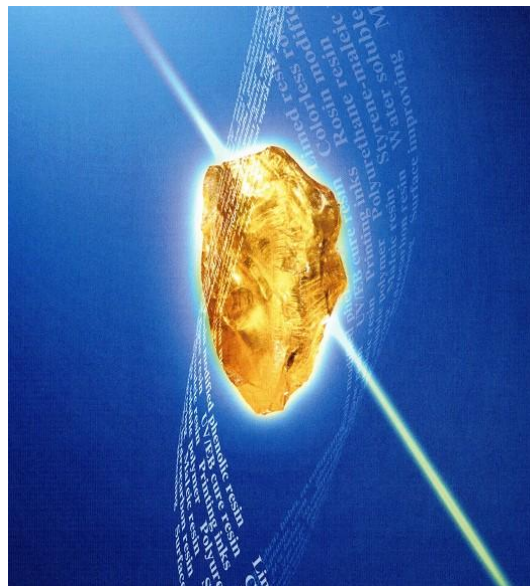


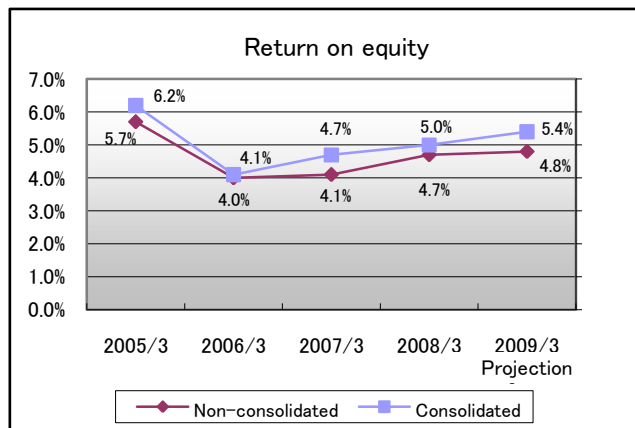
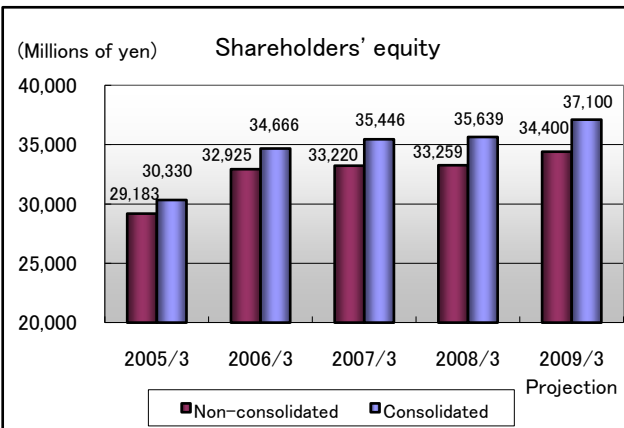
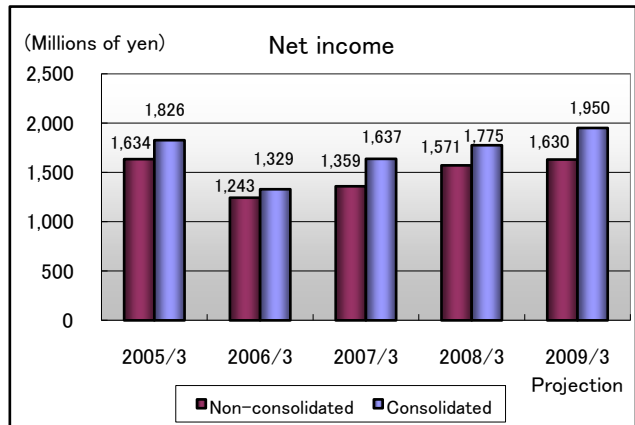
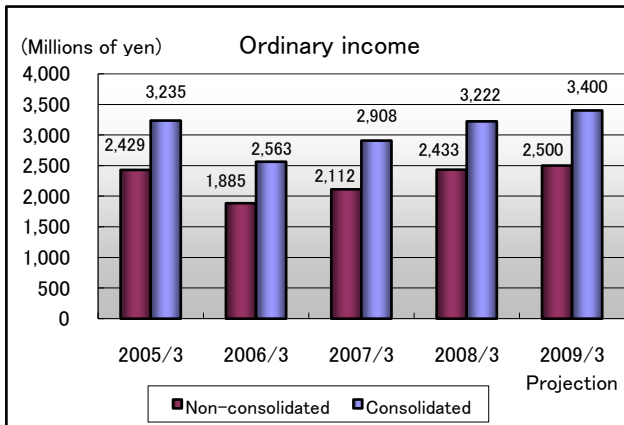
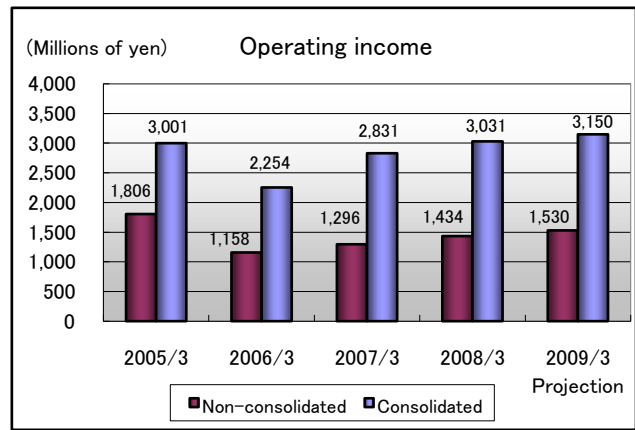
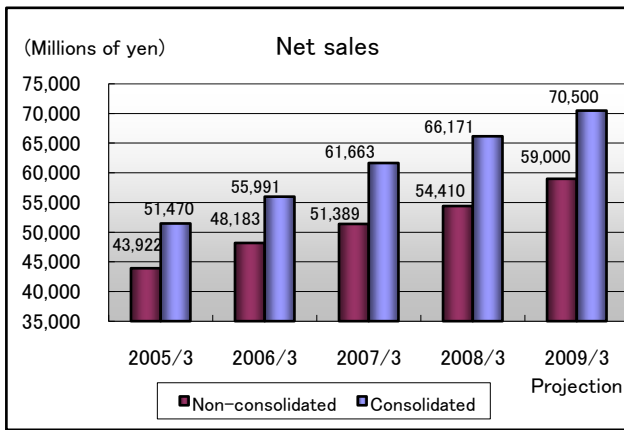
DATA BOOK 2008

