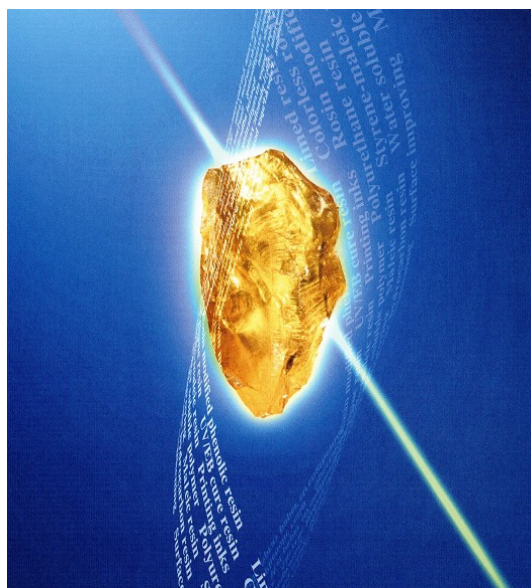


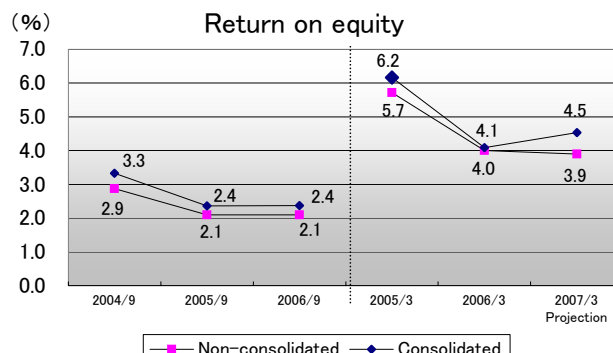
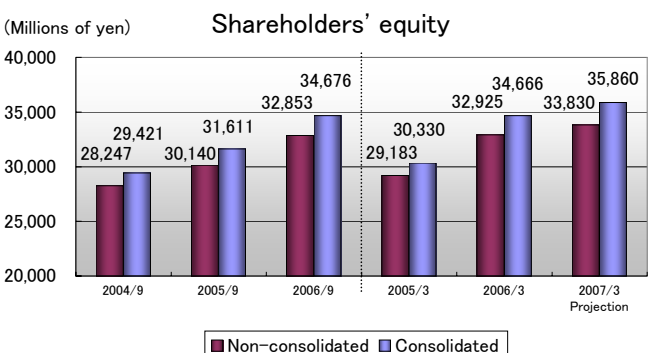
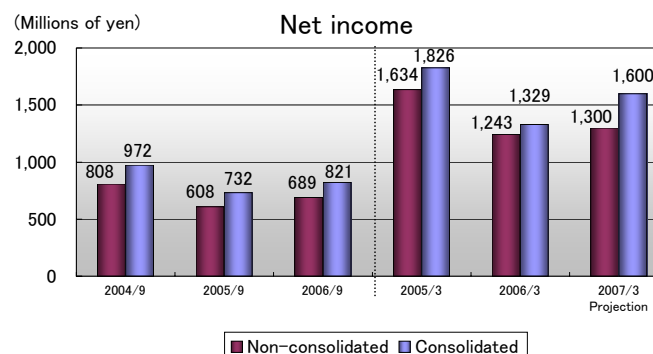
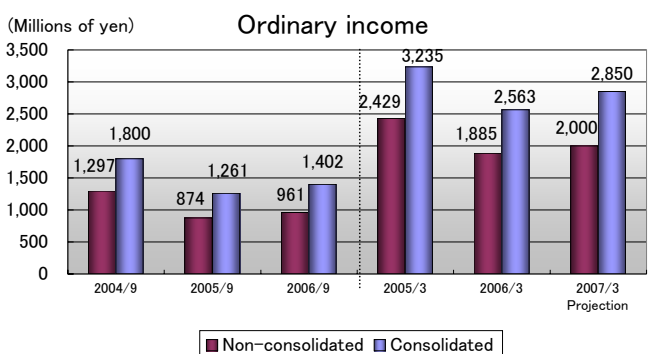
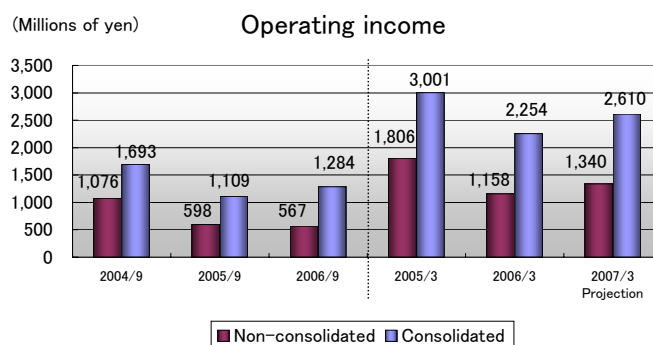
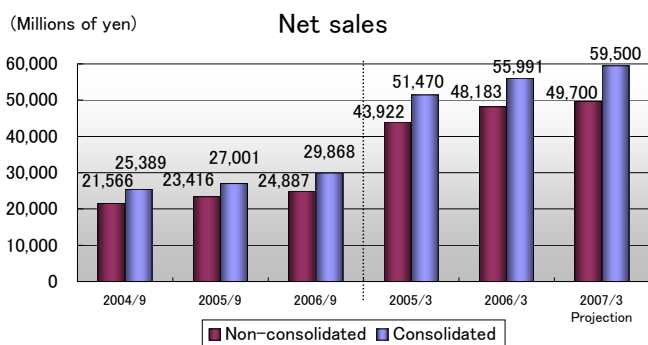
DATA BOOK 2007

