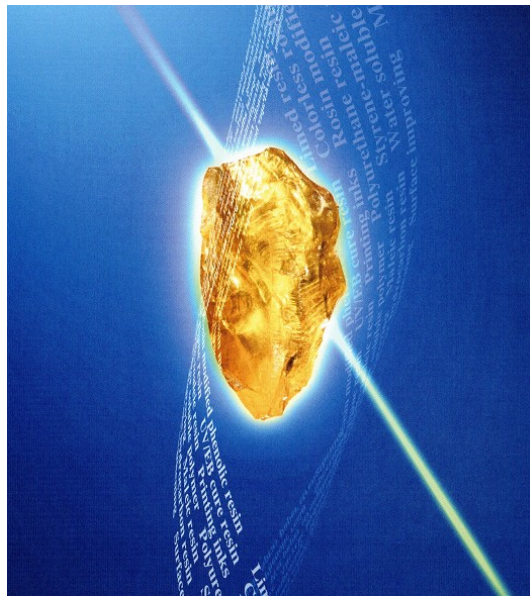


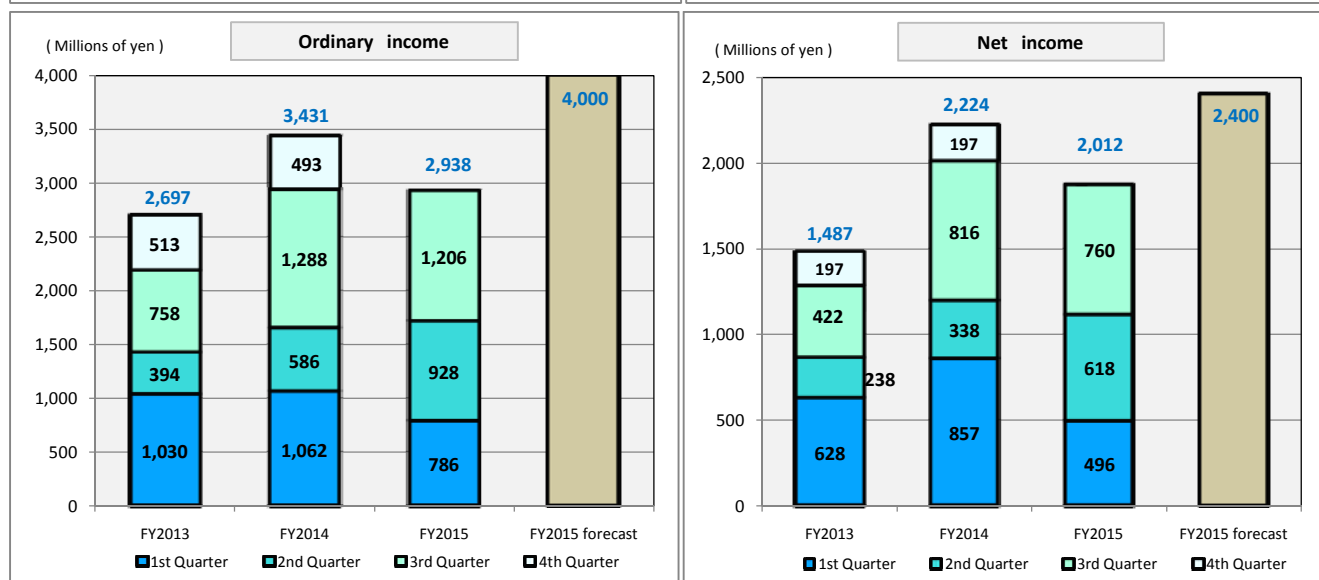
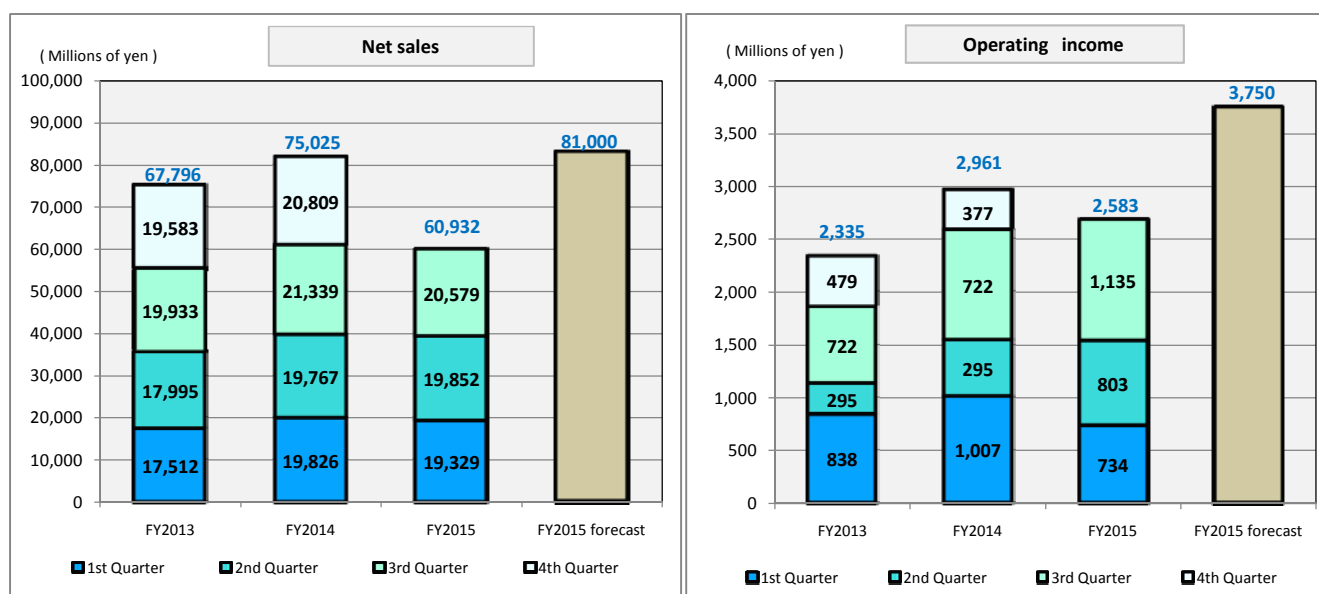
DATA BOOK 2016