May 7th, 2008

Year ended March 31, 2008



ARAKAWA CHEMICAL INDUSTRIES, LTD.



		2005/3		2006/3		2007/3		2008/3		2009/3 Projection	
		Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Net sales	Consolidated	51,470	11.9	55,991	8.8	61,663	10.1	66,171	7.3	70,500	6.5
	Non-consolidated	43,922	6.8	48,183	9.7	51,389	6.7	54,410	5.9	59,000	8.4
Operating income	Consolidated	3,001	9.6	2,254	△ 24.9	2,831	25.6	3,031	7.1	3,150	3.9
	Non-consolidated	1,806	△ 0.8	1,158	△ 35.9	1,296	11.9	1,434	10.6	1,530	6.7
Ordinary income	Consolidated	3,235	11.2	2,563	△ 20.8	2,908	13.5	3,222	10.8	3,400	5.5
	Non-consolidated	2,429	6.8	1,885	△ 22.4	2,112	12.1	2,433	15.2	2,500	2.7
Net income	Consolidated	1,826	17.0	1,329	△ 27.2	1,637	23.2	1,775	8.4	1,950	9.8
	Non-consolidated	1,634	16.4	1,243	△ 23.9	1,359	9.4	1,571	15.6	1,630	3.7
Total assets	Consolidated	54,640	4.8	62,012	13.5	67,732	9.2	64,799	△ 4.3	66,800	3.1
	Non-consolidated	48,284	4.3	53,659	11.1	58,203	8.5	55,038	△ 5.4	57,000	3.6
Shareholders' equity	Consolidated	30,330	4.8	34,666	14.3	35,446	2.2	35,639	0.5	37,100	4.1
	Non-consolidated	29,183	4.5	32,925	12.8	33,220	0.9	33,259	0.1	34,400	3.4
Return on equity	Consolidated	6.2%		4.1%		4.7%		5.0%		5.4%	
	Non-consolidated	5.7%		4.0%		4.1%		4.7%		4.8%	

