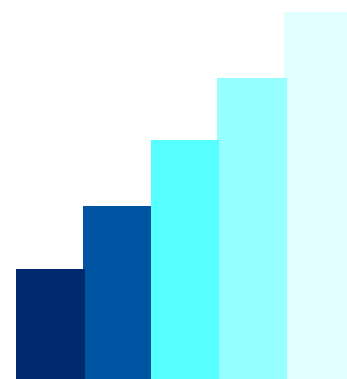




DATA BOOK

FY2017

2nd Quarter ended September 30, 2016



Achievement Transition (Consolidated)



consolidated	FY 2015 (2Q)		FY 2016 (2Q)		FY 2017 (2Q)		FY 2015		FY 2016		FY 2017 forecast	
	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	39,593	11.5	39,182	△ 1.0	37,937	△ 3.2	81,742	9.0	79,119	△ 3.2	75,500	△ 4.6
Operating income	1,543	36.0	1,538	△ 0.3	2,553	66.0	2,961	26.8	3,639	22.9	4,100	12.7
Ordinary income	1,649	15.8	1,714	4.0	2,477	44.5	3,431	27.2	3,851	12.2	4,200	9.1
Profit attributable to owners of parent	1,195	37.9	1,114	△ 6.8	1,707	53.2	2,224	49.5	2,311	3.9	2,500	8.1

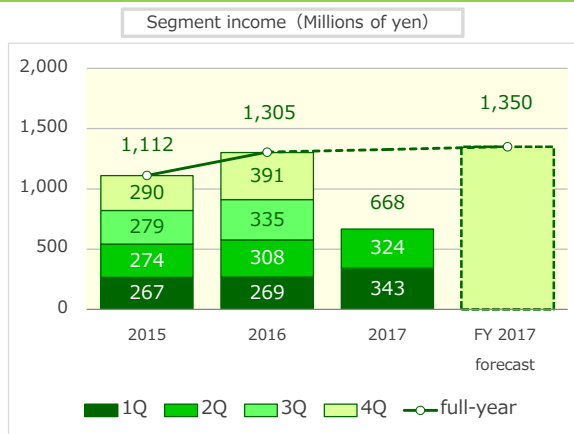
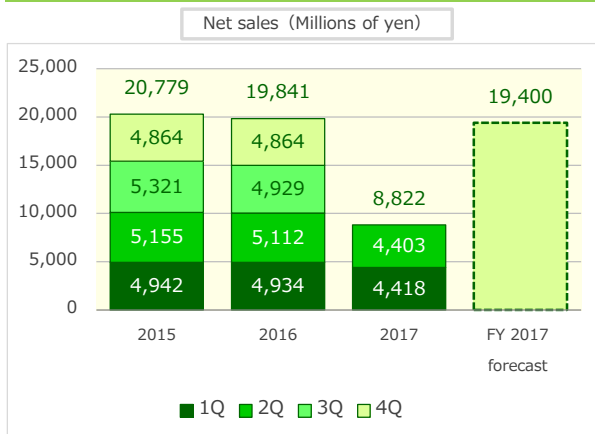
Management index transition

consolidated	FY 2015 (2Q)		FY 2016 (2Q)		FY 2017 (2Q)		FY 2015		FY 2016		FY 2017 forecast	
	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	737	△ 316	832	95	1,145	312	1,807	△ 189	2,993	1,185	2,700	△ 293
Depreciation and amortization	1,280	△ 143	1,288	8	1,289	0	2,700	△ 252	2,717	17	2,800	82
R&D expenses	1,316	△ 70	1,406	90	1,521	114	2,703	△ 87	2,819	116	3,100	280
Interest-bearing debt	17,612	97	19,059	1,446	14,205	△ 4,853	17,275	△ 1,329	17,426	151	15,000	△ 2,426
EBITDA	2,823	264	2,827	3	3,842	1,015	5,661	373	6,357	695	6,900	542

