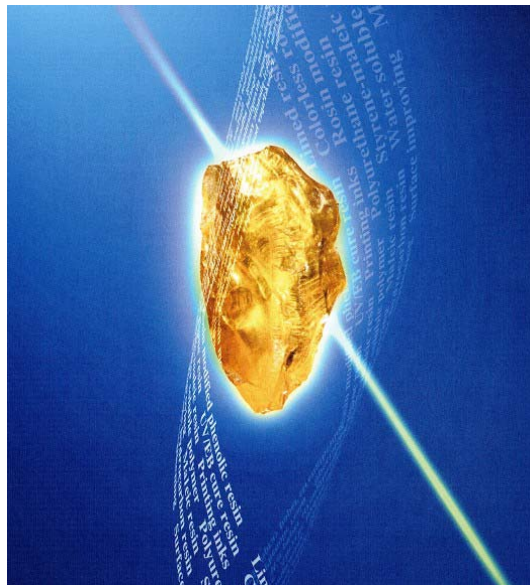


# DATA BOOK 2012

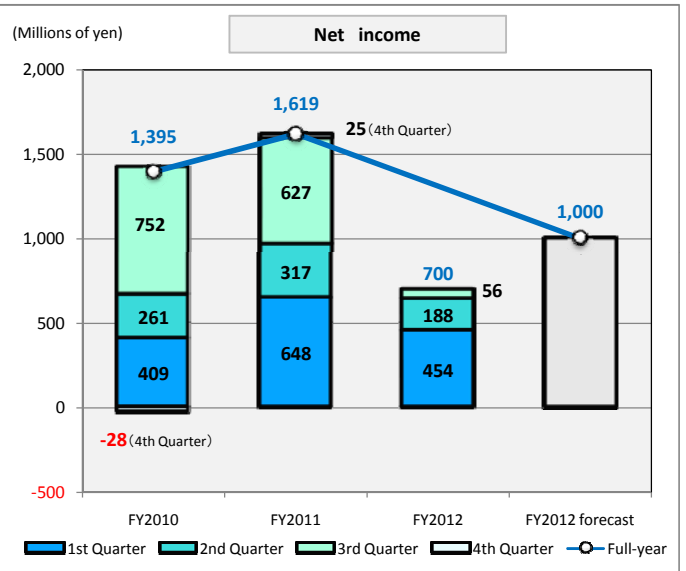
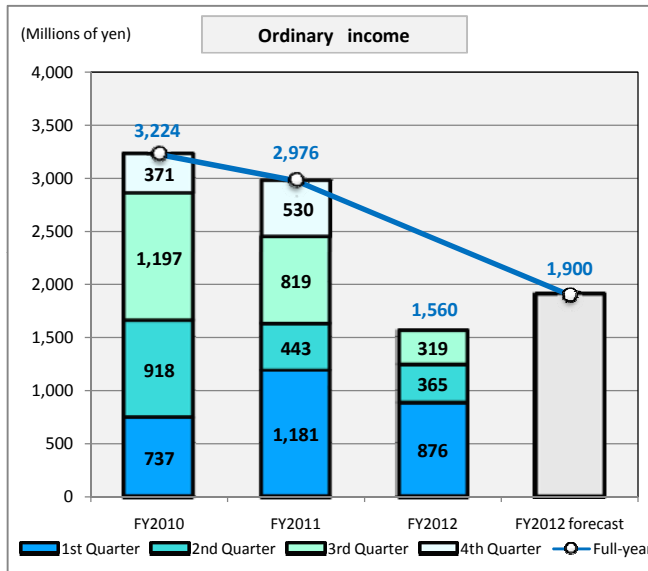
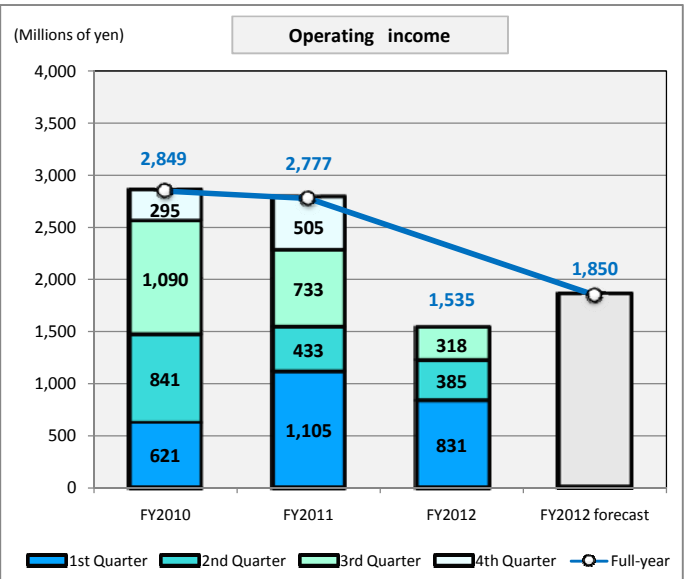
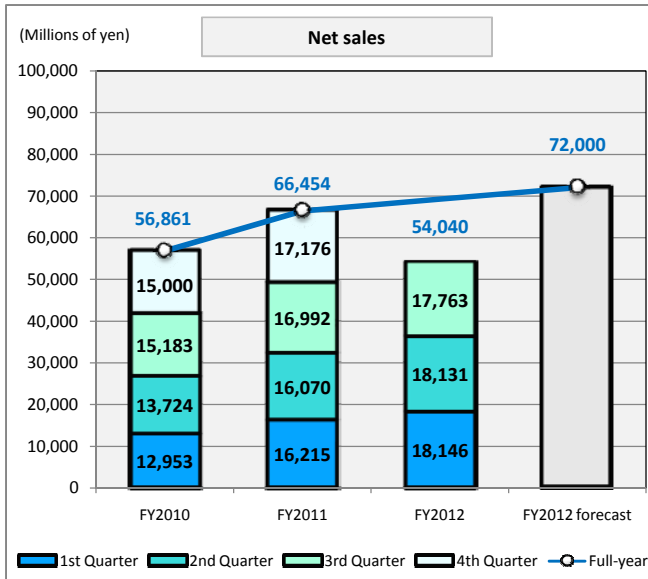
February 1st, 2012

