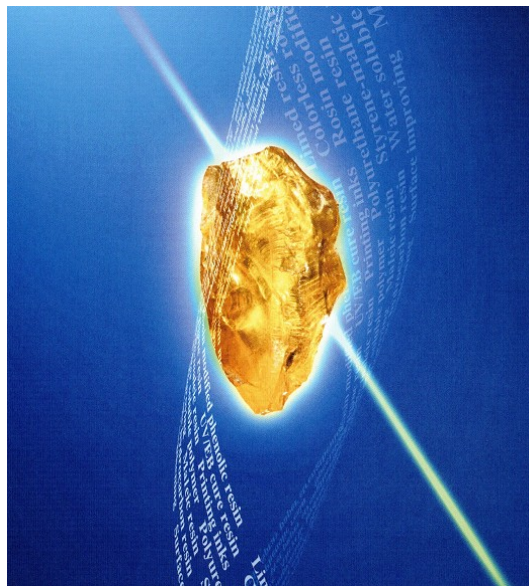


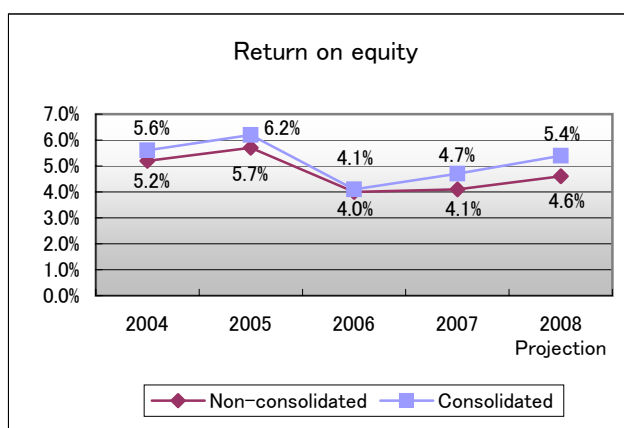
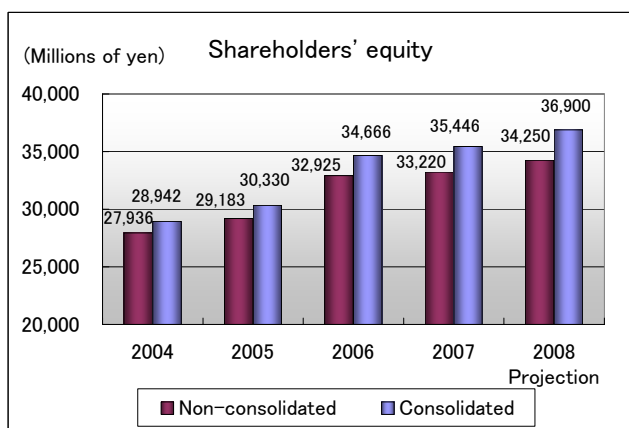
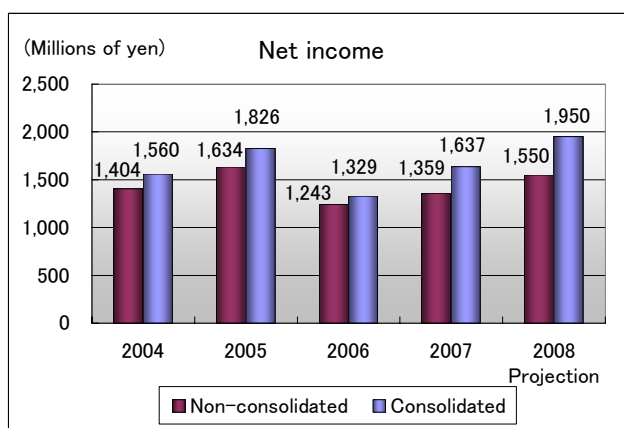
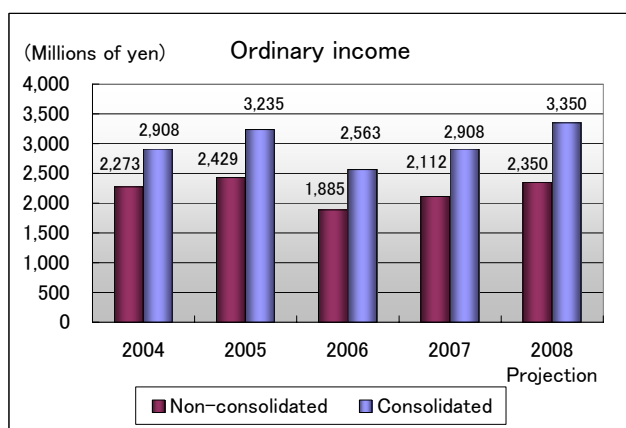
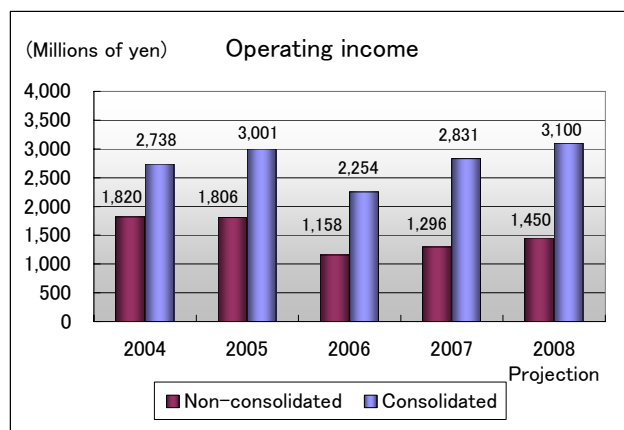
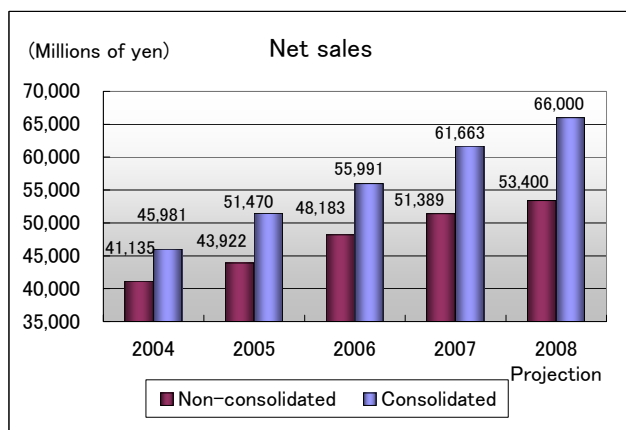
DATA BOOK 2007