February 2nd, 2016

3rd Quarter ended December 31, 2015

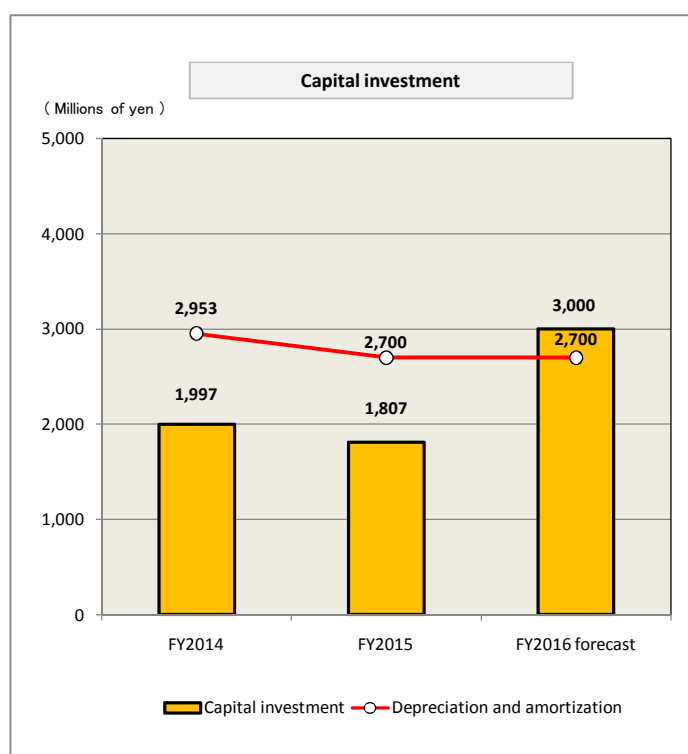
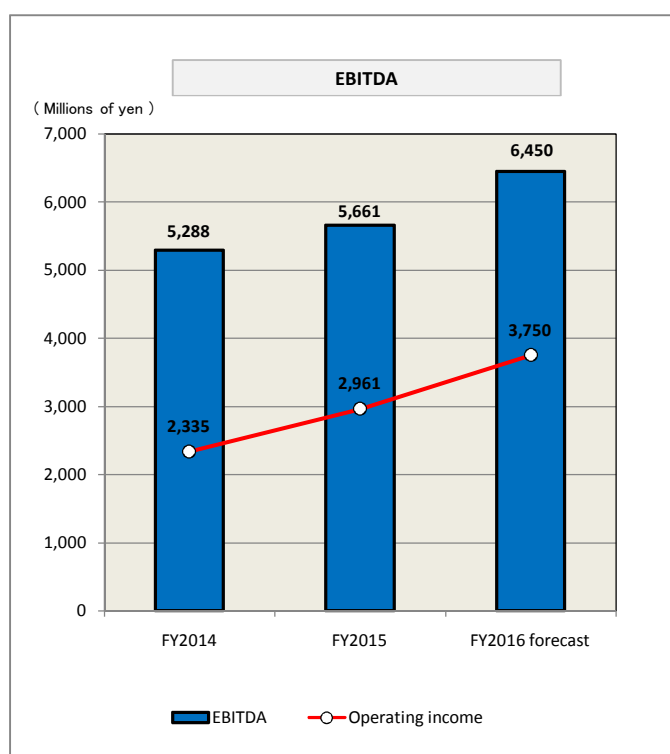


ARAKAWA CHEMICAL INDUSTRIES, LTD.

