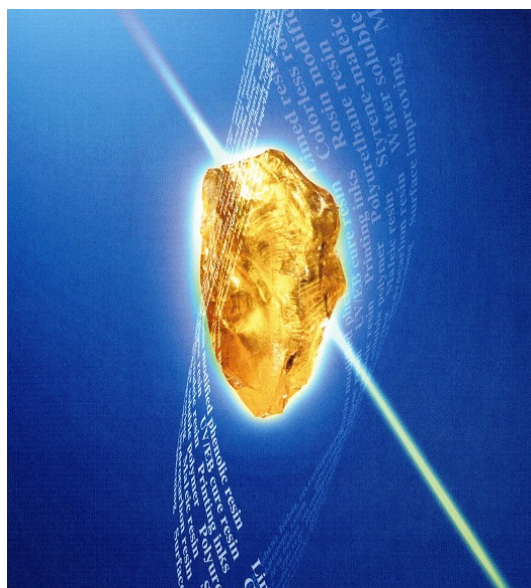


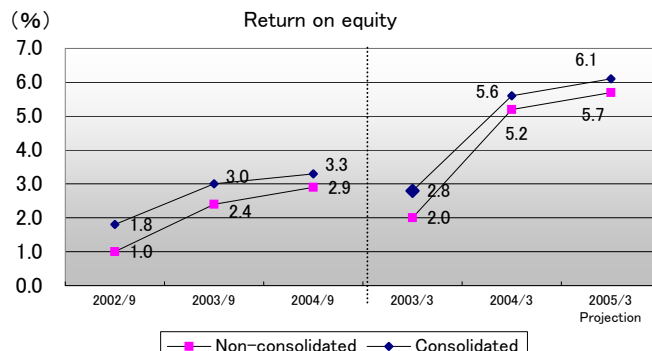
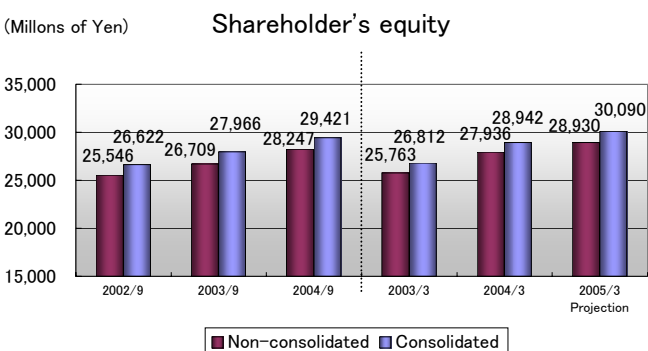
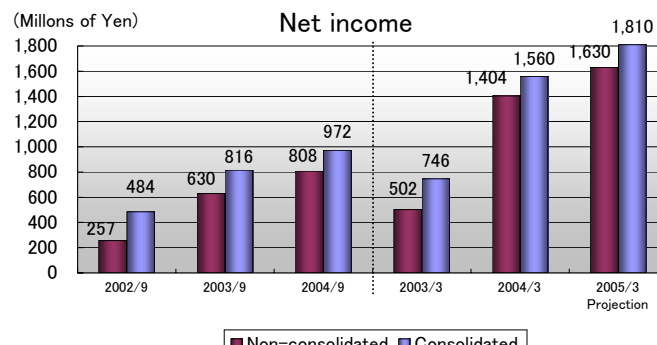
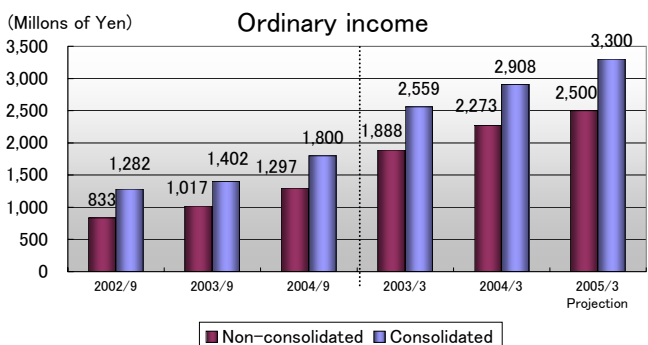
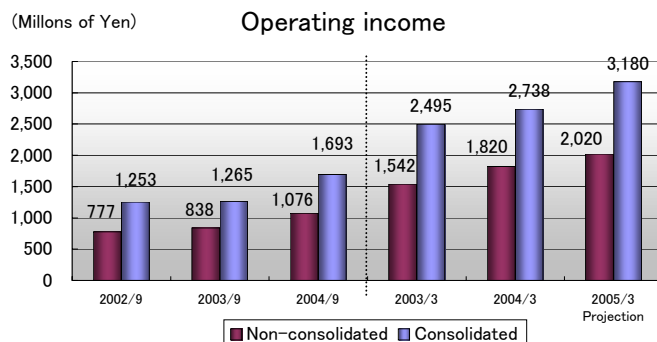
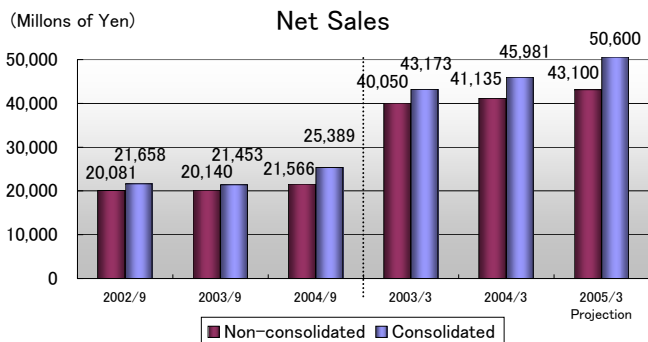
DATA BOOK 2005

