

Supplementary Data for Explaining The 1st Half of the 147th Term Closing of Accounts



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- II . Management Indexes, etc.
- III . For Your Reference
 - Overview of the ADEKA Group
(Consolidated companies ▪ Affiliated companies based on equity method)
 - Core products of each business category

I . Supplementary Data for the Consolidated Closing of Accounts

I -1. Consolidated Balance Sheet

(Unit: ¥ million)

Account name	The 1st half of the fiscal 2008 (As of September 30, 2008)	Fiscal 2007
Assets		
Current assets ①	108,756	100,301
Fixed assets	107,776	112,209
Tangible fixed assets	72,373	73,467
Intangible fixed assets	1,991	1,271
Investment and other assets ②	33,411	37,471
Total assets	216,533	212,511
Liabilities		
Current liabilities		
Total current liabilities ③	67,441	64,680
Long-term liabilities		
Total long-term liabilities	25,561	25,805
Total liabilities	93,003	90,485
NET assets		
Shareholders Equity		
Capital stock	22,899	22,899
Capital surplus	19,925	19,925
Retained earnings	72,056	70,149
Treasury stock	(177)	(176)
Total shareholders stock	114,703	112,799
Valuation and Exchange Differential		
Valuation difference on available-for-sale securities	1,978	2,485
Reserve for land revaluation	3,333	3,333
Translation adjustments	185	669
Total valuation and translation adjustments	5,497	6,488
Minority interests	3,328	2,738
Total NET assets	123,530	122,026
Total liabilities and net assets	216,533	212,511

POINT①

Increase in current assets

Increase in bills receivables and accounts receivable	¥2,450 million
Increase in inventory assets	¥3,690 million

POINT②

Decrease in investment and other assets was caused by decrease in investment securities.

POINT③

Increase in current liabilities

Increase in bills payable and accounts payable	¥5,029 million
Decrease in accrued corporation tax, etc.	¥(1,212) million

(Note) The amounts are indicated after rounding off figures less than one million yen.

I . Supplementary Data for Consolidated Closing of Accounts

I -2. Cash Flow Statement (Summary)

(Unit: ¥ million)

Account name	The 1st half of the fiscal 2008 (As of September 30, 2008)
Cash flows from operating activities	
Income before income taxes, etc.	5,327
Depreciation	3,756
Decrease (increase) in trade receivable	(2,582)
Decrease (increase) in inventories	(3,790)
Increase (decrease) trade payables	5,231
Cash flow from operational activities	5,744
Cash flow from investment activities	
Payment for purchase of property, plant & equipment	(4,293)
Payment for purchase of investment securities	(590)
Proceeds from sale of investment securities	2,515
Cash flow from investment activities	(1,133)
Cash flow from financing activities	
Amount of dividends paid	(1,137)
Cash flow from financing activities	(655)
Effect of exchange rate changes on cash and cash equivalence	(220)
Net increase (decrease) in cash and cash equivalents	3,734
Cash and cash equivalents at beginning of period	16,063
Increase in cash and cash equivalents for new consolidated subsidiaries	144
Cash and cash equivalents at end of period	19,943

(Cash flow from operational activities)

Increase in fund by sales activities was mainly caused by the fact that increase in fund due to increases in Net profit of the quarter before adjustment of tax, etc., allowance for depreciation, purchase liabilities, etc. surpassed decrease in fund due to increase in sales credit, increase in inventory assets, etc.

(Cash flow from investment activities)

