



ADEKA CORPORATION FINANCIAL STATEMENTS

As of March 31, 2007 and 2006

PROFILE

ADEKA CORPORATION, the Furukawa Group's chemical and food company, has earned a reputation in Japan and worldwide as an innovator in a broad spectrum of technologies. Founded in 1917, with the mission of pioneering the domestic production of caustic soda by electrolytically method, the Company later began producing of hydrogenated oils using hydrogen produced from electrolysis. From these two operational strengths ADEKA has expanded its business into chemicals and food products. In the Chemical Products area, the Inorganic, Organic, and Industrial Fats and Fatty Acids Divisions produce a wide range of products that contribute to such industries as textiles, pulp, civil engineering and construction, shipbuilding, automobiles, and appliances. In the Food Products, through the extensive use of animal and vegetable oil and fat materials to supply processed oil and fats, including margarine and shortening to bakeries, confectioneries, and restaurants.

The Company is now dynamically globalizing its business to strengthen our presence in the international market not only occupying a leading position in the Asian market, but also by increasing our market share in Europe and the USA. With our management policies, "Working hard to be a forward-looking organization by staying on the cutting edge" and "Being a respected member of the world community" with superior technology that is competitive in the global market, the company is strives to supply superior products. In May 2006, the company name was changed from Asahi Denka Co., Ltd. to Adeka Corporation and its headquarters was moved to a new building in Higashi-ogu, Arakawa-ku, Tokyo, the birthplace of the Company. In addition, by reestablishing the corporate and Group brands as well as setting up the Group logo mark and slogan (*Fusion for the Future*), we will strengthen ties between Group companies and foster the mutual prosperity of the Adeka Group, domestically and overseas. The Company will contribute to society by introducing new high value-added products and actively developing new areas of business.

FIVE-YEAR FINANCIAL HIGHLIGHTS

	Millions of yen					Thousands of U.S. dollars
	2007	2006	2005	2004	2003	2007
	Net sales	¥174,284	¥165,043	¥151,824	¥141,368	¥138,203
Operating Income	16,624	17,285	14,773	12,086	10,771	140,822
Income Before Income Taxes	15,555	15,754	13,678	7,841	6,498	131,766
Net Income	9,358	9,133	7,594	4,337	3,102	79,271
Total Assets	¥208,318	¥190,424	¥178,126	¥168,004	¥156,266	\$ 1,764,659
	yen					U.S. dollars
	2007	2006	2005	2004	2003	2007
Net Income per Share	¥90.84	¥88.47	¥76.10	¥52.32	¥40.10	\$ 0.77
Cash Dividends per Share	¥22.00	¥20.00	¥14.00	¥11.00	¥9.00	\$ 0.19

Note : U.S. dollar figures have been calculated, for convenience only, at a rate of
¥118.05 = US\$1

SALES BY DIVISION

(Total Net Sales : ¥174,284 million)		
Chemicals	¥122,102 million	(70.1%)
Food Products	¥44,955 million	(25.8%)
Other	¥7,226 million	(4.1%)

BOARD OF DIRECTORS AND STATUTORY AUDITORS

(as of March 31, 2007)

Chairman & CEO	Hiroyuki Nakajima	Operating Officers	Yosikazu Syoji
President & COO	Kunihiko Sakurai		Eiichi Suzuki
			Kazuaki Yamanaka
Director & Managing Operating Officers			Kazuhiko Morio
	Tohru Haruna		Kenji Tajima
	Masao Gocho		Ryoji Kimura
	Mamoru Sugisaki		Nobuhide Tominaga
	Koji Kawada		Goro Yamamoto
	Akira Iida(CFO)		Ryohei Shibata
			Akio Kohri
Director & Operating Officers			Katsuyuki Takatori
	Fumito Sumitomo		Akira Momose
	Kenshi Koga		
	Masayuki Sugie	Standing Statutory Auditors	
	Kunio Nakamura		Akira Ito
			Sin-Ichi Kiuchi
Independent Director		Statutory Auditors	
	Keiji Matsumoto		Yuzuru Fujita
			Takeo Imai

CORPORATE DATA

(as of March 31, 2006)

Established	January 27, 1917
Paid-in Capital	¥22,793 million (US\$193,079 thousand)
Stock Exchange	First Section, Tokyo Stock Exchange
Transfer Agent	Chuo-Mitsui Trust & Banking Co., Ltd. 7-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104, Japan
Head Office	7-2-35 Higashi-ogu Arakawa-ku, Tokyo 116-8554, Japan Telephone: +81-3-4455-2803 FAX: +81-3-3809-8210
Main Branch Office	Osaka
Branch Offices	Nagoya, Fukuoka
Sales Offices	Sapporo, Sendai, Okayama
Plants	Kashima, Chiba, Mie, Fuji, Akashi, Soma
Research and Development Laboratory	【Chemical R&D Laboratory】 Ogu, Urawa, Kuki 【Food R&D Laboratory】 Ogu(Tokyo), Osaka(Osaka), Nagoya(Aichi)
Major Shareholders	Japan Trustee Services Bank, Ltd.(Trust Account) The Master Trust Bank of Japan, Ltd.(Trust account) Asahi Mutual Life Insurance Co., Ltd. Trust & Custody Services Bank, Ltd. National Mutual Life Insurance Co.

ADEKA CORPORATION
CONSOLIDATED BALANCE SHEET

As of March 31, 2007 and 2006

Assets

	Millions of yen		Thousands of U.S.
	2007	2006	dollars (Note 1)
	<u>2007</u>	<u>2006</u>	<u>2007</u>
I Current assets:			
1, Cash and time deposits	¥15,563	¥10,786	\$ 131,834
2, Notes and accounts (Note)	42,479	38,160	359,839
3, Marketable securities	3,440	3,835	29,140
4, Inventories (Note)	29,012	24,142	245,760
5, Deferred tax	1,694	1,741	14,350
6, Other	4,472	5,323	37,882
7, Allowance for doubtful receivables	(355)	(318)	(3,007)
Total current assets	<u>96,577</u>	<u>83,670</u>	<u>818,102</u>
II Fixed Assets			
1, Tangible fixed assets			
(1) Buildings and structures	47,784	41,707	404,778
Accumulated depreciation	26,922	25,853	228,056
(2) Machinery, equipment and transportation equipment	91,951	87,106	778,916
Accumulated depreciation	68,031	65,311	576,290
(3) Land (Note)	20,622	19,644	174,689
(4) Construction in progress	1,527	2,419	12,935
(5) Other	18,053	16,547	152,927
Accumulated depreciation	13,372	13,071	113,274
Total tangible fixed assets (Note)	<u>71,252</u>	<u>63,188</u>	<u>603,575</u>
2, Intangible Fixed Assets			
(1) Software	510	441	4,320
(2) Other (Note)	744	682	6,302
Total Intangible Fixed Assets	<u>1,255</u>	<u>1,124</u>	<u>10,631</u>
3, Investments and other assets:			
(1) Investments securities (Note)	38,026	40,175	322,118
(2) Long-term loans receivable	447	1,176	3,787
(3) Deferred tax	247	179	2,092
(4) Other (Note)	1,988	2,273	16,840
(5) Allowance for doubtful receivables	(1,002)	(999)	(8,488)
(6) Allowance for loss of investments	(475)	(365)	(4,024)
Total investments and other assets	<u>39,232</u>	<u>42,441</u>	<u>332,334</u>
Total Fixed Assets	<u>111,741</u>	<u>106,753</u>	<u>946,557</u>
Total	<u>¥208,318</u>	<u>¥190,424</u>	<u>\$ 1,764,659</u>