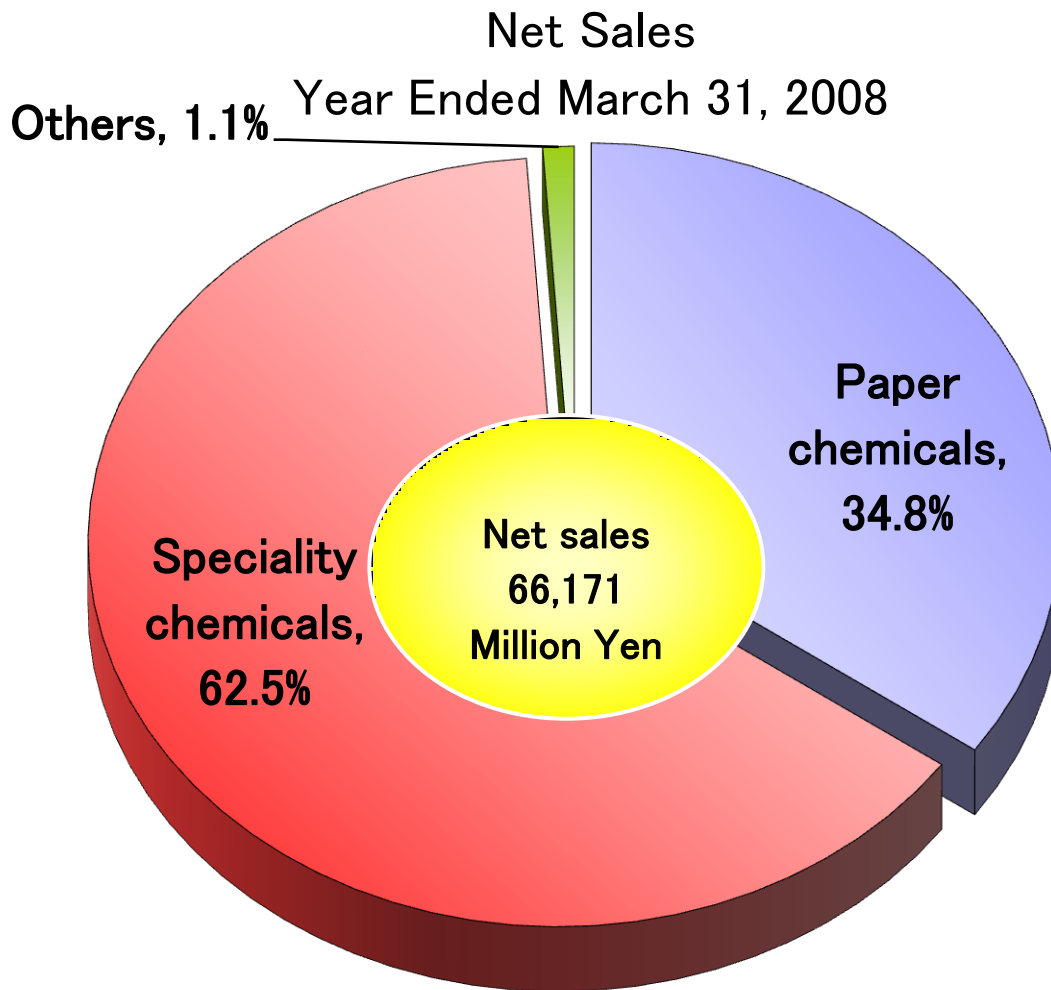
* Note to 2007,2008 and 2009 Projection

① "Shareholders' equity" is obtained by totaling owners' equity and valuation and translation adjustments in "Accounting Standard for Presentation of Net Assets in the Balance Sheet, ASBJ Statement No.5."

* Note to 2008 and 2009 Projection

②The influence of revised the depreciation system for the past depreciated assets, due to the FY2007 tax reform, are approximately 250 million Yen as consolidated basis and 230 million Yen as non-consolidated basis.

Segment Information (Consolidated)



