

Fiscal quarter ended December 2005

– supplementary financial summary –

February 2, 2006

Asahi Kasei Corporation

Consolidated results for fiscal quarter ended Dec. 2005

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Consolidated results for fiscal quarter ended Dec. 2005

Summary of financial results

(¥ billion)

	2004		2005	
	Oct.–Dec.	Apr.–Dec.	Oct.–Dec.	Apr.–Dec. [a]
Net sales	352.5	1,011.8	372.3	1,090.7
Operating profit	34.5	89.7	34.2	81.6
<i>absent amortization*</i>	29.2	75.1	33.3	78.4
Ordinary profit	32.9	88.3	33.5	80.8
Net income	19.8	46.7	21.2	46.6

Oct.–Dec. 2004 vs. 2005		Apr.–Dec. 2004 vs. 2005		% of forecast [a/b]	FY 2005 forecast in Nov. [b]
Increase (decrease)	% change	Increase (decrease)	% change		
19.8	+5.6	79.0	+7.8	72.7%	1,500.0
(0.4)	-1.1	(8.0)	-8.9	77.7%	105.0
4.1	+13.9	3.2	+4.3	77.6%	101.0
0.6	+1.8	(7.5)	-8.5	78.4%	103.0
1.4	+6.8	(0.1)	-0.3	79.0%	59.0

* Prior to amortization of actuarial differences in retirement benefits

Key operating factors

Naphtha price (¥/kL, domestic)	35,000	31,800	47,300	41,100
¥/US\$ exchange rate (market average)	106	109	117	112

	At end of March 2005	At end of Dec. 2005	Increase (decrease)
Total assets	1,270.1	1,412.6	142.5
Shareholders' equity	511.7	574.1	62.4
Interest-bearing debt	248.8	277.0	28.2
Debt/equity ratio	0.49	0.48	(0.01)

Statements of income

(¥ billion)

	2004				2005				Oct.–Dec. 2004 vs. 2005		Apr.–Dec. 2004 vs. 2005	
	Oct.–Dec.		Apr.–Dec.		Oct.–Dec.		Apr.–Dec.		Increase (decrease)	% change	Increase (decrease)	% change
		% of sales		% of sales		% of sales		% of sales				
Net sales	352.5	100.0%	1,011.8	100.0%	372.3	100.0%	1,090.7	100.0%	19.8	+5.6	79.0	+7.8
Cost of sales	255.1	72.4%	733.3	72.5%	274.2	73.7%	815.4	74.8%	19.1	+7.5	82.1	+11.2
Selling, general and administrative expenses	62.9	17.8%	188.8	18.6%	63.9	17.1%	193.7	17.7%	1.0	+1.6	4.9	+2.6
Operating profit	34.5	9.8%	89.7	8.9%	34.2	9.2%	81.6	7.5%	(0.4)	-1.1	(8.0)	-8.9
Non-operating expenses	(1.6)	/	(1.4)	/	(0.6)	/	(0.8)	/	1.0	/	0.5	/
of which,												
financing income and expense	(0.3)	/	(0.9)	/	(0.4)	/	(0.5)	/	(0.0)	/	0.4	/
equity in net earnings of unconsolidated subsidiaries and affiliates	0.6	/	1.8	/	0.4	/	1.0	/	(0.2)	/	(0.8)	/
Ordinary profit	32.9	9.3%	88.3	8.7%	33.5	9.0%	80.8	7.4%	0.6	+1.8	(7.5)	-8.5
Special gains and losses	(0.9)	/	(15.1)	/	0.8	/	(5.9)	/	1.6	/	9.2	/
Income before income taxes and minority interest	32.1	9.1%	73.2	7.2%	34.3	9.2%	74.9	6.9%	2.2	+7.0	1.7	+2.4
Income taxes	(12.2)	/	(26.1)	/	(13.0)	/	(28.1)	/	(0.8)	/	(2.0)	/
Minority interest in income of consolidated subsidiaries	(0.1)	/	(0.4)	/	(0.1)	/	(0.3)	/	(0.0)	/	0.2	/
Net income	19.8	5.6%	46.7	4.6%	21.2	5.7%	46.6	4.3%	1.4	+6.8	(0.1)	-0.3

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Sales and profit* by segment, Oct.–Dec. 2004 and 2005

(¥ billion)

	Sales			Profit*					
	Oct.–Dec. 2004	Oct.–Dec. 2005	Increase (decrease)	Oct.–Dec. 2004		Oct.–Dec. 2005		Increase (decrease)	
Chemicals [†]	150.7	171.3	20.6	1.6	10.5	0.3	13.8	(1.2)	3.3
Homes	91.8	90.3	(1.5)	0.8	7.5	0.3	5.7	(0.6)	(1.8)
Pharma	26.6	27.4	0.8	0.6	4.3	0.0	4.3	(0.6)	0.0
Fibers [†]	23.7	22.0	(1.7)	0.5	1.6	0.1	0.7	(0.4)	(0.9)
Electronics Materials & Devices	22.8	27.2	4.4	0.3	3.5	(0.0)	6.1	(0.3)	2.6
Construction Materials	15.7	15.5	(0.2)	0.4	0.5	0.0	1.8	(0.4)	1.4
Life & Living	16.2	14.3	(1.9)	0.2	2.4	0.1	2.0	(0.2)	(0.4)
Services, Engineering and Others	5.0	4.3	(0.7)	–	0.8	–	0.5	–	(0.3)
Corporate Expenses and Eliminations	–	–	–	0.8	(1.9)	0.1	(1.6)	(0.8)	0.3
Consolidated	352.5	372.3	19.8	5.3	29.2	0.9	33.3	(4.4)	4.1

* Operating profit prior to amortization of actuarial differences in retirement benefits; effect of amortization of actuarial differences in retirement benefits shown at upper left.