May 7th, 2007

Year ended March 31, 2007



ARAKAWA CHEMICAL INDUSTRIES, LTD.



| Year ended March 31 | | 2004 | | 2005 | | 2006 | | 2007 | | 2008 Projection | |
|----------------------|------------------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|
| | | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change |
| Net sales | Consolidated | 45,981 | 6.5 | 51,470 | 11.9 | 55,991 | 8.8 | 61,663 | 10.1 | 66,000 | 7.0 |
| | Non-consolidated | 41,135 | 2.7 | 43,922 | 6.8 | 48,183 | 9.7 | 51,389 | 6.7 | 53,400 | 3.9 |
| Operating income | Consolidated | 2,738 | 9.7 | 3,001 | 9.6 | 2,254 | △ 24.9 | 2,831 | 25.6 | 3,100 | 9.5 |
| | Non-consolidated | 1,820 | 18.1 | 1,806 | △ 0.8 | 1,158 | △ 35.9 | 1,296 | 11.9 | 1,450 | 11.8 |
| Ordinary income | Consolidated | 2,908 | 13.6 | 3,235 | 11.2 | 2,563 | △ 20.8 | 2,908 | 13.5 | 3,350 | 15.2 |
| | Non-consolidated | 2,273 | 20.4 | 2,429 | 6.8 | 1,885 | △ 22.4 | 2,112 | 12.1 | 2,350 | 11.3 |
| Net income | Consolidated | 1,560 | 109.0 | 1,826 | 17.0 | 1,329 | △ 27.2 | 1,637 | 23.2 | 1,950 | 19.1 |
| | Non-consolidated | 1,404 | 179.6 | 1,634 | 16.4 | 1,243 | △ 23.9 | 1,359 | 9.4 | 1,550 | 14.0 |
| Total assets | Consolidated | 52,117 | 11.3 | 54,640 | 4.8 | 62,012 | 13.5 | 67,732 | 9.2 | 66,300 | △ 2.1 |
| | Non-consolidated | 46,305 | 6.7 | 48,284 | 4.3 | 53,659 | 11.1 | 58,203 | 8.5 | 57,400 | △ 1.4 |
| Shareholders' equity | Consolidated | 28,942 | 7.9 | 30,330 | 4.8 | 34,666 | 14.3 | 35,446 | 2.2 | 36,900 | 4.1 |
| | Non-consolidated | 27,936 | 8.4 | 29,183 | 4.5 | 32,925 | 12.8 | 33,220 | 0.9 | 34,250 | 3.1 |
| Return on equity | Consolidated | 5.6% | | 6.2% | | 4.1% | | 4.7% | | 5.4% | |
| | Non-consolidated | 5.2% | | 5.7% | | 4.0% | | 4.1% | | 4.6% | |