November 4th, 2004

Half Year ended September 30, 2004



ARAKAWA CHEMICAL INDUSTRIES, LTD.

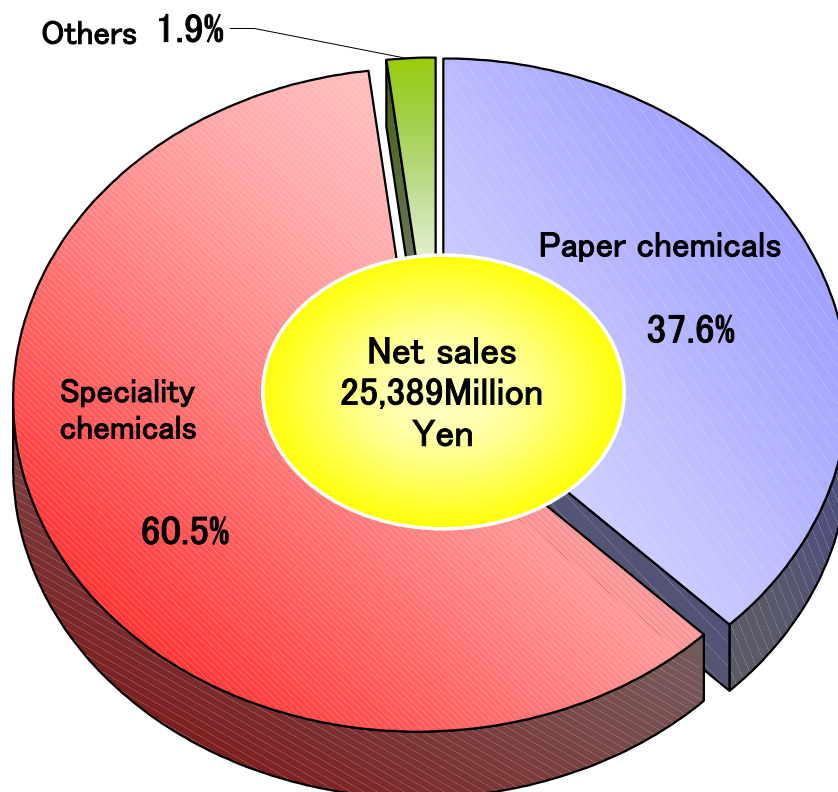


		2002/9		2003/9		2004/9	
		Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Net sales	Consolidated	21,658	△ 5.1	21,453	△ 0.9	25,389	18.3
	Non-consolidated	20,081	△ 5.8	20,140	0.3	21,566	7.1
Operating income	Consolidated	1,253	△ 6.0	1,265	0.9	1,693	33.8
	Non-consolidated	777	△ 10.1	838	7.9	1,076	28.4
Ordinary income	Consolidated	1,282	△ 3.6	1,402	9.4	1,800	28.3
	Non-consolidated	833	△ 7.6	1,017	22.1	1,297	27.6
Net income	Consolidated	484	△ 4.7	816	68.5	972	19.1
	Non-consolidated	257	△ 9.5	630	145.4	808	28.1
Total assets	Consolidated	47,453	△ 5.2	47,462	0.0	52,850	11.4
	Non-consolidated	44,304	△ 6.4	44,167	△ 0.3	46,636	5.6
Shareholders' equity	Consolidated	26,622	3.2	27,966	5.1	29,421	5.2
	Non-consolidated	25,546	1.7	26,709	4.6	28,247	5.8
Return on equity (%)	Consolidated	1.8		3.0		3.3	
	Non-consolidated	1.0		2.4		2.9	