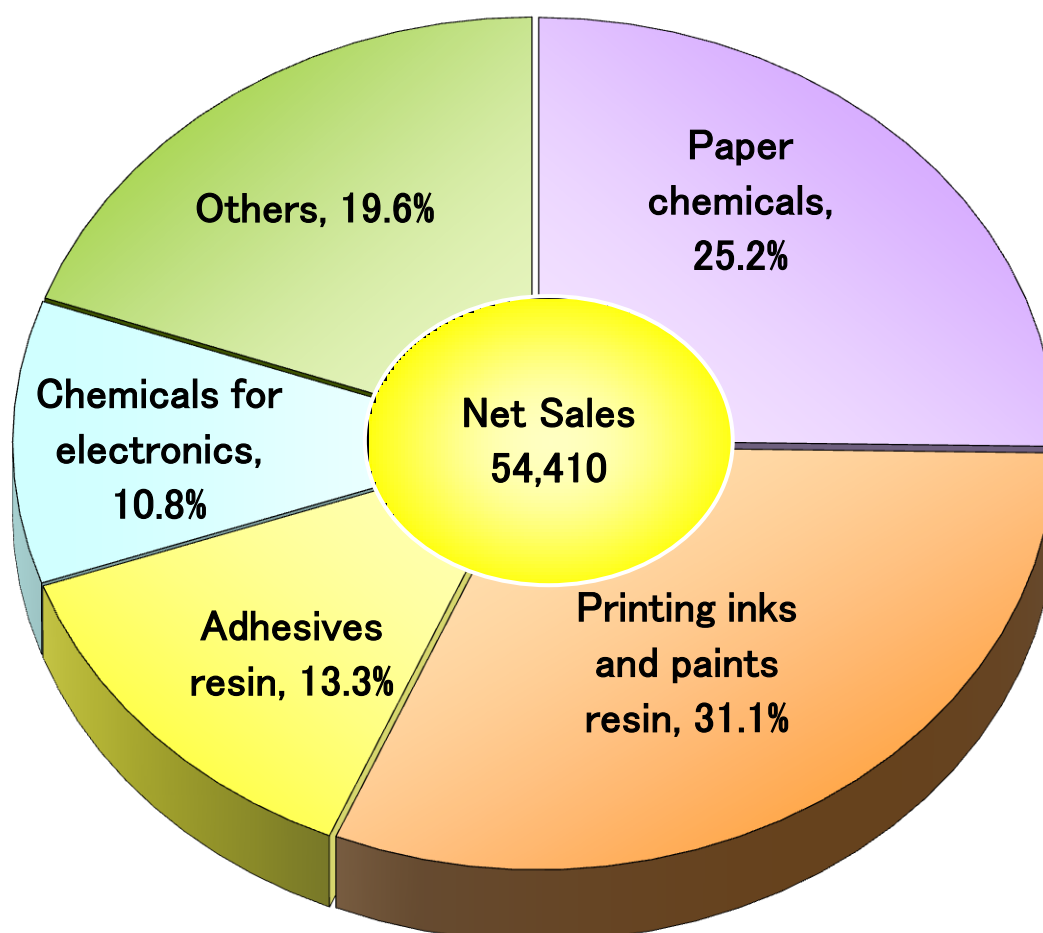
		2005/3		2006/3		2007/3		2008/3		2009/3 Projection	
		Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Paper chemicals	Net sales	19,593	12.3	21,374	9.1	22,193	3.8	23,038	3.8	24,300	5.5
	Operating income	964	6.8	742	△ 23.0	1,134	52.9	1,283	13.1	1,100	△ 14.3
	Operating income/sales	4.9%		3.5%		5.1%		5.6%		4.5%	
Speciality chemicals	Net sales	31,178	12.8	33,677	8.0	38,559	14.5	42,420	10.0	45,190	6.5
	Operating income	2,007	11.3	1,417	△ 29.4	1,628	14.9	1,677	3.0	1,970	17.4
	Operating income/sales	6.4%		4.2%		4.2%		4.0%		4.4%	
Others	Net sales	698	△ 21.7	939	34.5	910	△ 3.0	712	△ 21.8	1,010	41.7
	Operating income	29	△ 6.1	94	216.8	67	△ 28.1	69	2.8	80	14.7
	Operating income/sales	4.3%		10.0%		7.4%		9.8%		7.9%	
Consolidated total	Net sales	51,470	11.9	55,991	8.8	61,663	10.1	66,171	7.3	70,500	6.5
	Operating income	3,001	9.6	2,254	△ 24.9	2,831	25.6	3,031	7.1	3,150	3.9
	Operating income/sales	5.8%		4.0%		4.6%		4.6%		4.5%	

*Note to 2008 and 2009 Projection

•The influence of revised the depreciation system for the past depreciated assets, due to the FY2007 tax reform, are approximately 68 million Yen for the segment of Paper Chemicals and 182 million Yen for the segment of Speciality Chemicals.

Segment Information (Non-consolidated)

Net Sales
Year Ended March 31, 2007



	2005/3		2006/3		2007/3		2008/3		2009/3 Projection	
	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Paper chemicals	12,592	3.3	13,335	5.9	13,603	2.0	13,728	0.9	14,700	7.1
Printing inks and paints resin	11,948	3.3	13,462	12.7	15,562	15.6	16,948	8.9	18,850	11.2
Adhesives resin	5,885	0.2	6,050	2.8	6,530	7.9	7,214	10.5	7,380	2.3
Chemicals for electronics	3,828	14.3	4,423	15.5	5,378	21.6	5,878	9.3	6,470	10.1
Sub-total	34,255	3.9	37,271	8.8	41,074	10.2	43,769	6.6	47,400	8.3
Others	9,667	18.6	10,911	12.9	10,314	△ 5.5	10,641	3.2	11,600	9.0
Non-consolidated total	43,922	6.8	48,183	9.7	51,389	6.7	54,410	5.9	59,000	8.4