Note to 2007 and 2008 Projection

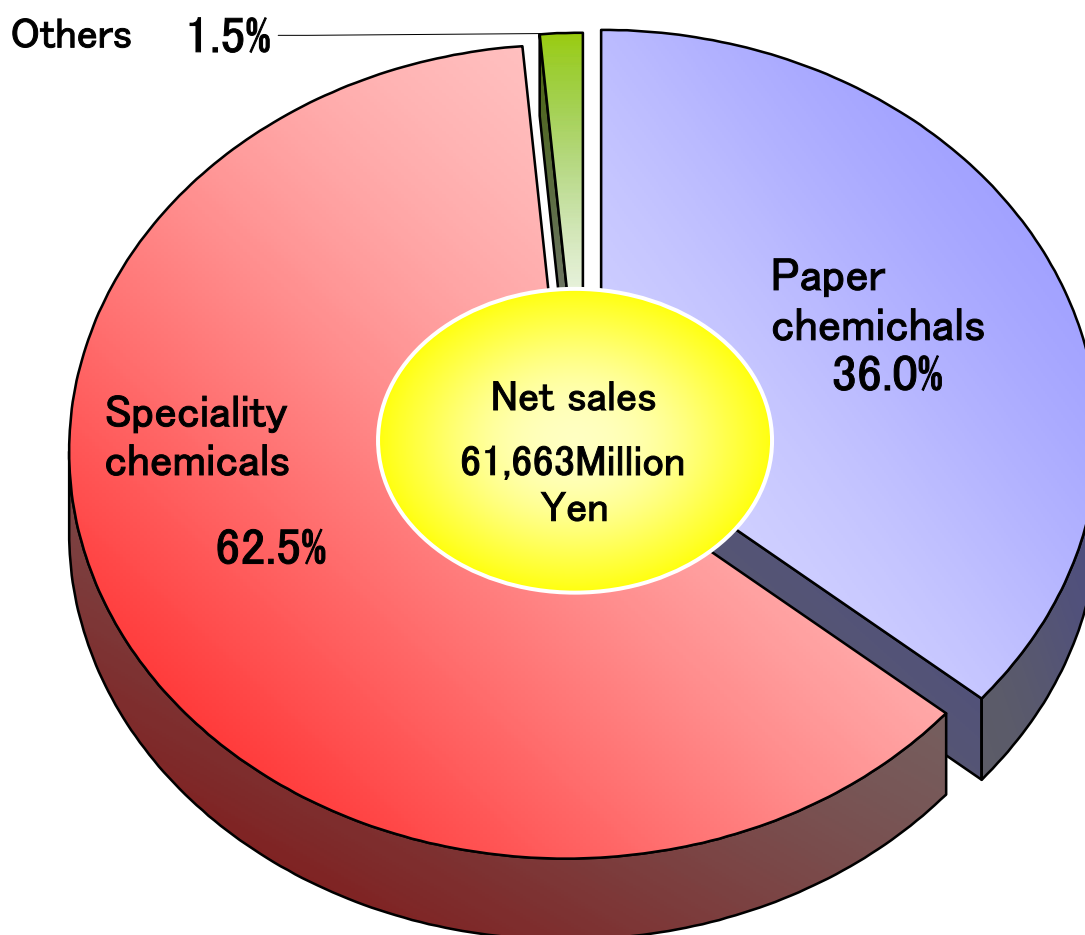
① "Shareholders' equity" is obtained by totaling owners' equity and valuation and translation adjustments in "Accounting Standard for Presentation of Net Assets in the Balance Sheet, ASBJ Statement No.5."

Note to 2008 Projection

② The effect on operating income due to changes in the tax depreciation system under the 2007 tax reform proposals is approximately 350 million yen on a consolidated basis and 290 million yen on a non-consolidated basis.

Segment Information (Consolidated)

Net Sales
Year Ended March 31, 2007



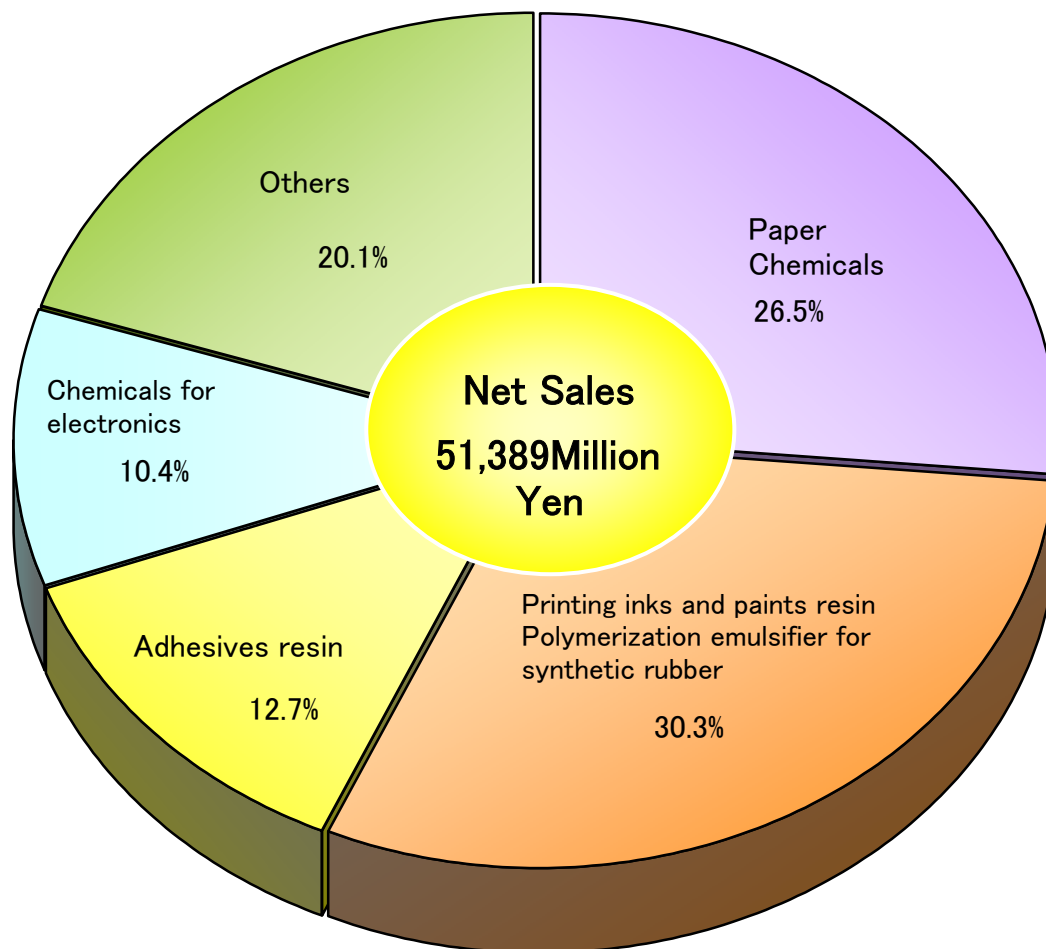
| Year ended March 31 | | 2004 | | 2005 | | 2006 | | 2007 | | 2008 Projection | |
|----------------------|------------------------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|
| | | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change |
| Paper chemicals | Net sales | 17,444 | 2.9 | 19,593 | 12.3 | 21,374 | 9.1 | 22,193 | 3.8 | 23,620 | 6.4 |
| | Operating income | 902 | 4.9 | 964 | 6.8 | 742 | △ 23.0 | 1,134 | 52.9 | 1,280 | 12.8 |
| | Operating income/sales | 5.2% | | 4.9% | | 3.5% | | 5.1% | | 5.4% | |
| Speciality chemicals | Net sales | 27,645 | 8.3 | 31,178 | 12.8 | 33,677 | 8.0 | 38,559 | 14.5 | 41,270 | 7.0 |
| | Operating income | 1,803 | 11.1 | 2,007 | 11.3 | 1,417 | △ 29.4 | 1,628 | 14.9 | 1,740 | 6.8 |
| | Operating income/sales | 6.5% | | 6.4% | | 4.2% | | 4.2% | | 4.2% | |
| Others | Net sales | 892 | 30.7 | 698 | △ 21.7 | 939 | 34.5 | 910 | △ 3.0 | 1,110 | 21.9 |
| | Operating income | 31 | 193.0 | 29 | △ 6.1 | 94 | 216.8 | 67 | △ 28.1 | 80 | 18.0 |
| | Operating income/sales | 3.6% | | 4.3% | | 10.0% | | 7.4% | | 7.2% | |
| Consolidated total | Net sales | 45,981 | 6.5 | 51,470 | 11.9 | 55,991 | 8.8 | 61,663 | 10.1 | 66,000 | 7.0 |
| | Operating income | 2,738 | 9.7 | 3,001 | 9.6 | 2,254 | △ 24.9 | 2,831 | 25.6 | 3,100 | 9.5 |
| | Operating income/sales | 6.0% | | 5.8% | | 4.0% | | 4.6% | | 4.7% | |