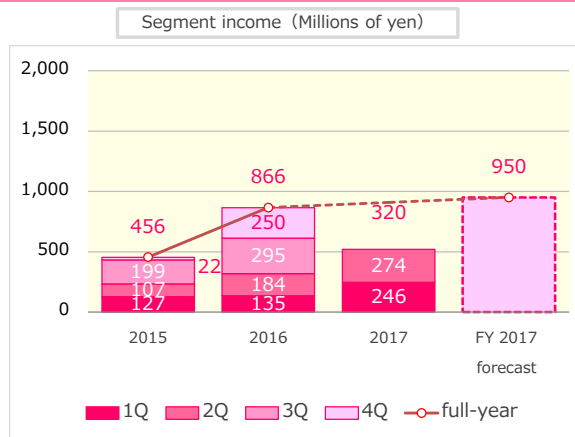
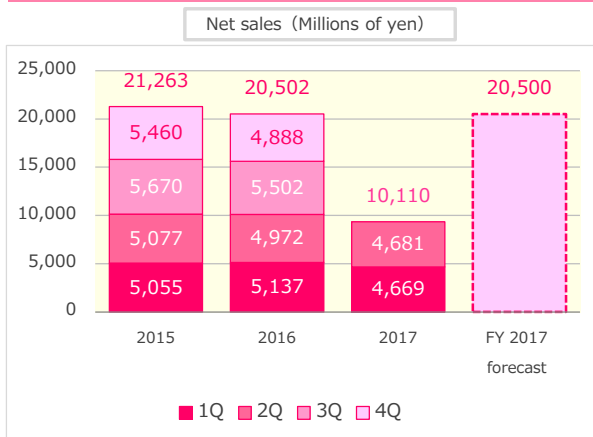
[EBITDA] Earnings Before Interest , Taxes , Depreciation , and Amortization

Segment Information (Consolidated)

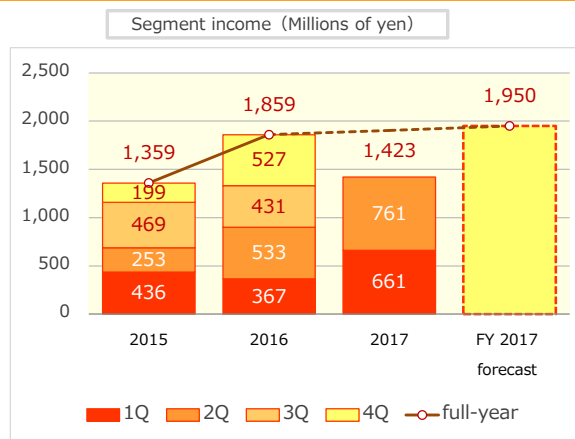
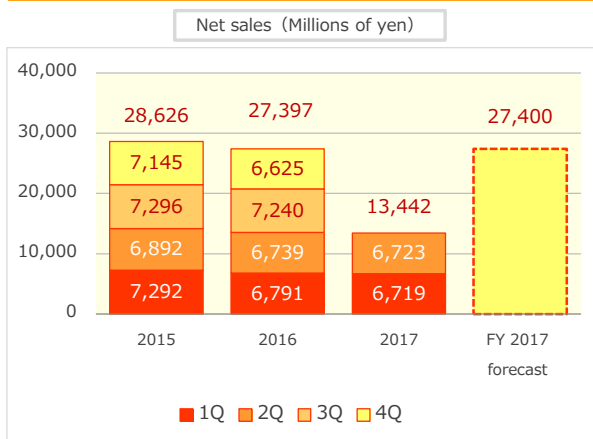
Paper chemicals