November 6th, 2006

Half Year ended September 30, 2006



ARAKAWA CHEMICAL INDUSTRIES, LTD.



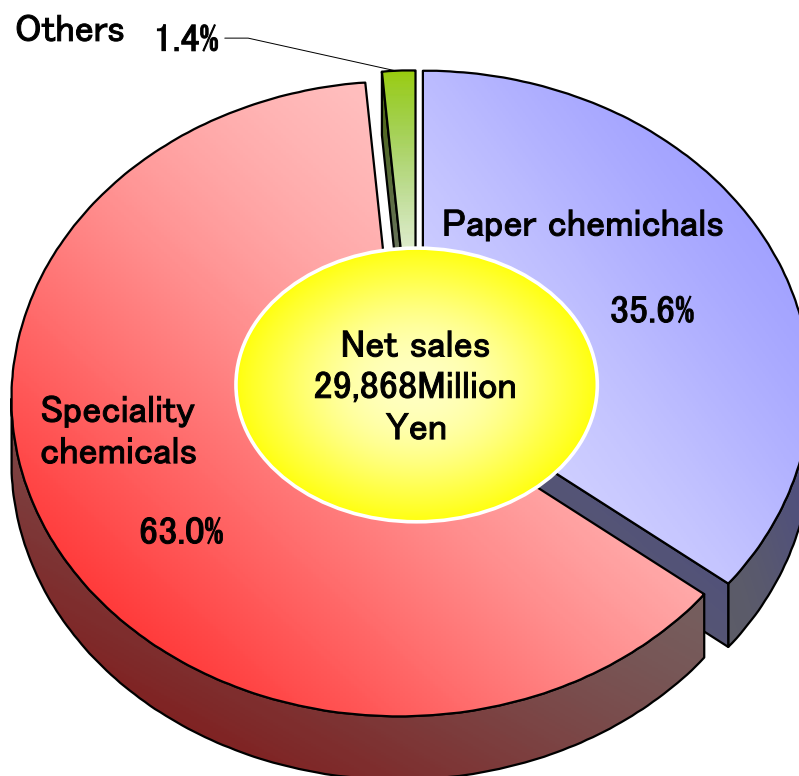
		2004/9		2005/9		2006/9		2005/3		2006/3		2007/3 Projection	
		Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Net sales	Consolidated	25,389	18.3	27,001	6.4	29,868	10.6	51,470	11.9	55,991	8.8	59,500	6.3
	Non-consolidated	21,566	7.1	23,416	8.6	24,887	6.3	43,922	6.8	48,183	9.7	49,700	3.1
Operating income	Consolidated	1,693	33.8	1,109	△ 34.5	1,284	15.7	3,001	9.6	2,254	△ 24.9	2,610	15.8
	Non-consolidated	1,076	28.4	598	△ 44.4	567	△ 5.2	1,806	△ 0.8	1,158	△ 35.9	1,340	15.7
Ordinary income	Consolidated	1,800	28.3	1,261	△ 29.9	1,402	11.2	3,235	11.2	2,563	△ 20.8	2,850	11.2
	Non-consolidated	1,297	27.6	874	△ 32.6	961	10.0	2,429	6.8	1,885	△ 22.4	2,000	6.1
Net income	Consolidated	972	19.1	732	△ 24.7	821	12.2	1,826	17.0	1,329	△ 27.2	1,600	20.4
	Non-consolidated	808	28.1	608	△ 24.7	689	13.4	1,634	16.4	1,243	△ 23.9	1,300	4.6
Total assets	Consolidated	52,850	11.4	56,724	7.3	63,378	11.7	54,640	4.8	62,012	13.5	65,820	6.1
	Non-consolidated	46,636	5.6	50,483	8.2	55,733	10.4	48,284	4.3	53,659	11.1	57,160	6.5
Shareholders' equity	Consolidated	29,421	5.2	31,611	7.4	34,676	9.7	30,330	4.8	34,666	14.3	35,860	3.4
	Non-consolidated	28,247	5.8	30,140	6.7	32,853	9.0	29,183	4.5	32,925	12.8	33,830	2.7
Return on equity	Consolidated	3.3		2.4		2.4		6.2		4.1		4.5	
	Non-consolidated	2.9		2.1		2.1		5.7		4.0		3.9	