Note to 2008 Projection

The effect on operating income due to changes in the tax depreciation system under the 2007 tax reform proposals is approximately 90 million yen in paper chemicals and 260 million yen in speciality chemicals.

Segment Information (Non-consolidated)

Net Sales
Year Ended March 31, 2007



| Year ended March 31 | 2004 | | 2005 | | 2006 | | 2007 | | 2008 Projection | |
|--------------------------------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|
| | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change | Millions of Yen | %Change |
| Paper chemicals | 12,194 | 2.2 | 12,592 | 3.3 | 13,335 | 5.9 | 13,603 | 2.0 | 14,100 | 3.7 |
| Printing inks and paints resin | 11,566 | 4.4 | 11,948 | 3.3 | 13,462 | 12.7 | 15,562 | 15.6 | 16,450 | 5.7 |
| Adhesives resin | 5,873 | △ 5.1 | 5,885 | 0.2 | 6,050 | 2.8 | 6,530 | 7.9 | 6,800 | 4.1 |
| Chemicals for electronics | 3,350 | 4.1 | 3,828 | 14.3 | 4,423 | 15.5 | 5,378 | 21.6 | 5,850 | 8.8 |
| Sub-total | 32,985 | 1.7 | 34,255 | 3.9 | 37,271 | 8.8 | 41,074 | 10.2 | 43,200 | 5.2 |
| Others | 8,150 | 6.9 | 9,667 | 18.6 | 10,911 | 12.9 | 10,314 | △ 5.5 | 10,200 | △ 1.1 |
| Non-consolidated total | 41,135 | 2.7 | 43,922 | 6.8 | 48,183 | 9.7 | 51,389 | 6.7 | 53,400 | 3.9 |

Management index

| | Year ended March 31 | 2004 | 2005 | 2006 | 2007 | 2008 Projection | |
|---|---------------------|----------|----------|----------|----------|--------------------|---------|
| Capital investment (Completion basis) (Millions of Yen) | Consolidated | 1,068 | 1,621 | 4,919 | 1,574 | 3,700 | |
| | Non-consolidated | 816 | 990 | 2,110 | 989 | 1,520 | |
| Capital investment (Cash flows basis) (Millions of Yen) | Consolidated | 1,131 | 1,975 | 4,467 | 2,624 | 2,570 | |
| | Non-consolidated | 805 | 1,160 | 1,966 | 1,070 | 1,385 | |
| Depreciation and amortization (Millions of Yen) | Consolidated | 1,572 | 1,587 | 1,655 | 1,832 | 2,270 | Note④ |
| | Non-consolidated | 1,285 | 1,170 | 1,208 | 1,150 | 1,530 | |
| R & D expenses (Millions of Yen) | Consolidated | 2,162 | 2,340 | 2,257 | 2,321 | 2,650 | |
| | Non-consolidated | 1,986 | 1,991 | 1,899 | 1,971 | 2,330 | |
| Interest-bearing debt (Millions of Yen) | Consolidated | 6,798 | 6,084 | 6,785 | 9,829 | 8,015 | |
| | Non-consolidated | 5,581 | 5,280 | 5,572 | 7,286 | 6,745 | |
| Shareholders' equity to total assets (%) | Consolidated | 55.5 | 55.5 | 55.9 | 52.3 | 55.7 | Note① |
| | Non-consolidated | 60.3 | 60.4 | 61.4 | 57.1 | 59.7 | |
| Return on equity (%) | Consolidated | 5.6 | 6.2 | 4.1 | 4.7 | 5.4 | Note① |
| | Non-consolidated | 5.2 | 5.7 | 4.0 | 4.1 | 4.6 | |
| Operating income to net sales (%) | Consolidated | 6.0 | 5.8 | 4.0 | 4.6 | 4.7 | |
| | Non-consolidated | 4.4 | 4.1 | 2.4 | 2.5 | 2.7 | |
| Ordinary income to net sales (%) | Consolidated | 6.3 | 6.3 | 4.6 | 4.7 | 5.1 | |
| | Non-consolidated | 5.5 | 5.5 | 3.9 | 4.1 | 4.4 | |
| Earnings per share-Basic (Yen) | Consolidated | 97.02 | 113.33 | 81.80 | 81.31 | 96.82 | Note③ |
| | Non-consolidated | 87.33 | 101.45 | 76.59 | 67.51 | 76.96 | |
| Book-value per share (Yen) | Consolidated | 1,831.65 | 1,919.12 | 2,063.56 | 1,759.95 | 1,830.00 | Note②,③ |
| | Non-consolidated | 1,767.91 | 1,846.46 | 1,959.90 | 1,649.44 | 1,700.00 | |
| Price to earnings ratio | Consolidated | 15.2 | 14.5 | 16.1 | 18.0 | — | |
| | Non-consolidated | 16.8 | 16.2 | 17.2 | 21.7 | — | |
| Annual Dividends per share (Yen) | | 18.00 | 20.00 | 20.00 | 24.00 | 24.00 | |
| Payout ratio (%) | Consolidated | 18.6 | 17.6 | 24.4 | 29.5 | 24.8 | |
| | Non-consolidated | 20.6 | 19.7 | 26.1 | 35.6 | 31.2 | |
| Number of employees | Consolidated | 923 | 923 | 1,084 | 1,128 | 1,165 | |
| | Non-consolidated | 635 | 638 | 645 | 642 | 645 | |