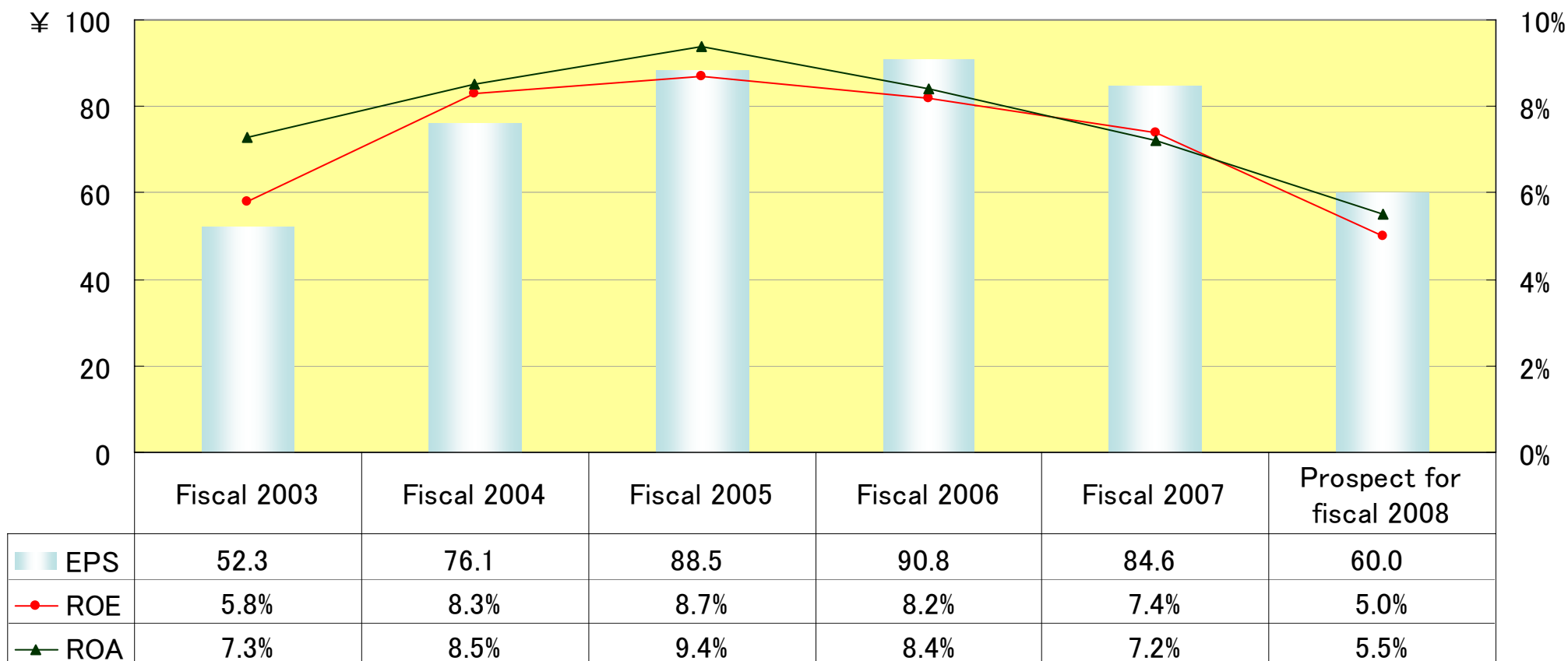
Decrease in fund by investment activities was mainly caused by the acquisition of tangible fixed assets and investment securities, which surpassed the sales of investment securities.

(Cash flow from financing activities)

The decrease in funds due to financing activities was mainly attributable to the payment of dividends.