*** Achievement Transition(Consolidated)**

Consolidated	FY2014(3Q) ('13/4-'13/12)		FY2015(3Q) ('14/4-'14/12)		FY2016(3Q) ('15/4-'15/12)		FY2014 ('13/4-'14/3)		FY2015 ('14/4-'15/3)		FY2016 forecast ('15/4-'16/3)	
	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	55,442	8.4	60,932	9.9	59,762	△ 1.9	75,025	10.7	81,742	9.0	83,000	1.5
Operating income	1,856	27.4	2,583	39.2	2,674	3.5	2,335	24.1	2,961	26.8	3,750	26.6
Ordinary income	2,183	54.5	2,938	34.6	2,921	△ 0.6	2,697	39.4	3,431	27.2	4,000	16.6
Net income	1,289	114.0	2,012	56.0	1,875	△ 6.8	1,487	51.3	2,224	49.5	2,400	7.9

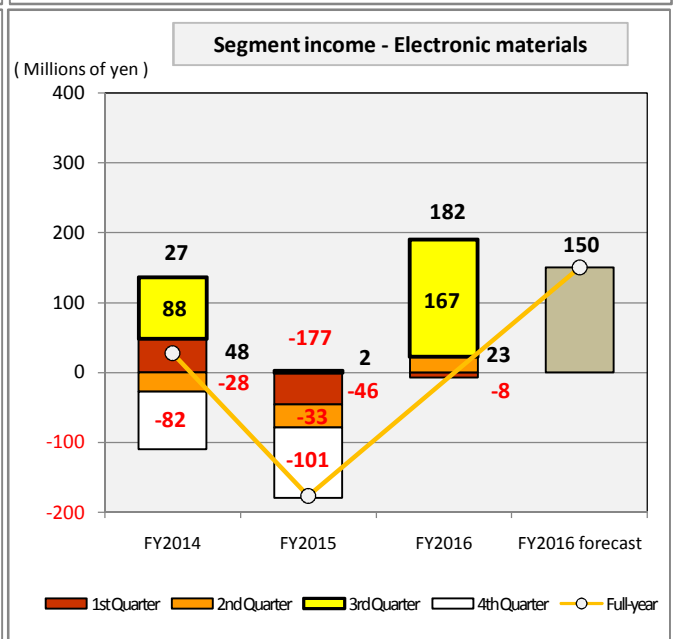
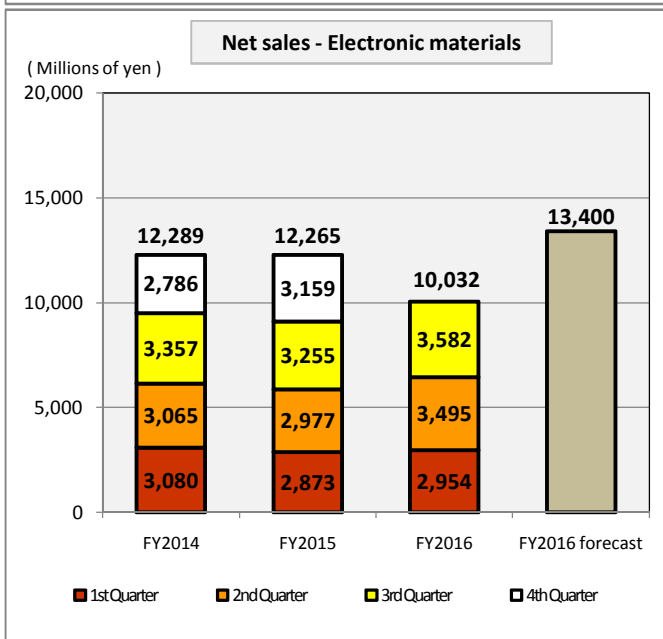
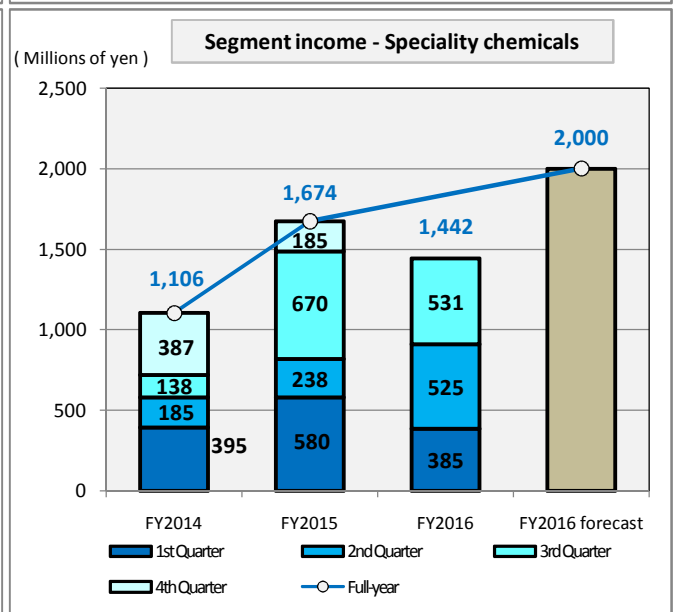
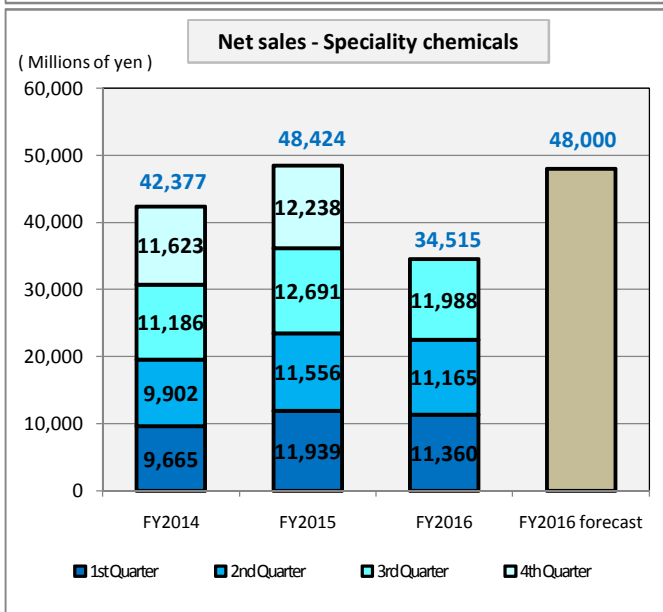
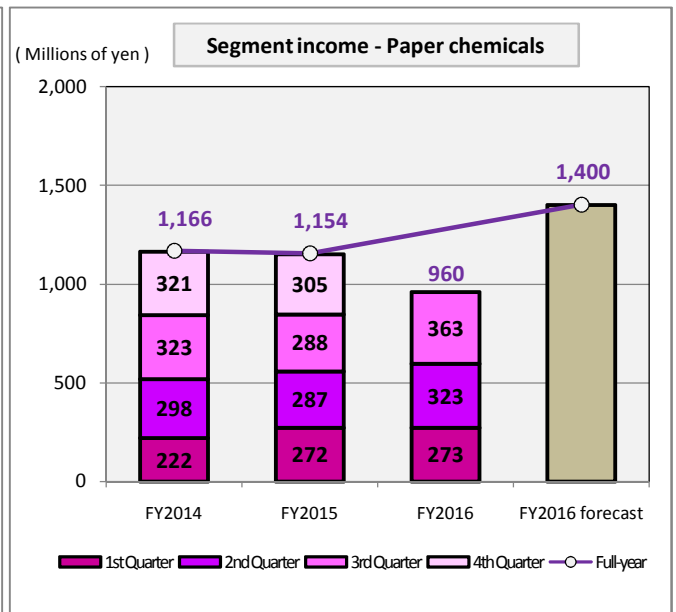
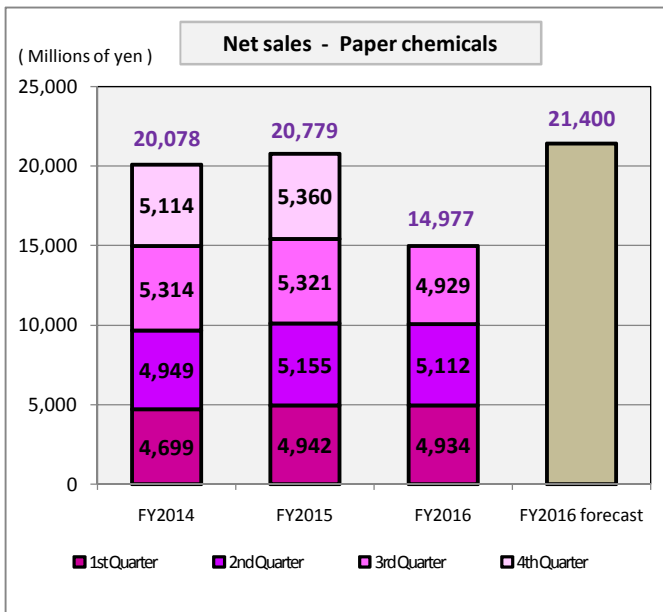
* Management Index Transition



