

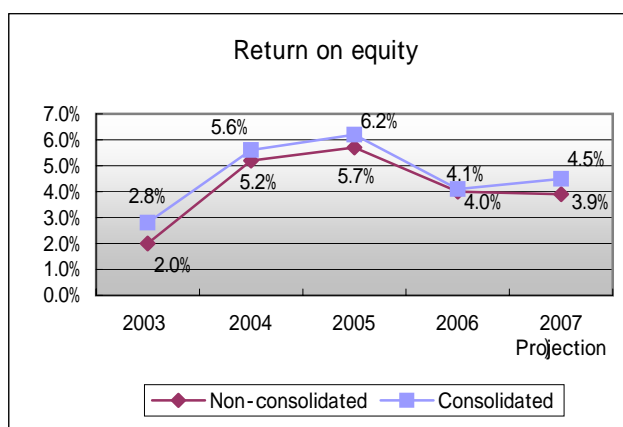
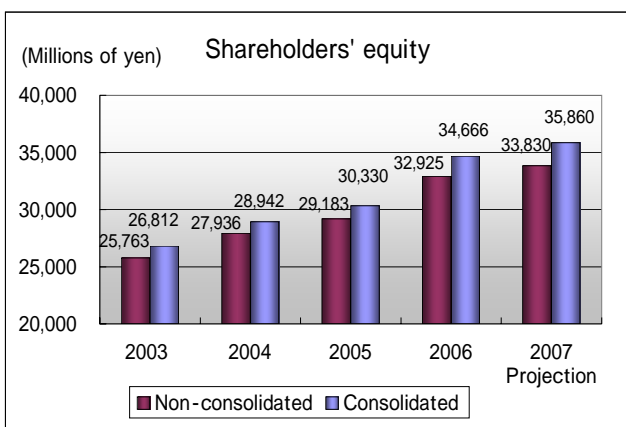
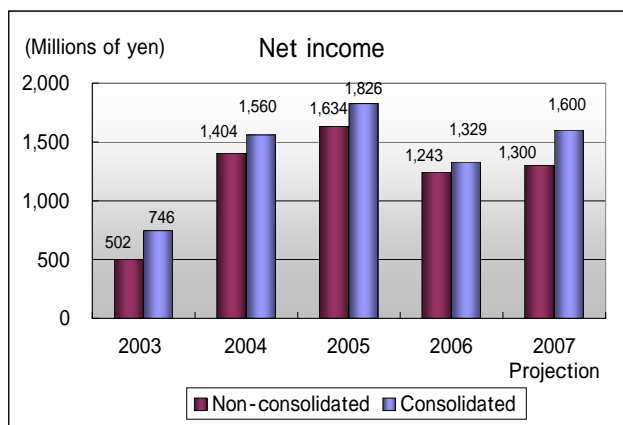