Note to 2007 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."

Segment Information (Consolidated)

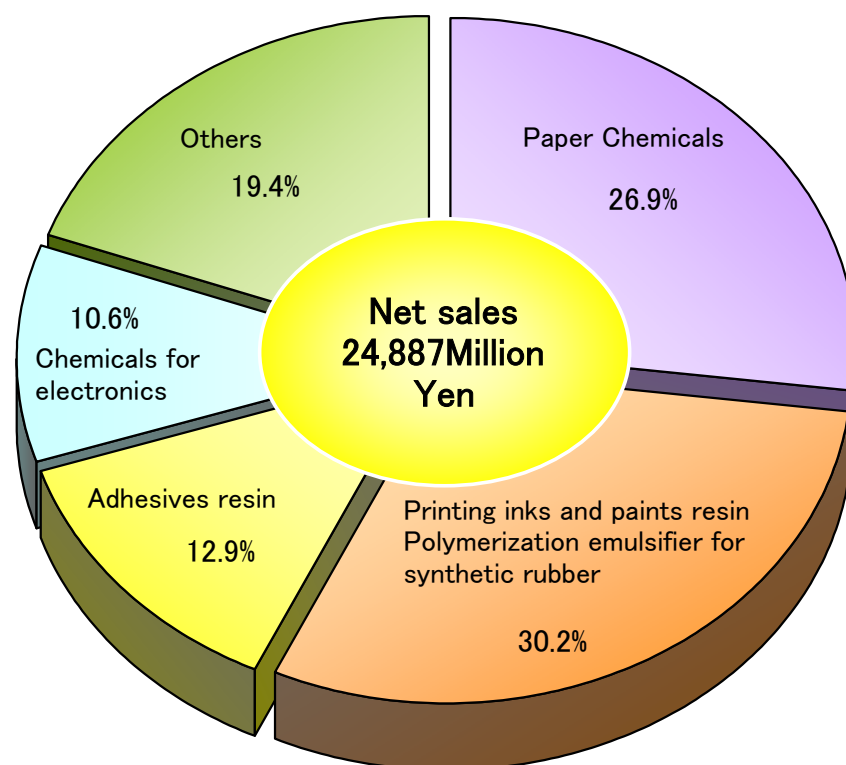
Net sales
(Half year ended September 30, 2006)