See accompanying Notes to Consolidated Financial Statements.

Liabilities and Shareholders' Equity

Thousands of U.S.
dollars (Note 1)

	Millions of yen		
	2007	2006	2007
Liabilities:			
I .Current liabilities:			
1, Notes and accounts payable (Note)	¥33,397	¥29,163	\$ 282,906
2, Short-term loans payable	14,178	9,892	120,102
3, Accrued income taxes	4,139	4,370	35,061
4, Reserve for bonuses	2,043	2,009	17,306
5, Reserve for directors' and statutory auditors' bonuses	60	-	508
6, Other (Note)	8,029	8,430	68,014
Total current liabilities	<u>61,848</u>	<u>53,867</u>	<u>523,914</u>
II .Long-term liabilities:			
1, Long-term loans payable (Note)	10,353	6,623	87,700
2, Deferred tax liabilities	1,094	1,929	9,267
3, Deferred tax liabilities due to land revaluation (Note)	4,732	4,732	40,085
4, Reserve for retirement benefits	8,578	8,276	72,664
5, Liability for director and statutory auditor retirement benefits	467	534	3,956
6, Other	1,999	1,820	16,934
Total long-term liabilities	<u>27,225</u>	<u>23,916</u>	<u>230,623</u>
Total liabilities	<u>89,074</u>	<u>77,783</u>	<u>754,545</u>
Minority interests:			
Minority interests	-	1,895	-
Shareholders' equity:			
I .Capital stock (Note)	-	22,713	-
II .Capital surplus	-	19,739	-
III .Retained earnings	-	57,508	-
IV .Reserve for land revaluation (Note)	-	3,333	-
V .Unrealized valuation gains on other securities-net	-	7,211	-
VI .Cumulative foreign currency translation adjustments	-	402	-
VII .Treasury stock (Note)	-	(163)	-
Total shareholders' equity	-	<u>110,745</u>	-
Total Liabilities, Minority interests and Shareholders' equity	-	<u>¥190,424</u>	<u>\$ -</u>

	Millions of yen		Thousands of U.S.
	2007	2006	dollars (Note 1)
Net assets:			
I .Shareholders Equity:			
1, Capital stock	¥22,793	-	\$ 193,079
2, Capital surplus	19,819	-	167,886
3, Retained earnings	63,759	-	540,102
4, Treasury stock	(173)	-	-1,465
Total shareholders equity	<u>106,200</u>	-	<u>899,619</u>
II .Valuation and Exchange Differential:			
1, Valuation difference on available-for-sale securities	6,314	-	53,486
2, Reserve for land revaluation (Note)	3,333	-	28,234
3, Translation adjustments	807	-	6,836
Total valuation and translation adjustments	<u>10,455</u>	-	<u>88,564</u>
III .Minority interests:			
Minority interests	2,588	-	21,923
Total net assets	<u>119,244</u>	-	<u>1,010,114</u>
Total liabilities and net assets	<u>208,318</u>	-	<u>1,764,659</u>

See accompanying Notes to Consolidated Financial Statements.

ADEKA CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2007 and 2006

	Millions of yen		Thousands of U.S.
			dollars (Note 1)
	2007	2006	2007
I. Cash flows from operating activities			
1, Income before income taxes, etc.	15555	15,754	131,766
2, Depreciation	6581	5,990	55,748
3, Loss on valuation of investment securities	81	164	686
4, Gain on sale of investment securities	(109)	(3)	(923)
5, Loss on valuation of available-for-sale securities	16	1	136
6, Increase in allowance for doubtful accounts	14	258	119
7, Gain on accrued pension and severance costs	263	38	2,228
8, Interest received	(513)	(483)	(4,346)
9, Dividends received	443	289	3,753
10, Exchange losses	(141)	(56)	(1,194)
11, Equity in earnings	(459)	(224)	(3,888)
12, Loss on disposal of property, plant and equipment	513	391	4,346
13, Loss on retirement of fixed assets	(13)	(2)	(110)
14, Loss on sale of fixed assets	475	-	4,024
15, Diminution loss	-	363	-
16, Increase in trade receivable	(3618)	3,056	(30,648)
17, Increase in inventories	(2734)	(1,904)	(23,160)
18, Increase in trade payables	2958	(1,408)	25,057
19, Other	(970)	846	(8,217)
Net	18343	23,070	196,390
20, Interest and cash dividends received	592	536	5,015
21, Interest paid	(436)	(290)	(3,693)
22, Income taxes paid	(6,080)	(7,790)	(51,504)
Total	12,418	15,526	132,169
II. Cash flows from investing activities			
1, Proceeds from sale of marketable securities	99	398	839
2, Payment for purchase of property, plant and equipment	(9,337)	(8,126)	(79,094)
3, Payment for purchase of intangible assets	(248)	(263)	(2,101)
4, Payment for purchase of investment securities	(832)	(1,241)	(7,048)
5, Proceeds from sale of investment securities	190	69	1,609
6, Payments for acquisition of equity of subsidiaries and affiliates	(130)	(58)	(1,101)
7, Acquisition of other investments	(137)	(169)	(1,161)
8, Other	20	(304)	(2,604)
Total	(10,376)	(9,696)	(87,895)
III. Cash flows from financing activities			
1, Decrease in short-term debt	1,923	(2,072)	16,290
2, Proceeds from long-term debt	7,953	927	67,370
3, Repayment of long-term debt	(6,184)	(3,570)	(52,385)
4, Proceeds from issuance of common stocks	160	626	1,355
5, Dividends paid	(2,367)	(1,637)	(20,051)
6, Dividends paid to minority shareholders	(61)	(68)	(517)
7, Other	(120)	(98)	(833)
Total	1,303	(5,892)	11,038
IV. Effect of exchange rate changes on cash and cash equivalents	80	226	678
V. Net decrease in cash and cash equivalents	3,426	163	29,022
VI. Cash and cash equivalents at beginning of period	14,052	13,243	119,034
VII. Increase in cash and cash equivalents for new consolidated subsidiaries	541	645	4,583
VIII. Cash and cash equivalents at end of period	18,020	14,052	152,647