		2003/3		2004/3		2005/3 Projection	
		Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Net sales	Consolidated	43,173	3.9	45,981	6.5	50,600	10.0
	Non-consolidated	40,050	3.9	41,135	2.7	43,100	4.8
Operating income	Consolidated	2,495	△ 0.1	2,738	9.7	3,180	16.1
	Non-consolidated	1,542	△ 9.0	1,820	18.1	2,020	10.9
Ordinary income	Consolidated	2,559	△ 1.5	2,908	13.6	3,300	13.5
	Non-consolidated	1,888	△ 7.2	2,273	20.4	2,500	10.0
Net income	Consolidated	746	29.2	1,560	109.0	1,810	16.0
	Non-consolidated	502	23.0	1,404	179.6	1,630	16.0
Total assets	Consolidated	46,827	△ 3.1	52,117	11.3	53,390	2.4
	Non-consolidated	43,411	△ 3.6	46,305	6.7	47,270	2.1
Shareholders' equity	Consolidated	26,812	1.0	28,942	7.9	30,090	4.0
	Non-consolidated	25,763	0.9	27,936	8.4	28,930	3.6
Return on equity (%)	Consolidated	2.8		5.6		6.1	
	Non-consolidated	2.0		5.2		5.7	

Segment Information(Consolidated)

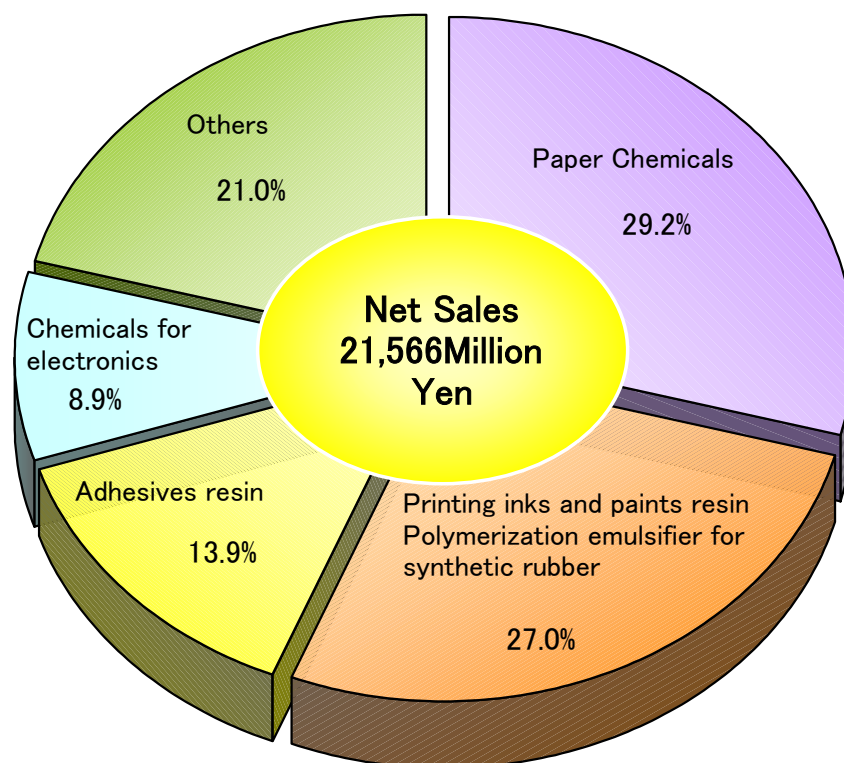
Net Sales
(Half year ended September 30, 2004)