Note to 2007 and 2008 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 Projection

- ④ The effect on operating income due to changes in the tax depreciation system under the 2007 tax reform proposals is approximately 350 million yen on a consolidated basis and 290 million yen on a non-consolidated basis.

Balance Sheets (Consolidated)**Assets**

(Unit : Millions of Yen)

| Year ended March 31 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---------------|---------------|---------------|---------------|---------------|
| ◇ Current Assets | 28,548 | 30,390 | 32,585 | 35,451 | 41,172 |
| Cash and time deposits | 5,999 | 5,152 | 5,513 | 4,187 | 2,457 |
| Trade notes and accounts receivable | 15,837 | 18,247 | 19,170 | 21,167 | 25,846 |
| Marketable securities | 5 | 1 | 2 | 506 | — |
| Inventories | 6,098 | 6,203 | 7,014 | 8,492 | 11,685 |
| Deferred tax assets | 351 | 459 | 438 | 411 | 511 |
| Other current assets | 343 | 431 | 562 | 808 | 791 |
| Allowance for doubtful receivables | △86 | △ 105 | △ 115 | △ 122 | △ 120 |
| ◇ Fixed Assets | 18,278 | 21,727 | 22,054 | 26,561 | 26,560 |
| · Tangible Fixed Assets | 13,994 | 14,942 | 15,151 | 17,988 | 18,765 |
| Building and structures | 5,484 | 5,642 | 5,448 | 6,088 | 5,988 |
| Machinery and material-handling equipment | 3,818 | 3,844 | 3,935 | 5,871 | 5,807 |
| Land | 3,917 | 4,569 | 4,535 | 5,240 | 5,241 |
| Construction in progress | 57 | 116 | 467 | 32 | 996 |
| Other fixed assets | 716 | 769 | 764 | 755 | 730 |
| · Intangible Fixed Assets | 142 | 1,166 | 1,021 | 924 | 830 |
| · Investments and Other Assets | 4,142 | 5,617 | 5,881 | 7,648 | 6,964 |
| Investments in securities | 2,989 | 4,984 | 5,254 | 7,036 | 6,320 |
| Deferred tax assets | 500 | 134 | 142 | 140 | 165 |
| Others | 1,000 | 838 | 777 | 751 | 555 |
| Allowance for doubtful receivables | △347 | △ 339 | △ 293 | △ 280 | △ 77 |
| Total Assets | 46,827 | 52,117 | 54,640 | 62,012 | 67,732 |

Liabilities

| | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| ◇ Current Liabilities | 16,629 | 18,224 | 19,171 | 21,455 | 26,589 |
| Trade notes and accounts payable | 7,552 | 8,706 | 9,863 | 10,910 | 13,346 |
| Short-term bank loans | 6,304 | 5,800 | 5,281 | 6,530 | 8,958 |
| Accrued income taxes | 433 | 833 | 712 | 698 | 717 |
| Accrued consumption taxes | 37 | 153 | 25 | 45 | 50 |
| Notes for capital investment | 69 | 95 | 104 | 84 | 78 |
| Other current liabilities | 2,231 | 2,634 | 3,183 | 3,185 | 3,437 |
| ◇ Long-term Liabilities | 2,443 | 3,647 | 3,457 | 3,833 | 4,080 |
| Long-term bank loans | 481 | 998 | 802 | 254 | 870 |
| Deferred tax liabilities | — | 409 | 384 | 1,293 | 876 |
| Provision for retirement benefits | 1,692 | 1,945 | 1,947 | 1,976 | 2,016 |
| Provision for retirement allowances for directors | 268 | 289 | 323 | 272 | 316 |
| Other long-term liabilities | 1 | 3 | 0 | 35 | 0 |
| Total Liabilities | 19,073 | 21,871 | 22,629 | 25,289 | 30,670 |