ADEKA CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

For the two years ended March 31, 2007 and 2006

	Millions of yen		Thousands of U.S. dollars (Note 1)
	<u>2007</u>	<u>2006</u>	<u>2007</u>
I. Net sales	174,284	165,043	\$ 1,476,357
II. Cost of sales	132,742	123,402	1,124,456
Gross Profit	41,541	41,640	351,893
III. Selling, general and administrative expenses	24,916	24,355	207,329
Operating income	16,624	17,285	140,822
IV. nonoperating income:			
1, Interest received	105	109	889
2, Dividends received	407	374	3,448
3, Equity in earnings	459	224	3,888
4, Gain on fluctuation of foreign exchange	191	293	1,618
5, Other income	358	311	3,033
V. nonoperating expenses			
1, Interest received	(443)	(289)	(3,753)
2, Loss on the disposal of inventories	(419)	(303)	(3,549)
3, Loss on valuation of inventories	(233)	(123)	(1,974)
4, Provision for allowance for bad debt	-	(136)	-
5, Other losses	(388)	(353)	(3,287)
Ordinary income	16,660	17,391	141,127
VI. Extraordinary income			
1, Gain on sale of investment securities	109	-	923
VII. Extraordinary losses			
1, Loss on the disposal of fixed assets	(513)	(391)	(4,346)
2, Loss on impairment long-lived assets	-	(363)	-
3, Valuation loss of investment securities	(81)	(164)	(686)
4, Valuation loss of available-for-sale securities	(16)	-	(136)
5, Loss on valuation in stocks of affiliated company	(53)	-	-
6, Provision for allowance for loss on investment	(475)	-	(4,024)
7, Expense by the voluntary recall of products	(73)	-	-
8, Expense required for abolition of qualified retirement scheme	-	(717)	-
Income before income taxes	15,555	15,754	131,766
Income taxes:			
Income taxes, residence taxes and enterprise taxes	5,787	6,510	49,022
Income tax effect adjustment	193	(170)	1,635
Minority interests in earnings of consolidated subsidiaries	216	280	1,830
Net income	9,358	9,133	\$ 79,271
Per share amounts	yen		U.S. dollars (Note 1)
Net income (primary)	90.84	88.47	\$ 0.77
Net income (fully diluted)	90.39	87.55	\$ 0.77
Cash dividends	22.00	20.00	\$ 0.19

See accompanying Notes to Consolidated Financial Statements

ADEKA CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

For the two years ended March 31, 2007 and 2006

	Millions of yen			
	Number of Shares issued	Common stock	Capital surplus	Retained earnings
Balance at March 31, 2005	102,471,942	¥22,399	¥19,425	¥49,896
Increase by exercise of right to reserve new stock	-	¥314	¥314	-
Net income	-	-	-	9,133
Reversal from gain on land revaluation excess	-	-	-	199
Cash dividends paid	-	-	-	(1,638)
Directors' and statutory auditors' bonuses	-	-	-	(52)
Decrease in surplus of newly consolidated subsidiaries	-	-	-	(30)
Balance at March 31, 2006	103,212,942	¥22,713	¥19,739	¥57,508
Increase by exercise of right to reserve new stock	-	¥80	¥80	-
Net income	-	-	-	9,358
Cash dividends paid	-	-	-	(2,371)
Directors' and statutory auditors' bonuses	-	-	-	(66)
Decrease in surplus of newly consolidated subsidiaries	-	-	-	(668)
Balance at March 31, 2007	103,401,942	¥22,793	¥19,819	¥63,759

	Thousands of U.S. dollars		
	Common stock	Capital surplus	Retained earnings
Balance at March 31, 2006	192,402	167,209	487,150
Increase by exercise of right to reserve new stock	677	677	-
Net income	-	-	79,271
Cash dividends paid	-	-	(20,085)
Directors' and statutory auditors' bonuses	-	-	(559)
Decrease in surplus of newly consolidated subsidiaries	-	-	(5,675)
Balance at March 31, 2007	\$ 193,079	\$ 167,886	\$ 540,102

TO CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presenting Financial Statements

The accompanying consolidated financial statements of ADEKA Corporation. (the "Company") and its consolidated subsidiaries (together the "Companies") have been prepared in accordance with accounting principles and practices generally accepted in Japan and have been compiled from the consolidated financial statements filed with the Ministry of Finance in Japan.

In these statements, the accompanying notes include additional information that is not required under accounting principles and practices generally accepted in Japan.

The U.S. dollar amounts included herein are solely for the convenience of readers outside Japan and have been translated from the Japanese yen amounts at the rate of ¥118.05 = US\$1, the approximate exchange rate prevailing on March 31, 2007.

I. Basic Matters for Creating Consolidated Financial Statements

Consolidated fiscal year under review (From April 1, 2006 to March 31, 2007)

1. Scope of consolidation

(1) Consolidated subsidiaries (21 companies)

- ADEKA Chemical Supply Corp.
- ADEKA Clean Aid Corp.
- ADEKA Fine Foods Corp.
- ADEKA Engineering & Construction Corp.
- Amfine Chemical Corp.
- ADEKA (Singapore) Pte. Ltd.
- Oxirane Chemical Corp.
- ADEKA Foods Sales Corp.
- ADEKA Logistics Corp.
- Chang Chiang Chemical Co., Ltd.
- Yongo Co., Ltd.
- ADEKA Korea Corp.
- ADEKA Fine Chemical Korea Corp.
- ADEKA (Asia) Pte. Ltd.
- ADEKA Europe GmbH
- ADEKA Fine Chemical Taiwan Corp.
- ADEKA Palmarole SAS
- ADEKA (Shanghai) Co., Ltd.
- ADEKA Fine Chemical (Shanghai) Co., Ltd.
- ADEKA Fine Chemical (Changshu) Co., Ltd.
- ADEKA Life-Create Corp.

Because of their increased importance, the Company has decided to include ADEKA (Shanghai) Co., Ltd., ADEKA Fine Chemical (Shanghai) Co., Ltd., ADEKA Fine Chemical (Changshu) Co., Ltd. and ADEKA Life-Create Corp. in the scope of consolidation from the fiscal year under review.