Management index

		2005/3	2006/3	2007/3	2008/3	2009/3 Projection	
Capital investment (Completion basis) (Millions of Yen)	Consolidated	1,621	4,919	1,574	2,991	2,540	
	Non-consolidated	990	2,110	989	958	2,030	
Capital investment (Cash flows basis) (Millions of Yen)	Consolidated	1,975	4,467	2,624	2,274	2,535	
	Non-consolidated	1,160	1,966	1,070	1,070	2,030	
Depreciation and amortization (Millions of Yen)	Consolidated	1,587	1,655	1,832	2,091	2,370	Note④
	Non-consolidated	1,170	1,208	1,150	1,370	1,610	
R & D expenses (Millions of Yen)	Consolidated	2,340	2,257	2,321	2,495	2,850	
	Non-consolidated	1,991	1,899	1,971	2,170	2,540	
Interest-bearing debt (Millions of Yen)	Consolidated	6,084	6,785	9,829	8,275	7,590	
	Non-consolidated	5,280	5,572	7,286	5,896	5,660	
Shareholders' equity to total assets (%)	Consolidated	55.5	55.9	52.3	55.0	55.5	Note①
	Non-consolidated	60.4	61.4	57.1	60.4	60.4	
Return on equity (%)	Consolidated	6.2	4.1	4.7	5.0	5.4	Note①
	Non-consolidated	5.7	4.0	4.1	4.7	4.8	
Operating income to net sales (%)	Consolidated	5.8	4.0	4.6	4.6	4.5	
	Non-consolidated	4.1	2.4	2.5	2.6	2.6	
Ordinary income to net sales (%)	Consolidated	6.3	4.6	4.7	4.9	4.8	
	Non-consolidated	5.5	3.9	4.1	4.5	4.2	
Earnings per share-Basic (Yen)	Consolidated	113.33	81.80	81.31	88.18	96.82	Note③
	Non-consolidated	101.45	76.59	67.51	78.05	80.93	
Book-value per share (Yen)	Consolidated	1,919.12	2,063.56	1,759.95	1,769.62	1,840.00	Note②,③
	Non-consolidated	1,846.46	1,959.90	1,649.44	1,651.46	1,700.00	
Price to earnings ratio	Consolidated	14.5	16.1	18.0	13.1	—	
	Non-consolidated	16.2	17.2	21.7	14.8	—	
Annual Dividends per share (Yen)		20.00	20.00	24.00	25.00	25.00	
Payout ratio (%)	Consolidated	17.6	24.4	29.5	28.4	25.8	
	Non-consolidated	19.7	26.1	35.6	32.0	30.9	
Number of employees	Consolidated	923	1,084	1,128	1,179	1,250	
	Non-consolidated	638	645	642	646	680	

* Note to 2007,2008 and 2009 Projection

① "Shareholders' equity" is obtained by totaling owners' equity and valuation and translation adjustments in "Accounting Standard for Presentation of Net Assets in the Balance Sheet, ASBJ Statement No.5."

② "Book-value per share" is obtained by deducting minority interests from net assets.

③ A 1.2-for-1 stock split was carried out as of April 1st, 2006.

*Note to 2008 and 2009 Projection

④ The influence of revised the depreciation system for the past depreciated assets, due to the FY2007 tax reform, are approximately 250 million Yen as consolidated basis and 230 million Yen as non-consolidated basis.

Balance Sheets (Consolidated)**Assets**

(Unit : Millions of Yen)

	2004/3	2005/3	2006/3	2007/3	2008/3
◇ Current Assets	30,390	32,585	35,451	41,172	39,977
Cash and time deposits	5,152	5,513	4,187	2,457	3,981
Trade notes and accounts receivable	18,247	19,170	21,167	25,846	24,341
Marketable securities	1	2	506	—	—
Inventories	6,203	7,014	8,492	11,685	10,613
Deferred tax assets	459	438	411	511	528
Other current assets	431	562	808	791	629
Allowance for doubtful receivables	△ 105	△ 115	△ 122	△ 120	△ 116
◇ Fixed Assets	21,727	22,054	26,561	26,560	24,821
• Tangible Fixed Assets	14,942	15,151	17,988	18,765	18,799
Building and structures	5,642	5,448	6,088	5,988	6,954
Machinery and material-handling equipment	3,844	3,935	5,871	5,807	5,519
Land	4,569	4,535	5,240	5,241	5,235
Construction in progress	116	467	32	996	400
Other fixed assets	769	764	755	730	689
• Intangible Fixed Assets	1,166	1,021	924	830	667
• Investments and Other Assets	5,617	5,881	7,648	6,964	5,354
Investments in securities	4,984	5,254	7,036	6,320	4,678
Deferred tax assets	134	142	140	165	158
Others	838	777	751	555	529
Allowance for doubtful receivables	△ 339	△ 293	△ 280	△ 77	△ 11
Total Assets	52,117	54,640	62,012	67,732	64,799