		2002/9		2003/9		2004/9		2003/3		2004		2005 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	8,454	4.0	8,265	△ 2.2	9,535	15.4	16,954	3.3	17,444	2.9	18,950	8.6
	Operating income	492	△ 17.2	476	△ 3.4	536	12.7	860	△ 16.9	902	4.9	980	8.6
	Operating income/sales	5.8%		5.8%		5.6%		5.1%		5.2%		5.2%	
Speciality chemicals	Net sales	12,773	5.1	12,779	0.0	15,364	20.2	25,535	5.9	27,645	8.3	30,680	11.0
	Operating income	755	△ 2.8	767	1.6	1,128	46.9	1,624	13.8	1,803	11.1	2,150	19.2
	Operating income/sales	5.9%		6.0%		7.3%		6.4%		6.5%		7.0%	
Others	Net sales	429	△ 29.9	409	△ 4.8	489	19.6	682	△ 34.8	892	30.7	970	8.7
	Operating income	5	△ 63.4	21	321.7	28	32.0	10	△ 70.4	31	193.0	50	57.6
	Operating income/sales	1.2%		5.2%		5.8%		1.6%		3.6%		5.2%	
Consolidated total	Net sales	21,658	3.6	21,453	△ 0.9	25,389	18.3	43,173	3.9	45,981	6.5	50,600	10.0
	Operating income	1,253	△ 9.6	1,265	0.9	1,693	33.8	2,495	△ 0.1	2,738	9.7	3,180	16.1
	Operating income/sales	5.8%		5.9%		6.7%		5.8%		6.0%		6.3%	

Segment Information (Non-consolidated)

Net sales
(Half year ended September 30, 2004)



	2002/9		2003/9		2004/9		2003/3		2004/3		2005/3 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	6,032	0.5	6,033	0.0	6,306	4.5	11,934	△ 1.0	12,194	2.2	12,700	4.1
Printing inks and paints resin	5,543	5.0	5,617	1.3	5,817	3.6	11,082	3.9	11,566	4.4	11,950	3.3
Adhesives resin	3,131	6.0	2,973	△ 5.0	2,992	0.6	6,190	6.0	5,873	△ 5.1	5,850	△ 0.4
Chemicals for electronics	1,625	19.6	1,652	1.6	1,928	16.7	3,219	20.9	3,350	4.1	3,850	14.9
Sub-total	16,333	4.7	16,276	△ 0.3	17,045	4.7	32,427	3.8	32,985	1.7	34,350	4.1
Others	3,748	△ 2.0	3,864	3.1	4,520	17.0	7,622	4.1	8,150	6.9	8,750	7.4
Non-consolidated total	20,081	3.4	20,140	0.3	21,566	7.1	40,050	3.9	41,135	2.7	43,100	4.8

Management index

		2002/9	2003/9	2004/9	2003/3	2004/3	2005/3 Projection
Capital investment (Completion basis) (Millions of Yen)	Consolidated	1,517	452	753	2,065	1,068	2,330
	Non-consolidated	1,446	392	322	1,909	816	1,330
Capital investment (Cash flows basis) (Millions of Yen)	Consolidated	844	485	851	1,303	1,131	2,610
	Non-consolidated	777	410	327	1,116	805	1,330
Depreciation and amortization (Millions of Yen)	Consolidated	754	730	757	1,607	1,572	1,735
	Non-consolidated	638	618	561	1,376	1,285	1,265
R & D expenses (Millions of Yen)	Consolidated	—	—	1,164	—	2,162	2,380
	Non-consolidated	999	989	987	1,894	1,986	2,040
Interest-bearing debt (Millions of Yen)	Consolidated	7,579	6,133	6,437	6,785	6,798	6,510
	Non-consolidated	7,023	5,748	5,585	6,402	5,581	5,480
Shareholders' equity to total assets (%)	Consolidated	56.1	58.9	55.7	57.3	55.5	56.0
	Non-consolidated	57.7	60.5	60.6	59.3	60.3	61.0
Return on equity (%)	Consolidated	1.8	3.0	3.3	2.8	5.6	6.1
	Non-consolidated	1.0	2.4	2.9	2.0	5.2	5.7
Ordinary income to net sales (%)	Consolidated	5.9	6.5	7.1	5.9	6.3	6.5
	Non-consolidated	4.1	5.1	6.1	4.7	5.5	5.8
Net income per share— Basic (Yen)	Consolidated	30.69	51.71	61.58	45.62	97.02	113.00
	Non-consolidated	16.28	39.95	51.19	30.36	87.33	101.60
Shareholders' equity per share (Yen)	Consolidated	1,686.31	1,771.48	1,863.66	1,696.93	1,831.65	1,900.00
	Non-consolidated	1,618.18	1,691.83	1,789.24	1,630.49	1,767.91	1,830.00
Price earnings ratio	Consolidated	23.9	21.5	21.3	18.6	15.2	—
	Non-consolidated	45.1	27.8	25.6	28.0	16.8	—
Annual Dividends per share (Yen)		—	8.00	9.00	18.00	18.00	18.00
Payout ratio (%)		—	20.00	17.6	59.3	20.6	17.7
Number of employees	Consolidated	764	778	946	760	923	941
	Non-consolidated	630	638	652	623	635	647