(2) Non-consolidated subsidiaries

The major non-consolidated subsidiaries are as follows:

Tokyo Environmental Measurement Center Co., Ltd. and Uehara Foods Industry Co., Ltd.

Since the total assets, sales, net income, retained earnings, etc. of 13 non-consolidated subsidiaries do not have a significant influence on consolidated financial statements, they are excluded from the scope of consolidation.

2. Application of the equity method

(1) Scope of application of the equity method

Three of 19 affiliates: Nihon Nohyaku Co., Ltd., Kashima Chemical Co., Ltd. and CO-OP Clean Co., Ltd.

Since 13 non-consolidated subsidiaries (including Tokyo Environmental Measurement Center) and 16 affiliates (including Kashima Chlorine & Alkali) to which the equity method is not applied each has only a slight influence on consolidated net income, retained earnings, etc., and as a whole their impact is of little significance, they are excluded from the scope of the equity method.

(2) Fiscal years of equity method affiliates

The accounting dates of Nihon Nohyaku, Kashima Chemical and CO-OP Clean are September 30, December 31 and March 20, respectively. The adjustments necessary for application of the equity method are made for each affiliate.

3. Fiscal years of consolidated subsidiaries

(1) The accounting date of Amfine Chemical Corp., ADEKA (Singapore) Pte. Ltd., Chang Chiang Chemical Co., Ltd., ADEKA Korea Corp., ADEKA Fine Chemical Korea Corp., ADEKA (Asia) Pte. Ltd., ADEKA Europe GmbH, ADEKA Fine Chemical Taiwan Corp., ADEKA Palmarole SAS, ADEKA (Shanghai) Co., Ltd., ADEKA Fine Chemical (Shanghai) Co., Ltd. and ADEKA Fine Chemical (Changshu) Co., Ltd. is December 31.

The financial statements as of December 31 are used in preparing consolidated financial statements. Adjustments necessary for consolidated accounting are made in relation to transactions occurring between the date and the consolidated accounting date.

(2) The accounting date of eight companies including ADEKA Chemical Supply Corp. is March 31.

4. Accounting practices

(1) Valuation standards and methods for important assets

(a) Securities

(i) Shares of subsidiaries and affiliates

Mainly the cost method based on the moving-average method is applied.

(ii) Other securities

· Securities with market value

For stocks the market value method based on the average of market prices in a month preceding the end of the fiscal year is used; for other securities the market value method based on the market price at the end of the fiscal year is used (valuation variance is reported as a component of net assets, and cost of products sold is calculated mainly using the moving-average method).

· Securities without market value

Mainly the cost method based on the moving-average method is employed.

(b) Derivatives

The market value method is applied.

(c) Inventories

Products, half-finished products, products in progress

The Company applies the lower-of-cost-or-market method using the gross average method, and consolidated subsidiaries employ mainly the cost method using the moving-average method.

Articles for sale

Mainly the last cost method is applied.

Raw materials and inventory goods

The Company applies the lower-of-cost-or-market method using the moving-average method, and consolidated subsidiaries employ mainly the cost method using the moving-average method.

(2) Depreciation method for important depreciable assets

(a) Tangible fixed assets

The fixed amount method is applied for the Company's buildings (excluding equipment attached to the buildings) and machinery. The fixed percentage method is employed for others.

Durable years are as follows:

Buildings and structures	3 to 60 years
Machinery and vehicles	7 to 17 years
Others	3 to 20 years

(b) Intangible fixed assets

The fixed amount method is used.

The fixed amount method based on an estimated useful life of five years is applied for software (in-house use).

(3) Accounting procedure for deferred assets

All new share delivery costs are accounted for as expenses at the time of payment.

(4) Accounting standards for allowances

(a) Allowance for bad debt

The Company records estimated unrecoverable amounts based on loan loss ratio for general debts and considering the collectibility of each specific debt such as possible bad debt in anticipation of default of credit such as bills receivable, accounts receivable—trade and loans.

(b) Investment loss reserve

In anticipation of loss from investment in affiliates, the Company posts a necessary amount, taking the financial conditions and collectibility of the affiliates into consideration.

(c) Accrued bonuses

The Company records an estimated bonus amount to pay in the fiscal year under review so that it will appropriate the amount for the payment of bonuses for employees.

(d) Accrued officers' bonuses

The Company posts an estimated bonus amount to pay in the fiscal year under review so that it will appropriate the amount for the payment of bonuses for officers.

(e) Accrued retirement benefits

In anticipation of retirement benefits for employees, the Company records the amount estimated to have occurred at the end of the fiscal year under review, based on the estimated liability for retirement benefits.

The past service cost is reported as an expense by means of the fixed amount method for certain years within the employees' average remaining period at the time of the occurrence.

Actuarial differences are reported as an expense from the fiscal year following the fiscal year of the occurrence by means of the fixed amount method for certain years within the employees' average remaining period at the time of the occurrence.

(f) Allowance for officers' retirement bonuses

The Company records an amount to pay at the end of the fiscal year under review under internal regulations so that it will appropriate the amount for the payment of retirement bonuses to be paid when officers retire.

(5) Method for translating assets and liabilities in foreign currencies into yen

Monetary assets and liabilities denominated in foreign currencies are translated into yen based on spot exchange rates on the consolidated accounting date. Translation differences are appropriated as profit and loss.

The assets and liabilities and revenues and expenses of foreign subsidiaries etc. are translated into yen based on spot exchange rates on the consolidated accounting date. Translation differences are included in foreign currency translation adjustments in net assets and in minority interests.

(6) Accounting for important lease transactions

For finance lease transactions where the ownership of leased property is not transferred to the borrower, accounting procedures for ordinary lease transactions are applied.

(7) Other important matters

The net of tax accounting method is used for consumption tax and local consumption tax.

5. Appraisal method for consolidated subsidiaries' assets and liabilities

All assets and liabilities of consolidated subsidiaries are appraised using the fair value method.

6. Amortization of goodwill and negative goodwill

Goodwill and negative goodwill are amortized equally in five years from the occurrence.

7. Scope of funds in consolidated statement of cash flows

Funds (cash and cash equivalents) in the consolidated statement of cash flows consist of cash at hand, demand deposits, and short-term, highly liquid investments, each having its maturity date within three months of the date of acquisition, easily convertible, and having only a slight value fluctuation risk.