3rd Quarter ended December 31, 2011



**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

**\* Achievement Transition(Consolidated)**

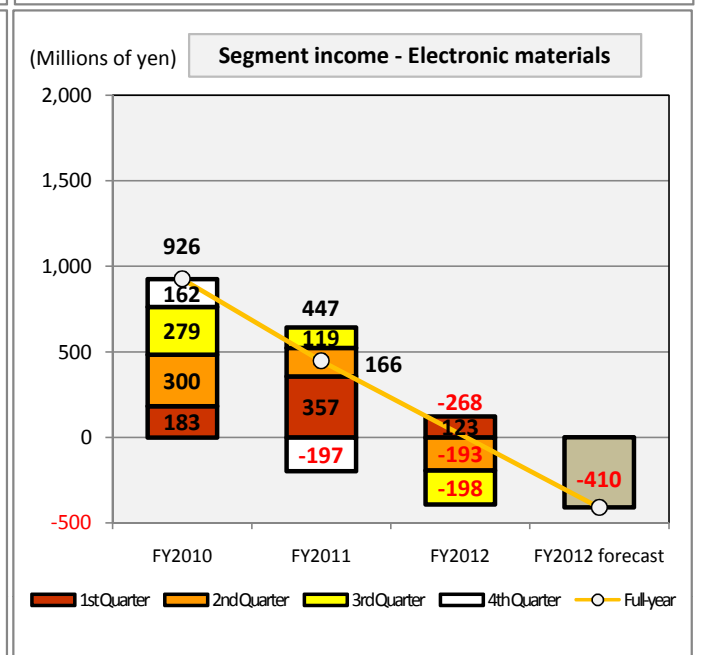