Balance Sheets (Consolidated)

DATABOOK 2005

(Unit : Millions of Yen)

Assets

	2002/9	2003/9	2004/9	2003/3	2004/3
◇ Current Assets	28,106	28,952	31,372	28,548	30,390
Cash and time deposits	5,301	6,319	5,765	5,999	5,152
Trade notes and accounts receivable	16,412	16,000	18,870	15,837	18,247
Marketable securities	54	0	1	5	1
Inventories	5,599	5,780	5,648	6,098	6,203
Other current assets	806	938	1,194	694	891
Allowance for doubtful receivables	△ 68	△ 87	△ 107	△ 86	△ 105
◇ Fixed Assets	19,346	18,509	21,477	18,278	21,727
• Tangible Fixed Assets	14,399	13,753	15,044	13,994	14,942
Building and structures	5,668	5,390	5,567	5,484	5,642
Machinery and material-handling equipment	3,983	3,660	3,944	3,818	3,844
Land	3,917	3,917	4,569	3,917	4,569
Other fixed assets	830	785	962	773	885
• Intangible Fixed Assets	162	127	1,046	142	1,166
• Investments and Other Assets	4,784	4,628	5,387	4,142	5,617
Investments in securities	3,592	3,906	4,774	2,989	4,984
Others	1,512	1,069	953	1,500	972
Allowance for doubtful receivables	△ 321	△ 347	△ 341	△ 347	△ 339
Total Assets	47,453	47,462	52,850	46,827	52,117

Liabilities

◇ Current Liabilities	17,277	16,135	18,494	16,629	18,224
Trade notes and accounts payable	7,570	7,372	9,051	7,552	8,706
Short-term bank loans	6,915	5,740	5,499	6,304	5,800
Accrued income taxes	418	489	794	433	833
Notes for capital investment	180	119	170	69	95
Other current liabilities	2,192	2,412	2,978	2,269	2,788
◇ Long-term Liabilities	2,590	2,326	3,349	2,443	3,647
Long-term bank loans	663	393	938	481	998
Provision for retirement benefits	1,674	1,722	1,927	1,692	1,945
Provision for retirement allowances for directors	250	206	301	268	289
Other long-term liabilities	1	4	182	1	412
Total Liabilities	19,867	18,462	21,843	19,073	21,871
Minority Interests	963	1,033	1,585	941	1,303

Shareholders' Equity

◇ Common stock	2,365	2,365	2,365	2,365	2,365
◇ Additional paid-in capital	2,587	2,587	2,587	2,587	2,587
◇ Retained earnings	21,640	22,408	23,812	21,899	23,023
◇ Gain/loss from revaluation of other investments in securities	161	758	1,022	130	1,342
◇ Foreign currency translation adjustments	△ 129	△ 149	△ 361	△ 166	△ 372
◇ Cost of treasury stock	△ 3	△ 3	△ 3	△ 3	△ 3
Total Shareholders' Equity	26,622	27,966	29,421	26,812	28,942
Total Liabilities, Minority Interest and Shareholders' Equity	47,453	47,462	52,850	46,827	52,117

Statements of Income (Consolidated)

DATABOOK 2005

(Unit : Millions of Yen)