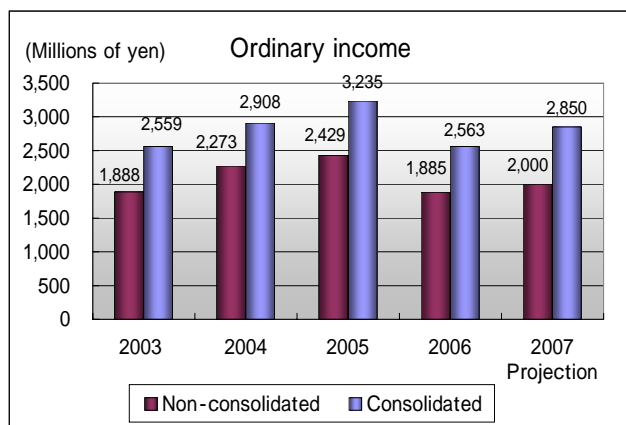
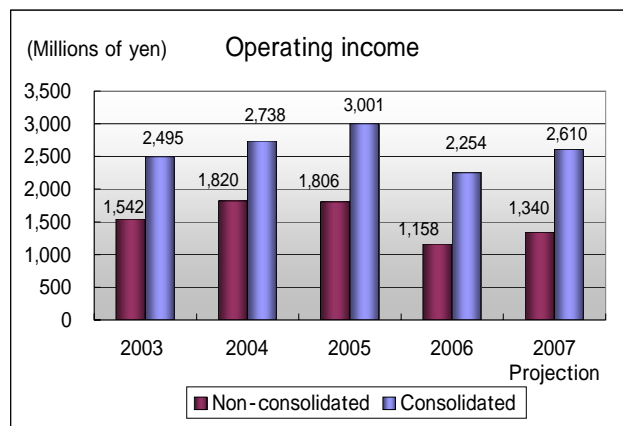
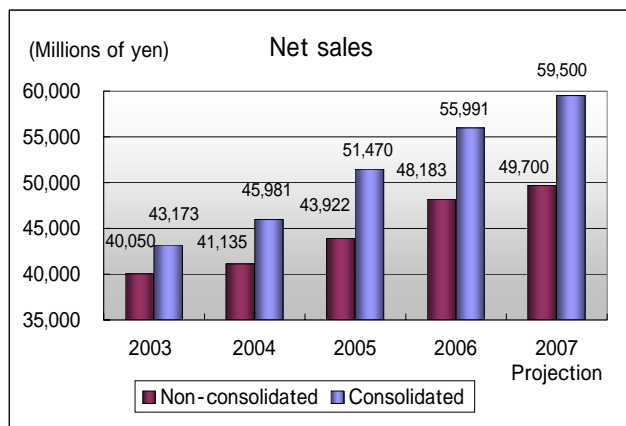
DATA BOOK 2006