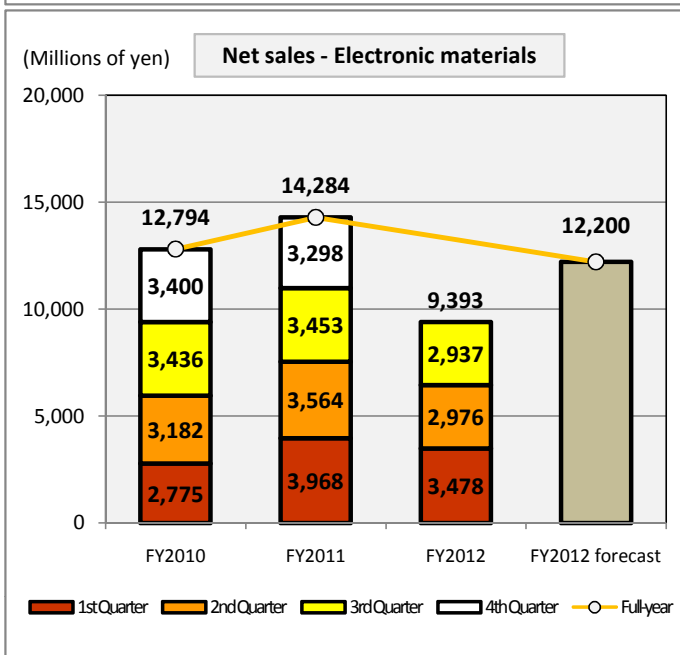
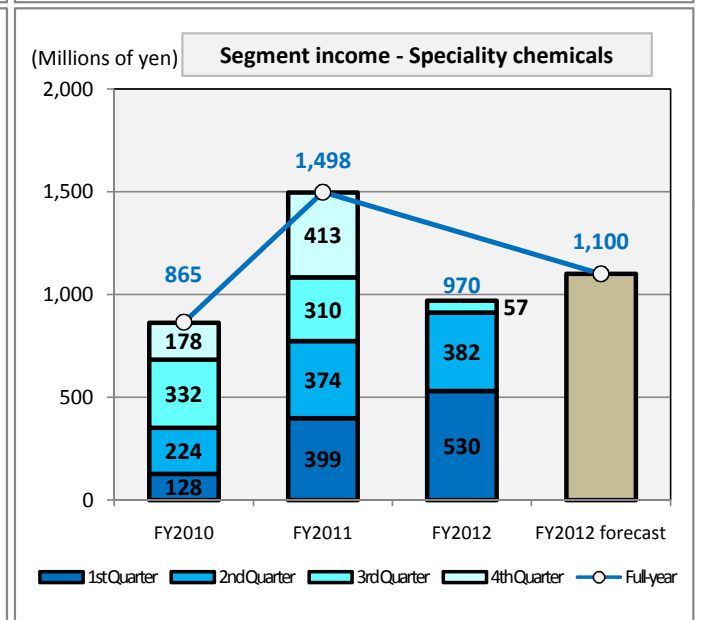
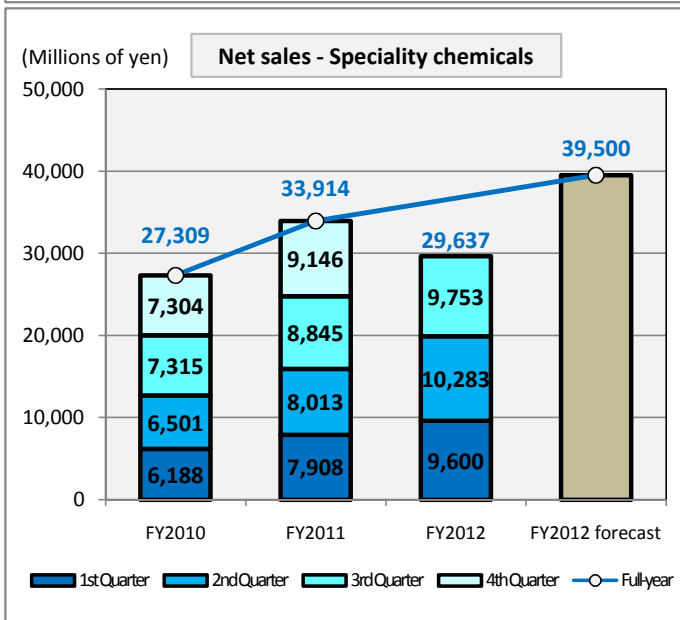
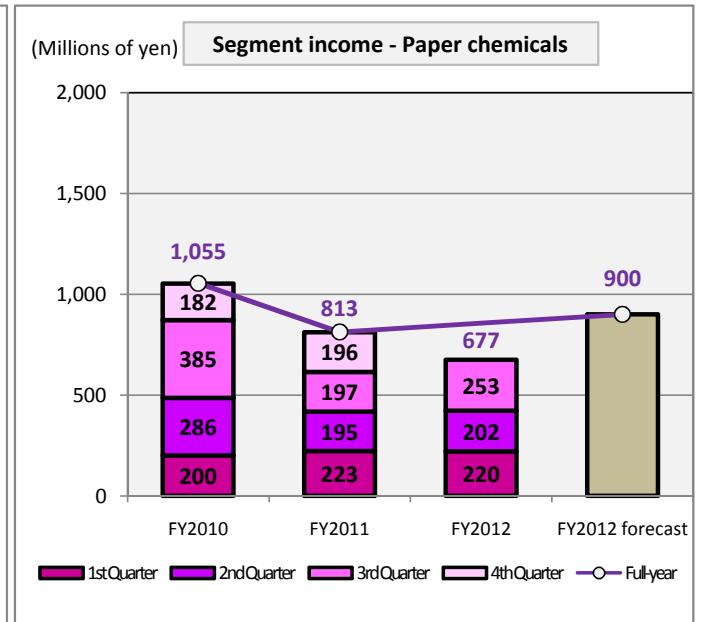
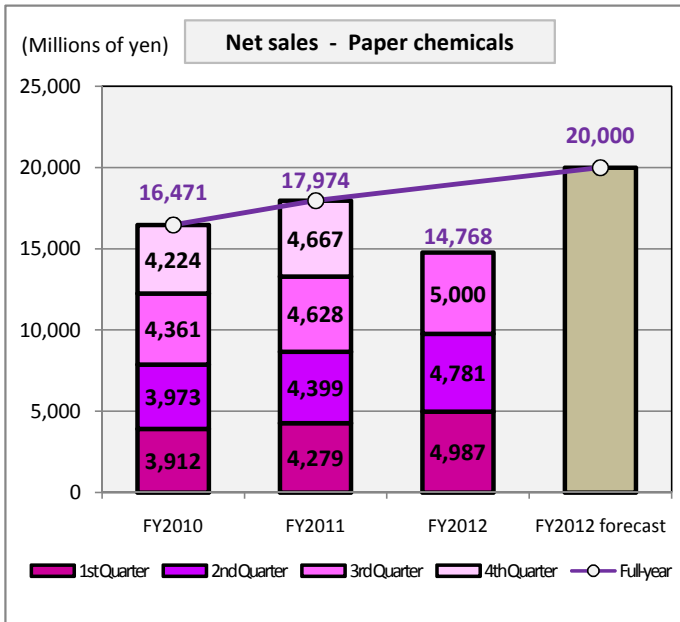