Liabilities

◇ Current Liabilities	18,224	19,171	21,455	26,589	24,545
Trade notes and accounts payable	8,706	9,863	10,910	13,346	12,171
Short-term bank loans	5,800	5,281	6,530	8,958	7,601
Accrued income taxes	833	712	698	717	690
Accrued consumption taxes	153	25	45	50	153
Notes for capital investment	95	104	84	78	140
Other current liabilities	2,634	3,183	3,185	3,437	3,786
◇ Long-term Liabilities	3,647	3,457	3,833	4,080	3,234
Long-term bank loans	998	802	254	870	673
Deferred tax liabilities	409	384	1,293	876	269
Provision for retirement benefits	1,945	1,947	1,976	2,016	2,015
Provision for retirement allowances for directors	289	323	272	316	—
Other long-term liabilities	3	0	35	0	275
Total Liabilities	21,871	22,629	25,289	30,670	27,779

Net Assets

◇ Owners' equity	27,972	29,468	31,956	33,194	34,445
Common stock	2,365	2,365	3,128	3,128	3,128
Additional paid-in capital	2,587	2,587	3,350	3,350	3,350
Retained earnings	23,023	24,519	25,482	26,725	27,977
Cost of treasury stock	△ 3	△ 3	△ 3	△ 9	△ 10
◇ Valuation and translation adjustments	970	861	2,709	2,251	1,193
Gain/loss from revaluation of other investments in securities	1,342	1,273	2,625	1,952	926
Foreign currency translation adjustments	△ 372	△ 412	84	299	266
◇ Minority Interests	1,303	1,680	2,057	1,616	1,380
Total Net Assets	30,245	32,011	36,723	37,062	37,019
Total Liabilities and Net Assets	52,117	54,640	62,012	67,732	64,799

* Conventional "Shareholders' Equity" section is reclassified into "Net Assets."

Statements of Income (Consolidated)

(Unit : Millions of Yen)

	2004/3	2005/3	2006/3	2007/3	2008/3
◇ Net sales	45,981	51,470	55,991	61,663	66,171
◇ Cost of sales	34,916	39,280	44,212	48,882	52,921
Gross profit	11,064	12,190	11,778	12,781	13,250
Selling, general and administrative expenses	8,326	9,188	9,524	9,950	10,218
Operating Income	2,738	3,001	2,254	2,831	3,031
◇ Other Income	333	352	440	500	596
Interest income	17	19	19	17	18
Dividend income	31	44	56	74	94
Loyalty income	89	74	99	134	145
Rent on real estate income	55	56	56	59	90
Foreign exchange profit	—	—	78	46	—
Equity in earnings of non-consolidated subsidiaries	59	38	49	86	94
Miscellaneous income	81	117	79	83	152
◇ Other Expenses	163	118	131	423	404
Interest expense	47	57	67	130	187
Stock issuance cost	—	—	21	—	—
Losses on sales of investments in securities	2	—	—	—	—
Foreign exchange loss	12	7	—	—	43
Miscellaneous expenses	100	53	42	292	173
Ordinary income	2,908	3,235	2,563	2,908	3,222
◇ Extraordinary Gains	0	143	53	9	6
Gains on disposal of fixed assets	0	141	50	3	1
Reversal of provision for credit losses	—	2	3	5	5
◇ Extraordinary Losses	43	66	69	28	161
Losses on disposal of fixed assets	40	61	34	28	61
Losses on sales of investments in securities	—	—	13	—	—
Losses from revaluation of investments in securities	0	—	—	—	0
Losses from fixed asset revaluation	2	4	0	0	0
Others	—	—	22	—	99
Income before provision for income taxes	2,865	3,312	2,547	2,888	3,067
Corporate income, local and business taxes	1168	1,238	1,021	1,207	1,129
Adjustments to income taxes	△ 53	36	0	△ 74	94
Minority interest in net income of consolidated subsidiaries	190	210	196	117	68
Net Income	1,560	1,826	1,329	1,637	1,775