May 8th , 2006

Year ended March 31, 2006



ARAKAWA CHEMICAL INDUSTRIES, LTD.



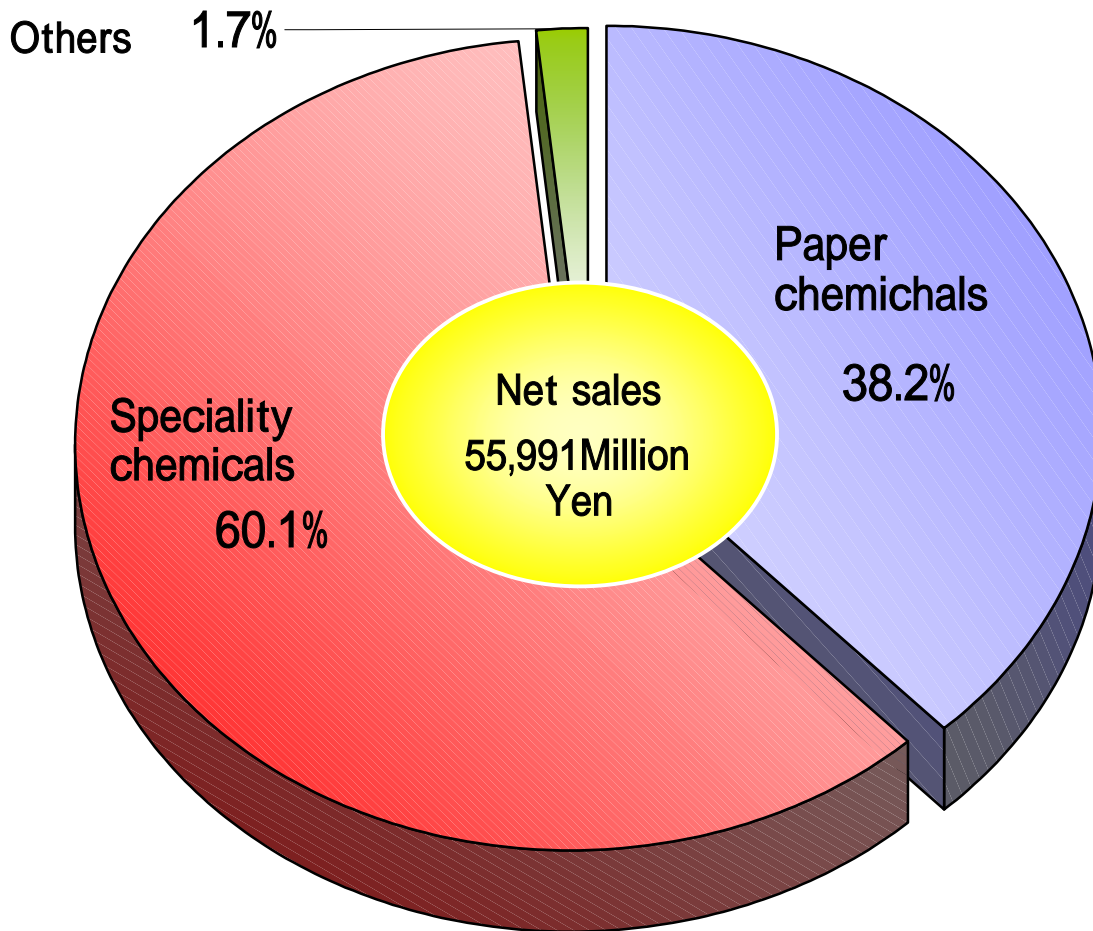
		2003		2004		2005		2006		2007 Projection	
		Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Net sales	Consolidated	43,173	3.9	45,981	6.5	51,470	11.9	55,991	8.8	59,500	6.3
	Non-consolidated	40,050	3.9	41,135	2.7	43,922	6.8	48,183	9.7	49,700	3.1
Operating income	Consolidated	2,495	0.1	2,738	9.7	3,001	9.6	2,254	24.9	2,610	15.8
	Non-consolidated	1,542	9.0	1,820	18.1	1,806	0.8	1,158	35.9	1,340	15.7
Ordinary income	Consolidated	2,559	1.5	2,908	13.6	3,235	11.2	2,563	20.8	2,850	11.2
	Non-consolidated	1,888	7.2	2,273	20.4	2,429	6.8	1,885	22.4	2,000	6.1
Net income	Consolidated	746	29.2	1,560	109.0	1,826	17.0	1,329	27.2	1,600	20.4
	Non-consolidated	502	22.9	1,404	179.6	1,634	16.4	1,243	23.9	1,300	4.6
Total assets	Consolidated	46,827	3.1	52,117	11.3	54,640	4.8	62,012	13.5	65,820	6.1
	Non-consolidated	43,411	3.6	46,305	6.7	48,284	4.3	53,659	11.1	57,160	6.5
Shareholders' equity	Consolidated	26,812	1.0	28,942	7.9	30,330	4.8	34,666	14.3	35,860	3.4
	Non-consolidated	25,763	0.9	27,936	8.4	29,183	4.5	32,925	12.8	33,830	2.7
Return on equity	Consolidated	2.8%		5.6%		6.2%		4.1%		4.5%	
	Non-consolidated	2.0%		5.2%		5.7%		4.0%		3.9%	

Note to 2007 Projection

"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)