Net Assets

| | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| ◇ Owners' equity | 26,848 | 27,972 | 29,468 | 31,956 | 33,194 |
| Common stock | 2,365 | 2,365 | 2,365 | 3,128 | 3,128 |
| Additional paid-in capital | 2,587 | 2,587 | 2,587 | 3,350 | 3,350 |
| Retained earnings | 21,899 | 23,023 | 24,519 | 25,482 | 26,725 |
| Cost of treasury stock | △ 3 | △ 3 | △ 3 | △ 3 | △ 9 |
| ◇ Valuation and translation adjustments | △36 | 970 | 861 | 2,709 | 2,251 |
| Gain/loss from revaluation of other investments in securities | 130 | 1,342 | 1,273 | 2,625 | 1,952 |
| Foreign currency translation adjustments | △ 166 | △ 372 | △ 412 | 84 | 299 |
| ◇ Minority Interests | 941 | 1,303 | 1,680 | 2,057 | 1,616 |
| Total Net Assets | 27,753 | 30,245 | 32,011 | 36,723 | 37,062 |
| Total Liabilities and Net Assets | 46,827 | 52,117 | 54,640 | 62,012 | 67,732 |

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

Statements of Income (Consolidated)

(Unit : Millions of Yen)

| | Year ended March 31 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|---------------------|--------|--------|--------|--------|--------|
| ◇ Net sales | | 43,173 | 45,981 | 51,470 | 55,991 | 61,663 |
| ◇ Cost of sales | | 33,022 | 34,916 | 39,280 | 44,212 | 48,882 |
| Gross profit | | 10,150 | 11,064 | 12,190 | 11,778 | 12,781 |
| Selling, general and administrative expenses | | 7,655 | 8,326 | 9,188 | 9,524 | 9,950 |
| Operating Income | | 2,495 | 2,738 | 3,001 | 2,254 | 2,831 |
| ◇ Other Income | | 273 | 333 | 352 | 440 | 500 |
| Interest income | | 24 | 17 | 19 | 19 | 17 |
| Dividend income | | 30 | 31 | 44 | 56 | 74 |
| Loyalty income | | 48 | 89 | 74 | 99 | 134 |
| Rent on real estate income | | 43 | 55 | 56 | 56 | 59 |
| Foreign exchange profit | | — | — | — | 78 | 46 |
| Equity in earnings of non-consolidated subsidiaries | | 72 | 59 | 38 | 49 | 86 |
| Miscellaneous income | | 54 | 81 | 117 | 79 | 83 |
| ◇ Other Expenses | | 209 | 163 | 118 | 131 | 423 |
| Interest expense | | 85 | 47 | 57 | 67 | 130 |
| Stock issuance cost | | — | — | — | 21 | — |
| Losses on sales of investments in securities | | 42 | 2 | — | — | — |
| Foreign exchange loss | | 14 | 12 | 7 | — | — |
| Miscellaneous expenses | | 67 | 100 | 53 | 42 | 292 |
| Ordinary income | | 2,559 | 2,908 | 3,235 | 2,563 | 2,908 |
| ◇ Extraordinary Gains | | 0 | 0 | 143 | 53 | 9 |
| Gains on disposal of fixed assets | | 0 | 0 | 141 | 50 | 3 |
| Reversal of provision for credit losses | | 0 | — | 2 | 3 | 5 |
| ◇ Extraordinary Losses | | 1,018 | 43 | 66 | 69 | 28 |
| Losses on disposal of fixed assets | | 178 | 40 | 61 | 34 | 28 |
| Losses on sales of investments in securities | | — | — | — | 13 | — |
| Losses from revaluation of investments in securities | | 526 | 0 | — | — | — |
| Transfer to allowance from bad debt | | 197 | — | — | — | — |
| Losses from fixed asset revaluation | | 114 | 2 | 4 | 0 | 0 |
| Others | | — | — | — | 22 | — |
| Income before provision for income taxes | | 1,541 | 2,865 | 3,312 | 2,547 | 2,888 |
| Corporate income, local and business taxes | | 742 | 1,168 | 1,238 | 1,021 | 1,207 |
| Adjustments to income taxes | | △179 | △53 | 36 | 0 | △74 |
| Minority interest in net income of consolidated subsidiaries | | 232 | 190 | 210 | 196 | 117 |
| Net Income | | 746 | 1,560 | 1,826 | 1,329 | 1,637 |

Statements of Cash Flows (consolidated)

(Unit : Millions of Yen)