		2004/9		2005/9		2006/9		2005/3		2006/3		2007/3 Projection	
		Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Paper chemicals	Net sales	9,535	15.4	10,532	10.5	10,641	1.0	19,593	12.3	21,374	9.1	22,070	3.3
	Operating income	536	12.7	372	△ 30.6	510	37.1	964	6.8	742	△ 23.0	840	13.2
	Operating income/sales	5.6%		3.5%		4.8%		4.9%		3.5%		3.8%	
Speciality chemicals	Net sales	15,364	20.2	16,050	4.5	18,825	17.3	31,178	12.8	33,677	8.0	36,320	7.8
	Operating income	1,128	46.9	700	△ 37.9	743	6.1	2,007	11.3	1,417	△ 29.4	1,670	17.8
	Operating income/sales	7.3%		4.4%		4.0%		6.4%		4.2%		4.6%	
Others	Net sales	489	19.6	419	△ 14.3	400	△ 4.4	698	△ 21.7	939	34.5	1,110	18.2
	Operating income	28	32.0	36	28.4	29	△ 17.8	29	△ 6.1	94	216.8	100	6.0
	Operating income/sales	5.8%		8.7%		7.5%		4.3%		10.0%		9.0%	
Consolidated total	Net sales	25,389	18.3	27,001	6.4	29,868	10.6	51,470	11.9	55,991	8.8	59,500	6.3
	Operating income	1,693	33.8	1,109	△ 34.5	1,284	15.7	3,001	9.6	2,254	△ 24.9	2,610	15.8
	Operating income/sales	6.7%		4.1%		4.3%		5.8%		4.0%		4.4%	

Segment Information (Non-consolidated)

Net Sales
(Half year ended September 30, 2006)



	2004/9		2005/9		2006/9		2005/3		2006/3		2007/3 Projection	
	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Paper chemicals	6,306	4.5	6,572	4.2	6,683	1.7	12,592	3.3	13,335	5.9	13,550	1.6
Printing inks and paints resin	5,817	3.6	6,355	9.3	7,514	18.2	11,948	3.3	13,462	12.7	14,250	5.8
Adhesives resin	2,992	0.6	2,952	△ 1.3	3,203	8.5	5,885	0.2	6,050	2.8	6,250	3.3
Chemicals for electronics	1,928	16.7	2,111	9.5	2,650	25.5	3,828	14.3	4,423	15.5	5,200	17.6
Sub-total	17,045	4.7	17,992	5.6	20,052	11.5	34,255	3.9	37,271	8.8	39,250	5.3
Others	4,520	17.0	5,423	20.0	4,834	△ 10.9	9,667	18.6	10,911	12.9	10,450	△ 4.2
Non-consolidated total	21,566	7.1	23,416	8.6	24,887	6.3	43,922	6.8	48,183	9.7	49,700	3.1

Management index

		2004/9	2005/9	2006/9	2005/3	2006/3	2007/3 Projection
Capital investment (Completion basis) (Millions of Yen)	Consolidated	753	1,313	529	1,621	4,919	2,190
	Non-consolidated	322	1,186	266	990	2,110	1,730
Capital investment (Cash flows basis) (Millions of Yen)	Consolidated	851	2,433	1,393	1,975	4,467	2,750
	Non-consolidated	327	1,499	530	1,160	1,966	1,730
Depreciation and amortization (Millions of Yen)	Consolidated	757	747	883	1,587	1,655	1,850
	Non-consolidated	561	549	554	1,170	1,208	1,280
R & D expenses (Millions of Yen)	Consolidated	1,164	1,168	1,150	2,340	2,257	2,500
	Non-consolidated	987	982	972	1,991	1,899	2,120
Interest-bearing debt (Millions of Yen)	Consolidated	6,437	6,657	7,414	6,084	6,785	7,560
	Non-consolidated	5,585	5,876	6,137	5,280	5,572	6,440
Shareholders' equity to total assets (%)	Consolidated	55.7	55.7	54.7	55.5	55.9	54.5
	Non-consolidated	60.6	59.7	58.9	60.4	61.4	59.2
Return on equity (%)	Consolidated	3.3	2.4	2.4	6.2	4.1	4.5
	Non-consolidated	2.9	2.1	2.1	5.7	4.0	3.9
Ordinary income to net sales (%)	Consolidated	7.1	4.7	4.7	6.3	4.6	4.8
	Non-consolidated	6.0	3.7	3.9	5.5	3.9	4.0
Earnings per share-Basic (Yen)	Consolidated	61.58	46.38	40.79	113.33	81.80	79.42
	Non-consolidated	51.19	38.53	34.25	101.45	76.59	64.53
Book-value per share (Yen)	Consolidated	1,863.66	2,002.35	1,721.66	1,919.12	2,063.56	1,780.00
	Non-consolidated	1,789.24	1,909.21	1,631.14	1,846.46	1,959.90	1,680.00
Price to earnings ratio	Consolidated	21.3	37.4	30.6	14.5	16.1	—
	Non-consolidated	25.6	45.0	36.4	16.2	17.2	—
Annual Dividends per share (Yen)		9.00	10.00	10.00	20.00	20.00	20.00
Payout ratio (%)		17.6	26.0	29.2	19.7	26.1	31.0
Number of employees	Consolidated	946	969	1,130	923	1,084	1,125
	Non-consolidated	652	650	650	638	645	652

Note to 2007 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.