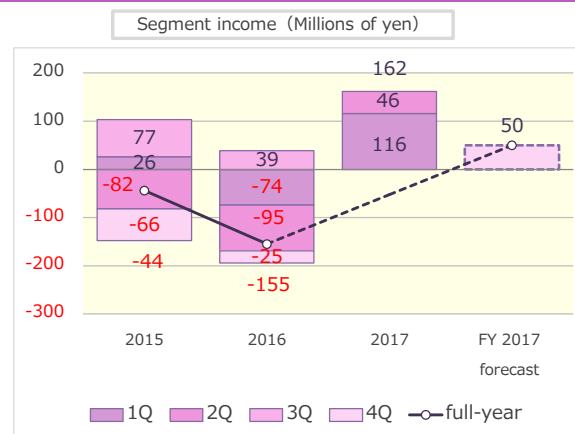
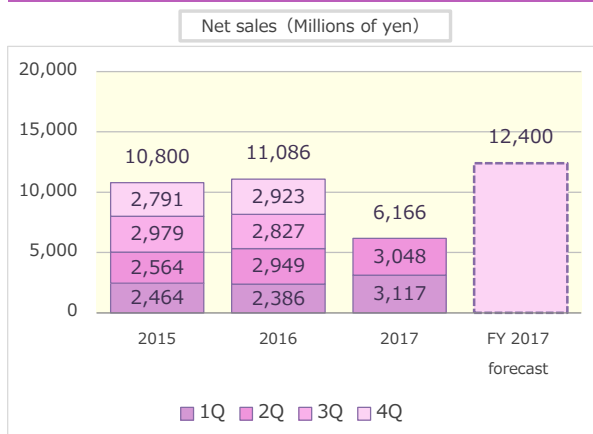
Coating chemicals



Adhesive Materials



Functional Materials



Segment Information (Consolidated)

Consolidated		FY 2015 (2Q)		FY 2016 (2Q)		FY 2017 (2Q)		FY 2015		FY 2016		FY 2017 forecast	
		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	10,097	–	10,047	△ 0.5	8,822	△ 12.2	20,779	–	19,841	△ 4.5	19,400	△ 2.2
	Segment income	542	–	578	6.5	668	15.6	1,112	–	1,305	17.3	1,350	3.4
	Segment income/sales	5.4%		5.8%		7.6%		5.4%		6.6%		7.0%	
Coating chemicals	Net sales	10,132	–	10,110	△ 0.2	9,351	△ 7.5	21,263	–	20,502	△ 3.6	20,500	△ 0.0
	Segment income	235	–	320	36.2	520	62.5	456	–	866	89.7	950	9.7
	Segment income/sales	2.3%		3.2%		5.6%		2.1%		4.2%		4.6%	
Adhesive Materials	Net sales	14,184	–	13,530	△ 4.6	13,442	△ 0.7	28,626	–	27,397	△ 4.3	27,400	0.0
	Segment income	689	–	900	30.6	1,423	58.0	1,359	–	1,859	36.8	1,950	4.8
	Segment income/sales	4.9%		6.7%		10.6%		4.7%		6.8%		7.1%	
Functional Materials	Net sales	5,029	–	5,335	6.1	6,166	15.6	10,800	–	11,086	2.7	12,400	11.8
	Segment income	△ 55	–	△ 169	–	162	–	△ 44	–	△ 155	–	50	–
	Segment income/sales	△ 1.1%		△ 3.2%		2.6%		△ 0.4%		△ 1.4%		0.4%	
Others	Net sales	150	–	157	5.0	154	△ 2.1	272	–	291	6.9	300	3.0
	Segment income	9	–	10	5.7	11	15.1	12	–	13	11.0	10	△ 25.4
	Segment income/sales	6.5%		6.6%		7.7%		4.4%		4.6%		3.3%	
Subtotal	Net sales	39,593	–	39,182	△ 1.0	37,937	△ 3.2	81,742	–	79,119	△ 3.2	80,000	1.1
	Segment income	1,422	–	1,640	15.3	2,787	69.9	2,896	–	3,889	34.3	4,310	10.8
	Segment income/sales	3.6%		4.2%		7.3%		3.5%		4.9%		5.4%	
Consolidated total	Development Investment	△ 154	–	△ 160	–	△ 174	–	△ 318	–	△ 302	–	△ 400	–
	Segment income	1,268	–	1,479	16.7	2,612	76.6	2,577	–	3,586	39.2	3,910	9.0
	Segment income/sales	3.2%		3.8%		6.9%		3.2%		4.5%		4.9%	

The sales of business segmentation do not include intersegment sales.