† Oct. to Dec. 2004 figures adjusted to reflect the April 2005 transfer of Leona™ filament operations from Fibers to Chemicals.

Sales and profit* by segment, Apr.–Dec. 2004 and 2005

(¥ billion)

	Sales			Profit*					
	Apr.–Dec. 2004	Apr.–Dec. 2005	Increase (decrease)	Apr.–Dec. 2004		Apr.–Dec. 2005		Increase (decrease)	
Chemicals [†]	424.3	490.1	65.8	4.0	27.1	1.3	33.1	(2.8)	6.0
Homes	259.0	275.6	16.5	2.5	15.0	0.9	13.5	(1.6)	(1.5)
Pharma	79.4	81.0	1.6	1.7	10.3	0.2	9.8	(1.5)	(0.5)
Fibers [†]	69.3	65.5	(3.8)	1.3	4.9	0.5	2.6	(0.8)	(2.3)
Electronics Materials & Devices	70.9	76.0	5.0	0.8	13.7	0.0	14.4	(0.8)	0.7
Construction Materials	45.9	43.9	(1.9)	1.1	1.3	0.0	3.6	(1.0)	2.3
Life & Living	46.7	41.0	(5.6)	0.6	4.9	0.2	4.3	(0.4)	(0.6)
Services, Engineering and Others	16.3	17.7	1.4	–	1.6	–	1.8	–	0.1
Corporate Expenses and Eliminations	–	–	–	2.5	(3.6)	0.2	(4.8)	(2.3)	(1.1)
Consolidated	1,011.8	1,090.7	79.0	14.5	75.1	3.3	78.4	(11.2)	3.2
Overseas sales	229.7	275.5							
Percent of total	22.7%	25.3%							

* Operating profit prior to amortization of actuarial differences in retirement benefits; effect of amortization of actuarial differences in retirement benefits shown at upper left.

† Oct. to Dec. 2004 figures adjusted to reflect the April 2005 transfer of Leona™ filament operations from Fibers to Chemicals.

Sales increases/decreases by segment, Apr.–Dec. 2005 vs. 2004

(¥ billion)

	Sales		Increase (decrease) due to:				Net increase (decrease)
	Apr.-Dec. 2004	Apr.-Dec. 2005	Sales volume	Sales prices	of which, due to foreign exchange	Others	
Chemicals*	424.3	490.1	25.0	26.3	4.9	14.5	65.8
Homes	259.0	275.6	(13.1)	14.2	–	15.4	16.5
Pharma	79.4	81.0	2.3	(0.7)	0.1	0.0	1.6
Fibers*	69.3	65.5	0.0	(0.8)	0.0	(3.0)	(3.8)
Electronics Materials & Devices	70.9	76.0	6.4	(1.4)	0.4	0.0	5.0
Construction Materials	45.9	43.9	(3.3)	1.4	–	0.0	(1.9)
Life & Living	46.7	41.0	0.4	(0.2)	0.0	(5.8)	(5.6)
Services, Engineering and Others	16.3	17.7	3.1	0.0	0.0	(1.7)	1.4
Total	1,011.8	1,090.7	20.8	38.8	5.4	19.4	79.0

* Apr. to Dec. 2004 figures adjusted to reflect the April 2005 transfer of Leona™ filament operations from Fibers to Chemicals.

Operating profit increases/decreases by segment, **AsahiKASEI** Apr.–Dec. 2005 vs. 2004

(¥ billion)

	Operating profit*		Increase (decrease) due to:				Subtotal	Amortization effect †	Net increase (decrease)
	Apr.-Dec. 2004	Apr.-Dec. 2005	Sales volume	Sales prices	of which, due to foreign exchange	Operating costs and others			
Chemicals ‡	27.1	33.1	4.6	26.3	4.9	(24.9)	6.0	(2.8)	3.2
Homes	15.0	13.5	(4.8)	14.2	–	(10.9)	(1.5)	(1.6)	(3.0)
Pharma	10.3	9.8	1.7	(0.7)	0.1	(1.5)	(0.5)	(1.5)	(2.0)
Fibers ‡	4.9	2.6	0.0	(0.8)	0.0	(1.5)	(2.3)	(0.8)	(3.2)
Electronics Materials & Devices	13.7	14.4	2.7	(1.4)	0.4	(0.6)	0.7	(0.8)	(0.1)
Construction Materials	1.3	3.6	(0.4)	1.4	–	1.3	2.3	(1.0)	1.3
Life & Living	4.9	4.3	0.0	(0.2)	0.0	(0.4)	(0.6)	(0.4)	(1.0)
Services, Engineering and Others	1.6	1.8	0.6	0.0	0.0	(0.5)	0.1	–	0.1
Corporate expenses and eliminations	(3.6)	(4.8)	0.0	0.0	0.0	(1.1)	(1.1)	(2.3)	(3.4)
Total	75.1	78.4	4.4	38.8	5.4	(40.0)	3.2	(11.2)	(8.0)

* Operating profit prior to amortization of actuarial differences in retirement benefits; effect of amortization of actuarial differences in retirement benefits shown at upper left.

† Effect of amortization of actuarial differences in retirement benefits.

‡ Apr. to Dec. 2004 figures adjusted to reflect the April 2005 transfer of Leona™ filament operations from Fibers to Chemicals.