Consolidated	FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2012(3Q) (‘11/4-‘11/12)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Net sales	41,860	△ 14.5	49,278	17.7	54,040	9.7	56,861	△ 5.2	66,454	16.9	72,000	8.3
Operating income	2,554	52.4	2,272	△ 11.0	1,535	△ 32.4	2,849	155.1	2,777	△ 2.5	1,850	△ 33.4
Ordinary income	2,853	51.9	2,445	△ 14.3	1,560	△ 36.2	3,224	149.6	2,976	△ 7.7	1,900	△ 36.2
Net income	1,423	28.0	1,593	11.9	700	△ 56.1	1,395	112.3	1,619	16.1	1,000	△ 38.3

**\* Management Index(Consolidated)**

Consolidated	FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2012(3Q) (‘11/4-‘11/12)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Capital investment	964	17	705	△ 259	3,518	2,813	3,106	1,756	3,258	152	7,000	3,741
Depreciation and amortization	1,557	△ 57	1,686	128	2,336	650	2,185	2	2,409	223	3,300	890
R & D expenses	2,089	57	2,050	△ 38	2,136	85	2,830	193	2,743	△ 86	2,900	156
Interest-bearing debt	8,011	△ 1,857	17,803	9,792	19,671	1,867	9,109	△ 1,038	19,396	10,287	21,500	2,103

**\* Segment Information(Consolidated)**



**\* Segment Information(Consolidated)**

Consolidated		FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2012(3Q) (‘11/4-‘11/12)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
		Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Paper chemicals	Net sales	12,247	—	13,307	8.7	14,768	11.0	16,471	—	17,974	9.1	20,000	11.3
	Segment income	872	—	616	△ 29.3	677	9.8	1,055	—	813	△ 22.9	900	10.6
	Segment income/sales	7.1%		4.6%		4.6%		6.4%		4.5%		4.5%	
Speciality chemicals	Net sales	20,005	—	24,768	23.8	29,637	19.7	27,309	—	33,914	24.2	39,500	16.5
	Segment income	686	—	1,084	58.1	970	△ 10.6	865	—	1,498	73.2	1,100	△ 26.6
	Segment income/sales	3.4%		4.4%		3.3%		3.2%		4.4%		2.8%	
Electronic materials	Net sales	9,394	—	10,986	16.9	9,393	△ 14.5	12,794	—	14,284	11.7	12,200	△ 14.6
	Segment income(loss)	763	—	644	△ 15.6	△ 268	—	926	—	447	△ 51.7	△ 410	—
	Segment income/sales	8.1%		5.9%		△ 2.9%		7.2%		3.1%		△ 3.4%	
Others	Net sales	214	—	216	1.0	241	11.3	285	—	280	△ 1.9	300	7.1
	Segment income	3	—	1	△ 60.4	5	246.5	6	—	10	54.5	10	△ 1.0
	Segment income/sales	1.8%		0.7%		2.2%		2.3%		3.6%		3.3%	
Consolidated total	Net sales	41,860	—	49,278	17.7	54,040	9.7	56,861	—	66,454	16.9	72,000	8.3
	Segment income	2,326	—	2,347	0.9	1,384	△ 41.0	2,853	—	2,769	△ 3.0	1,600	△ 42.2
	Segment income/sales	5.6%		4.8%		2.6%		5.0%		4.2%		2.2%	

\* The sales of business segmentation do not include intersegment sales.