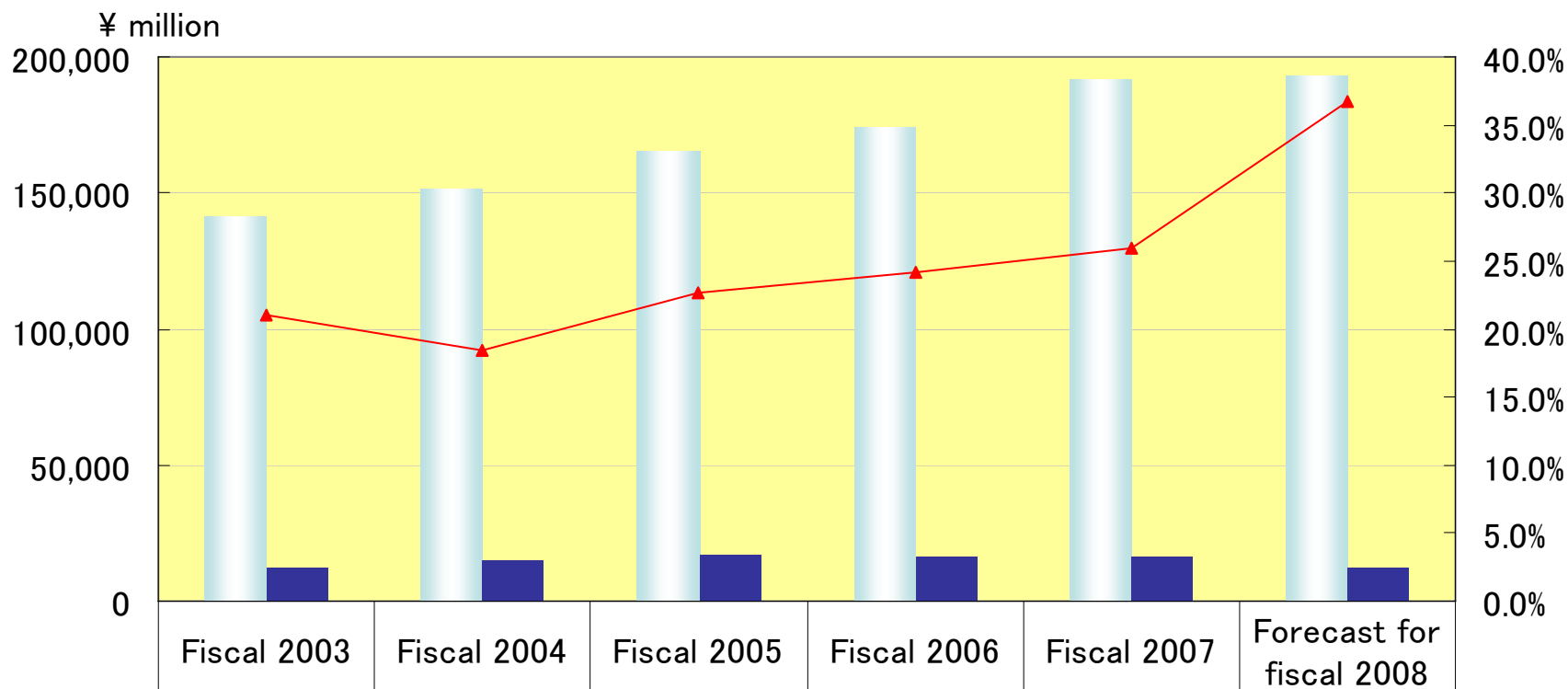
II - 1. Profitability

Consolidated
basis



II - 2. Dividend payout ratio and dividends

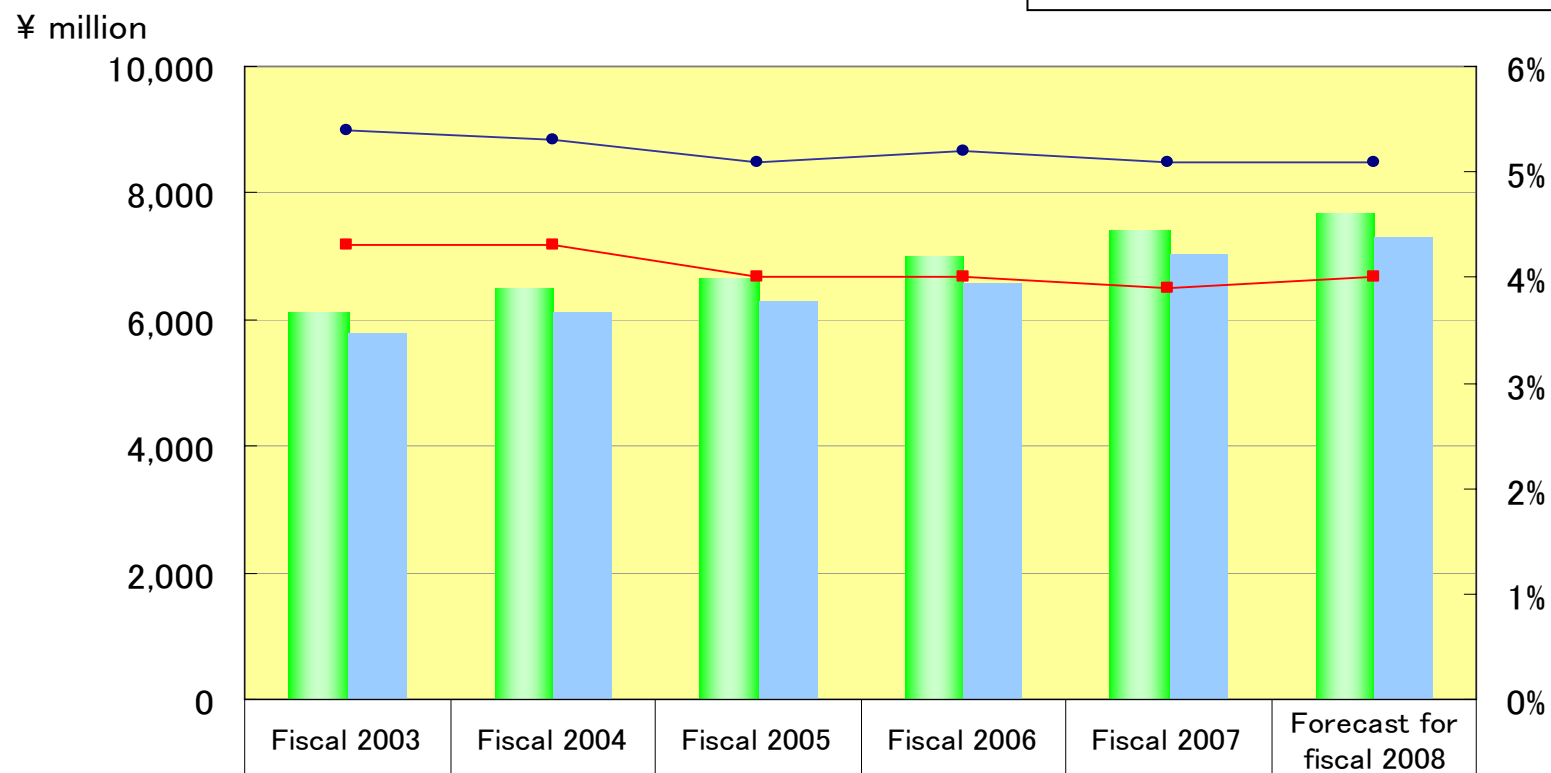
Consolidated
basis



■ Sales	141,368	151,824	165,043	174,284	191,987	193,000
■ Operating profit	12,086	14,773	17,285	16,624	16,213	12,300
▲ Dividend payout ratio	21.0%	18.4%	22.6%	24.2%	26.0%	36.7%
Dividend (¥)	11	14	20	22	22	22