	2002/9	2003/9	2004/9	2003/3	2004/3
◇ Net sales	21,658	21,453	25,389	43,173	45,981
◇ Cost of sales	16,523	16,387	19,051	33,022	34,916
Gross profit	5,134	5,066	6,337	10,150	11,064
◇ Selling, general and administrative expenses	3,881	3,801	4,644	7,655	8,326
Operating Income	1,253	1,265	1,693	2,495	2,738
◇ Other Income	126	178	190	273	333
Interest income	12	8	9	24	17
Dividend income	17	17	24	30	31
Equity in earnings of non-consolidated subsidiaries	33	26	29	72	59
Miscellaneous income	62	126	126	146	225
◇ Other Expenses	97	40	83	209	163
Interest expense	46	18	28	85	47
Miscellaneous expenses	50	21	54	124	115
Ordinary income	1,282	1,402	1,800	2,559	2,908
◇ Extraordinary Gains	0	0	0	0	0
Gains on disposal of fixed assets	0	—	—	0	0
Reversal of provision for credit losses	0	0	0	0	—
◇ Extraordinary Losses	404	13	21	1,018	43
Losses on disposal of fixed assets	117	12	18	178	40
Losses from revaluation of investments in securities	9	—	—	526	0
Losses from bad debts	197	—	—	197	—
Losses from fixed asset revaluation	78	0	3	114	2
Income before provision for income taxes	878	1,389	1,779	1,541	2,865
Corporate income, local and business taxes	434	500	711	742	1,168
Adjustments to income taxes	△ 150	△ 15	△ 15	△ 179	△ 53
Minority interest in net income of consolidated subsidiaries	110	87	111	232	190
Net Income	484	816	972	746	1,560

Statements of Cash Flows (consolidated)

(Unit : Millions of Yen)

	2002/9	2003/9	2004/9	2003/3	2004/3
I . Cash Flows from Operating Activities					
Net income before adjustments to reconcile income to net cash provided by operating activities	878	1,389	1,779	1,541	2,865
Depreciation and amortization	754	730	757	1,607	1,572
amortization of consolidation difference	—	—	108	—	121
Increase(decrease) in provision of allowance for doubtful receivables	209	0	1	259	11
Increase(decrease) in provision for retirement benefits	2	29	△ 18	20	47
Losses from revaluation of investments in securities	9	—	—	526	0
Gains on disposal of fixed assets	117	12	18	178	40
Interest and dividends received	△ 29	△ 25	△ 34	△ 54	△ 48
Interest expenses	46	18	28	85	47
Increase(decrease) of accounts receivable	1,168	△ 149	△ 604	1,681	△ 1,080
Increase(decrease) of inventories	543	321	570	26	241
Increase(decrease) of trade notes	△ 792	△ 183	332	△ 792	385
Others, net	△ 189	△ 247	△ 217	201	△ 40
Sub-total	2,719	1,896	2,722	5,282	4,165
Interest and dividends received	26	31	42	80	72
Interest paid	△ 45	△ 17	△ 31	△ 75	△ 45
Income taxes paid	△ 122	△ 444	△ 751	△ 413	△ 908
Net cash provided by operating activities	2,577	1,467	1,982	4,874	3,283
II . Cash Flows from Investing Activities					
Acquisition of fixed assets	△ 844	△ 485	△ 851	△ 1,303	△ 1,131
Purchase of investment in securities	△ 32	△ 13	△ 333	△ 101	△ 21
Additional acquisition of shares of consolidated subsidiaries	—	—	—	—	△ 1,972
Increase(decrease) of notes for capital investment	△ 13	50	74	△ 124	26
Others, net	△ 1	374	31	△ 267	617
Net cash used in investing activities	△ 890	△ 74	△ 1,078	△ 1,795	△ 2,481
III . Cash Flows from Financing Activities					
Increase(decrease) in short-term debt	93	△ 380	△ 286	1,540	△ 392
Proceeds from long-term debt	—	—	100	—	—
Repayment of long-term debt	△ 395	△ 271	△ 175	△ 2,635	△ 495
Dividends paid	△ 236	△ 284	△ 157	△ 236	△ 410
Dividends paid to minority interest	—	—	△ 2	△ 117	△ 102
Others, net	△ 0	—	158	△ 0	△ 0
Net cash used in financing activities	△ 538	△ 936	△ 364	△ 1,449	△ 1,400
IV . Effect of Exchange-rate Change on Cash and Cash Equivalents	△ 47	3	1	△ 68	△ 61
V . Net Increase in Cash and Cash Equivalents	1,102	459	540	1,561	△ 659
VI . Cash and Cash Equivalents, Beginning of Year	4,034	5,596	4,936	4,034	5,596
VII . Cash and Cash Equivalents, End of Year	5,136	6,055	5,477	5,596	4,936