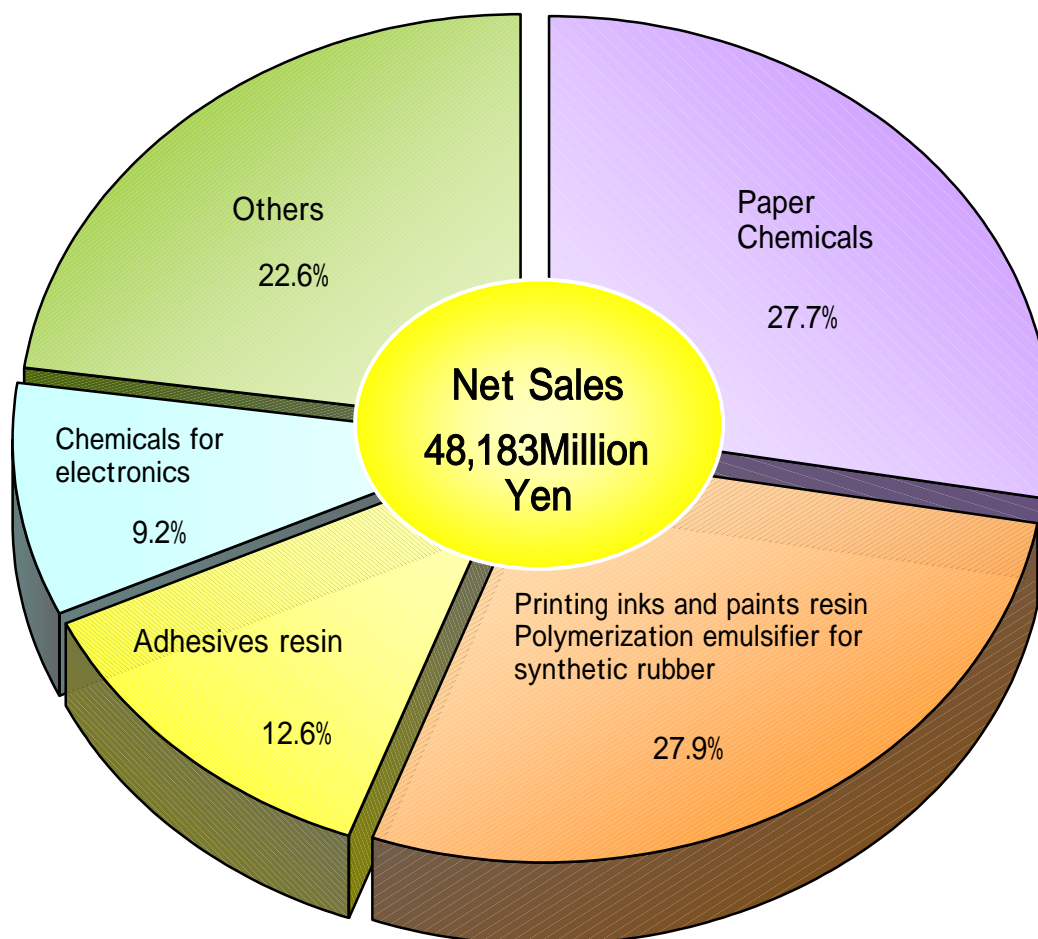
Net Sales
Year Ended March 31, 2006



Year ended March 31		2003		2004		2005		2006		2007 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	16,954	3.3	17,444	2.9	19,593	12.3	21,374	9.1	22,070	3.3
	Operating income	860	16.9	902	4.9	964	6.8	742	23.0	840	13.2
	Operating income/sales	5.1%		5.2%		4.9%		3.5%		3.8%	
Speciality chemicals	Net sales	25,535	5.9	27,645	8.3	31,178	12.8	33,677	8.0	36,320	7.8
	Operating income	1,624	13.8	1,803	11.1	2,007	11.3	1,417	29.4	1,670	17.8
	Operating income/sales	6.4%		6.5%		6.4%		4.2%		4.6%	
Others	Net sales	682	34.8	892	30.7	698	21.7	939	34.5	1,110	18.2
	Operating income	10	70.4	31	193.0	29	6.1	94	216.8	100	6.0
	Operating income/sales	1.6%		3.6%		4.3%		10.0%		9.0%	
Consolidated total	Net sales	43,173	3.9	45,981	6.5	51,470	11.9	55,991	8.8	59,500	6.3
	Operating income	2,495	0.1	2,738	9.7	3,001	9.6	2,254	24.9	2,610	15.8
	Operating income/sales	5.8%		6.0%		5.8%		4.0%		4.4%	

Segment Information (Non-consolidated)