| Year ended March 31 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|---------|---------|---------|---------|---------|
| I . Cash Flows from Operating Activities | | | | | |
| Net income before adjustments to reconcile income to net cash provided by operating activities | 1,541 | 2,865 | 3,312 | 2,547 | 2,888 |
| Depreciation and amortization | 1,607 | 1,572 | 1,587 | 1,655 | 1,832 |
| amortization of consolidation difference | — | 121 | 216 | 216 | 248 |
| Increase(decrease) in provision of allowance for doubtful receivables | 259 | 11 | 15 | △ 13 | △ 205 |
| Increase(decrease) in provision for retirement benefits | 20 | 47 | 1 | 29 | 40 |
| Profit and loss from revaluation of investments in securities | 526 | 0 | — | — | — |
| Profit and loss on disposal of investments in securities | 42 | 2 | △ 12 | 13 | 0 |
| Interest and dividends received | △ 54 | △ 48 | △ 64 | △ 76 | △ 91 |
| Interest expenses | 85 | 47 | 57 | 67 | 130 |
| Increase(decrease) of accounts receivable | 1,681 | △ 1,080 | △ 920 | △ 1,858 | △ 4,643 |
| Increase(decrease) of trade notes | △ 792 | 385 | 1,144 | 930 | 2,408 |
| Others, net | 365 | 238 | △ 1,050 | △ 1,470 | △ 2,663 |
| Sub-total | 5,282 | 4,165 | 4,285 | 2,039 | △ 54 |
| Interest and dividends received | 80 | 72 | 73 | 83 | 132 |
| Interest paid | △ 75 | △ 45 | △ 60 | △ 65 | △ 126 |
| Income taxes paid | △ 413 | △ 908 | △ 1,323 | △ 1,042 | △ 1,189 |
| Net cash provided by operating activities | 4,874 | 3,283 | 2,975 | 1,015 | △ 1,238 |
| II . Cash Flows from Investing Activities | | | | | |
| Expenses for acquisition of fixed assets | △ 1,303 | △ 1,131 | △ 1,975 | △ 4,467 | △ 2,624 |
| Expenses for purchasing of investment in securities | △ 101 | △ 21 | △ 387 | △ 37 | △ 366 |
| Income from sales of investments in securities | 57 | 197 | 20 | 7 | 1 |
| Additional acquisition of shares of consolidated subsidiaries | — | △ 1,972 | — | — | △ 528 |
| Increase(decrease) of notes for capital investment | △ 124 | 26 | 8 | △ 20 | △ 5 |
| Others, net | △ 324 | 420 | 448 | △ 119 | 886 |
| Net cash used in investing activities | △ 1,795 | △ 2,481 | △ 1,885 | △ 4,637 | △ 2,637 |
| III . Cash Flows from Financing Activities | | | | | |
| Increase(decrease) in short-term debt | 1,540 | △ 392 | △ 494 | 651 | 2,899 |
| Proceeds from long-term debt | — | — | 98 | 328 | 966 |
| Repayment of long-term debt | △ 2,635 | △ 495 | △ 314 | △ 217 | △ 883 |
| Proceeds from stock issuance | — | — | — | 1,525 | — |
| Dividends paid | △ 236 | △ 410 | △ 299 | △ 331 | △ 369 |
| Dividends paid to minority interest | △ 117 | △ 102 | △ 120 | △ 121 | △ 105 |
| Others, net | △ 0 | △ 0 | 299 | 88 | △ 5 |
| Net cash used in financing activities | △ 1,449 | △ 1,400 | △ 832 | 1,923 | 2,502 |
| IV . Effect of Exchange-rate Change on Cash and Cash Equivalents | | | | | |
| | △ 68 | △ 61 | △ 18 | 269 | 23 |
| V . Net Increase in Cash and Cash Equivalents | | | | | |
| | 1,561 | △ 659 | 239 | △ 1,429 | △ 1,350 |
| VI . Cash and Cash Equivalents, Beginning of Term | | | | | |
| | 4,034 | 5,596 | 4,936 | 5,175 | 3,746 |
| VII . Cash and Cash Equivalents, End of Term | | | | | |
| | 5,596 | 4,936 | 5,175 | 3,746 | 2,396 |

Balance Sheets (Non-consolidated)

Assets

(Unit : Millions of Yen)

| | Year ended March 31 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|
| ◇ Current Assets | | 25,543 | 25,437 | 25,728 | 28,011 | 33,118 |
| Cash and time deposits | | 4,848 | 3,722 | 2,124 | 2,081 | 1,008 |
| Trade notes and accounts receivable | | 15,099 | 16,116 | 17,055 | 18,716 | 22,806 |
| Marketable securities | | — | — | — | 503 | — |
| Inventories | | 5,059 | 4,949 | 5,337 | 5,704 | 7,395 |
| Other current assets | | 606 | 728 | 1,301 | 1,095 | 1,998 |
| Allowance for doubtful receivables | | △ 70 | △ 80 | △ 90 | △ 90 | △ 90 |
| ◇ Fixed Assets | | 17,868 | 20,867 | 22,555 | 25,648 | 25,084 |
| • Tangible Fixed Assets | | 12,775 | 12,294 | 12,157 | 12,794 | 12,548 |
| Buildings and structures | | 5,033 | 4,814 | 4,570 | 4,452 | 4,262 |
| Machinery and material-handling equipment | | 3,258 | 3,037 | 3,049 | 3,273 | 3,244 |
| Land | | 3,911 | 3,910 | 3,875 | 4,583 | 4,584 |
| Other fixed assets | | 571 | 533 | 662 | 484 | 457 |
| • Intangible Fixed Assets | | 74 | 52 | 98 | 155 | 276 |
| • Investments and Other Assets | | 5,018 | 8,520 | 10,299 | 12,698 | 12,260 |
| Investments in securities | | 2,781 | 4,632 | 4,907 | 6,658 | 5,897 |
| Investments in subsidiaries | | 1,265 | 3,292 | 3,292 | 3,292 | 3,637 |
| Investments in affiliates | | 264 | 329 | 1,558 | 1,828 | 2,011 |
| Deferred tax assets | | 440 | — | — | — | — |
| Others | | 503 | 504 | 776 | 1,124 | 721 |
| Allowance for doubtful receivables | | △ 236 | △ 238 | △ 235 | △ 206 | △ 8 |
| Total Assets | | 43,411 | 46,305 | 48,284 | 53,659 | 58,203 |