Balance sheets

(¥ billion)

	At end of Mar. 2005	At end of Dec. 2005	Increase (decrease)		At end of Mar. 2005	At end of Dec. 2005	Increase (decrease)
Current assets	589.7	693.0	103.3	Liabilities	752.0	831.4	79.5
Cash on hand and in banks	68.3	76.3	8.1	Current liabilities	403.0	499.7	96.7
Notes and accounts receivable, trade	252.2	296.3	44.1	Long-term liabilities	349.0	331.7	(17.2)
Inventories	202.5	234.8	32.2	Minority interest in consolidated subsidiaries	6.4	7.0	0.7
Other current assets	66.7	85.6	18.9	Shareholders' equity	511.7	574.1	62.4
Fixed assets	680.3	719.6	39.2	Common stock	103.4	103.4	–
Property, plant and equipment	420.0	416.2	(3.8)	Capital surplus	79.4	79.5	0.0
Intangible fixed assets	36.4	32.6	(3.8)	Retained earnings	295.6	329.4	33.8
Investments and other assets	224.0	270.8	46.8	Others	50.3	79.1	28.8
				Treasury stock, at cost	(17.0)	(17.2)	(0.2)
Total assets	1,270.1	1,412.6	142.5	Total liabilities and shareholders' equity	1,270.1	1,412.6	142.5

Interest-bearing debt	At end of Mar. 2005	At end of Dec. 2005	Increase (decrease)
Short-term borrowings	31.4	73.8	42.4
Commercial paper	–	20.0	20.0
Bonds	138.0	111.0	(27.0)
Long-term borrowings	79.2	72.2	(7.0)
Notes discounted	0.2	0.0	(0.2)
Total	248.8	277.0	28.2

Cash flows

(¥ billion)

	2004		2005	
	Oct.-Dec.	Apr.-Dec.	Oct.-Dec.	Apr.-Dec.
a. Cash flows from operating activities	17.9	50.6	4.0	37.2
b. Cash flows from investing activities	(14.2)	(43.8)	(14.0)	(41.5)
c. Free cash flows [a+b]	3.7	6.9	(9.9)	(4.3)
d. Cash flows from financing activities	15.5	(3.6)	25.8	12.1
e. Effect of exchange rate changes on cash and cash equivalents	0.1	0.2	0.1	0.2
f. Net decrease in cash and cash equivalents [c+d+e]	19.3	3.4	16.0	8.1
g. Cash and cash equivalents at beginning of year	56.5	70.9	60.8	68.5
h. Cash and cash equivalents held by newly consolidated subsidiaries	-	1.5	-	0.1
I. Cash and cash equivalents at end of year [f+g+h]	75.9	75.9	76.7	76.7

Forecast for fiscal year 2005

Consolidated operating performance

(¥ billion)

	FY 2004	FY 2005 forecast in Nov.	FY 2005			
			1st half	2nd half		Total
				Oct.-Dec.	forecast	
Net sales	1,377.7	1,500.0	718.5	372.3	781.5	1,500.0
Operating profit	115.8	105.0	47.5	34.2	57.5	105.0
<i>absent amortization*</i>	95.6	101.0	45.1	33.3	55.9	101.0
Ordinary profit	112.9	103.0	47.2	33.5	55.8	103.0
Net income	56.5	59.0	25.4	21.2	33.6	59.0

* Prior to amortization of actuarial differences in retirement benefits

Key operating factors

Naphtha price (¥/kL, domestic)	32,150	42,500	38,000	47,300	46,950	42,475
¥/US\$ exchange rate (market average)	108	110	110	117	116	113

Sales forecast by segment

(¥ billion)

	FY 2004	FY 2005 forecast in Nov. [a]	FY 2005 revised forecast				Increase (decrease) [b-a]
			1st half	2nd half forecast		Total [b]	
				Oct.-Dec.			
Chemicals*	570.2	660.0	318.8	171.3	341.2	660.0	0.0
Homes	375.8	400.0	185.3	90.3	217.7	403.0	3.0
Pharma	103.9	110.0	53.6	27.4	54.4	108.0	(2.0)
Fibers*	91.5	94.0	43.5	22.0	47.5	91.0	(3.0)
Electronics Materials & Devices	93.0	100.0	48.7	27.2	54.3	103.0	3.0
Construction Materials	59.9	58.0	28.4	15.5	29.6	58.0	0.0
Life & Living	59.1	53.0	26.7	14.3	25.3	52.0	(1.0)
Services, Engineering and Others	24.2	25.0	13.4	4.3	11.6	25.0	0.0
Consolidated	1,377.7	1,500.0	718.5	372.3	781.5	1,500.0	0.0

*FY 2004 figures adjusted to reflect the April 2005 transfer of Leona™ filament operations from Fibers to Chemicals.