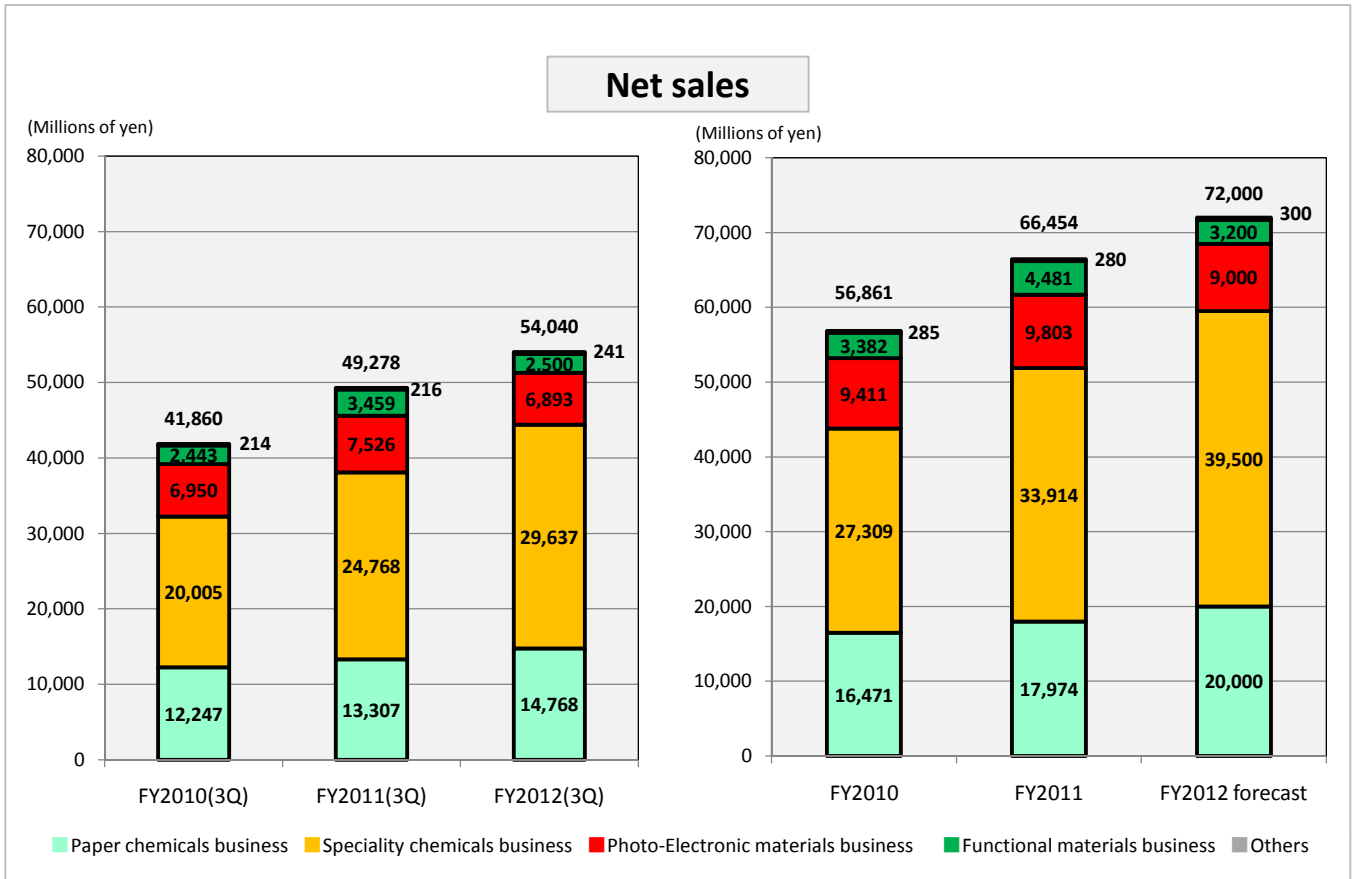
\* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

\* Speciality chemicals.....Printing ink resin, Paint resin, Adhesive resin, Polymerization emulsifier, Colorless rosin derivatives, etc.

\* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Flux cleaning solvent, Flux cleaning system, Functional fine chemical materials etc.

\* Others .....Insurance business, Real estate agent, etc.