Liabilities

| | | | | | | |
|--|--|---------------|---------------|---------------|---------------|---------------|
| ◇ Current Liabilities | | 15,282 | 15,758 | 16,623 | 17,237 | 21,524 |
| Trade notes and accounts payable | | 7,101 | 7,570 | 8,450 | 9,169 | 11,467 |
| Short-term bank loans | | 5,500 | 5,100 | 4,900 | 5,100 | 6,450 |
| Due within one year long-term bank loans | | 420 | 174 | 208 | 225 | 239 |
| Accrued payable | | 1,101 | 1,246 | 1,758 | 1,483 | 1,827 |
| Accrued expenses | | 684 | 763 | 753 | 662 | 798 |
| Accrued income taxes | | 319 | 609 | 404 | 434 | 449 |
| Accrued consumption taxes | | 30 | 143 | 13 | 24 | 36 |
| Deposits payable | | 53 | 54 | 49 | 52 | 88 |
| Notes for capital investment | | 69 | 95 | 84 | 84 | 52 |
| Others | | — | — | — | — | 113 |
| ◇ Long-term Liabilities | | 2,365 | 2,610 | 2,477 | 3,496 | 3,459 |
| Long-term bank loans | | 481 | 306 | 172 | 246 | 596 |
| Deferred tax liabilities | | — | 406 | 382 | 1,286 | 869 |
| Provision for retirement benefits | | 1,615 | 1,675 | 1,676 | 1,686 | 1,717 |
| Provision for retirement allowances for direct | | 268 | 221 | 246 | 241 | 275 |
| Others | | — | — | — | 34 | — |
| Total Liabilities | | 17,648 | 18,368 | 19,100 | 20,733 | 24,983 |

Net Assets

| | | | | | | |
|---|--|---------------|---------------|---------------|---------------|---------------|
| ◇ Owners' equity | | 25,635 | 26,606 | 27,915 | 30,319 | 31,279 |
| Common stock | | 2,365 | 2,365 | 2,365 | 3,128 | 3,128 |
| Capital surplus | | 2,587 | 2,587 | 2,587 | 3,350 | 3,350 |
| Earned surplus | | 20,686 | 21,657 | 22,966 | 23,845 | 24,810 |
| Cost of treasury stocks | | △ 3 | △ 3 | △ 3 | △ 3 | △ 9 |
| ◇ Valuation and translation adjustments | | 128 | 1,329 | 1,268 | 2,606 | 1,940 |
| Gain/loss from revaluation of other investments in securities | | 128 | 1,329 | 1,268 | 2,606 | 1,940 |
| Total Net Assets | | 25,763 | 27,936 | 29,183 | 32,925 | 33,220 |
| Total Liabilities and Net Assets | | 43,411 | 46,305 | 48,284 | 53,659 | 58,203 |

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

Statements of Income (Non-consolidated)

| | Year ended March 31 | 2003/3 | 2004/3 | 2005/3 | 2006/3 | 2007/3 |
|--|---------------------|--------------------------|--------|--------|--------|--------|
| | | (Unit : Millions of Yen) | | | | |
| ◇ Net sales | | 40,050 | 41,135 | 43,922 | 48,183 | 51,389 |
| ◇ Cost of sales | | 31,427 | 32,109 | 34,811 | 39,612 | 42,444 |
| Gross profit | | 8,622 | 9,026 | 9,110 | 8,570 | 8,945 |
| Selling, general and administrative expenses | | 7,080 | 7,205 | 7,304 | 7,412 | 7,648 |
| Operating Income | | 1,542 | 1,820 | 1,806 | 1,158 | 1,296 |
| ◇ Other Income | | 497 | 569 | 681 | 805 | 1,032 |
| Interest income | | 8 | 7 | 12 | 23 | 20 |
| Dividend income | | 236 | 220 | 254 | 316 | 395 |
| Loyalty income | | 108 | 143 | 161 | 208 | 293 |
| Rent on real estate income | | 44 | 55 | 55 | 54 | 82 |
| Foreign exchange profit | | 8 | 19 | 33 | 57 | 59 |
| Miscellaneous income | | 90 | 123 | 164 | 145 | 181 |
| ◇ Other Expenses | | 151 | 116 | 59 | 79 | 216 |
| Interest expense | | 80 | 33 | 29 | 31 | 47 |
| Stock issuance cost | | — | — | — | 21 | — |
| Losses on sales of investments in securities | | 42 | 2 | — | — | — |
| Losses on disposal of inventories | | 13 | 58 | 14 | 15 | 27 |
| Miscellaneous expenses | | 15 | 22 | 15 | 11 | 141 |
| Ordinary income | | 1,888 | 2,273 | 2,429 | 1,885 | 2,112 |
| ◇ Extraordinary Gains | | 0 | 0 | 143 | 52 | 3 |
| Gains on disposal of fixed assets | | 0 | 0 | 141 | 49 | 2 |
| Reversal of provision for credit losses | | — | — | 2 | 2 | 0 |
| ◇ Extraordinary Losses | | 1,006 | 24 | 60 | 50 | 20 |
| Losses on disposal of fixed assets | | 168 | 22 | 56 | 28 | 20 |
| Losses from revaluation of investments in securities | | 525 | 0 | — | — | — |
| Transfer to allowance from bad debt | | 197 | — | — | — | — |
| Losses from fixed asset revaluation | | 114 | 2 | 4 | 0 | 0 |
| Others | | — | — | — | 22 | — |
| Income before provision for income taxes | | 882 | 2,248 | 2,511 | 1,886 | 2,095 |
| Corporate income, local and business taxes | | 540 | 900 | 820 | 650 | 760 |
| Adjustments to income taxes | | △159 | △55 | 56 | △6 | △24 |
| Net Income | | 502 | 1,404 | 1,634 | 1,243 | 1,359 |

※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.