Consolidated	FY2014(3Q) (‘13/4-‘13/12)		FY2015(3Q) (‘14/4-‘14/12)		FY2016(3Q) (‘15/4-‘15/12)		FY2014 (‘13/4-‘14/3)		FY2015 (‘14/4-‘15/3)		FY2016 forecast (‘15/4-‘16/3)	
	Millions of yen	Increase/Decrease	Millions of yen	Increase/Decrease	Millions of yen	Increase/Decrease	Millions of yen	Increase/Decrease	Millions of yen	Increase/Decrease	Millions of yen	Increase/Decrease
Capital investment	1,638	829	1,281	△ 357	1,156	△ 125	1,997	906	1,807	△ 189	3,000	1,192
Depreciation and amortization	2,173	△ 314	1,962	△ 210	1,971	9	2,953	△ 405	2,700	△ 252	2,700	0
R & D expenses	2,091	18	2,016	△ 75	2,090	74	2,790	44	2,703	△ 87	2,800	96
Interest-bearing debt	17,122	△ 909	17,984	862	17,692	△ 292	18,605	197	17,275	△ 1,329	17,500	224
EBITDA	4,029	243	4,546	516	4,646	100	5,288	267	5,661	373	6,450	788

* EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization

*** Segment Information(Consolidated)**



*** Segment Information(Consolidated)**

Consolidated		FY2013(3Q) ('12/4-'12/12)		FY2014(3Q) ('13/4-'13/12)		FY2015(3Q) ('14/4-'14/12)		FY2013 ('12/4-'13/3)		FY2014 ('13/4-'14/3)		FY2015 forecast ('14/4-'15/3)	
		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	14,964	11.5	15,419	3.0	14,977	△ 2.9	20,078	12.5	20,779	3.5	21,400	3.0
	Segment income	845	19.2	848	0.4	960	13.2	1,166	27.8	1,154	△ 1.1	1,400	21.3
	Segment income/sales	5.6%		5.5%		6.4%		5.8%		5.6%		6.5%	
Speciality chemicals	Net sales	30,754	8.8	36,186	17.7	34,515	△ 4.6	42,377	11.9	48,424	14.3	48,000	△ 0.9
	Segment income	718	36.1	1,488	107.1	1,442	△ 3.2	1,106	34.5	1,674	51.3	2,000	19.4
	Segment income/sales	2.3%		4.1%		4.2%		2.6%		3.5%		4.2%	
Electronic materials	Net sales	9,503	3.1	9,106	△ 4.2	10,032	10.2	12,289	3.9	12,265	△ 0.2	13,400	9.2
	Segment income(loss)	109	—	△ 76	—	182	—	27	—	△ 177	—	150	—
	Segment income/sales	1.1%		-0.8%		0.0		0.0		-1.4%		0.0	
Others	Net sales	220	3.7	220	0.2	236	7.2	279	4.3	272	△ 2.5	200	△ 26.6
	Segment income	△ 0	—	11	—	14	27.4	9	1,318.4	12	—	10	△ 17.2
	Segment income/sales	0.0		5.3%		6.3%		3.5%		4.4%		5.0%	
Consolidated total	Net sales	55,442	8.5	55,442	9.9	59,762	△ 1.9	75,025	10.7	81,742	9.0	83,000	1.5
	Segment income	1,681	35.8	2,272	35.2	2,600	14.4	2,310	3.3	2,663	15.3	3,560	33.7
	Segment income/sales	3.0%		3.7%		4.4%		3.1%		3.3%		4.3%	