Balance Sheets (Non-consolidated)

DATABOOK 2005

Assets

(Unit : Millions of Yen)

	2002/9	2003/9	2004/9	2003/3	2004/3
◇ Current Assets	25,365	26,076	25,741	25,543	25,437
Cash and time deposits	4,367	5,160	3,480	4,848	3,722
Trade notes and accounts receivable	15,494	15,323	16,604	15,099	16,116
Marketable securities	50	—	—	—	—
Inventories	4,763	4,814	4,499	5,059	4,949
Other current assets	739	847	1,236	606	728
Allowance for doubtful receivables	△ 50	△ 70	△ 80	△ 70	△ 80
◇ Fixed Assets	18,938	18,090	20,895	17,868	20,867
• Tangible Fixed Assets	13,169	12,568	12,040	12,775	12,294
Buildings	4,158	3,946	3,728	4,013	3,841
Machinery	3,332	3,114	2,945	3,236	3,018
Land	3,911	3,911	3,910	3,911	3,910
Other fixed assets	1,766	1,596	1,456	1,613	1,523
• Intangible Fixed Assets	93	61	56	74	52
• Investments and Other Assets	5,675	5,460	8,798	5,018	8,520
Investments in securities	3,381	3,673	4,433	2,781	4,632
Others	2,500	2,023	4,603	2,474	4,125
Allowance for doubtful receivables	△ 206	△ 236	△ 238	△ 236	△ 238
Total Assets	44,304	44,167	46,636	43,411	46,305

Liabilities

◇ Current Liabilities	16,261	15,210	16,039	15,282	15,758
Trade notes and accounts payable	7,429	7,117	7,882	7,101	7,570
Short-term bank loans	3,900	5,100	5,100	5,500	5,100
Due within one year long-term bank loans	2,474	254	208	420	174
Accrued income taxes	323	393	473	319	609
Notes for capital investment	180	119	170	69	95
Others	1,952	2,225	2,205	1,870	2,208
◇ Long-term Liabilities	2,496	2,246	2,349	2,365	2,610
Long-term bank loans	648	393	276	481	306
Provision for retirement benefits	1,597	1,646	1,663	1,615	1,675
Provision for retirement allowances for directors	250	206	229	268	221
Others	—	—	179	—	406
Total Liabilities	18,757	17,457	18,389	17,648	18,368

Shareholders' Equity

◇ Common stock	2,365	2,365	2,365	2,365	2,365
◇ Capital surplus	2,587	2,587	2,587	2,587	2,587
◇ Earned surplus	20,441	21,009	22,281	20,686	21,657
◇ Gain/loss from revaluation of other investments in securities	156	750	1,016	128	1,329
◇ Cost of treasury stocks	△ 3	△ 3	△ 3	△ 3	△ 3
Total Shareholders' Equity	25,546	26,709	28,247	25,763	27,936
Total Liabilities and Shareholders' Equity	44,304	44,167	46,636	43,411	46,305

Statements of Income (Non-consolidated)

(Unit : Millions of Yen)

	2002/9	2003/9	2004/9	2003/3	2004/3
◇ Net sales	20,081	20,140	21,566	40,050	41,135
◇ Cost of sales	15,722	15,726	16,822	31,427	32,109
Gross profit	4,358	4,414	4,743	8,622	9,026
◇ Selling, general and administrative expenses	3,581	3,576	3,667	7,080	7,205
Operating Income	777	838	1,076	1,542	1,820
◇ Other Income	134	210	274	497	569
◇ Other Expenses	78	31	52	151	116
Ordinary income	833	1,017	1,297	1,888	2,273
◇ Extraordinary Gains	—	—	0	0	0
◇ Extraordinary Losses	399	12	18	1,006	24
Income before provision for income taxes	433	1,005	1,279	882	2,248
Corporate income, local and business taxes	330	400	454	540	900
Adjustments to income taxes	△ 153	△ 25	17	△ 159	△ 55
Net Income	257	630	808	502	1,404

※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.