13,042)	14,883
Subtotal	64,371	80,145
Interest and dividend income, received	4,790	3,459
Interest expense, paid	(3,333)	(2,935)
Income taxes (paid) refund	(24,220)	5,940
Net cash provided by (used in) operating activities	41,608	86,608
Cash flows from investing activities:		
Purchase of property, plant and equipment	(68,525)	(66,102)
Proceeds from sales of property, plant and equipment	1,561	296
Purchase of intangible assets	(20,619)	(5,627)
Purchase of investment securities	(10,623)	(6,799)
Proceeds from sales of investment securities	171	5,183
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	1,057
Payments of loans receivable	(3,949)	(9,337)
Collection of loans receivable	3,966	7,935
Other, net	(1,080)	(1,307)
Net cash provided by (used in) investing activities	(99,098)	(74,700)

	Q1–Q3 2008	Q1–Q3 2009
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	44,377	(1,825)
Increase (decrease) in commercial paper	39,000	10,000
Proceeds from long-term loans payable	48,700	4,859
Repayment of long-term loans payable	(1,657)	(27,631)
Proceeds from issuance of bonds	—	20,000
Redemption of bonds	(20,000)	(20,000)
Repayments of lease obligations	(104)	(611)
Purchase of treasury stock	(220)	(78)
Proceeds from disposal of treasury stock	122	22
Cash dividends paid	(19,581)	(11,188)
Cash dividends paid to minority shareholders	(321)	(339)
Other	536	(130)
Net cash provided by (used in) financing activities	90,852	(26,922)
Effect of exchange rate change on cash and cash equivalents	(3,472)	274
Net increase (decrease) in cash and cash equivalents	29,889	(14,739)
Cash and cash equivalents at beginning of period	83,033	98,092
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	360
Cash and cash equivalents at end of period	112,923	83,714

IX. Operating Segment Information

Note: For comparison purposes, results by segment for the previous year are revised to reflect the April 1, 2009, transfer of electronic materials operations from the Chemicals segment and corporate expenses to the Electronics segment and the April 1, 2009, transfer of nylon 66 filament operations from the Chemicals segment to the Fibers segment.

1. Consolidated net sales and operating income (loss) by segment

1) Consolidated net sales

(billions of yen)

	Q1–Q3 2008	Q1–Q3 2009	Increase (decrease)	Fiscal 2009 forecast
Chemicals	578.9	452.3	(126.6)	611.0
Homes	282.4	253.7	(28.6)	393.0
Health Care	92.4	85.9	(6.5)	116.0
Fibers	92.2	74.6	(17.6)	101.0
Electronics	109.9	105.9	(4.0)	144.0
Construction Materials	48.0	36.9	(11.1)	47.0
Services, Engineering and Others	19.3	13.4	(5.9)	20.0
Total	1,223.0	1,022.7	(200.3)	1,432.0

2) Consolidated operating income (loss)

(billions of yen)

	Q1–Q3 2008	Q1–Q3 2009	Increase (decrease)	Fiscal 2009 forecast
Chemicals	10.7	21.8	11.1	23.5
Homes	10.8	10.8	0.1	23.5
Health Care	13.0	6.3	(6.7)	7.0
Fibers	0.7	(2.9)	(3.6)	(3.0)
Electronics	13.9	5.5	(8.4)	6.5
Construction Materials	1.9	1.7	(0.2)	1.0
Services, Engineering and Others	4.1	1.2	(2.9)	1.5
Combined	55.1	44.3	(10.8)	60.0
Corporate expenses and eliminations	(5.0)	(4.3)	0.7	(7.0)
Consolidated	50.1	40.0	(10.1)	53.0

2. Operating income increases/decreases by segment

(billions of yen)

	Increase (decrease) due to:				Net increase (decrease)
	Sales volume	Sales prices [*of which, due to foreign exchange*]		Operating costs and others	
Chemicals	(4.3)	(90.8)	(7.0)	106.2	11.1
Homes	(11.2)	3.2	—	8.0	0.1
Health Care	2.5	(1.9)	(1.5)	(7.2)	(6.7)
Fibers	(1.8)	(7.4)	(1.9)	5.6	(3.6)
Electronics	3.6	(12.9)	(2.7)	0.9	(8.4)
Construction Materials	(3.3)	1.2	—	1.9	(0.2)
Services, Engineering and Others	(2.8)	0.0	0.0	(0.1)	(2.9)
Corporate expenses and eliminations	—	—	—	0.7	0.7
Consolidated	(17.3)	(108.7)	(13.1)	115.9	(10.1)

3. Major financial metrics (consolidated)

(billions of yen, except employees and D/E ratio)

	Q1–Q3 2008	Q1–Q3 2009	Fiscal 2009 forecast
Capital expenditure (tangible)	75.9	57.9	84.0
Capital expenditure (intangible)	20.2	4.7	6.0
Purchase of investment securities	10.6	6.8	12.0
Depreciation and amortization	58.8	63.3	86.0
Balance of payments	0.0	(0.4)	(0.8)
of which, dividends received	*2.4*	*1.7*	*2.0*
R&D expenses	44.6	45.3	62.5
Employees at end of quarter	24,424	25,169	
D/E ratio	0.50	0.50	

4. Contract trends for home construction operations

	Q1–Q3 2008	Q1–Q3 2009	Increase (decrease)	Fiscal 2009 forecast
No. of orders received (home units)	8,948	9,739	791	13,280
Value of orders received (¥ billion)	216.9	223.1	6.2	309.0
Backlog of orders (¥ billion)	310.7	330.8	20.1	307.5
No. of sales (home units)	8,152	6,980	(1,172)	12,235
Value of sales (¥ billion)	204.9	174.8	(30.1)	284.0

5. Key operating factors

		Q1–Q3 2008	Q1–Q3 2009	Increase (decrease)	Fiscal 2009 forecast
Naphtha price (yen/kL, domestic)		69,600	39,000	(30,600)	41,500
Exchange rates (market average)	Yen/US$	103	94	(9)	93
	Yen/€	151	133	(18)	133

6. Interest-bearing debt

(billions of yen)

	At end of March 2009	At end of Dec. 2009	Increase (decrease)
Short-term borrowings	100.8	93.1	(7.7)
Commercial paper	55.0	65.0	10.0
Long-term debt	132.5	123.5	(9.0)
Corporate bonds	25.0	25.0	—
Lease obligations	2.3	4.5	2.1
Total	315.6	311.1	(4.5)