Profit* forecast by segment

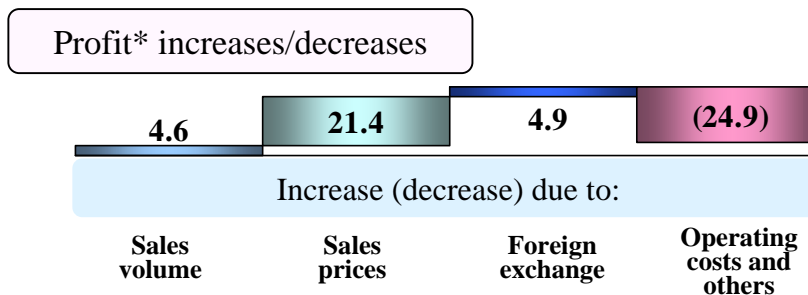
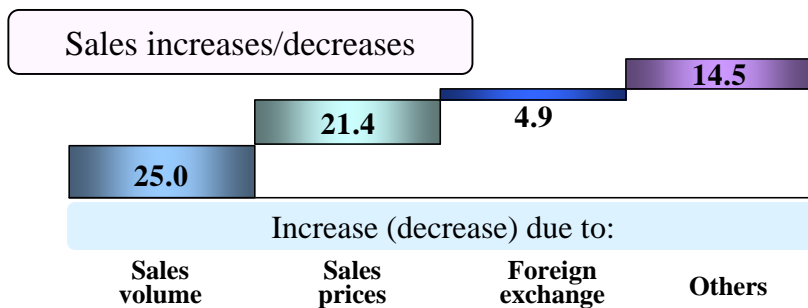
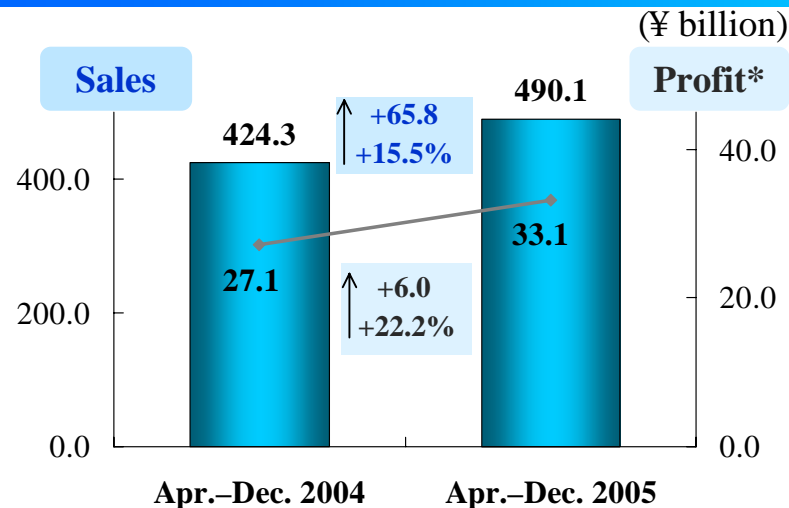
(¥ billion)

	FY 2004		FY 2005 forecast in Nov. [a]		FY 2005 revised forecast						Increase (decrease) [b-a]			
					1st half		Oct.-Dec.		2nd half forecast				Total [b]	
Chemicals†	5.8	32.0	1.5	36.0	0.9	19.3	0.3	13.8	0.6	17.7	1.5	37.0	0.0	1.0
Homes	3.4	25.6	1.2	27.8	0.6	7.8	0.3	5.7	0.6	20.0	1.2	27.8	0.0	0.0
Pharma	2.4	11.0	0.2	11.3	0.1	5.5	0.0	4.3	0.1	4.8	0.2	10.3	0.0	(1.0)
Fibers†	1.9	6.4	0.6	3.9	0.3	1.9	0.1	0.7	0.3	1.0	0.6	2.9	0.0	(1.0)
Electronics Materials & Devices	1.1	16.5	(0.0)	17.5	0.0	8.3	(0.0)	6.1	(0.0)	10.7	(0.0)	19.0	0.0	1.5
Construction Materials	1.5	1.1	0.0	3.5	0.0	1.8	0.0	1.8	0.0	1.7	0.0	3.5	0.0	0.0
Life & Living	0.9	5.2	0.2	5.3	0.1	2.4	0.1	2.0	0.1	2.4	0.2	4.8	0.0	(0.5)
Services, Engineering and Others	–	3.6	–	3.0	–	1.3	–	0.5	–	1.7	–	3.0	–	0.0
Corporate Expenses and Eliminations	3.3	(5.8)	0.3	(7.3)	0.1	(3.2)	0.1	(1.6)	0.1	(4.1)	0.3	(7.3)	0.0	0.0
Consolidated	20.2	95.6	4.0	101.0	2.4	45.1	0.9	33.3	1.6	55.9	4.0	101.0	0.0	0.0

* Operating profit prior to amortization of actuarial differences in retirement benefits; effect of amortization of actuarial differences in retirement benefits shown at upper left.

† Q1 and H1 2004 figures adjusted to reflect the April 2005 transfer of Leona™ filament operations from Fibers to Chemicals.

Appendix



* Operating profit prior to amortization of actuarial differences in retirement benefits.

Review of operations

Sales and profit increased despite high feedstock costs.

Monomers and basic chemicals:

Increased sales of acrylonitrile with improved market conditions. Poor market conditions for styrene monomer. Profit decrease.

Polymer and elastomers:

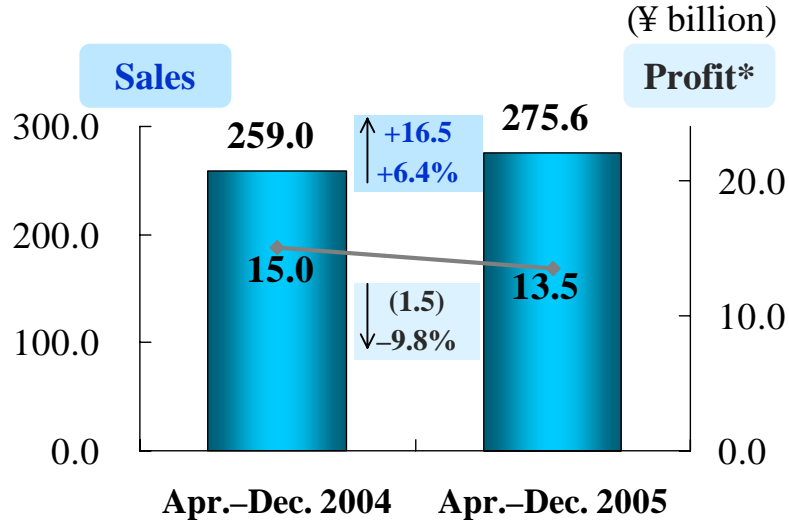
Increased sales of engineering plastics with strong overseas demand. Profit increase with improved market conditions.