II - 3. Research and development costs

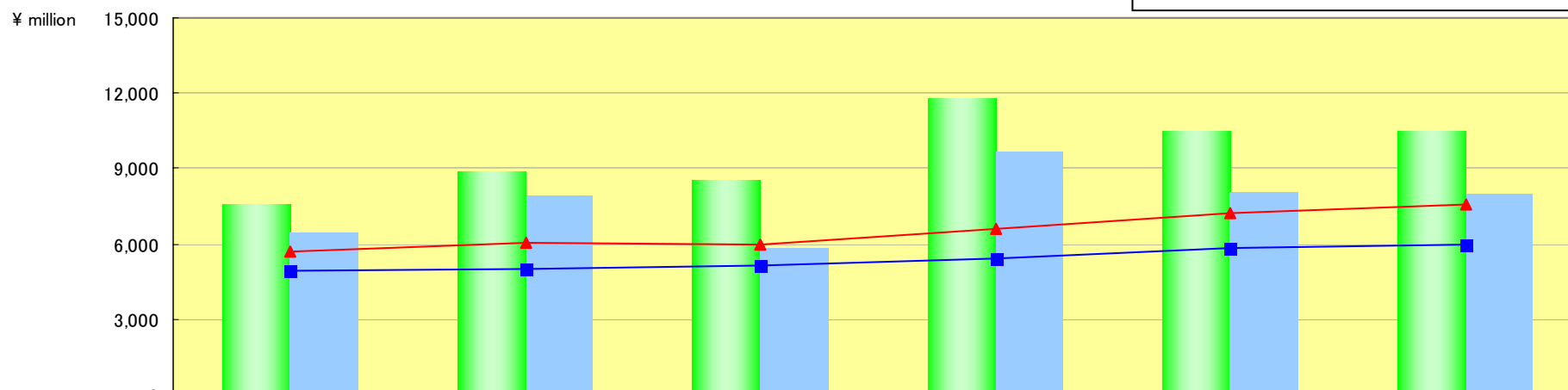
Consolidated and non-consolidate basis



■ Research and development costs (consolidated)	6,119	6,485	6,656	7,014	7,414	7,700
■ Research and development costs (non-consolidated)	5,779	6,126	6,276	6,600	7,036	7,300
■ Rate of research and development costs to sales (consolidated)	4.3%	4.3%	4.0%	4.0%	3.9%	4.0%
● Rate of research and development costs to sales (non-consolidated)	5.4%	5.3%	5.1%	5.2%	5.1%	5.1%

II - 4. Capital investment

Consolidated and non-consolidate basis



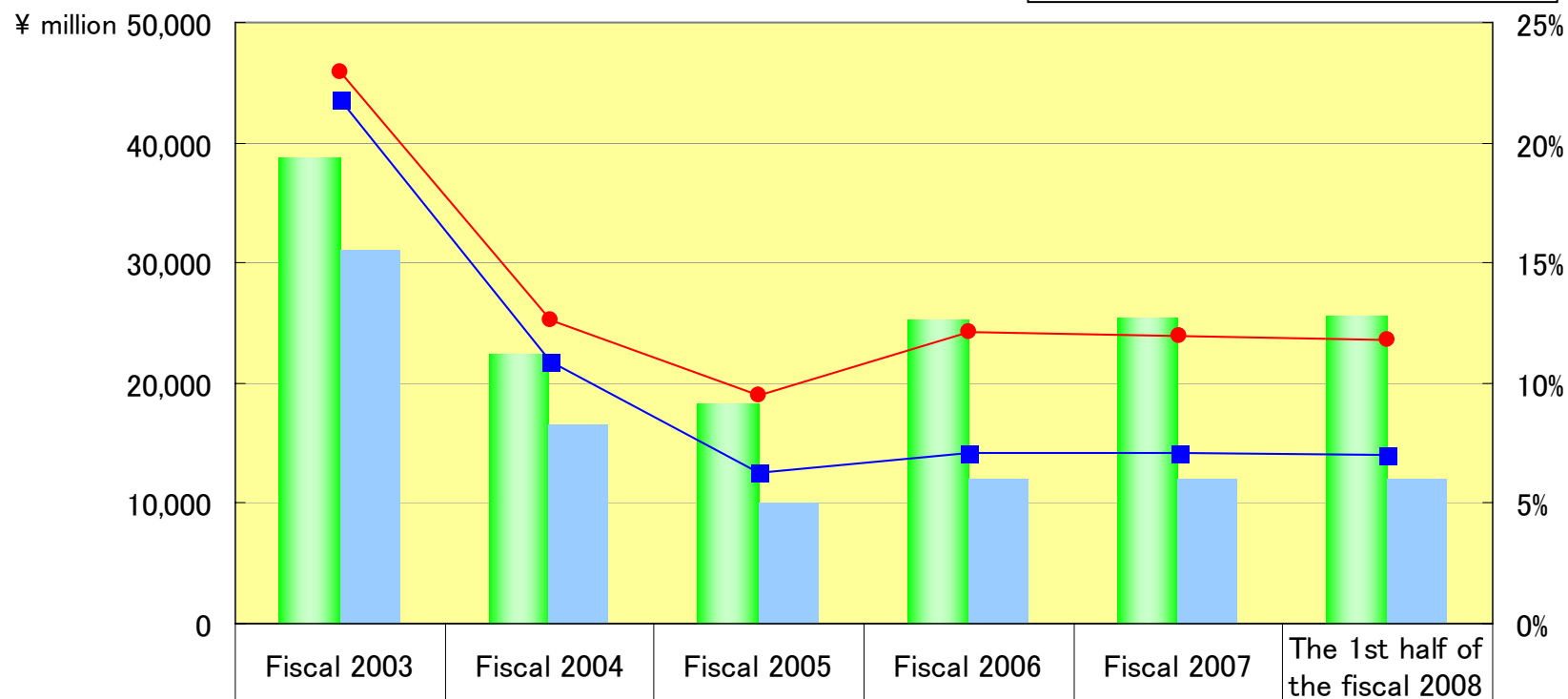
	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	Forecast for fiscal 2008
Capital investment (consolidated)	7,559	8,872	8,522	11,784	10,461	10,500
Capital investment (non-consolidated)	6,463	7,926	5,801	9,629	8,030	8,000
Depreciation costs (consolidated)	5,703	6,056	5,990	6,581	7,239	7,600
Depreciation costs (non-consolidated)	4,959	4,977	5,157	5,412	5,837	6,000