[Paper chemicals] Size agent, Paper strengthening agent, Latex, etc.

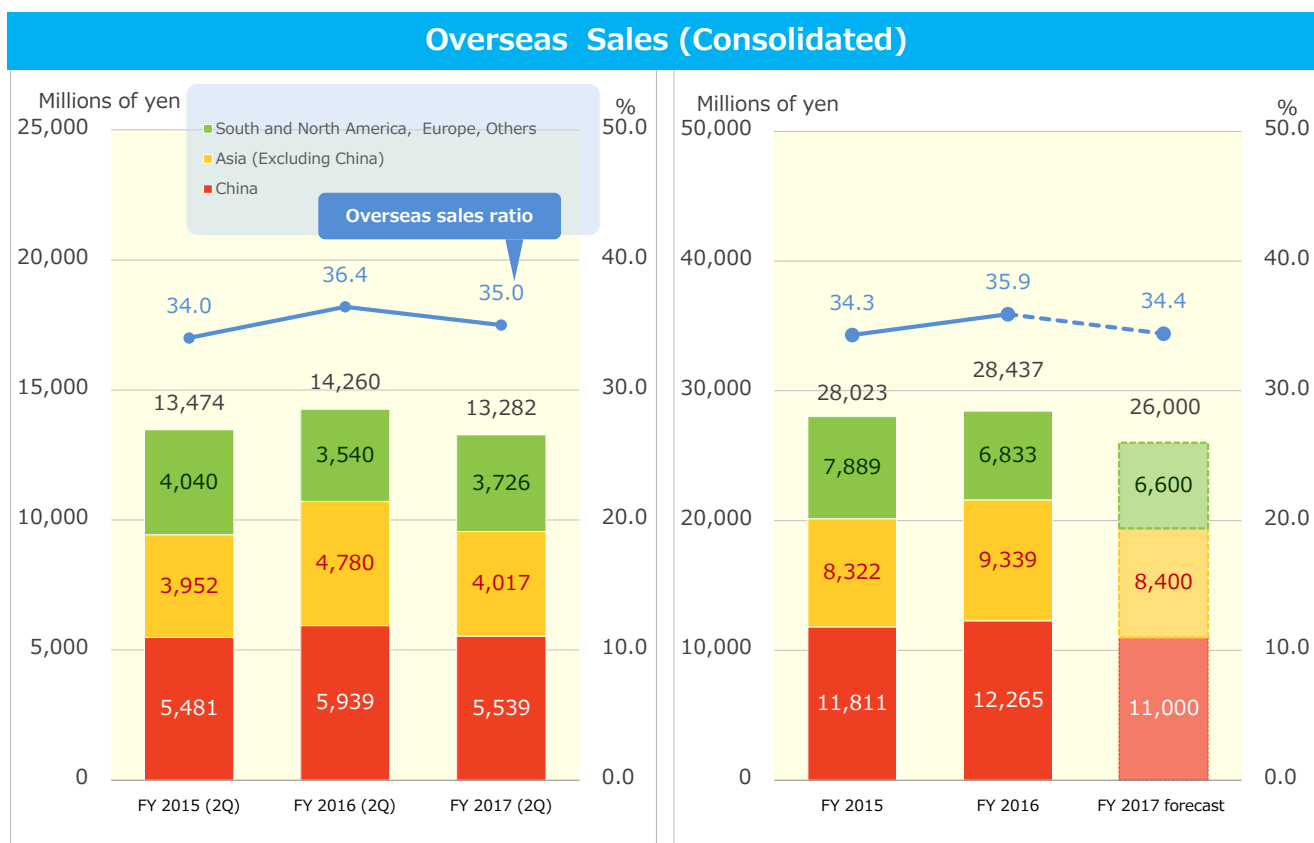
[Coating chemicals] Printing ink resin, Paint resin, Polymerization emulsifier, UV/EB curable resin, etc.