**\* Business Segment Information(Consolidated)**



Consolidated	FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2012(3Q) (‘11/4-‘11/12)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Paper chemicals business	12,247	△ 21.6	13,307	8.7	14,768	11.0	16,471	△ 13.5	17,974	9.1	20,000	11.3
Speciality chemicals business	20,005	△ 14.2	24,768	23.8	29,637	19.7	27,309	△ 6.3	33,914	24.2	39,500	16.5
Total basis business	32,252	△ 17.2	38,076	18.1	44,406	16.6	43,781	△ 9.2	51,889	18.5	59,500	14.7
Share	77.0%		77.3%		82.2%		77.0%		78.1%		82.6%	
Photo-Electronic materials business	6,950	0.6	7,526	8.3	6,893	△ 8.4	9,411	13.7	9,803	4.2	9,000	△ 8.2
Functional materials business	2,443	△ 14.5	3,459	41.6	2,500	△ 27.7	3,382	6.8	4,481	32.5	3,200	△ 28.6
Total expansion business	9,394	△ 3.8	10,986	16.9	9,393	△ 14.5	12,794	11.8	14,284	11.7	12,200	△ 14.6
Share	22.4%		22.3%		17.4%		22.5%		21.5%		16.9%	
Others	214	△ 12.4	216	1.0	241	11.3	285	△ 7.5	280	△ 1.9	300	7.1
Total	41,860	△ 14.5	49,278	17.7	54,040	9.7	56,861	△ 5.2	66,454	16.9	72,000	8.3

\* Paper chemicals business.....Size agent, Paper strengthening agent, Ratex, etc.

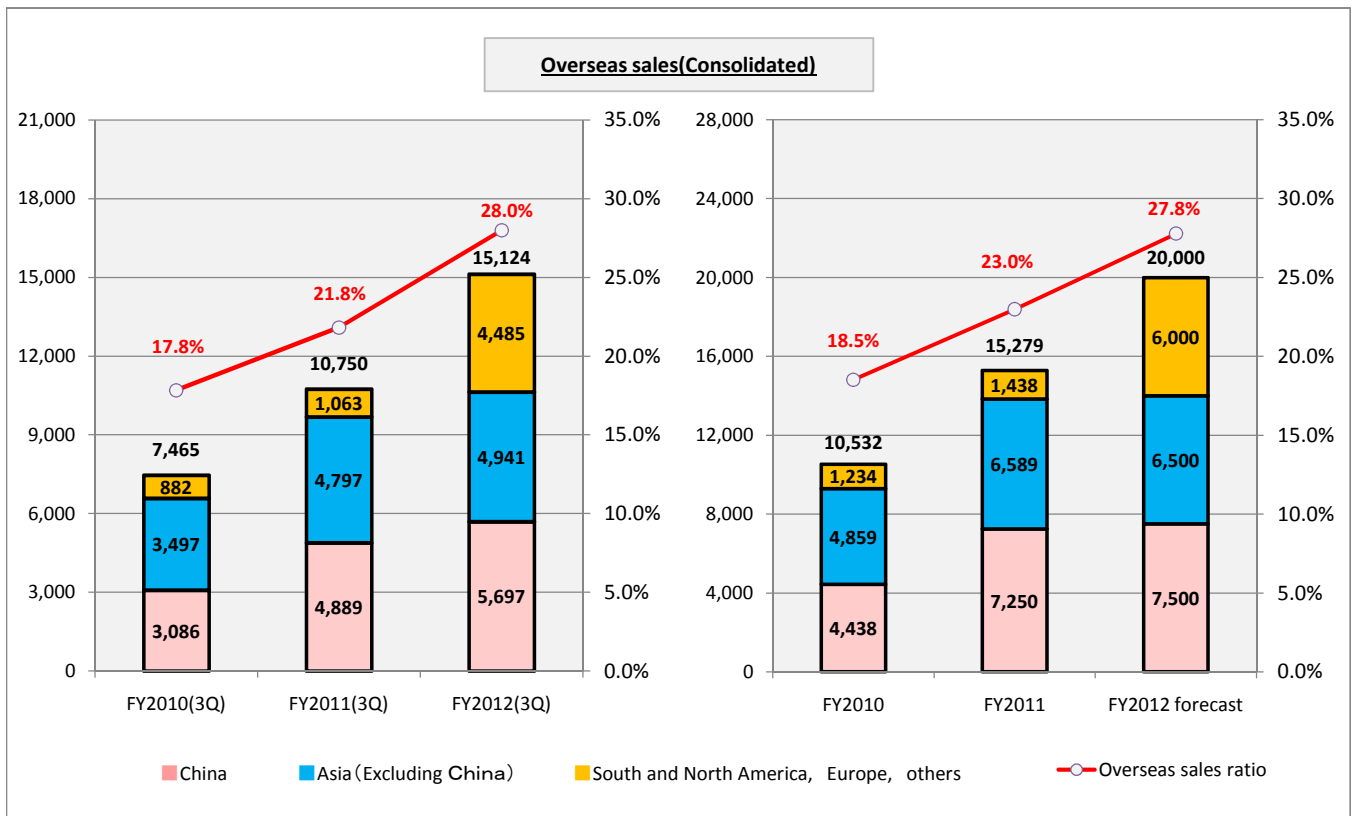
\* Speciality chemicals business.....Printing ink resin, Paint resin, Adhesive resin, Polymerization emulsifier, Colorless rosin derivatives, etc.