(For reference) [Non-consolidated basis]

						Unit:¥ billion
Investment and loan	1.6	5.1	1.7	0.9	0.6	0.7
Capital investment + Investment and loans	8.1	13.0	7.5	10.5	8.6	8.7

II - 5. Interest-bearing liabilities

Consolidated and non-consolidate basis



	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	The 1st half of the fiscal 2008
consolidated	38,812	22,495	18,244	25,172	25,407	25,656
non-consolidated	30,965	16,572	10,028	12,026	12,023	12,017
Degree of dependence on interest-bearing liabilities (consolidated)	22.9%	12.6%	9.5%	12.1%	12.0%	11.8%
Degree of dependence on interest-bearing liabilities (non-consolidated)	21.8%	10.9%	6.3%	7.1%	7.1%	7.0%

III. For Your Reference III-1. Fiscal 2008 Consolidated Subsidiaries (10 companies in Japan)

The amounts are indicated after rounding off figures less than the unit shown.

Segment	Consolidated subsidiary	Capital	Controlling share (%)	Line of business
Chemicals	ADEKA CHEMICAL SUPPLY CORP.	¥104 million	97.94 (Indirect ownership: 6.62)	Sales of chemical products, and the development, manufacturing and sales of metal processing oils, etc.
Chemicals	ADEKA CLEAN AID CORP.	¥140 million	100.00	Development and sales of kitchen detergents for commercial use, industrial detergents, etc.
Chemicals	OXIRANE CHEMICAL CORP.	¥600 million	50.00	Manufacturing and sales of epoxy elasticizers, etc.
Food products	ADEKA FOOD SALES CORP.	¥42 million	100.00	Sales of edible processed oils and fats, manufacturing and sales of confectionary and breads, and sales of other foodstuffs, etc.
Food products	YONGO CO.,LTD.	¥18 million	86.72	Sales of edible processed oils and fats, manufacturing and sales of confectionary and breads, and sales of other foodstuffs, etc.
Food products	ADEKA FINE FOODS CORP.	¥50 million	100.00	Manufacturing and sales of dressings, processed seafood and similar products.
Food products	UEHARA FOOD INDUSTRY CO.,LTD.	¥70 million	100.00	Manufacturing and sales of flour paste products, bean-jams and retort pouch foods.
Others	ADEKA LOGISTICS CORP.	¥50 million	100.00	General and principal contracting of logistics for the Company, warehousing, leasing of vehicles, etc.
Others	ADEKA ENGINEERING & CONSTRUCTION CORP.	¥130 million	100.00	Design, construction, and construction supervision of facility plants, and facilities maintenance.
Others	ADEKA LIFE-CREATE CORP.	¥65 million	90.00 (Indirect ownership: 10.00)	Trading, intermediation and management of fixed properties, damage insurance agent, and sales of OA equipment.