Specialty products and systems:

Sales and profit increase with strong performance from Hipore™ Li-ion rechargeable battery separators and from electrolysis products, both membrane-process salt electrolysis systems and their ion-exchange membranes.

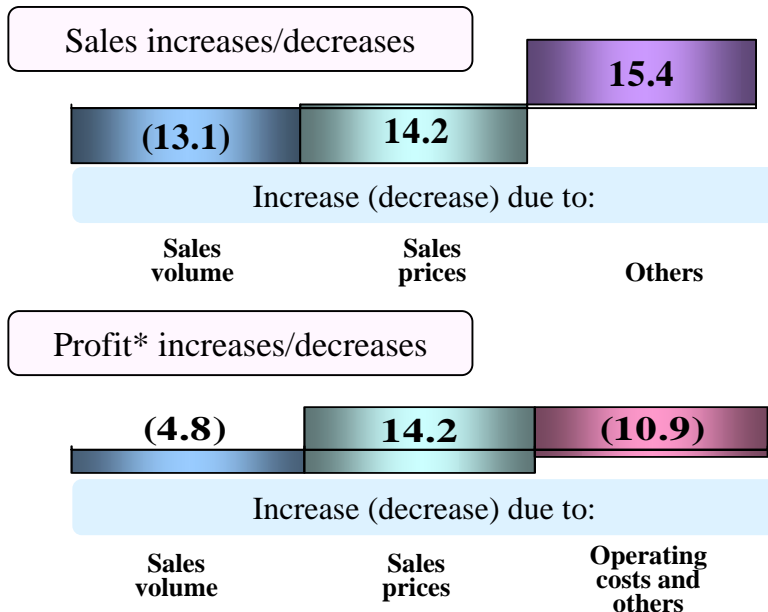
Highlights

- November, decision to construct new plant in China for Duranate™ hexamethylene diisocyanate.
- November, decision to expand PPE powder plant in Singapore.
- November, license of cyclohexanol technology to Chinese producer.



Review of operations

Increased sales due to growth in pre-built homes with completion of large condominiums. Decreased profit due to fewer deliveries of completed units despite higher unit prices for order-built homes. Sales and profit growth for real estate and remodeling businesses. Value of new orders for April to December 2005 increased 4.0% from the same period a year ago due with a recovery of growth in orders beginning in the 2nd quarter.



* Operating profit prior to amortization of actuarial differences in retirement benefits.

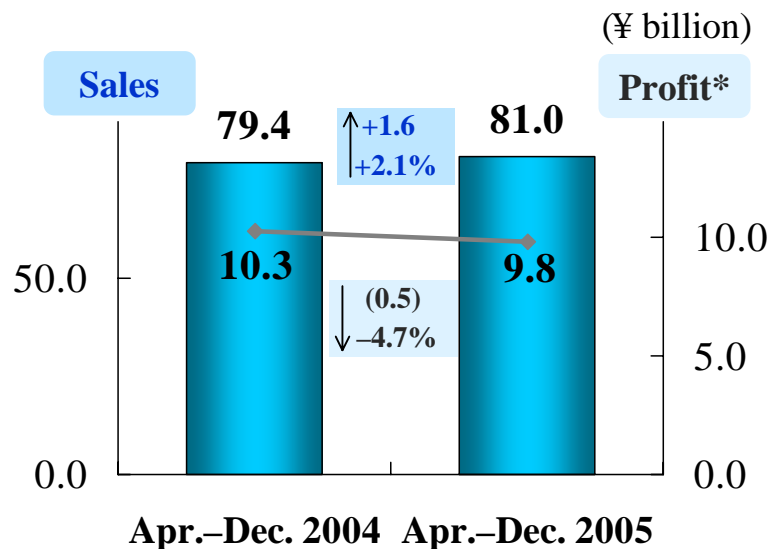
Homes (ii)

Sales and order trends (Asahi Kasei Homes non-consolidated)

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

		Sales of order-built homes	Sales of pre-built homes	Other sales*	Total sales	Value of new orders during the term	Order backlog
FY 00	H1	147.3 (+5.1%)	9.3 (+32.9%)	–	156.6 (+6.4%)	156.3 (+0.3%)	295.8
	H2	166.6 (–1.6%)	10.4 (+15.6%)	–	177.0 (–0.7%)	143.3 (–10.7%)	272.6
	annual	313.9 (+1.4%)	19.7 (+23.1%)	–	333.6 (+2.5%)	299.6 (–5.3%)	
FY 01	H1	144.7 (–1.8%)	7.5 (–19.4%)	–	152.3 (–2.7%)	141.7 (–9.3%)	269.5
	H2	144.9 (–13.0%)	9.0 (–13.5%)	–	153.9 (–13.1%)	131.3 (–8.4%)	255.9
	annual	289.6 (–7.7%)	16.5 (–16.2%)	–	306.2 (–8.2%)	273.0 (–8.9%)	
FY 02	H1	121.9 (–15.8%)	6.5 (–13.3%)	–	128.4 (–15.7%)	139.3 (–1.7%)	273.3
	H2	141.4 (–2.4%)	10.2 (+13.3%)	–	151.6 (–1.5%)	150.0 (+14.2%)	282.0
	annual	263.3 (–9.1%)	16.7 (+1.2%)	–	280.0 (–8.6%)	289.3 (+6.0%)	
FY 03	H1	121.2 (–0.6%)	5.2 (–17.8%)	0.5	126.9 (–1.3%)	161.4 (+15.9%)	322.2
	H2	159.9 (+13.1%)	30.8 (+200.9%)	0.6	191.2 (+26.0%)	156.7 (+4.5%)	319.0
	annual	281.1 (+6.8%)	36.0 (+117.0%)	1.1	318.2 (+13.5%)	318.1 (+9.9%)	
FY 04	H1	138.9 (+14.6%)	6.6 (+25.3%)	0.5	146.0 (+15.0%)	153.1 (–5.2%)	333.2
	Q3	77.0 (+0.3%)	3.8 (–59.7%)	0.3	81.1 (–6.2%)	64.1 (–9.4%)	320.3
	H2	171.9 (+7.5%)	13.6 (–55.9%)	0.6	186.0 (–2.8%)	148.7 (–5.1%)	310.1
	annual	310.7 (+10.6%)	20.1 (–44.1%)	1.1	332.0 (+4.3%)	301.8 (–5.1%)	
FY 05	H1	140.2 (+0.9%)	20.5 (+213.0%)	0.4	161.1 (+10.4%)	150.4 (–1.7%)	320.4
	Q3	71.8 (–6.9%)	5.2 (+37.6%)	0.3	77.2 (–4.8%)	75.7 (+18.1%)	324.3
	H2 forecast	178.8 (+4.0%)	13.5 (–0.4%)	0.6	192.9 (+3.7%)	162.6 (+9.3%)	304.2
	annual	319.0 (+2.7%)	34.0 (+69.1%)	1.0	354.0 (+6.6%)	313.0 (+3.7%)	