\* Photo-Electronic materials business.....UV/EB curable resin, Compound materials for electronics, Organic/inorganic hybrid resin, etc.

\* Functional materials business.....Flux cleaning solvent, Flux cleaning system, Functional fine chemical materials, Solder paste, etc.

\* Others .....Insurance business, Real estate agent, etc.

**\* Overseas Sales(Consolidated)**



Consolidated	FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2012(3Q) (‘11/4-‘11/12)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Overseas sales	7,465	△ 9.8	10,750	44.0	15,124	40.7	10,532	0.9	15,279	45.1	20,000	30.9
Overseas sales in Asia	6,583	△ 6.9	9,686	47.1	10,639	9.8	9,297	3.3	13,840	48.9	14,000	1.2
Overseas sales in China	3,086	△ 2.2	4,889	58.4	5,697	16.5	4,438	6.9	7,250	63.4	7,500	3.4
Overseas sales ratio	17.8%		21.8%		28.0%		18.5%		23.0%		27.8%	

## Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2011(3Q)		FY2012(3Q)		FY2011		Increase /Decrease (A) - (B)
	(As of December 31, 2010)		(As of December 31, 2011)		(As of March 31, 2011)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
<b>I Current assets</b>							
1. Cash and deposits	9,258		4,349		6,443		△ 2,094
2. Notes and accounts receivable-trade	27,614		28,109		25,554		2,555
3. Merchandise and finished goods	6,113		7,588		6,818		770
4. Work in process	608		738		763		△ 25
5. Raw materials and supplies	4,662		6,291		6,074		216
6. Deferred tax assets	413		533		695		△ 161
7. Other	1,458		1,217		1,187		29
Allowance for doubtful accounts	△ 89		△ 116		△ 110		△ 5
Total current assets	50,041	65.6	48,711	63.4	47,427	62.0	1,283
<b>II Noncurrent assets</b>							
1. Property, plant and equipment							
(1) Buildings and structures	6,328		8,003		6,929		1,074
(2) Machinery, equipment and vehicles	3,714		7,568		7,581		△ 12
(3) Land	5,424		4,700		5,328		△ 628
(4) Construction in progress	5,114		2,711		3,428		△ 717
(5) Other	570		430		578		△ 147
Total property, plant and equipment	21,153	27.7	23,415	30.4	23,846	31.2	△ 431
2. Intangible assets							
(1) Goodwill	254		176		214		△ 38
(2) Other	392		575		514		61
Total intangible assets	647	0.9	751	1.0	729	1.0	22
3. Investments and other assets							
(1) Investment securities	3,877		3,332		3,861		△ 528
(2) Deferred tax assets	221		398		286		111
(3) Other	318		253		313		△ 59
Allowance for doubtful accounts	△ 23		△ 8		△ 23		15
Total investments and other assets	4,392	5.8	3,976	5.2	4,438	5.8	△ 461
Total noncurrent assets	26,193	34.4	28,144	36.6	29,013	38.0	△ 869
Total assets	76,234	100.0	76,855	100.0	76,441	100.0	414

(Unit: Millions of yen)