Statements of Cash Flows (consolidated)

(Unit : Millions of Yen)

	2004/3	2005/3	2006/3	2007/3	2008/3
I . Cash Flows from Operating Activities					
Net income before adjustments to reconcile income to net cash provided by operating activities	2,865	3,312	2,547	2,888	3,068
Depreciation and amortization	1,572	1,587	1,655	1,832	2,091
amortization of consolidation difference	121	216	216	248	226
Increase(decrease) in provision of allowance for doubtful receivables	11	15	△ 13	△ 205	△ 67
Increase(decrease) in provision for retirement benefits	47	1	29	40	△ 1
Profit and loss from revaluation of investments in securities	0	—	—	—	0
Profit and loss on disposal of investments in securities	2	△ 12	13	0	—
Interest and dividends received	△ 48	△ 64	△ 76	△ 91	△ 112
Interest expenses	47	57	67	130	187
Increase(decrease) of accounts receivable	△ 1,080	△ 920	△ 1,858	△ 4,643	1,465
Increase(decrease) of trade notes	385	1,144	930	2,408	△ 1,135
Others, net	238	△ 1,050	△ 1,470	△ 2,663	1,275
Sub-total	4,165	4,285	2,039	△ 54	6,998
Interest and dividends received	72	73	83	132	178
Interest paid	△ 45	△ 60	△ 65	△ 126	△ 194
Income taxes paid	△ 908	△ 1,323	△ 1,042	△ 1,189	△ 1,155
Others, net	—	—	—	—	△ 99
Net cash provided by operating activities	3,283	2,975	1,015	△ 1,238	5,727
II . Cash Flows from Investing Activities					
Expenses for acquisition of fixed assets	△ 1,131	△ 1,975	△ 4,467	△ 2,624	△ 2,274
Expenses for purchasing of investment in securities	△ 21	△ 387	△ 37	△ 366	△ 69
Income from sales of investments in securities	197	20	7	1	—
Additional acquisition of shares of consolidated subsidiaries	△ 1,972	—	—	△ 528	—
Increase(decrease) of notes for capital investment	26	8	△ 20	△ 5	62
Others, net	420	448	△ 119	886	275
Net cash used in investing activities	△ 2,481	△ 1,885	△ 4,637	△ 2,637	△ 2,006
III . Cash Flows from Financing Activities					
Increase(decrease) in short-term debt	△ 392	△ 494	651	2,899	△ 1,373
Proceeds from long-term debt	—	98	328	966	78
Repayment of long-term debt	△ 495	△ 314	△ 217	△ 883	△ 243
Proceeds from stock issuance	—	—	1,525	—	—
Dividends paid	△ 410	△ 299	△ 331	△ 369	△ 523
Dividends paid to minority interest	△ 102	△ 120	△ 121	△ 105	△ 120
Others, net	△ 0	299	88	△ 5	△ 1
Net cash used in financing activities	△ 1,400	△ 832	1,923	2,502	△ 2,183
IV . Effect of Exchange-rate Change on Cash and Cash Equivalents	△ 61	△ 18	269	23	△ 22
V . Net Increase in Cash and Cash Equivalents	△ 659	239	△ 1,429	△ 1,350	1,514
VI . Cash and Cash Equivalents, Beginning of Term	5,596	4,936	5,175	3,746	2,396
VII . Cash and Cash Equivalents, End of Term	4,936	5,175	3,746	2,396	3,911

Balance Sheets (Non-consolidated)

Assets

(Unit : Millions of Yen)

	2004/3	2005/3	2006/3	2007/3	2008/3
◇ Current Assets	25,437	25,728	28,011	33,118	31,907
Cash and time deposits	3,722	2,124	2,081	1,008	2,023
Trade notes and accounts receivable	16,116	17,055	18,716	22,806	21,030
Marketable securities	—	—	503	—	—
Inventories	4,949	5,337	5,704	7,395	6,860
Other current assets	728	1,301	1,095	1,998	2,082
Allowance for doubtful receivables	△ 80	△ 90	△ 90	△ 90	△ 90
◇ Fixed Assets	20,867	22,555	25,648	25,084	23,130
• Tangible Fixed Assets	12,294	12,157	12,794	12,548	12,101
Buildings and structures	4,814	4,570	4,452	4,262	4,006
Machinery and material-handling equipment	3,037	3,049	3,273	3,244	2,905
Land	3,910	3,875	4,583	4,584	4,578
Other fixed assets	533	662	484	457	611
• Intangible Fixed Assets	52	98	155	276	333
• Investments and Other Assets	8,520	10,299	12,698	12,260	10,696
Investments in securities	4,632	4,907	6,658	5,897	4,257
Investments in subsidiaries	3,292	3,292	3,292	3,637	3,637
Investments in affiliates	329	1,558	1,828	2,011	2,185
Others	504	776	1,124	721	624
Allowance for doubtful receivables	△ 238	△ 235	△ 206	△ 8	△ 8
Total Assets	46,305	48,284	53,659	58,203	55,038