Balance Sheets (Consolidated)

DATA BOOK 2007

(Unit : Millions of Yen)

Assets

	2004/9	2005/9	2006/9	2005/3	2006/3
◇ Current Assets	31,372	32,601	37,233	32,585	35,451
Cash and time deposits	5,765	4,791	2,465	5,513	4,187
Trade notes and accounts receivable	18,870	20,041	24,562	19,170	21,167
Marketable securities	1	507	3	2	506
Inventories	5,648	6,275	9,008	7,014	8,492
Other current assets	1,194	1,106	1,311	1,000	1,219
Allowance for doubtful receivables	△ 107	△ 120	△ 118	△ 115	△ 122
◇ Fixed Assets	21,477	24,123	26,145	22,054	26,561
• Tangible Fixed Assets	15,044	16,843	18,431	15,151	17,988
Building and structures	5,567	5,367	5,911	5,448	6,088
Machinery and material-handling equipment	3,944	3,996	5,636	3,935	5,871
Land	4,569	5,110	5,241	4,535	5,240
Other fixed assets	962	2,369	1,641	1,231	788
• Intangible Fixed Assets	1,046	960	800	1,021	924
• Investments and Other Assets	5,387	6,319	6,912	5,881	7,648
Investments in securities	4,774	5,704	6,287	5,254	7,036
Others	953	915	904	920	892
Allowance for doubtful receivables	△ 341	△ 300	△ 279	△ 293	△ 280
Total Assets	52,850	56,724	63,378	54,640	62,012

Liabilities

◇ Current Liabilities	18,494	19,513	23,491	19,171	21,455
Trade notes and accounts payable	9,051	9,677	12,165	9,863	10,910
Short-term bank loans	5,499	5,980	7,204	5,281	6,530
Accrued income taxes	794	428	612	712	698
Notes for capital investment	170	63	73	104	84
Other current liabilities	2,978	3,364	3,435	3,208	3,231
◇ Long-term Liabilities	3,349	3,646	3,396	3,457	3,833
Long-term bank loans	938	677	210	802	254
Provision for retirement benefits	1,927	1,917	1,997	1,947	1,976
Provision for retirement allowances for directors	301	252	294	323	272
Other long-term liabilities	182	798	894	384	1,328
Total Liabilities	21,843	23,159	26,888	22,629	25,289

Net Assets

◇ Owners' equity	28,761	29,994	32,581	29,468	31,956
Common stock	2,365	2,365	3,128	2,365	3,128
Additional paid-in capital	2,587	2,587	3,350	2,587	3,350
Retained earnings	23,812	25,045	26,110	24,519	25,482
Cost of treasury stock	△ 3	△ 3	△ 7	△ 3	△ 3
◇ Valuation and translation adjustments	660	1,616	2,095	861	2,709
Gain/loss from revaluation of other investments in securities	1,022	1,831	2,053	1,273	2,625
Foreign currency translation adjustments	△ 361	△ 214	41	△ 412	84
◇ Minority Interests	1,585	1,953	1,813	1,680	2,057
Total Net Assets	31,007	33,564	36,490	32,011	36,723
Total Liabilities and Net Assets	52,850	56,724	63,378	54,640	62,012

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

Statements of Income (Consolidated)

DATA BOOK 2007

(Unit : Millions of Yen)