Net Sales
Year Ended March 31, 2006



Year ended March 31	2003		2004		2005		2006		2007 Projection	
	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Paper chemicals	11,934	1.0	12,194	2.2	12,592	3.3	13,335	5.9	13,550	1.6
Printing inks and paints resin	11,082	3.9	11,566	4.4	11,948	3.3	13,462	12.7	14,250	5.8
Adhesives resin	6,190	6.0	5,873	5.1	5,885	0.2	6,050	2.8	6,250	3.3
Chemicals for electronics	3,219	20.9	3,350	4.1	3,828	14.3	4,423	15.5	5,200	17.6
Sub-total	32,427	3.8	32,985	1.7	34,255	3.9	37,271	8.8	39,250	5.3
Others	7,622	4.1	8,150	6.9	9,667	18.6	10,911	12.9	10,450	4.2
Non-consolidated total	40,050	3.9	41,135	2.7	43,922	6.8	48,183	9.7	49,700	3.1

Management index

	Year ended March 31	2003	2004	2005	2006	2007 Projection
Capital investment (Completion basis) (Millions of Yen)	Consolidated	2,065	1,068	1,621	4,919	2,190
	Non-consolidated	1,909	816	990	2,110	1,730
Capital investment (Cash flows basis) (Millions of Yen)	Consolidated	1,303	1,131	1,975	4,467	2,750
	Non-consolidated	1,116	805	1,160	1,966	1,730
Depreciation and amortization (Millions of Yen)	Consolidated	1,607	1,572	1,587	1,655	1,850
	Non-consolidated	1,376	1,285	1,170	1,208	1,280
R & D expenses (Millions of Yen)	Consolidated	-	2,162	2,340	2,257	2,500
	Non-consolidated	1,894	1,986	1,991	1,899	2,120
Interest-bearing debt (Millions of Yen)	Consolidated	6,785	6,798	6,084	6,785	7,560
	Non-consolidated	6,402	5,581	5,280	5,572	6,440
Shareholders' equity to total assets (%)	Consolidated	57.3	55.5	55.5	55.9	54.5
	Non-consolidated	59.3	60.3	60.4	61.4	59.2
Return on equity (%)	Consolidated	2.8	5.6	6.2	4.1	4.5
	Non-consolidated	2.0	5.2	5.7	4.0	3.9
Ordinary income to net sales (%)	Consolidated	5.9	6.3	6.3	4.6	4.8
	Non-consolidated	4.7	5.5	5.5	3.9	4.0
Earnings per share-Basic (Yen)	Consolidated	45.62	97.02	113.33	81.80	79.42
	Non-consolidated	30.36	87.33	101.45	76.59	64.53
Book-value per share (Yen)	Consolidated	1,696.93	1,831.65	1,919.12	2,063.56	1,780.00
	Non-consolidated	1,630.49	1,767.91	1,846.46	1,959.90	1,680.00
Price to earnings ratio	Consolidated	18.6	15.2	14.5	16.1	-
	Non-consolidated	28.0	16.8	16.2	17.2	-
Annual Dividends per share (Yen)		18.00	18.00	20.00	20.00	20.00
Payout ratio (%)		59.3	20.6	19.7	26.1	31.0
Number of employees	Consolidated	760	923	923	1,084	1,125
	Non-consolidated	623	635	638	645	652

Note to 2007 Projection

"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."

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

Balance Sheets (Consolidated)**Assets**

(Unit : Millions of Yen)

	Year ended March 31	2002	2003	2004	2005	2006
Current Assets		28,913	28,548	30,390	32,585	35,451
Cash and time deposits		4,157	5,999	5,152	5,513	4,187
Trade notes and accounts receivable		17,816	15,837	18,247	19,170	21,167
Marketable securities		150	5	1	2	506
Inventories		6,203	6,098	6,203	7,014	8,492
Deferred tax assets		202	351	459	438	411
Other current assets		439	343	431	562	808
Allowance for doubtful receivables		55	86	105	115	122
Fixed Assets		19,430	18,278	21,727	22,054	26,561
Tangible Fixed Assets		14,489	13,994	14,942	15,151	17,988
Building and structures		5,050	5,484	5,642	5,448	6,088
Machinery and material-handling equipment		4,113	3,818	3,844	3,935	5,871
Land		3,917	3,917	4,569	4,535	5,240
Construction in progress		820	57	116	467	32
Other fixed assets		586	716	769	764	755
Intangible Fixed Assets		169	142	1,166	1,021	924
Investments and Other Assets		4,771	4,142	5,617	5,881	7,648
Investments in securities		3,555	2,989	4,984	5,254	7,036
Deferred tax assets		453	500	134	142	140
Others		891	1,000	838	777	751
Allowance for doubtful receivables		129	347	339	293	280
Total Assets		48,344	46,827	52,117	54,640	62,012