Item	FY2011(3Q)		FY2012(3Q)		FY2011		Increase /Decrease (A) - (B)
	(As of December 31, 2010)		(As of December 31, 2011)		(As of March 31, 2011)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Liabilities)		%		%		%	
<b>I Current liabilities</b>							
1. Notes and accounts payable-trade	13,145		13,135		11,999		1,135
2. Short-term loans payable	9,961		11,534		11,549		△ 14
3. Income taxes payable	85		114		226		△ 112
4. Provision for bonuses	520		493		864		△ 370
5. Provision for directors' bonuses	34		28		40		△ 12
6. Provision for repairs	74		-		93		△ 93
7. Provision for loss on disaster	-		163		270		△ 106
8. Notes payable-facilities	272		176		214		△ 38
9. Other	4,384		3,718		3,564		153
Total current liabilities	28,479	37.4	29,364	38.2	28,824	37.7	539
<b>II Noncurrent liabilities</b>							
1. Bonds payable	5,000		5,000		5,000		-
2. Long-term loans payable	2,841		3,136		2,847		289
3. Deferred tax liabilities	62		-		-		-
4. Provision for retirement benefits	2,059		1,972		2,078		△ 105
5. Provision for repairs	-		34		-		34
6. Asset retirement obligations	95		99		96		3
7. Other	189		173		188		△ 14
Total noncurrent liabilities	10,249	13.4	10,416	13.6	10,210	13.4	206
Total liabilities	38,729	50.8	39,780	51.8	39,034	51.1	746
(Net assets)							
<b>I Shareholders' equity</b>							
1. Capital stock	3,128		3,128		3,128		-
2. Capital surplus	3,350		3,350		3,350		-
3. Retained earnings	30,154		30,396		30,180		216
4. Treasury stock	△ 11		△ 11		△ 11		△ 0
Total shareholders' equity	36,621	48.0	36,864	48.0	36,647	47.9	216
<b>II Accumulated other comprehensive income</b>							
1. Valuation difference on available-for-sale securities	538		194		528		△ 334
2. Foreign currency translation adjustment	△ 759		△ 1,111		△ 895		△ 216
Total accumulated other comprehensive income	△ 221	△ 0.3	△ 917	△ 1.2	△ 366	△ 0.5	△ 551
<b>III Minority interests</b>	1,106	1.5	1,128	1.4	1,126	1.5	2
Total net assets	37,505	49.2	37,075	48.2	37,407	48.9	△ 331
Total liabilities and net assets	76,234	100.0	76,855	100.0	76,441	100.0	414



## Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2011(3Q) ' 10/4-' 10/12		FY2012(3Q) ' 11/4-' 11/12		Increase /Decrease		FY2011 10/4-' 11/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio
I Net sales	49,278	100.0	54,040	100.0	4,761	9.7	66,454	100.0
II Cost of sales	38,891	78.9	44,273	81.9	5,382	13.8	52,992	79.7
Gross profit	10,387	21.1	9,767	18.1	△ 620	△ 6.0	13,462	20.3
III Selling, general and administrative expenses	8,115	16.5	8,232	15.2	116	1.4	10,684	16.1
Operating income	2,272	4.6	1,535	2.9	△ 736	△ 32.4	2,777	4.2
IV Non-operating income								
1. Interest income	19		4				42	
2. Dividends income	87		105				90	
3. Technical support fee	118		1				133	
4. Real estate rent	80		86				109	
5. Equity in earnings of affiliates	56		-				66	
7. Other	87	449	131	329	0.6	△ 120	108	550
Operating income		1.0				△ 26.7		0.8
V Non-operating expenses								
1. Interest expenses	143		226				216	
2. Foreign exchange losses	63		47				57	
3. Other	35	276	30	304	0.6	27	78	352
Operating income		0.6				9.9		0.5
Income before income taxes	2,445	5.0	1,560	2.9	△ 884	△ 36.2	2,976	4.5
VI Extraordinary income								
1. Gain on sales of noncurrent assets	47		101				98	
2. Gains on negative goodwill	-		12				-	
3. Gain on liquidation of subsidiaries and affiliates	-		51				-	
4. Reversal of allowance for doubtful accounts	25		-				13	
5. State subsidy	-		-				15	
6. Gain on step acquisitions	48	120	-	165	0.3	44	38	166
Operating income		0.2				36.8		0.2
VII Extraordinary loss								
1. Loss on sales and retirement of noncurrent assets	32		42				255	
2. Loss on disaster	-		93				328	
3. Loss on valuation of noncurrent assets	0		3				6	
4. Loss on sales of investment securities	0		0				0	
5. Loss on valuation of investment securities	-		151				-	
6. Loss on adjustment for changes of accounting standard for asset retirement obligations	67	99	-	291	0.5	191	67	657
Operating income		0.2				191.5		1.0
Income before income taxes	2,466	5.0	1,435	2.7	△ 1,031	△ 41.8	2,484	3.7
Income taxes-current	549		293				903	
Income taxes-deferred	255	805	308	601	1.1	△ 204	△ 147	756
Income before minority interests	1,660	3.4	833	1.6	△ 827	△ 49.8	1,727	2.6
Minority interests in income	66	0.2	133	0.3	66	99.8	107	0.2
Net income	1,593	3.2	700	1.3	△ 893	△ 56.1	1,619	2.4

## &lt;Reference&gt; Statements of Comprehensive Income(Consolidated)

Income before minority interests	1,660		833		△ 827	△ 49.8	1,727
Other comprehensive income							
Valuation difference on available-for-sale securities	△ 115		△ 334		△ 219		△ 124
Foreign currency translation adjustment	△ 359		△ 290		69		△ 469
Share of other comprehensive income of associates accounted for using equity method	△ 46		-		46		△ 59
Total other comprehensive income	△ 521		△ 624		△ 103		△ 653
Comprehensive income	1,139		208		△ 930	△ 81.7	1,074