	2004/9	2005/9	2006/9	2005/3	2006/3
◇ Net sales	25,389	27,001	29,868	51,470	55,991
◇ Cost of sales	19,051	21,188	23,643	39,280	44,212
Gross profit	6,337	5,813	6,224	12,190	11,778
◇ Selling, general and administrative expenses	4,644	4,703	4,940	9,188	9,524
Operating Income	1,693	1,109	1,284	3,001	2,254
◇ Other Income	190	191	206	352	440
Interest income	9	9	10	19	19
Dividend income	24	29	38	44	56
Equity in earnings of non-consolidated subsidiaries	29	23	39	38	49
Miscellaneous income	126	128	118	248	314
◇ Other Expenses	83	39	88	118	131
Interest expense	28	33	45	57	67
Miscellaneous expenses	54	5	43	60	64
Ordinary income	1,800	1,261	1,402	3,235	2,563
◇ Extraordinary Gains	0	4	10	143	53
Gains on disposal of fixed assets	—	2	3	141	50
Reversal of provision for credit losses	0	2	6	2	3
◇ Extraordinary Losses	21	18	10	66	69
Losses on disposal of fixed assets	18	18	10	61	34
Losses on sales of investments in securities	—	—	—	—	13
Losses from fixed asset revaluation	3	0	—	4	0
Others	—	—	—	—	22
Income before provision for income taxes	1,779	1,247	1,402	3,312	2,547
Corporate income, local and business taxes	711	355	570	1,238	1,021
Adjustments to income taxes	△ 15	69	△ 89	36	0
Minority interest in net income of consolidated subsidiaries	111	90	100	210	196
Net Income	972	732	821	1,826	1,329

Statements of Cash Flows (consolidated)

(Unit : Millions of Yen)

	2004/9	2005/9	2006/9	2005/3	2006/3
I. Cash Flows from Operating Activities					
Net income before adjustments to reconcile income to net cash provided by operating activities	1,779	1,247	1,402	3,312	2,547
Depreciation and amortization	757	747	883	1,587	1,655
amortization of consolidation difference	108	108	140	216	216
Increase(decrease) in provision of allowance for doubtful receivables	1	6	△ 3	15	△ 13
Increase(decrease) in provision for retirement benefits	△ 18	△ 30	21	1	29
Gains on disposal of fixed assets	18	16	6	△ 79	△ 15
Interest and dividends received	△ 34	△ 38	△ 48	△ 64	△ 76
Interest expenses	28	33	45	57	67
Increase(decrease) of accounts receivable	△ 604	△ 797	△ 3,417	△ 920	△ 1,858
Increase(decrease) of inventories	570	824	△ 548	△ 804	△ 1,336
Increase(decrease) of trade notes	332	△ 265	1,273	1,144	930
Others, net	△ 217	△ 258	37	△ 179	△ 105
Sub-total	2,722	1,594	△ 207	4,285	2,039
Interest and dividends received	42	45	91	73	83
Interest paid	△ 31	△ 33	△ 42	△ 60	△ 65
Income taxes paid	△ 751	△ 622	△ 635	△ 1,323	△ 1,042
Net cash provided by operating activities	1,982	983	△ 794	2,975	1,015
II. Cash Flows from Investing Activities					
Acquisition of fixed assets	△ 851	△ 2,433	△ 1,393	△ 1,975	△ 4,467
Purchase of investment in securities	△ 333	△ 9	△ 209	△ 387	△ 37
Additional acquisition of shares of consolidated subsidiaries	—	—	△ 345	—	—
Increase(decrease) of notes for capital investment	74	△ 41	△ 11	8	△ 20
Others, net	31	7	973	469	△ 112
Net cash used in investing activities	△ 1,078	△ 2,476	△ 986	△ 1,885	△ 4,637
III. Cash Flows from Financing Activities					
Increase(decrease) in short-term debt	△ 286	700	793	△ 494	651
Proceeds from long-term debt	100	—	—	98	328
Repayment of long-term debt	△ 175	△ 135	△ 156	△ 314	△ 217
Proceeds from stock issuance	—	—	—	—	1,525
Dividends paid	△ 157	△ 173	△ 167	△ 299	△ 331
Dividends paid to minority interest	△ 2	△ 4	△ 4	△ 120	△ 121
Others, net	158	88	△ 4	299	88
Net cash used in financing activities	△ 364	475	460	△ 832	1,923
IV. Effect of Exchange-rate Change on Cash and Cash Equivalents	1	142	△ 11	△ 18	269
V. Net Increase in Cash and Cash Equivalents	540	△ 875	△ 1,332	239	△ 1,429
VI. Cash and Cash Equivalents, Beginning of Year	4,936	5,175	3,746	4,936	5,175
VII. Cash and Cash Equivalents, End of Year	5,477	4,300	2,414	5,175	3,746