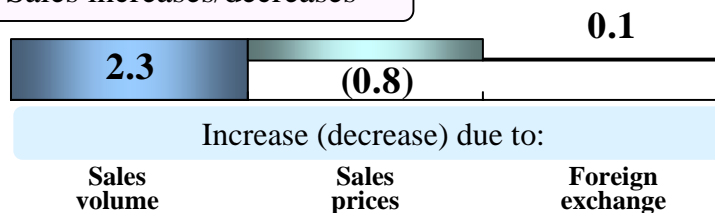
* Including commissions on property insurance.



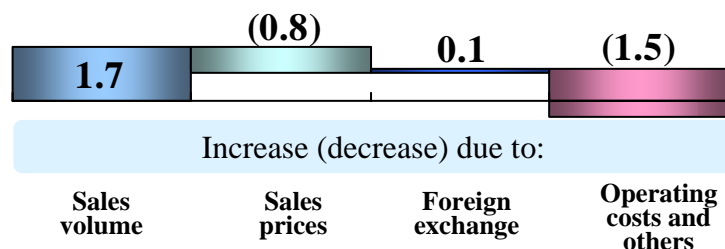
Review of operations

Increased profit in pharmaceuticals with growing sales of Flivas™ therapy for benign prostatic hyperplasia and Toledomin™ antidepressant. Decline of profit for medical devices largely as the result of elevated capital depreciation following plant expansions for APS™ artificial kidneys. Sales growth of APS™ both in Japan and overseas.

Sales increases/decreases



Profit* increases/decreases



* Operating profit prior to amortization of actuarial differences in retirement benefits.

Pharma (ii)

Sales of Asahi Kasei Pharma Corporation

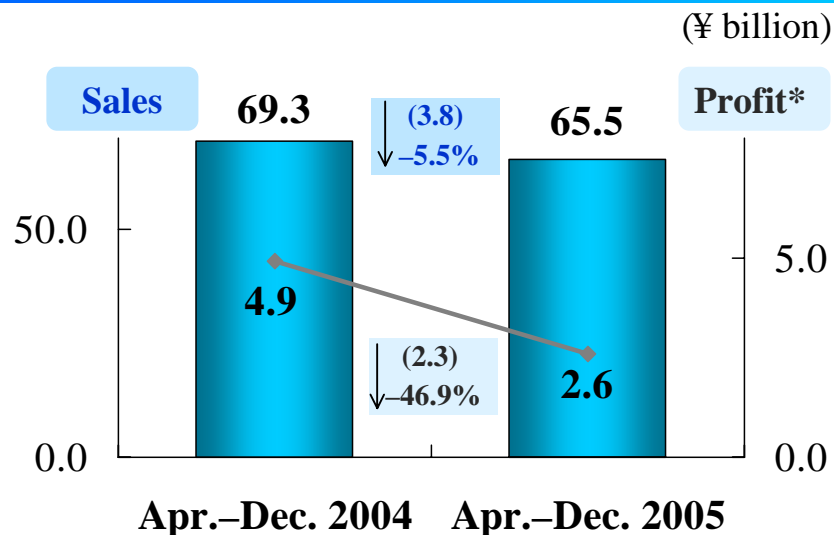
(¥ billion)

		FY 2004			FY 2005		
		Oct.–Dec.	Apr.–Dec.	total	forecast		
					Oct.–Dec.	Apr.–Dec.	total
	Pharmaceuticals	13.2	37.0	47.9	13.4	38.1	49.1
	Others	2.8	9.8	13.6	2.1	9.7	12.8
Non-consolidated		16.0	46.8	61.6	15.6	47.8	61.9
Asahi Kasei Medical		9.5	29.0	37.6	10.9	29.9	40.8
Others		1.1	3.6	4.7	0.9	3.3	5.3
Consolidated		26.6	79.4	103.9	27.4	81.0	108.0

Main pharmaceuticals domestic sales

(¥ billion)

	FY 2004			FY 2005	
	Oct.–Dec.	Apr.–Dec.	total		
				Oct.–Dec.	Apr.–Dec.
Elcitonin TM	4.2	12.6	16.1	4.0	12.1
Bredinin TM	1.7	4.9	6.3	1.7	4.8
Flivas TM	2.2	6.1	8.0	2.6	7.1
Toledomin TM	1.5	4.2	5.7	1.7	4.8
Exacin TM	0.4	1.1	1.4	0.4	1.0
Ricamycin TM	0.3	0.7	0.9	0.3	0.6
Eril TM	0.4	1.1	1.4	0.5	1.2