Liabilities

Current Liabilities	18,047	16,629	18,224	19,171	21,455
Trade notes and accounts payable	8,395	7,552	8,706	9,863	10,910
Short-term bank loans	6,945	6,304	5,800	5,281	6,530
Accrued income taxes	112	433	833	712	698
Accrued consumption taxes	43	37	153	25	45
Notes for capital investment	194	69	95	104	84
Other current liabilities	2,356	2,231	2,634	3,183	3,185
Long-term Liabilities	2,842	2,443	3,647	3,457	3,833
Long-term bank loans	935	481	998	802	254
Deferred tax liabilities	-	-	409	384	1,293
Provision for retirement benefits	1,672	1,692	1,945	1,947	1,976
Provision for retirement allowances for directors	233	268	289	323	272
Other long-term liabilities	1	1	3	0	35
Total Liabilities	20,890	19,073	21,871	22,629	25,289
Minority Interests	915	941	1,303	1,680	2,057

Shareholders' Equity

Common stock	2,365	2,365	2,365	2,365	3,128
Additional paid-in capital	2,587	2,587	2,587	2,587	3,350
Retained earnings	21,413	21,899	23,023	24,519	25,482
Gain/loss from revaluation of other investments in securities	149	130	1,342	1,273	2,625
Foreign currency translation adjustments	26	166	372	412	84
Cost of treasury stock	3	3	3	3	3
Total Shareholders' Equity	26,538	26,812	28,942	30,330	34,666
Total Liabilities, Minority Interest and Shareholders' Equity	48,344	46,827	52,117	54,640	62,012

Statements of Income (Consolidated)

(Unit : Millions of Yen)

Year ended March 31	2002	2003	2004	2005	2006
Net sales	41,563	43,173	45,981	51,470	55,991
Cost of sales	31,476	33,022	34,916	39,280	44,212
Gross profit	10,086	10,150	11,064	12,190	11,778
Selling, general and administrative expenses	7,587	7,655	8,326	9,188	9,524
Operating Income	2,499	2,495	2,738	3,001	2,254
Other Income	272	273	333	352	440
Interest income	35	24	17	19	19
Dividend income	27	30	31	44	56
Loyalty income	30	48	89	74	99
Rent on real estate income	38	43	55	56	56
Foreign exchange profit	9	-	-	-	78
Equity in earnings of non-consolidated subsidiaries	52	72	59	38	49
Miscellaneous income	78	54	81	117	79
Other Expenses	173	209	163	118	131
Interest expense	100	85	47	57	67
Stock issuance cost	-	-	-	-	21
Losses on securities sold	7	-	-	-	-
Losses on sales of investments in securities	-	42	2	-	-
Foreign exchange loss	-	14	12	7	-
Miscellaneous expenses	65	67	100	53	42
Ordinary income	2,597	2,559	2,908	3,235	2,563
Extraordinary Gains	58	0	0	143	53
Gains on disposal of fixed assets	27	0	0	141	50
Reversal of provision for credit losses	30	0	-	2	3
Extraordinary Losses	1,386	1,018	43	66	69
Losses on disposal of fixed assets	41	178	40	61	34
Losses on sales of investments in securities	-	-	-	-	13
Losses from revaluation of investments in securities	1,233	526	0	-	-
Losses from bad debts	-	197	-	-	-
Losses from fixed asset revaluation	111	114	2	4	0
Others	-	-	-	-	22
Income before provision for income taxes	1,269	1,541	2,865	3,312	2,547
Corporate income, local and business taxes	538	742	1,168	1,238	1,021
Adjustments to income taxes	64	179	53	36	0
Minority interest in net income of consolidated subsidiaries	217	232	190	210	196
Net Income	578	746	1,560	1,826	1,329