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

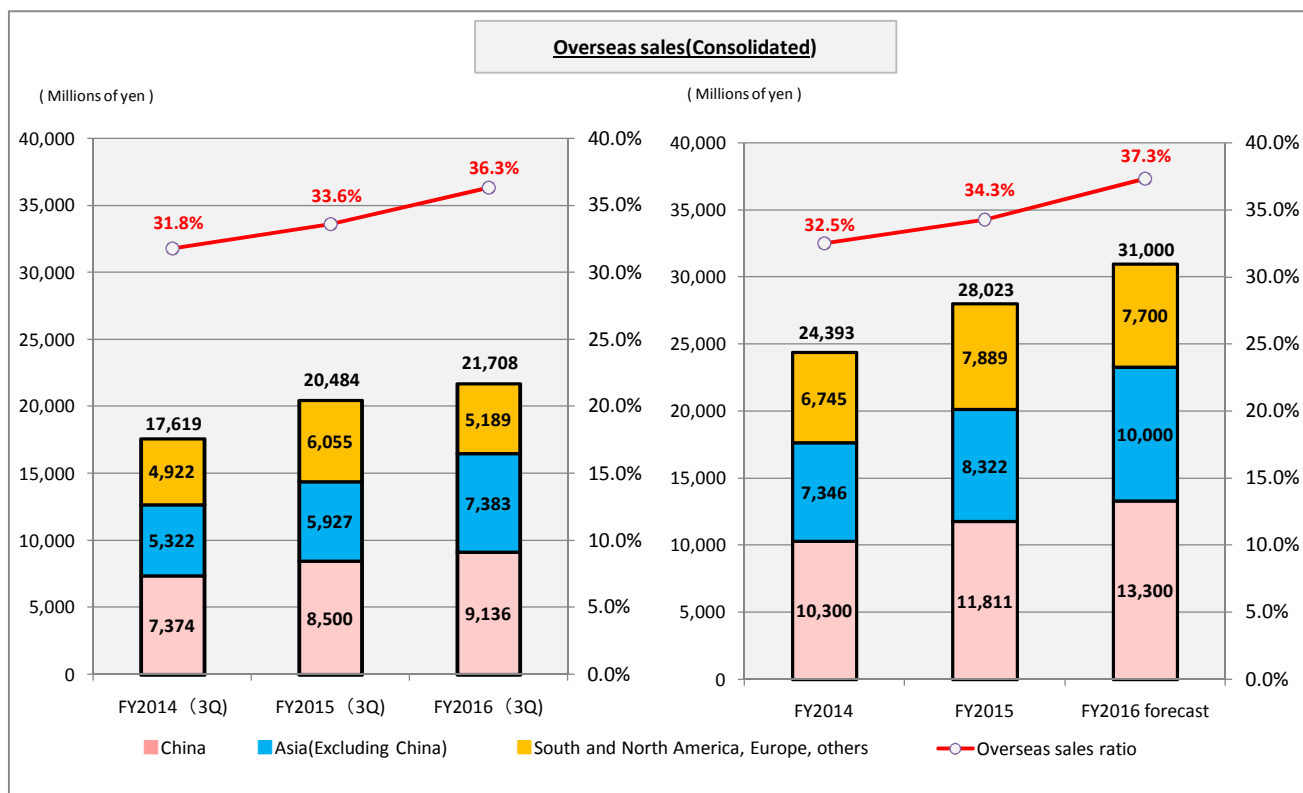
* Paper chemicals.....Size agent, Paper strengthening agent, Latex, etc.

* Speciality chemicals.....Printing ink resin, Paint resin, Adhesive resin, Polymerization emulsifier, Colorless rosin derivatives, Functional fine chemical materials, etc

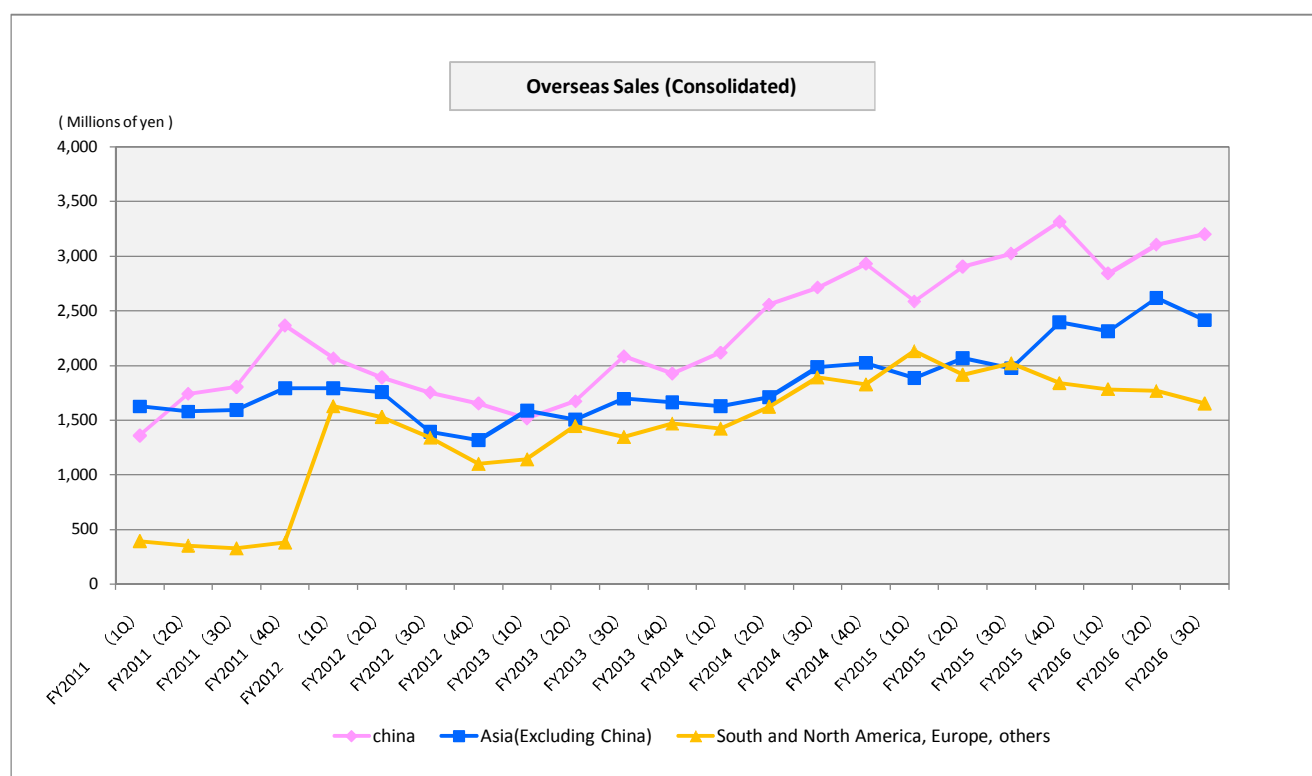
* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Flux cleaning solvent, Flux cleaning system, etc.