III. For Your Reference III-2. Fiscal 2008 Consolidated Subsidiaries (12 overseas companies)

The amounts are indicated after rounding off figures less than the unit shown.

Segment	Consolidated subsidiary	Capital	Controlling share (%)	Line of business
Chemicals	AMFINE CHEMICAL CORP.	US\$7.5 million	60.00	Manufacturing and sales of polymer additives.
Chemicals	CHANG CHIANG CHEMICAL CO.,LTD.	NT\$30.0 million	50.00	Sales of polymer additives, special elasticizers and similar products.
Chemicals	ADEKA KOREA CORP.	₩9500.0 million	100.00	Manufacturing and sales of polymer additives, electrochemical materials and similar products.
Chemicals	ADEKA(ASIA)PTE.LTD.	US\$0.8 million	100.00	Sales of chemical products.
Chemicals	ADEKA Europe GmbH	€0.5 million	100.00	Sales of chemical products.
Chemicals	ADEKA PALMAROLE SAS	€1.0 million	90.00 (Indirect ownership: 90.00)	Sales of polymer additives.
Chemicals	ADEKA FINE CHEMICAL TAIWAN CORP.	NT\$200.0 million	100.00	Manufacturing and sales of chemicals relating to liquid crystal panels.
Chemicals	ADEKA (SHANGHAI) Co., Ltd.	US\$1.0 million	100.00	Sales of chemical products.
Chemicals	ADEKA FINE CHEMICAL (SHANGHAI) Co., Ltd.	US\$10.5 million	100.00	Manufacturing and sales of polymer additives, functional resins, electrochemical materials and similar products.
Chemicals	ADEKA FINE CHEMICAL (CHANGSHU) Co., Ltd.	US\$15.7 million	50.00	Manufacturing and sales of polymer additives.
Chemicals	ADEKA FINE CHEMICAL THAILAND CO.LTD.	฿2100.0 million	81.00	Sale of polymer additives and other chemicals.
Food products	ADEKA(SINGAPORE)PTE.LTD.	S\$8.0 million	90.00 (Indirect ownership: 90.00)	Manufacturing and sales of edible processed oils and fats, frozen piecrusts and related food products.

Note) 1. Starting from the term, ADEKA Fine Chemical (Thailand) Co, Ltd. newly became to be consolidated in accounting.

2. ADEKA Fine Chemical Korea Corp. and ADEKA Korea Corp. merged together as of July 1, under the name of ADEKA Korea Corp. after the merger.

III. For Your Reference

III-3. Equity method-applicable companies

The amounts are indicated after rounding off figures less than the unit shown.

Three equity method-applicable companies	Capital	Controlling share	Line of business
NIHON NOHYAKU CO., LTD.	¥10,939 million	23.20%	Manufacturing and sales of agrichemicals and other products.
KASHIMA CHEMICAL CO., LTD.	¥1,000 million	39.38%	Manufacturing and sales of epichlorohydrin, arylchloride, etc.
CO-OP CLEAN CO., LTD.	¥80 million	45.00%	Development and sales of soap, detergents and similar products.

Note: There has been no change in the number of equity method-applicable companies.

III. For Your Reference

III-4. Core products of each business category

Business category		Core products
Chemical products business	Electronics and IT materials	Imaging materials, optical recording materials, optical hardening resins, high-purity materials for semiconductors, AFES System and etching agents, and others.
	Functional chemicals	Additives for polyolefines, PVC additives, flame retardants, epoxy resins, polyurethanes, water-borne resins, water-swelling sealing materials, surfactants, lubricant, metal working fluid, and others.
	Commodity chemicals	Caustic soda, silicate-induced products, industrial fats and oil-induced products, polypropylene glycol, hydrogen peroxide, and others.
Food products business		Margarines, shortenings, oil and fats for chocolate, oils and fats for frying, whipping cream, enriched milk products, fillings, frozen pie crusts, mayonnaise dressing, retort pouch foods, and others.
Other business		Designing of equipment plants, construction and construction management, maintenance of equipment, logistic services, warehousing, leasing of vehicles, real estate and insurance business, and others.