II. Change in Basic Matters for Preparing Consolidated Financial Statements

Fiscal year under review (From April 1, 2006 to March 31, 2007)

1. Accounting standard for directors' bonuses

Starting the consolidated fiscal year under review, the Accounting Standard for Directors' Bonus (Accounting Standards Board of Japan Statement No. 4 issued on November 29, 2005) is applied.

Due to the change, operating income and net income before tax adjustments each fell ¥60 million.

(Accounting standard for presentation of net assets in the balance sheet)

Starting the consolidated fiscal year under review, the Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5 issued on December 9, 2005) and the Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8 issued on December 9, 2005) are employed.

The amount corresponding to shareholders' equity in the old standard was ¥116,655 million. In association with the revision of the regulations of consolidated financial statements, net assets in the consolidated balance sheet for the fiscal year under review have been prepared under the revised regulations of consolidated financial statements.

III. Change in presentation

Fiscal year under review From April 1, 2006 To March 31, 2007

1. Consolidated statement of income

Since the item "transfer to allowance for bad debt," which was a separated item for the preceding fiscal year, has become 10% or less of non-operating expense, it is included in the item "others" under non-operating expense.

Transfer to allowance for bad debt included in others of non-operating expense for the fiscal year under review amounts to ¥17 million.

IV. Notes

(Consolidated Balance Sheet)

Fiscal year under review (March 31, 2007)

(Note) 1.

*1. Investment in non-consolidated subsidiaries and affiliates

Investment securities (shares)	¥11,914 million
Others (investments)	1,186 million

*2. Pledged assets

Of tangible fixed assets,

Buildings and structures	¥210 million
Land	280 million
<hr/>	
Total	491 million

are pledged as security for the following debts:

Long-term debt	¥742 million
Current portion of long-term debt	55 million
<hr/>	
Total	797 million

*3. The Company reevaluates land used for business purposes, records tax relating to the revaluation variance in liabilities as a deferred tax liability relating to revaluation, and posts the revaluation variance less the tax in net assets as a revaluation variance for land under the Land Revaluation Law (Law No. 34 of March 31, 1998) and the Laws to Amend the Land Revaluation Law (Law No. 24 of March 31, 1999; Law No. 19 proclaimed on March 31, 2001).

·Revaluation method: The Company makes a reasonable adjustment to the price registered in the land tax register book specified in Article 341, item 10 of the Local Tax Law as stipulated in Article 2, item 3 of the Enforcement Rules of the Land Revaluation Law (Government Ordinance No. 119 of March 31, 1998).

·Date of reevaluation: March 31, 2002

·A difference between the market value and book value after reevaluation of the land reevaluated at the end of the fiscal year under review is the net loss of ¥3,638 million

*4. Goodwill and negative goodwill

A goodwill of ¥96 million is included in "others" in intangible fixed assets.

*5. Notes due at the end of the fiscal year under review

Although the end of the fiscal year under review was a bank holiday, notes due at the end of the fiscal year is accounted for as if they were settled on the maturity date.

The following is a breakdown of notes due at the end of the fiscal year:

Notes receivable:	¥1,031 million
Notes payable:	1,990 million

(Note) 2. Guarantee obligation

There are guarantee obligations to the debts of the following companies:

ADEKA Foods (Changshu) Co., Ltd.	¥368 million
ADEKA Fine Chemical (Thailand) Co., Ltd.	337 million
UEHARA Foods Industry Co., Ltd.	270 million
Kyokuyu Sangyo K.K.	89 million
Ito Seipan K.K.	80 million
Others	0 million
<hr/>	
Total	1,144 million

(Note) 3. Liquidation of sales credit

The Group has conducted a liquidation of credit by transferring part of its sales credit and is required to make repurchase through notes receivable liquidation trading.

Obligation to repurchase through notes receivable liquidation trading	¥321 million
<hr/>	
Total	321 million

(Consolidated Statement of Income)

Fiscal year under review (from April 1, 2006 to March 31, 2007)

*1. Selling, general and administrative expenses

Major expense items and their amounts are as follows:

Freight out:	¥6,505 million
Wages and bonuses:	5,164 million
Research and development expense:	3,448 million
Provision for bonuses:	823 million
Transfer from retirement allowance reserve:	368 million
Transfer from officers' retirement allowance reserve:	165 million
Provision for officers' bonuses:	60 million
Transfer to allowance for bad debt	41 million

*2. Research and development expense included in general and administrative expenses and production costs for the fiscal year under review ¥7,014 million

*3. Breakdown of loss on disposals of fixed assets is as follows:

Buildings and structures:	¥137 million
Machinery and vehicles:	244 million
Others:	131 million

(Consolidated Statement of Change in Owners' Equity)

Fiscal year under review (from April 1, 2006 to March 31, 2007)

1. Type and number of shares issued and type and number of shares of treasury stock

	Number of shares at end of previous fiscal year (shares)	Increase in number of shares during fiscal year under review (shares)	Decrease in number of shares during fiscal year under review (shares)	Number of shares at end of fiscal year under review (shares)
Number of shares issued Common stock (Note 1)	103,212,942	189,000	-	103,401,942
Total	103,212,942	189,000	-	103,401,942
Number of shares of treasury stock Common stock (Note 2)	271,912	6,435	-	278,347
Total	271,912	6,435	-	278,347

(Note) 1). The number of common shares issued increased 189,000 shares through the exercise of stock options.

2). Common shares of treasury stock increased 6,435 shares, which include an increase of 6,190 shares through fractional share repurchases and 245 shares of treasury stock (stock of the Company) acquired by equity method affiliates and belonging to the Company.

2. New share subscription rights

Classification	Breakdown of new share subscription rights	Type of shares for new share subscription rights	Number of shares for new share subscription rights (shares)				Balance at end of fiscal year under review (million yen)
			End of previous fiscal year	Increase during fiscal year under review	Decrease during fiscal year under review	End of fiscal year under review	
Submitting company (parent company)	2001 new share subscription rights	Common stock	600,000	-	194,000	406,000	-
Total		-	600,000	-	194,000	406,000	-

(Note) 1). In the fiscal year under review, the number of new share subscription rights fell 189,000 shares through the exercise of new share subscription rights and 5,000 shares through loss of new share subscription rights.

2). All the above new share subscription rights can be exercised.

3. Dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Annual shareholders' meeting on June 27, 2006	Common share	1,236	12	March 31, 2006	June 27, 2006
Board of Directors meeting on November 15, 2006	Common share	1,134	11	September 30, 2006	December 7, 2006

(2) Dividends whose record date belongs to the fiscal year under review but whose effective date belongs to the next fiscal year

(Resolution)	Type of shares	Total amount of dividends (million yen)	Money to pay dividends	Dividend per share (yen)	Record date	Effective date
Annual shareholders' meeting on June 22, 2007	Common share	1,135	Retained earnings	11	March 31, 2007	June 25, 2007

(Consolidated Statement of Cash Flows)

Fiscal year under review (from April 1, 2006 to March 31, 2007)

1. Relationship between cash and cash equivalents at the end of the year and amounts recorded in the consolidated balance sheet

Cash and deposits	¥15,563 million
Deposits committed for more than three months	(856) million
Cash and cash equivalents within MMFs included in the securities account	3,313 million
Cash and cash equivalents	18,020 million

(Lease Transactions)

Fiscal year under review (from April 1, 2006 to March 31, 2007)

Finance lease transactions where the ownership of leased property is not transferred to the borrower

(i) Acquisition cost equivalent, accumulated depreciation, accumulated impairment loss and outstanding balance at end of fiscal year of leased property

	Machinery and vehicles	Others	Total
	Million yen	Million yen	Million yen
Acquisition cost equivalent	400	677	1,077
Amount equivalent to accumulated depreciation	234	290	525
Outstanding balance at end of fiscal year	165	386	552

Since the rate of the outstanding leasing charge at the end of the term to the tangible fixed assets at the end of the term is low, the acquisition cost equivalent is inclusive of interest expenses.

(ii) Outstanding leasing charge for the remaining period at the end of the term, etc.

Outstanding leasing charge for the remaining period at the end of the term

Within one year	¥176 million
Over one year	375 million
Total	552 million

Since the outstanding leasing charge at the end of the term as a percentage of the tangible fixed assets at the end of the term is low, the outstanding leasing charge at the end of the term is inclusive of interest expenses.

(iii) Leasing fees paid, amount paid in lease property impairment account, depreciation expense and impairment loss

Leasing fees paid	¥205 million
Depreciation expense	205 million

(iv) Accounting method for depreciation expense

The fixed amount method is applied. The lease period is durable years, and residual value is zero.

Operating lease transaction

Leasing charge for the remaining period	
Within one year	¥53 million
Over one year	510 million
Total	563 million

(Impairment loss)

There is no impairment loss allotted to leased property.

(Securities)

1. Other securities with market value

Classification	Fiscal year under review (March 31, 2007)		
	Acquisition cost (million yen)	Consolidated balance sheet amount (million yen)	Difference (million yen)
Types			
Securities whose amount recorded in the consolidated balance sheet exceeds the acquisition cost			
(i) Stocks	7,885	17,934	10,049
(ii) Bonds	-	-	-
(iii) Others	898	1,026	127
Subtotal	8,783	18,961	10,177
Securities whose amount recorded in the consolidated balance sheet does not exceed the acquisition cost			
(i) Stocks	479	425	(53)
(ii) Bonds	60	59	(0)
(iii) Others	1,203	1,190	(13)
Subtotal	1,742	1,675	(67)
Total	10,526	20,636	10,109

2. Other securities sold

Fiscal year under review (from April 1, 2006 to March 31, 2007)

Sale proceeds	¥289 million
Total gain from sale	109 million
Total loss from sale	1 million

3. Major securities without market value

Securities	Fiscal year under review (March 31, 2007)
Other securities	Consolidated balance sheet amount (million yen)
(i) Unlisted shares	4,350
(ii) Unlisted bonds	10
(iii) MMF	3,333
(iv) Others	29

4. Scheduled Redemption Amounts for Other Securities with Maturity

Type	Fiscal year under review (March 31, 2007)			
	Within one year (million yen)	Over one year, within five years (million yen)	Over five years, within ten years (million yen)	Over ten years (million yen)
(i) Bond				
Public and corporate bonds	-	60	-	-
Others	0	8	1	-
(ii) Others	105	1,470	-	-
Total	106	1,538	1	-

(Derivatives trading)

1. Situation of trading

(1) Types of trading

The Company performs exchange reservation transactions in relation to currencies, and the Company and certain subsidiaries conduct interest swap transactions in relation to interest rates.

(2) Policy for trading

The Company will carry out all derivatives transactions within the scope of actual transactions and will not perform speculative derivatives trading.

We conduct exchange reservation transactions in such a way that the purchase amount does not exceed the settlement amount and that the booked date is the same as the settlement amount.

We perform interest swap transactions within the actual amount raised.

(3) Purpose of trading

The Company and certain subsidiaries conduct the above trading to hedge the exchange and interest-rate risks and to reduce interest expenses.

(4) Risks relating to trading

Derivatives transactions related to currency exchange and interest rates involve market risks caused by foreign exchange and interest rate changes and credit risks associated with defaults by counterparties. Since derivatives trading is carried out to hedge part of the actual amount of trading, we think that market risks arising from the trading are associated with actual transactions.

We perform transactions with financial institutions with good credit and thus believe that there are no credit risks involved.

(5) Risk management system in relation to transactions

Derivative transactions by the Company and certain subsidiaries are approved under internal regulations, and transactions are reported to relevant officers regularly.

2. Market Values etc. of Transactions

Contract price, market value and appraisal profit or loss of derivatives trading

(1) Currency-related trading

Classification	Type	Fiscal year under review (March 31, 2007)			
		Contract price (million yen)	Price of contracts for more than one year (million yen)	Market value (million yen)	Appraisal profit/loss (million yen)
Transaction other than market transactions	Exchange reservation transaction				
	Purchase order Singapore dollar	1,446	-	1,452	5
	Selling order Euro	773	-	785	(11)
Total		-	-	-	(6)

(Note) Market value accounting method

Exchange reservation transaction

Forward exchange rate is applied.

(2) Interest rate-related trading

Type	Fiscal year under review (March 31, 2007)			
	Contract price (million yen)	Price of contracts for more than one year (million yen)	Market value (million yen)	Appraisal profit/loss (million yen)
Interest swap transaction Floating receipt, fixed payment	5,740	5,740	(21)	(21)
Total	5,740	5,740	(21)	(21)

(Note) Market value accounting method

Interest swap transaction

The price offered by the correspondent financial institution is used.

(Retirement Benefits)

1. Outline of the retirement benefit plan adopted Fiscal year under review (March 31, 2007)

The Company and certain consolidated subsidiaries have established a retirement lump-sum grants plan, which is a defined-benefit plan, and a retirement benefit scheme, which is a defined-contribution plan.

The other domestic subsidiaries participate in a smaller enterprise retirement allowance mutual aid system. Additional retirement benefits may be paid when employees retire.