Liabilities

◇ Current Liabilities	15,758	16,623	17,237	21,524	19,206
Trade notes and accounts payable	7,570	8,450	9,169	11,467	10,231
Short-term bank loans	5,100	4,900	5,100	6,450	5,300
Due within one year long-term bank loans	174	208	225	239	233
Accrued payable	1,246	1,758	1,483	1,827	1,826
Accrued expenses	763	753	662	798	809
Accrued income taxes	609	404	434	449	539
Accrued consumption taxes	143	13	24	36	144
Deposits payable	54	49	52	88	36
Notes for capital investment	95	84	84	52	48
Others	—	—	—	113	37
◇ Long-term Liabilities	2,610	2,477	3,496	3,459	2,572
Long-term bank loans	306	172	246	596	363
Deferred tax liabilities	406	382	1,286	869	265
Provision for retirement benefits	1,675	1,676	1,686	1,717	1,682
Provision for retirement allowances for direct	221	246	241	275	—
Others	—	—	34	—	260
Total Liabilities	18,368	19,100	20,733	24,983	21,778

Net Assets

◇ Owners' equity	26,606	27,915	30,319	31,279	32,326
Common stock	2,365	2,365	3,128	3,128	3,128
Capital surplus	2,587	2,587	3,350	3,350	3,350
Earned surplus	21,657	22,966	23,845	24,810	25,858
Cost of treasury stocks	△ 3	△ 3	△ 3	△ 9	△ 10
◇ Valuation and translation adjustments	1,329	1,268	2,606	1,940	932
Gain/loss from revaluation of other investments in securities	1,329	1,268	2,606	1,940	932
Total Net Assets	27,936	29,183	32,925	33,220	33,259
Total Liabilities and Net Assets	46,305	48,284	53,659	58,203	55,038

* Conventional "Shareholders' Equity" section is reclassified into "Net Assets."

Statements of Income (Non-consolidated)

	(Unit : Millions of Yen)				
	2004/3	2005/3	2006/3	2007/3	2008/3
◇ Net sales	41,135	43,922	48,183	51,389	54,410
◇ Cost of sales	32,109	34,811	39,612	42,444	45,147
Gross profit	9,026	9,110	8,570	8,945	9,263
Selling, general and administrative expenses	7,205	7,304	7,412	7,648	7,828
Operating Income	1,820	1,806	1,158	1,296	1,434
◇ Other Income	569	681	805	1,032	1,181
Interest income	7	12	23	20	25
Dividend income	220	254	316	395	612
Loyalty income	143	161	208	293	278
Rent on real estate income	55	55	54	82	130
Foreign exchange profit	19	33	57	59	18
Miscellaneous income	123	164	145	181	115
◇ Other Expenses	116	59	79	216	182
Interest expense	33	29	31	47	71
Stock issuance cost	—	—	21	—	—
Losses on sales of investments in securities	2	—	—	—	—
Losses on disposal of inventories	58	14	15	27	7
Miscellaneous expenses	22	15	11	141	103
Ordinary income	2,273	2,429	1,885	2,112	2,433
◇ Extraordinary Gains	0	143	52	3	1
Gains on disposal of fixed assets	0	141	49	2	1
Reversal of provision for credit losses	—	2	2	0	0
◇ Extraordinary Losses	24	60	50	20	65
Losses on disposal of fixed assets	22	56	28	20	35
Losses from revaluation of investments in securities	0	—	—	—	0
Losses from fixed asset revaluation	2	4	0	0	0
Others	—	—	22	—	28
Income before provision for income taxes	2,248	2,511	1,886	2,095	2,369
Corporate income, local and business taxes	900	820	650	760	730
Adjustments to income taxes	△ 55	56	△ 6	△ 24	68
Net Income	1,404	1,634	1,243	1,359	1,571

※The statements concerning future performance that are presented in this document are based on information available to issuing date of this report, and therefore the actual results may differ from these forecasted figures due to various unknown factors.