Balance Sheets (Non-consolidated)

Assets

(Unit : Millions of Yen)

	2004/9	2005/9	2006/9	2005/3	2006/3
◇ Current Assets	25,741	25,900	30,543	25,728	28,011
Cash and time deposits	3,480	1,546	1,110	2,124	2,081
Trade notes and accounts receivable	16,604	17,761	21,521	17,055	18,716
Inventories	4,499	4,835	6,615	5,337	5,704
Other current assets	1,236	1,846	1,384	1,301	1,598
Allowance for doubtful receivables	△ 80	△ 90	△ 90	△ 90	△ 90
◇ Fixed Assets	20,895	24,582	25,190	22,555	25,648
▪ Tangible Fixed Assets	12,040	13,082	12,747	12,157	12,794
Buildings	3,728	3,546	3,430	3,616	3,256
Machinery	2,945	3,120	3,093	3,027	3,255
Land	3,910	4,453	4,584	3,875	4,583
Other fixed assets	1,456	1,962	1,638	1,637	1,429
▪ Intangible Fixed Assets	56	97	150	98	155
▪ Investments and Other Assets	8,798	11,403	12,292	10,299	12,698
Investments in securities	4,433	5,353	5,911	4,907	6,658
Others	4,603	6,285	6,587	5,626	6,246
Allowance for doubtful receivables	△ 238	△ 235	△ 206	△ 235	△ 206
Total Assets	46,636	50,483	55,733	48,284	53,659

Liabilities

◇ Current Liabilities	16,039	17,613	19,815	16,623	17,237
Trade notes and accounts payable	7,882	8,678	10,676	8,450	9,169
Short-term bank loans	5,100	5,600	5,800	4,900	5,100
Due within one year long-term bank loans	208	208	127	208	225
Accrued income taxes	473	226	355	404	434
Notes for capital investment	170	63	69	84	84
Others	2,205	2,835	2,786	2,574	2,223
◇ Long-term Liabilities	2,349	2,728	3,064	2,477	3,496
Long-term bank loans	276	67	210	172	246
Provision for retirement benefits	1,663	1,641	1,707	1,676	1,686
Provision for retirement allowances for directors	229	225	258	246	241
Others	179	794	888	382	1,321
Total Liabilities	18,389	20,342	22,880	19,100	20,733

Net Assets

◇ Owners' equity	27,230	28,316	30,812	27,915	30,319
Common stock	2,365	2,365	3,128	2,365	3,128
Capital surplus	2,587	2,587	3,350	2,587	3,350
Earned surplus	22,281	23,367	24,341	22,966	23,845
Cost of treasury stocks	△ 3	△ 3	△ 7	△ 3	△ 3
◇ Valuation and translation adjustments	1,016	1,824	2,040	1,268	2,606
Gain/loss from revaluation of other investments in securities	1,016	1,824	2,040	1,268	2,606
Total Net Assets	28,247	30,140	32,853	29,183	32,925
Total Liabilities and Net Assets	46,636	50,483	55,733	48,284	53,659

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

Statements of Income (Non-consolidated)

(Unit : Millions of Yen)

	2004/9	2005/9	2006/9	2005/3	2006/3
◇ Net sales	21,566	23,416	24,887	43,922	48,183
◇ Cost of sales	16,822	19,106	20,546	34,811	39,612
Gross profit	4,743	4,309	4,341	9,110	8,570
◇ Selling, general and administrative expenses	3,667	3,711	3,773	7,304	7,412
Operating Income	1,076	598	567	1,806	1,158
◇ Other Income	274	298	446	681	805
◇ Other Expenses	52	22	52	59	79
Ordinary income	1,297	874	961	2,429	1,885
◇ Extraordinary Gains	0	2	3	143	52
◇ Extraordinary Losses	18	15	7	60	50
Income before provision for income taxes	1,279	861	958	2,511	1,886
Corporate income, local and business taxes	454	206	340	820	650
Adjustments to income taxes	17	47	△ 71	56	△ 6
Net Income	808	608	689	1,634	1,243

※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.