2. Retirement benefit debt

	Fiscal year under review (March 31, 2007)
a. Retirement benefit debt (million yen)	(11,925)
b. Pension assets (million yen)	-
c. Non-reserved retirement benefit debt (million yen) (a + b)	(11,925)
d. Unrecognized past service liabilities (million yen)	2,090
e. Unrecognized actuarial losses (million yen)	1,256
f. Net amount recorded on consolidated balance sheet (million yen) (c + d + e)	(8,578)
g. Prepaid pension expenses (million yen)	-
h. Allowance for retirement benefits (million yen) (f - g)	(8,578)

(Note) Some subsidiaries use simple methods for calculating retirement benefit debt.

3. Matters Relating to Retirement Benefit Expenses

	Fiscal year under review (March 31, 2007)
a. Employment expense (million yen) (Note 2)	649
b. Interest cost (million yen)	226
c. Expected investment profit (million yen)	-
d. Amount of expense appropriated for past service liabilities (million yen)	132
e. Amount of expense appropriated for actuarial losses (million yen)	95
f. Retirement benefit expenses (million yen) (a + b + c + d + e)	1,102
g. Expenses for abolishing approved retirement annuity system (million yen) (Note 3)	-
Total (million yen)	1,102

(Note) 1). Items a through e for the previous fiscal year includes expenses relating to the approved retirement annuity system until February 1, 2006, when the system was abolished.

2). The retirement benefit expenses of the consolidated subsidiaries using simple methods are recorded in item a. "employment expense."

3). In association with the abolishment of the approved retirement annuity system, item g. above was calculated based on the Accounting in Relation to Transfer between Retirement Benefit Schemes (Accounting Standards Board Japan Guidance No. 1 issued on January 31, 2002) and was recorded as an extraordinary loss.

4). In addition to the above retirement benefit expenses, the Company and certain consolidated subsidiaries recorded retirement benefit expenses for their defined-contribution plans. The additional expenses amounted to ¥128 million for the fiscal year under review and ¥125 million for the previous fiscal year.

4. Matters relating to retirement benefit expenses

	Fiscal year under review (March 31, 2007)
a. Method of allocating expected retirement benefits to periods of service	Same amount for each term
b. Discount rate	Mainly 2.1%
c. Expected investment earning ratio	-
d. Years for handling past service liabilities	Reported as an expense by means of the fixed amount method for certain years within the employees' average remaining years of service at the time of occurrence.
e. Years for handling actuarial losses	Reported as an expense from the fiscal year following the fiscal year of occurrence by means of the fixed amount method for certain years within the employees' average remaining years of service at the time of occurrence.

(Stock Options)

Fiscal year under review (from April 1, 2006 to March 31, 2007)

Description, scale and change of stock options

(1) Description of stock options

	2001 stock option
Classifications and numbers of persons given stock options	14 directors of the Company 1,068 employees of the Company
Number of stock options	2,076,000 common shares
Grant date	August 1, 2001
Conditions for rights being vested	Qualified as a director or an administration officer of the Company on June 27, 2001, a managerial-level staff member, or an employee working for the Company for ten years or more on April 1, 2001
Period of service	From August 1, 2001 to June 30, 2003
Period for exercising rights	Four years (July 1, 2003 to June 30, 2007)

(2) Scale and change of stock options

Stock options existed in the fiscal year under review are counted. The number of stock options are converted to the number of shares.

(i) Number of stock options

	2001 stock option
Rights yet to be vested (shares) At the end of the preceding fiscal year	-
Granted	-
Lost	-
Vested	-
Yet to be vested	-
Rights vested (shares) At the end of the preceding fiscal year	600,000
Vested	-
Rights exercised	189,000
Lost	5,000
Yet to be vested	406,000

(ii) Unit price information

	2001 stock option
Exercise price (yen)	848
Stock average at the time of exercise (yen)	1,409
Fair unit price (grant date) (yen)	-

(Tax Effect Accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by reason of occurrence

	Fiscal year under review (March 31, 2007)
Deferred tax assets	
Accrued bonuses	¥815 million
Reversal of unpaid enterprise tax	263 million
Allowance for retirement benefits	3,442 million
Allowance for doubtful accounts in excess of the limit for income tax deduction	386 million
Allowance for investment losses in excess of the limit for income tax deduction	191 million
Reversal of loss on impairment of fixed assets	146 million
Reversal of loss on devaluation of shares	153 million
Reversal of loss on devaluation of other investments	103 million
Reversal of allowance for directors' retirement bonuses	164 million
Unrealized gains	311 million
Others	628 million
Deferred tax assets subtotal	6,606 million
Allowance account	(1,438) million
Deferred tax assets total	5,167 million
Deferred tax liabilities	
Reserve for deferred tax on fixed assets	(143) million
Other differences on revaluation of securities	(4,020) million
Others	(182) million
Net deferred tax assets	821 million

(Note) Net deferred tax assets in the preceding fiscal year and the fiscal year under review are included in the following accounts in the consolidated balance sheets.

	Fiscal year under review (March 31, 2007)
Current assets—deferred tax assets	¥1,694 million
Fixed assets—deferred tax assets	247 million
Current liabilities—others	(26) million
Fixed liabilities—deferred tax liabilities	(1,094) million

2. Major items leading to a difference between the legal effective tax rate and actual effective tax rate after the application of tax effect accounting

In the fiscal year under review, the difference between the legal effective tax rate and actual effective tax rate after the application of tax effect accounting was 5% or less of the legal effective tax rate. Hence a note is omitted.

(Segment Information)

[Segment information by business type]

Fiscal year under review (from April 1, 2006 to March 31, 2007)

	Chemical products (million yen)	Food products (million yen)	Others (million yen)	Total (million yen)	Elimination or company-wide (million yen)	Consolidated (million yen)
I. Sales and operating income						
Sales						
(1) Sales to external customers	122,102	44,955	7,226	174,284	-	174,284
(2) Internal sales or transfers among segments	274	45	10,763	11,084	(11,084)	-
Total	122,377	45,001	17,989	185,368	(11,084)	174,284
Operating expense	108,040	43,560	17,103	168,703	(11,044)	157,659
Operating income	14,336	1,441	886	16,664	(39)	16,624
II. Assets, depreciation and amortization, and capital expenditure						
Assets						
Depreciation and amortization	4,835	1,773	35	6,644	(63)	6,581
Capital expenditure	9,219	2,597	25	11,843	(58)	11,784

(Note) 1). Classification into business segments is based on the types and characteristics of products

2). Main products of each business segment

Business segment	Main product	
Chemical product	IT-related and electronics chemicals	Highly purity materials for semiconductors, AFES Systems and etching and agents, imaging materials, speciality materials, optical recording materials, optical hardening resins, etc.
	Functional chemicals	Plasticizers, stabilizers, additives for polyolefines, flame retardants, surfactants, lubricants, detergents(for industrial cleaning, etc.), metal working fluid, thermal storage materials, epoxy resins, polyurethanes, water-borne-type epoxy and urethane, water-swelling rubber elastic sealants, etc.
	Basic chemicals	Caustic soda, sodium silicate, colloidal silica, fatty acids, glycerin, metal soap, propylene glycol, hydrogen peroxide, etc.
Food product	Margarine and fat spread, shortening, lard, oils and fats for chocolate, edible oils, edible hydrogenated oils, whipping cream, various fillings, enriched milk products, frozen pie crusts, mayonnaise and dressing, frozen processed fishery products, food additive preparations, etc.	
Others	Design of equipment plants, construction and management of construction of plants, facility maintenance, distribution, warehousing, leasing of vehicles, real estate business, insurance agency, etc.	