Statements of Cash Flows (consolidated)

(Unit : Millions of Yen)

Year ended March 31	2002	2003	2004	2005	2006
. Cash Flows from Operating Activities					
Net income before adjustments to reconcile income to net cash provided by operating activities	1,269	1,541	2,865	3,312	2,547
Depreciation and amortization	1,710	1,607	1,572	1,587	1,655
amortization of consolidation difference	-	-	121	216	216
Increase(decrease) in provision of allowance for doubtful receivables	16	259	11	15	13
Increase(decrease) in provision for retirement benefits	167	20	47	1	29
Losses from revaluation of investments in securities	1,233	526	0	-	-
Gains on disposal of investments in securities	-	42	2	12	13
Interest and dividends received	63	54	48	64	76
Interest expenses	100	85	47	57	67
Increase(decrease) of accounts receivable	1,421	1,681	1,080	920	1,858
Increase(decrease) of trade notes	1,296	792	385	1,144	930
Others, net	81	365	238	1,050	1,470
Sub-total	4,109	5,282	4,165	4,285	2,039
Interest and dividends received	87	80	72	73	83
Interest paid	96	75	45	60	65
Income taxes paid	1,030	413	908	1,323	1,042
Net cash provided by operating activities	3,069	4,874	3,283	2,975	1,015
. Cash Flows from Investing Activities					
Acquisition of fixed assets	1,931	1,303	1,131	1,975	4,467
Purchase of investment in securities	124	101	21	387	37
Proceeds from sales of investments in securities	-	57	197	20	7
Additional acquisition of shares of consolidated subsidiaries	-	-	1,972	-	-
Increase(decrease) of notes for capital investment	20	124	26	8	20
Others, net	61	324	420	448	119
Net cash used in investing activities	2,097	1,795	2,481	1,885	4,637
. Cash Flows from Financing Activities					
Increase(decrease) in short-term debt	300	1,540	392	494	651
Proceeds from long-term debt	700	-	-	98	328
Repayment of long-term debt	809	2,635	495	314	217
Proceeds from stock issuance	-	-	-	-	1,525
Dividends paid	268	236	410	299	331
Dividends paid to minority interest	111	117	102	120	121
Others, net	3	0	0	299	88
Net cash used in financing activities	792	1,449	1,400	832	1,923
. Effect of Exchange-rate Change on Cash and Cash Equivalents	70	68	61	18	269
. Net Increase in Cash and Cash Equivalents	250	1,561	659	239	1,429
. Cash and Cash Equivalents, Beginning of Year	3,783	4,034	5,596	4,936	5,175
. Cash and Cash Equivalents, End of Year	4,034	5,596	4,936	5,175	3,746

Balance Sheets (Non-consolidated)**Assets**

(Unit : Millions of Yen)

Year ended March 31	2002	2003	2004	2005	2006
Current Assets	26,135	25,543	25,437	25,728	28,011
Cash and time deposits	3,157	4,848	3,722	2,124	2,081
Trade notes and accounts receivable	17,056	15,099	16,116	17,055	18,716
Marketable securities	150	-	-	-	503
Inventories	5,213	5,059	4,949	5,337	5,704
Other current assets	595	606	728	1,301	1,095
Allowance for doubtful receivables	38	70	80	90	90
Fixed Assets	18,902	17,868	20,867	22,555	25,648
· Tangible Fixed Assets	13,140	12,775	12,294	12,157	12,794
Buildings and structures	4,557	5,033	4,814	4,570	4,452
Machinery and material-handling equipment	3,403	3,258	3,037	3,049	3,273
Land	3,911	3,911	3,910	3,875	4,583
Other fixed assets	1,267	571	533	662	484
· Intangible Fixed Assets	110	74	52	98	155
· Investments and Other Assets	5,651	5,018	8,520	10,299	12,698
Investments in securities	3,337	2,781	4,632	4,907	6,658
Investments in subsidiaries	1,265	1,265	3,292	3,292	3,292
Investments in affiliates	264	264	329	1,558	1,828
Deferred tax assets	393	440	-	-	-
Others	398	503	504	776	1,124
Allowance for doubtful receivables	8	236	238	235	206
Total Assets	45,037	43,411	46,305	48,284	53,659