* OthersInsurance business, Real estate agent, etc.

*** Overseas Sales(Consolidated)**



Consolidated	FY2014(3Q) (*13/4-'13/12)		FY2015(3Q) (*14/4-'14/12)		FY2016(3Q) (*15/4-'15/12)		FY2013 (*12/4-'13/3)		FY2014 (*13/4-'14/3)		FY2015 forecast (*14/4-'15/3)	
	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	17,619	26.1	20,484	16.3	21,708	6.0	24,393	28.2	28,023	14.9	31,000	10.6
Overseas sales in Asia	12,696	26.3	14,428	13.6	16,519	14.5	17,647	29.4	20,133	14.1	23,300	15.7
Overseas sales in China	7,374	40.2	8,500	15.3	9,136	7.5	10,300	43.4	11,811	14.7	13,300	12.6
Overseas sales ratio	31.8%		33.6%		36.3%		32.5%		34.3%		37.3%	



Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2015(3Q)		FY2016(3Q)		FY2015		Increase /Decrease (A) - (B)
	(As of December 31, 2014)		(As of December 31, 2015)		(As of March 31, 2015)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	6,685		7,372		8,228		△ 856
2. Notes and accounts receivable-trade	32,620		29,756		29,142		614
3. Electronically recorded monetary claims - operating	612		947		507		440
4. Securities	-		232		-		232
5. Merchandise and finished goods	8,095		7,703		8,440		△ 737
6. Work in process	1,110		1,213		1,070		143
7. Raw materials and supplies	7,655		7,222		7,476		△ 254
8. Deferred tax assets	385		319		549		△ 230
9. Other	1,047		789		745		43
10. Allowance for doubtful accounts	△ 144		△ 154		△ 142		△ 11
Total current assets	58,068	67.1	55,403	65.3	56,018	65.7	△ 614
II Noncurrent assets							
1. Property, plant and equipment							
(1) Buildings and structures	7,670		7,841		7,793		48
(2) Machinery, equipment and vehicles	7,321		6,510		7,352		△ 841
(3) Land	4,788		5,203		4,797		406
(4) Construction in progress	359		1,198		553		645
(5) Other	321		412		331		80
Total property, plant and equipment	20,462	23.7	21,166	24.9	20,827	24.4	338
2. Intangible assets							
(1) Goodwill	83		597		71		526
(2) Other	485		450		500		△ 50
Total intangible assets	569	0.7	1,047	1.2	571	0.7	476
3. Investments and other assets							
(1) Investment securities	6,643		6,512		7,125		△ 612
(2) Deferred tax assets	176		185		187		△ 2
(3) Other	513		559		530		28
Allowance for doubtful accounts	△ 12		△ 23		△ 14		△ 8
Total investments and other assets	7,320	8.5	7,233	8.6	7,828	9.2	△ 594
Total noncurrent assets	28,352	32.9	29,447	34.7	29,227	34.3	220
Total assets	86,421	100.0	84,850	100.0	85,245	100.0	△ 394

(Unit: Millions of yen)