3. Of assets for the preceding fiscal year, company-wide assets included in the category of elimination or company-wide were 28,733 million yen, which was mainly consisted of surplus funds (cash and securities) and long-term investment funds (investment securities).

Of assets for the fiscal year under review, company-wide assets included in the category of elimination or company-wide were 26,186 million yen, which was mainly consisted of surplus funds (cash and securities) and long-term investment funds (investment securities).

[Geographical Segment Information]

Fiscal year under review (from April 1, 2006 to March 31, 2007)

	Japan (million yen)	Asia (million yen)	Others (million yen)	Total (million yen)	Elimination or company-wide (million yen)	Consolidated (million yen)
I. Sales and operating income						
Sales						
(1) Sales to external customers	145,517	17,996	10,770	174,284	–	147,284
(2) Internal sales or transfers among segments	9,423	7,513	70	17,007	(17,007)	–
Total	154,940	25,510	10,841	191,291	(17,007)	174,284
Operating expense	139,865	24,252	10,480	174,598	(16,939)	157,659
Operating income	15,074	1,258	361	16,693	(68)	16,624
II. Assets	167,349	17,969	7,670	192,989	15,328	208,318

- (Note) 1). Countries or regions are classified based on geographical proximity.
- 2). Major countries or regions other than Japan are classified as follows:
- Asia: South Korea, Taiwan, Singapore and China
- Others: The United States, Germany and France
- 3). Starting the fiscal year under review, surplus funds (cash and securities) and long-term investment funds (investment securities) of the Company are classified into company-wide assets, taking the consolidated group's development of overseas operations into account. Of assets for the fiscal year under review, company-wide assets classified into the category of elimination or company-wide were 26,186 million yen.

[Overseas Sales]

Fiscal year under review (from April 1, 2006 to March 31, 2007)

	Asia	Others	Total
I. Overseas sales (million yen)	27,924	13,181	41,106
II. Consolidated sales (million yen)	–	–	174,284
III. Ratio of overseas sales to consolidated sales (%)	16.0	7.6	23.6

- (Note) 1). Countries and regions are classified based on geographical proximity.
- 2). Major countries or regions other than Japan are classified as follows:
- Asia: Taiwan, South Korea, China, Singapore, etc.
- Others: The United States, Europe, etc.
- 3). Overseas sales mean sales of the Company and its consolidated subsidiaries outside Japan.

[Transactions with relevant parties]

Fiscal year under review (from April 1, 2006 to March 31, 2007)

1. Officers and major individual shareholders

Classification	Company name	Location	Capital (million yen)	Business	Holdings of voting rights (%)
Company more than half of the voting rights, etc. of which are held by an officer of the company or close relatives	Takara Shoten Co.,Ltd. (Note 1)	Sumida-ku, Tokyo	10	Sale of chemical products	None

Relationship		Details of transactions	Transaction amount (million yen) (Note 3)	Account	Balance at end of term (Note 3)
Interlocking directors	Business relationship				
-	Purchasing the company's products	Purchasing raw materials (Note 2)	32	Accounts payable—trade	14

Business conditions, policy for determining business conditions, etc.

(Note) 1). The company is managed by a close relative of Gocho Masao, a director of the Company.

2). When purchasing a raw material, the Company obtains more than one estimate and determines a source and a price, taking the market price into consideration.

3). The transaction amount does not include consumption tax. The balance at the end of the term includes consumption tax.

(Per-Share Information)

Fiscal year under review (from April 1, 2006 to March 31, 2007)

Net assets per share	1,131.22 yen
Net income per share	90.84 yen
Diluted net income per share	90.39 yen

(Note) The following data are the basis for the net income per share and diluted net income per share.

	Fiscal year under review (From April 1, 2006 to March 31, 2007)
Net income (million yen)	9,358
Amount not available to common stockholders (million yen)	-
(Of the above, officers' bonuses as an appropriation of earnings)	(-)
Net income relating to common stock (million yen)	9,358
Number of shares during the period (thousand shares)	103,019
Net income adjustment (million yen)	-
Increase in the number of common shares (thousand shares)	512
(Of the above, exercise of new stock acquisition rights (thousand shares))	(512)
Outline of potential shares of common stock not included in the calculation of diluted net income per share because of their lack of dilutive effect	-

[Consolidated Supplementary Schedules]

[Schedule of bonds payable]

Company name	Issue	Date of issue	Balance at end of previous term (million yen)	Balance at end of term under review (million yen)	Interest rate (%)	Collateral	Date of redemption
ADEKA Clean Aid Corp.	First unsecured bond (equipment funds and loan repayment)	March 22, 2004	80 (80)	– (–)	0.48	None	March 22, 2007
Total	–	–	80 (80)	– (–)	–	–	–

(Note) Numbers in parentheses for the balance at the end of the previous term and the balance at the end of the term under review are balances of bonds payable within a year.

[Schedule of debts]

Classification	Balance at end of previous term (million yen)	Balance at end of term under review (million yen)	Average interest rate (%)	Due date
Short-term debt	9,892	14,178	2.216	–
Current portion of long-term debt	900	641	3.725	–
Long-term debt (excluding the current portion)	6,623	10,353	2.066	April 2008 to March 2027
Total	17,417	25,172	–	–

(Note) 1. The average interest rate is the weighted average interest rate for the balance of borrowings at the end of the term.

2. The following shows scheduled repayments of the long-term debt (excluding the current portion) within five years of the consolidated accounting date

	Over one year, within two years (million yen)	Over two years, within three years (million yen)	Over three years, within four years (million yen)	Over four years, within five years (million yen)
Long-term debt	687	2,907	5,469	706

3). There is no other interest-bearing debt.

[Others]

Not applicable.