Liabilities

Current Liabilities	16,772	15,282	15,758	16,623	17,237
Trade notes and accounts payable	8,120	7,101	7,570	8,450	9,169
Short-term bank loans	3,900	5,500	5,100	4,900	5,100
Due within one year long-term bank loans	2,598	420	174	208	225
Accrued payable	1,139	1,101	1,246	1,758	1,483
Accrued expenses	690	684	763	753	662
Accrued income taxes	16	319	609	404	434
Accrued consumption taxes	40	30	143	13	24
Deposits payable	71	53	54	49	52
Notes for capital investment	194	69	95	84	84
Long-term Liabilities	2,730	2,365	2,610	2,477	3,496
Long-term bank loans	902	481	306	172	246
Deferred tax liabilities	-	-	406	382	1,286
Provision for retirement benefits	1,594	1,615	1,675	1,676	1,686
Provision for retirement allowances for directors	233	268	221	246	241
Others	-	-	-	-	34
Total Liabilities	19,502	17,648	18,368	19,100	20,733

Shareholders' Equity

Common stock	2,365	2,365	2,365	2,365	3,128
Capital surplus	2,587	2,587	2,587	2,587	3,350
Earned surplus	20,440	20,686	21,657	22,966	23,845
Gain/loss from revaluation of other investments in securities	145	128	1,329	1,268	2,606
Cost of treasury stocks	3	3	3	3	3
Total Shareholders' Equity	25,535	25,763	27,936	29,183	32,925
Total Liabilities and Shareholders' Equity	45,037	43,411	46,305	48,284	53,659

Statements of Income (Non-consolidated)

(Unit : Millions of Yen)

	Year ended March 31	2002	2003	2004	2005	2006
Net sales		38,551	40,050	41,135	43,922	48,183
Cost of sales		29,935	31,427	32,109	34,811	39,612
Gross profit		8,616	8,622	9,026	9,110	8,570
Selling, general and administrative expenses		6,921	7,080	7,205	7,304	7,412
Operating Income		1,694	1,542	1,820	1,806	1,158
Other Income		491	497	569	681	805
Interest income		13	8	7	12	23
Dividend income		228	236	220	254	316
Loyalty income		97	108	143	161	208
Rent on real estate income		39	44	55	55	54
Foreign exchange profit		38	8	19	33	57
Miscellaneous income		73	90	123	164	145
Other Expenses		149	151	116	59	79
Interest expense		94	80	33	29	31
Stock issuance cost		-	-	-	-	21
Losses on securities sold		7	-	-	-	-
Losses on sales of investments in securities		-	42	2	-	-
Losses on disposal of inventories		15	13	58	14	15
Miscellaneous expenses		32	15	22	15	11
Ordinary income		2,036	1,888	2,273	2,429	1,885
Extraordinary Gains		57	0	0	143	52
Gains on disposal of fixed assets		26	0	0	141	49
Reversal of provision for credit losses		31	-	-	2	2
Extraordinary Losses		1,376	1,006	24	60	50
Losses on disposal of fixed assets		33	168	22	56	28
Losses from revaluation of investments in securities		1,231	525	0	-	-
Losses from bad debts		-	197	-	-	-
Losses from fixed asset revaluation		111	114	2	4	0
Others		-	-	-	-	22
Income before provision for income taxes		717	882	2,248	2,511	1,886
Corporate income, local and business taxes		365	540	900	820	650
Adjustments to income taxes		56	159	55	56	6
Net Income		408	502	1,404	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.