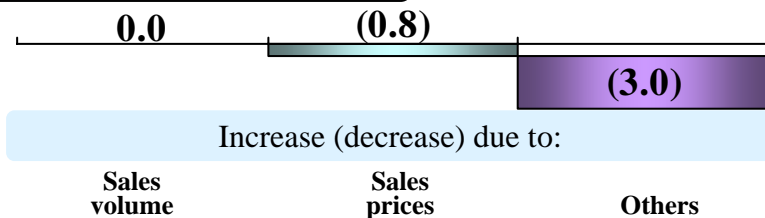
Review of operations

Despite sales for Bemberg™ cuprammonium rayon on par with a year ago, sales and profit decrease mainly due to lower overseas sales prices for Roica™ elastic polyurethane filament and elevated feedstock prices for nonwovens.

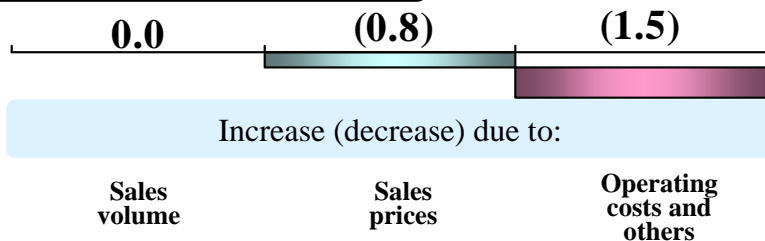
Highlights

- November, basic agreement for acquisition of spandex business from Lanxess.

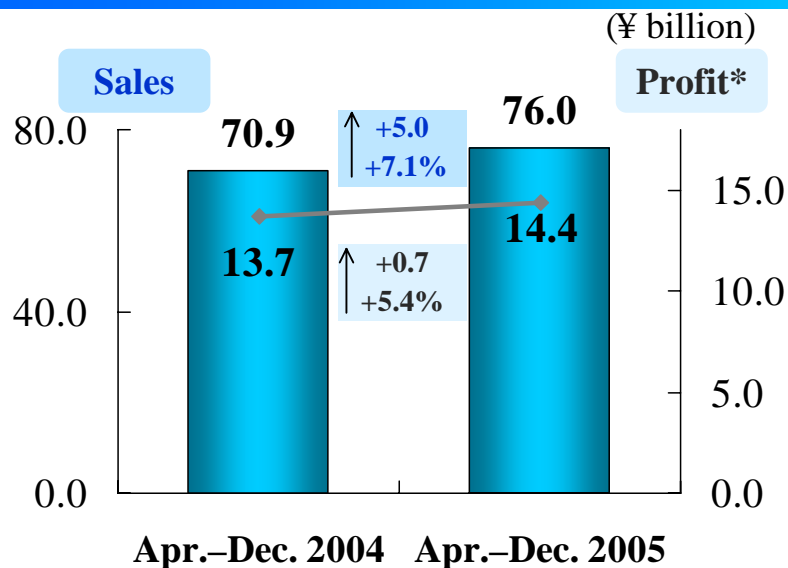
Sales increases/decreases



Profit* increases/decreases



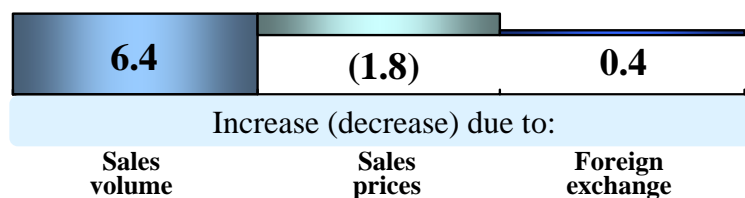
* Operating profit prior to amortization of actuarial differences in retirement benefits.



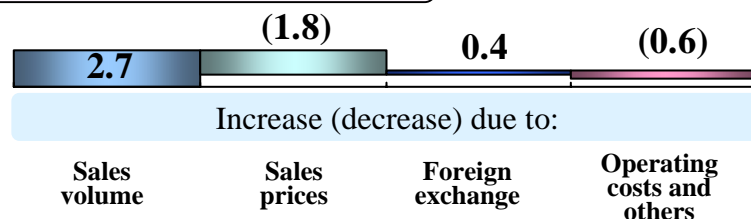
Review of operations

Sharply improved demand for electronics devices in cell phone and digital electronics applications in the latter part of the term. Increased profit in electronics materials with strong sales growth of photomask pellicles for large LCD panels and of SunfortTM photosensitive dry film resist for printed wiring board production, particularly in overseas markets.