Item	FY2015(3Q)		FY2016(3Q)		FY2015		Increase /Decrease (A) - (B)
	(As of December 31, 2014)		(As of December 31, 2015)		(As of March 31, 2015)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable-trade	14,089		11,251		11,807		△ 556
2. Short-term loans payable	10,414		9,745		9,592		153
3. Current portion of bonds	-		5,000		-		5,000
4. Income taxes payable	524		556		451		104
5. Accrued consumption taxes	213		209		243		△ 33
6. Deferred tax liabilities	100		66		70		△ 3
7. Provision for bonuses	500		520		1,035		△ 515
8. Provision for directors' bonuses	33		38		46		△ 7
9. Provision for repairs	77		-		94		△ 94
10. Notes payable-facilities	102		123		134		△ 10
11. Other	3,733		3,479		3,451		28
Total current liabilities	29,791	34.5	30,991	36.5	26,926	31.6	4,064
II Noncurrent liabilities							
1. Bonds payable	5,000		-		5,000		△ 5,000
2. Long-term loans payable	2,569		2,946		2,683		263
3. Deferred tax liabilities	1,389		1,311		1,393		△ 82
4. Provision for repairs	-		25		-		25
5. Net defined benefit liability	784		555		813		△ 258
6. Asset retirement obligations	89		91		90		1
7. Other	477		419		493		△ 74
Total noncurrent liabilities	10,311	11.9	5,349	6.3	10,474	12.3	△ 5,124
Total liabilities	40,102	46.4	36,340	42.8	37,400	43.9	△ 1,059
(Net assets)							
I Shareholders' equity							
1. Capital stock	3,189		3,291		3,192		98
2. Capital surplus	3,410		3,512		3,414		98
3. Retained earnings	34,086		35,586		34,298		1,288
4. Treasury stock	△ 11		△ 12		△ 11		△ 0
Total shareholders' equity	40,674	47.0	42,378	49.9	40,893	48.0	1,485
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	2,116		2,237		2,572		△ 334
2. Foreign currency translation adjustment	1,734		2,037		2,620		△ 583
3. Remeasurements of defined benefit plans	237		153		165		△ 12
Total accumulated other comprehensive income	4,088	4.7	4,427	5.2	5,358	6.3	△ 930
III Subscription rights to shares	23	0.0	16	0.0	23	0.0	△ 6
IV Minority interests	1,531	1.9	1,686	2.0	1,570	1.8	116
Total net assets	46,318	53.6	48,510	57.2	47,845	56.1	665
Total liabilities and net assets	86,421	100.0	84,850	100.0	85,245	100.0	△ 394

Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2015(3Q)		FY2016(3Q)				Increase /Decrease		FY2015	
	' 14/4-' 14/12		' 15/4-' 15/12				' 14/4-' 15/3			
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio		
I Net sales	60,932	100.0	59,762	100.0	△ 1,170	△ 1.9	81,742	100.0		
II Cost of sales	49,494	81.2	47,675	79.8	△ 1,818	△ 3.7	66,777	81.7		
Gross profit	11,438	18.8	12,086	20.2	647	5.7	14,965	18.3		
III Selling, general and administrative expenses	8,854	14.5	9,412	15.7	557	6.3	12,004	14.8		
Operating income	2,583	4.3	2,674	4.5	90	3.5	2,961	3.5		
IV Non-operating income										
Interest income	24		23				33			
Dividends income	116		144				126			
Real estate rent	90		91				119			
Foreign exchange gains	204		77				246			
Other	183	619	282	619	△ 0	△ 0.0	324	849		
V Non-operating expenses										
Interest expenses	197		183				261			
Equity in losses of affiliates	26		26				49			
Bond issuance cost	-		89				-			
Other	40	264	71	371	106	40.4	69	379		
Ordinary income	2,938	4.9	2,921	4.9	△ 16	△ 0.6	3,431	4.0		
VI Extraordinary income										
Gain on sales of noncurrent assets	21		43				21			
Gain on sales of investment securities	-		127				-			
Compensation income	445		-				474			
State subsidy	-	467	-	170	△ 296	△ 63.5	15	511		
VII Extraordinary loss										
Loss on sales and retirement of noncurrent assets	18		18				54			
Loss on valuation of noncurrent assets	-	18	-	18	0	5.2	4	58		
Income before income taxes	3,387	5.6	3,073	5.2	△ 313	△ 9.3	3,884	4.6		
Income taxes-current	767		672				####			
Income taxes-deferred	321	1,088	335	1,008	△ 79	△ 7.3	139	1,303		
Income before minority interests	2,298	3.8	2,064	3.5	△ 234	△ 10.2	2,580	3.0		
Minority interests in income	286	0.5	189	0.3	△ 97	△ 34.0	356	0.4		
Net income	2,012	3.3	1,875	3.2	△ 136	△ 6.8	2,224	2.6		

<Reference> Statements of Comprehensive Income(Consolidated)

Income before minority interests	2,298		2,064		△ 234	△ 10.2	2,580	
Other comprehensive income								
Valuation difference on available-for-sale	745		△ 334		△ 1,080		1,201	
Foreign currency translation adjustment	62		△ 618		△ 681		1,043	
Remeasurements of defined benefit plans	△ 19		△ 12		6		△ 91	
Share of other comprehensive income of associates accounted for using equity method	4		△ 26		△ 30		14	
Total other comprehensive income	792		△ 991		△ 1,784		2,167	
Comprehensive income	3,091		1,072		△ 2,018	△ 65.3	4,747	