[Adhesive Materials] Adhesive resin, Colorless rosin derivatives, etc.

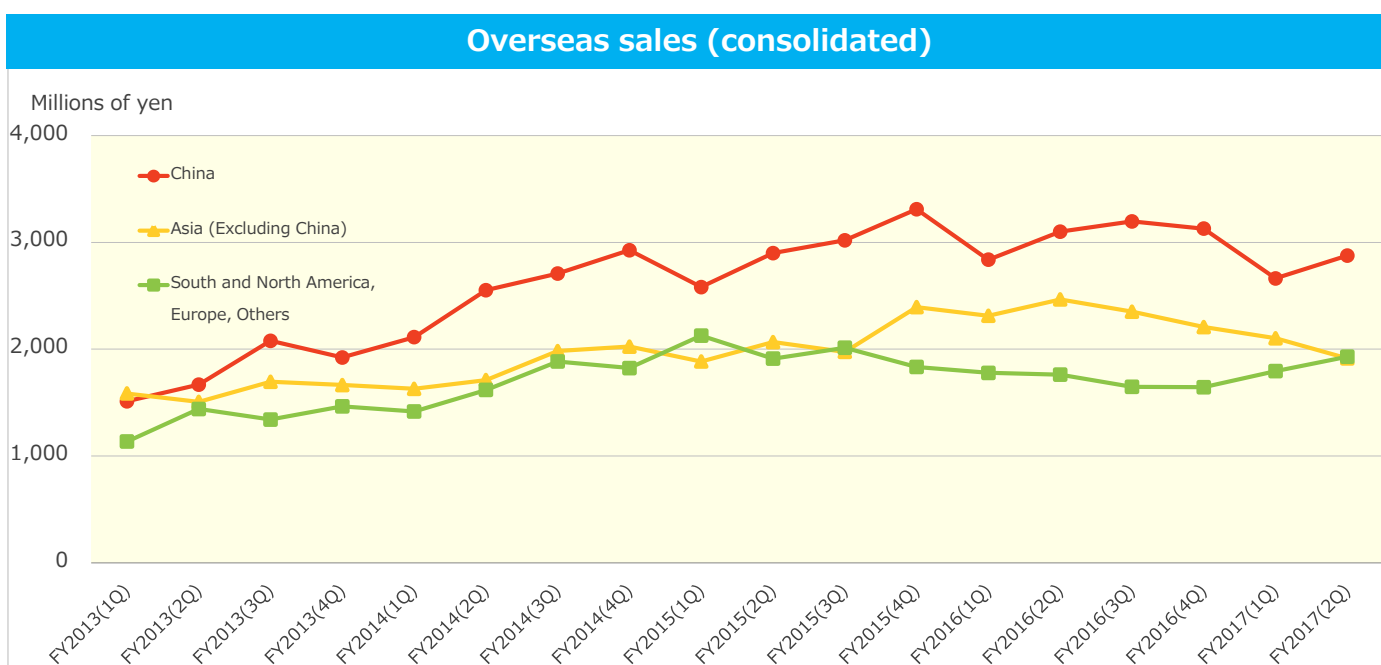
[Functional Materials] Compound materials for electronics, Functional fine chemical materials, Polishing agent for hard disk substrates, Flux cleanig System, etc.

[Others] Insurance business, Real estate agent, etc.

Overseas Sales (Consolidated)



Consolidated	FY 2015 (2Q)		FY 2016 (2Q)		FY 2017 (2Q)		FY 2015		FY 2016		FY 2017 forecast	
	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	13,474	22.0	14,260	5.8	13,282	△ 6.9	28,023	14.9	28,437	1.5	26,000	△ 8.6
Overseas sales in Asia	9,433	17.8	10,719	13.6	9,556	△ 10.8	20,133	14.1	21,604	7.3	19,400	△ 10.2
Overseas sales in China	5,481	17.5	5,939	8.3	5,539	△ 6.7	11,811	14.7	12,265	3.8	11,000	△ 10.3
Overseas sales ratio	34.0%		36.4%		35.0%		34.3%		35.9%		34.4%	



Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2016(2Q)		FY2017(2Q)		FY2016		Increase /Decrease (A) - (B)
	(As of September 30, 2015)		(As of September 30, 2016)		(As of March 31, 2016)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	10,526		10,540		9,620		920
2. Notes and accounts receivable-trade	27,096		24,285		26,529		△ 2,243
3. Electronically recorded monetary claims - operating	660		1,051		935		115
4. Securities	232		-		232		△ 232
5. Merchandise and finished goods	7,968		6,869		7,911		△ 1,041
6. Work in process	1,319		947		1,122		△ 174
7. Raw materials and supplies	7,041		5,677		7,133		△ 1,455
8. Deferred tax assets	510		577		532		45
9. Other	881		628		655		△ 27
Allowance for doubtful accounts	△ 146		△ 142		△ 131		△ 11
Total current assets	56,092	65.9	50,436	64.7	54,541	65.4	△ 4,105
II Noncurrent assets							
1. Property, plant and equipment							
(1) Buildings and structures	7,948		7,816		8,105		△ 288
(2) Machinery, equipment and vehicles	6,918		6,432		7,032		△ 599
(3) Land	5,219		5,193		5,204		△ 11
(4) Construction in progress	789		172		739		△ 567
(5) Other	409		464		471		△ 7
Total property, plant and equipment	21,285	25.0	20,080	25.8	21,553	25.8	△ 1,473
2. Intangible assets							
(1) Goodwill	645		483		550		△ 66
(2) Other	477		362		432		△ 70
Total intangible assets	1,122	1.3	846	1.1	983	1.2	△ 137
3. Investments and other assets							
(1) Investment securities	5,877		5,852		5,549		302
(2) Deferred tax assets	194		187		204		△ 16
(3) Other	570		617		635		△ 18
Allowance for doubtful accounts	△ 15		△ 73		△ 87		13
Total investments and other assets	6,627	7.8	6,583	8.4	6,301	7.6	281
Total noncurrent assets	29,036	34.1	27,509	35.3	28,839	34.6	△ 1,329
Total assets	85,128	100.0	77,945	100.0	83,380	100.0	△ 5,434

(Unit: Millions of yen)

Item	FY2016 (2Q)		FY2017 (2Q)		FY2016		Increase /Decrease (A) - (B)
	(As of September 30, 2015)		(As of September 30, 2016)		(As of March 31, 2016)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable-trade	10,698		8,833		10,286		△ 1,453
2. Short-term loans payable	10,554		7,569		9,993		△ 2,423
3. Current portion of bonds	-		5,000		5,000		-
4. Income taxes payable	497		503		650		△ 146
5. Accrued consumption taxes	126		212		219		△ 6
6. Deferred tax liabilities	72		47		60		△ 13
7. Provision for bonuses	1,026		1,143		1,086		57
8. Provision for directors' bonuses	22		34		57		△ 23
9. Provision for repairs	13		73		-		73
10. Notes payable-facilities	73		91		54		36
11. Other	3,112		3,121		3,588		△ 467
Total current liabilities	26,195	30.8	26,629	34.1	30,996	37.2	△ 4,367
II Noncurrent liabilities							
1. Bonds payable	5,000		-		-		-
2. Long-term loans payable	3,504		1,636		2,433		△ 797
3. Deferred tax liabilities	1,091		1,037		895		141
4. Net defined benefit liability	12		-		37		△ 37
5. Provision for repairs	639		611		764		△ 152
6. Asset retirement obligations	91		102		92		10
7. Other	435		328		416		△ 88
Total noncurrent liabilities	10,774	12.6	3,715	4.8	4,639	5.5	△ 923
Total liabilities	36,969	43.4	30,344	38.9	35,636	42.7	△ 5,291
(Net assets)							
I Shareholders' equity							
1. Capital stock	3,284		3,300		3,293		6
2. Capital surplus	3,505		3,521		3,514		6
3. Retained earnings	35,133		37,422		36,022		1,399
4. Treasury stock	△ 12		△ 12		△ 12		0
Total shareholders' equity	41,911	49.3	44,231	56.7	42,819	51.4	1,412
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale	1,814		1,819		1,619		199
2. Foreign currency translation adjustment	2,536		80		1,746		△ 1,665
3. Remeasurements of defined benefit plans	157		△ 55		△ 56		0
Total accumulated other comprehensive income	4,508	5.3	1,844	2.4	3,310	4.0	△ 1,465
III Subscription rights to shares	17	0.0	2	0.0	16	0.0	△ 13
IV Minority interests	1,722	2.0	1,522	2.0	1,598	1.9	△ 75
Total net assets	48,159	56.6	47,600	61.1	47,744	57.3	△ 143
Total liabilities and net assets	85,128	100.0	77,945	100.0	83,380	100.0	△ 5,434

Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2016 (2Q)		FY2017 (2Q)				Increase /Decrease		FY2016		
	'15/4-'15/9		'16/4-'16/9		Amount	Rate of change	'15/4-'16/3				
	Amount	Ratio	Amount	Ratio			Amount	Ratio			
I Net sales		39,182	100.0		37,937	100.0	△ 1,245	△ 3.2		79,119	100.0
II Cost of sales		31,415	80.2		29,026	76.5	△ 2,389	△ 7.6		62,757	79.3
Gross profit		7,767	19.8		8,911	23.5	1,143	14.7		16,361	20.7
III Selling, general and administrative expenses		6,228	15.9		6,357	16.8	128	2.1		12,722	16.1
Operating income		1,538	3.9		2,553	6.7	1,014	66.0		3,639	4.6
IV Non-operating income											
Interest income	17			13					30		
Dividends income	85			82					156		
Real estate rent	61			62					121		
Foreign exchange gains	76			-					28		
Other	227	468	1.2	94	252	0.7	△ 216	△ 46.1	338	674	0.9
V Non-operating expenses											
Interest expenses	122			94					239		
Equity in losses of affiliates	27			-					26		
Foreign exchange losses	-			179					-		
Commission fee	89			-					89		
Other	53	292	0.7	53	328	0.9	36	12.5	106	463	0.6
Ordinary income		1,714	4.4		2,477	6.5	762	44.5		3,851	4.9
VI Extraordinary income											
Gain on sales of noncurrent assets	0			3					45		
Gain on sales of investment securities	127			-					126		
Compensation income	-			13					-		
State subsidy	-	127	0.3	-	16	0.0	△ 110	△ 86.7	15	188	0.2
VII Extraordinary loss											
Loss on sales and retirement of noncurrent assets	12			30					25		
Provision of allowance for doubtful accounts	-			-					70		
Loss on valuation of non-current assets	-	12	0.0	-	30	0.1	18	144.5	81	177	0.2
Income before income taxes		1,829	4.7		2,463	6.5	633	34.6		3,862	4.9
Income taxes-current	492			583					1,166		
Income taxes-deferred	117	610	1.6	10	594	1.6	△ 15	△ 2.6	133	1,299	1.6
Net income		1,219	3.1		1,868	4.9	649	53.2		2,562	3.2
Profit Attributable to noncontrolling interests		104	0.3		161	0.4	56	54.2		251	0.3
Profit Attributable to owners of parent		1,114	2.8		1,707	4.5	592	53.2		2,311	2.9

<Reference> Statements of Comprehensive Income(Consolidated)

Net income		1,219			1,868		649	53.2		2,562	
Other comprehensive income											
Valuation difference on available-for-sale securities	△	758			199		957		△	952	
Foreign currency translation adjustment	△	0			△ 1,903		△ 1,903		△	900	
Remeasurements of defined benefit plans	△	7			0		8		△	221	
Share of other comprehensive income of associates accounted for using equity method	△	22			0		22		△	25	
Total other comprehensive income	△	788			△ 1,703		△ 914		△	2,100	
Comprehensive income		431			165		△ 265	△ 61.6		462	