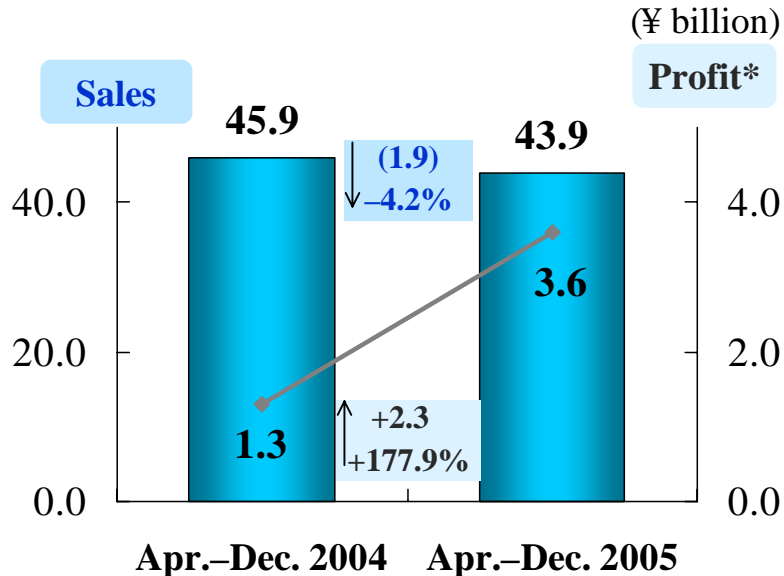
Sales increases/decreases



Profit* increases/decreases

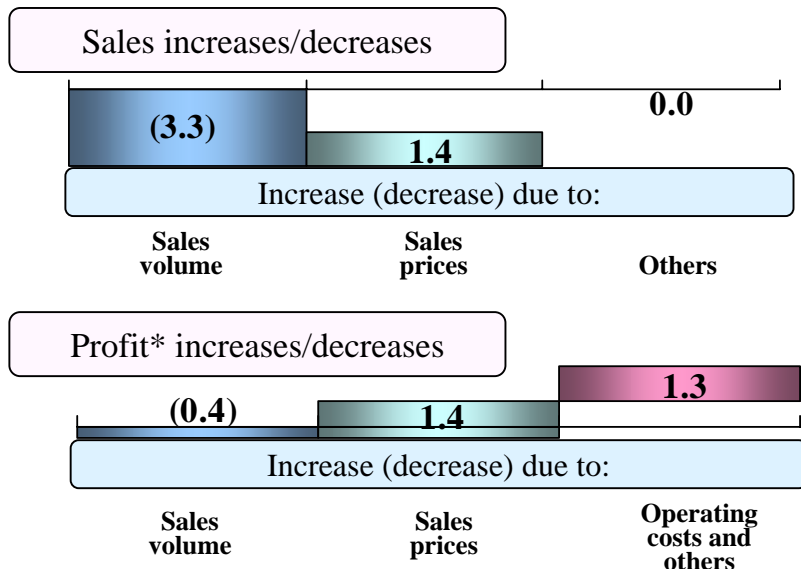


* Operating profit prior to amortization of actuarial differences in retirement benefits.

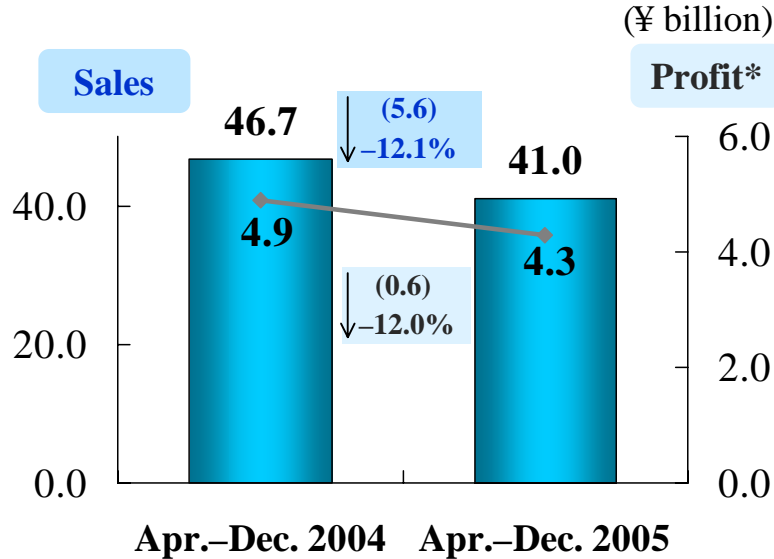


Review of operations

Sales decrease due to discontinuation of the Grande™ line of large autoclaved lightweight concrete (ALC) panels and fewer orders for pre-cast concrete piles. Profit increase due to growing sales of Hebel™ ALC panels and Hebel Powerboard™ ALC panels with improved demand for building materials.

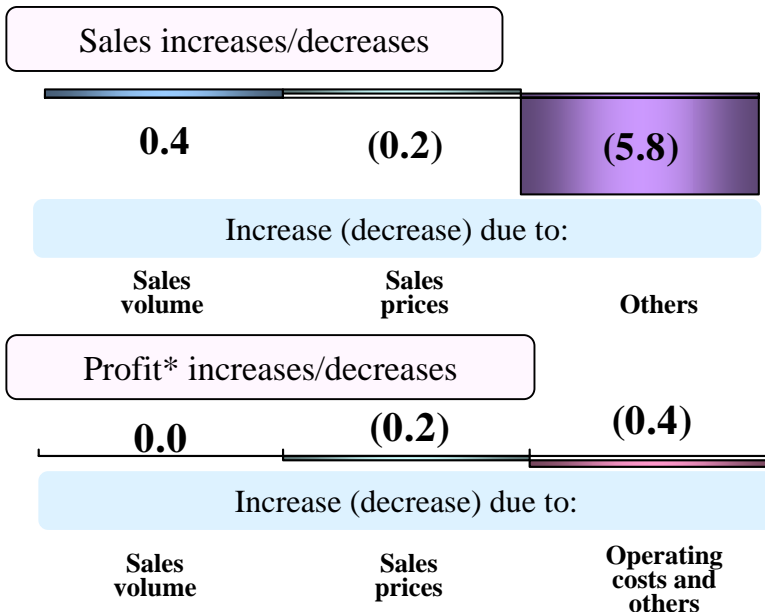


* Operating profit prior to amortization of actuarial differences in retirement benefits.



Review of operations

Sales increase for Saran Wrap™ cling film, but overall sales decrease as a result of the transfer of biaxially oriented polystyrene sheet operations to non-consolidated joint venture. Profit decrease due to elevated feedstock costs for packaging materials.



* Operating profit prior to amortization of actuarial differences in retirement benefits.



– 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.