Statements of Cash Flows (Consolidated)

(Unit : Millions of yen)

Item	FY2016 (2Q)	FY2017 (2Q)	Increase /Decrease (B)–(A)	FY2016
	' 15/4-' 15/9	' 16/4-' 16/9		' 15/4-' 16/3
	Amount(A)	Amount(B)		Amount
I Net cash provided by (used in) operating				
Income before income taxes	1,829	2,463	633	3,862
Depreciation and amortization	1,288	1,289	0	2,717
Amortization of goodwill	61	66	5	155
Increase (decrease) in allowance for doubtful accounts	0	21	20	67
Increase (decrease) in provision for bonuses	△ 15	63	79	48
Increase (decrease) in provision for directors' bonuses	△ 24	△ 23	1	11
Increase (decrease) in net defined benefit liability	△ 182	△ 147	35	△ 53
Loss (gain) on sales of investment securities	△ 127	–	127	△ 126
Loss on valuation of non-current assets	–	△ 13	△ 13	–
Loss (gain) on sales and retirement of noncurrent assets	12	27	15	△ 20
Interest and dividends income	△ 103	△ 95	7	△ 186
Interest expenses	122	94	△ 27	239
Equity in (earnings) losses of affiliates	27	–	△ 27	26
Decrease (increase) in notes and accounts receivable–trade	2,175	978	△ 1,196	1,853
Decrease (increase) in inventories	747	1,978	1,231	575
Increase (decrease) in notes and accounts payable–trade	△ 1,402	△ 1,061	341	△ 1,622
Increase (decrease) in accrued consumption taxes	△ 116	△ 18	97	△ 23
Other, net	△ 585	193	779	△ 515
Subtotal	3,709	5,818	2,109	7,008
Interest and dividends income received	103	99	△ 3	188
Interest expenses paid	△ 113	△ 97	15	△ 247
Income taxes (paid) refund	△ 505	△ 636	△ 131	△ 1,008
Net cash provided by (used in) operating activities	3,193	5,184	1,990	5,941
II Net cash provided by (used in) investing activities				
Net decrease (increase) in time deposits	△ 6	138	145	5
Purchase of property, plant and equipment	△ 1,162	△ 1,044	118	△ 2,937
Proceeds from sales of property, plant and equipment	5	2	△ 2	109
Purchase of investment securities	△ 13	△ 14	△ 0	△ 27
Proceeds from sales of investment securities	244	–	△ 244	244
Purchase of intangible assets	△ 28	△ 21	7	△ 55
Purchase of shares of subsidiaries and associates	△ 1,498	–	1,498	△ 1,498
Decrease (increase) in short-term loans receivable	–	–	–	20
Decrease (increase) in other investments	△ 11	3	14	△ 10
Other, net	△ 9	△ 23	△ 13	△ 14
Net cash provided by (used in) investing activities	△ 2,481	△ 959	1,522	△ 4,163
III Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term loans payable	230	△ 1,500	△ 1,730	569
Proceeds from long-term loans payable	2,200	–	△ 2,200	2,200
Repayment of long-term loans payable	△ 700	△ 1,000	△ 300	△ 2,264
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	177	12	△ 164	195
Purchase of treasury stock	△ 0	△ 0	0	△ 0
Cash dividends paid	△ 304	△ 307	△ 3	△ 611
Cash dividends paid to minority shareholders	–	–	–	△ 159
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	△ 4	–	4	△ 4
Net cash provided by (used in) financing activities	1,598	△ 2,796	△ 4,394	△ 75
IV Effect of exchange rate change on cash and cash equivalents	69	△ 602	△ 672	△ 217
V Net increase (decrease) in cash and cash equivalents	2,379	825	△ 1,554	1,485
VI Cash and cash equivalents at beginning of period	8,136	9,622	1,485	8,136
VII Cash and cash equivalents at end of period	10,516	10,447	△ 68	9,622