

DATA BOOK

FY2024 (3rd Quarter ended December 31,2023)

V-ACTION for sustainability

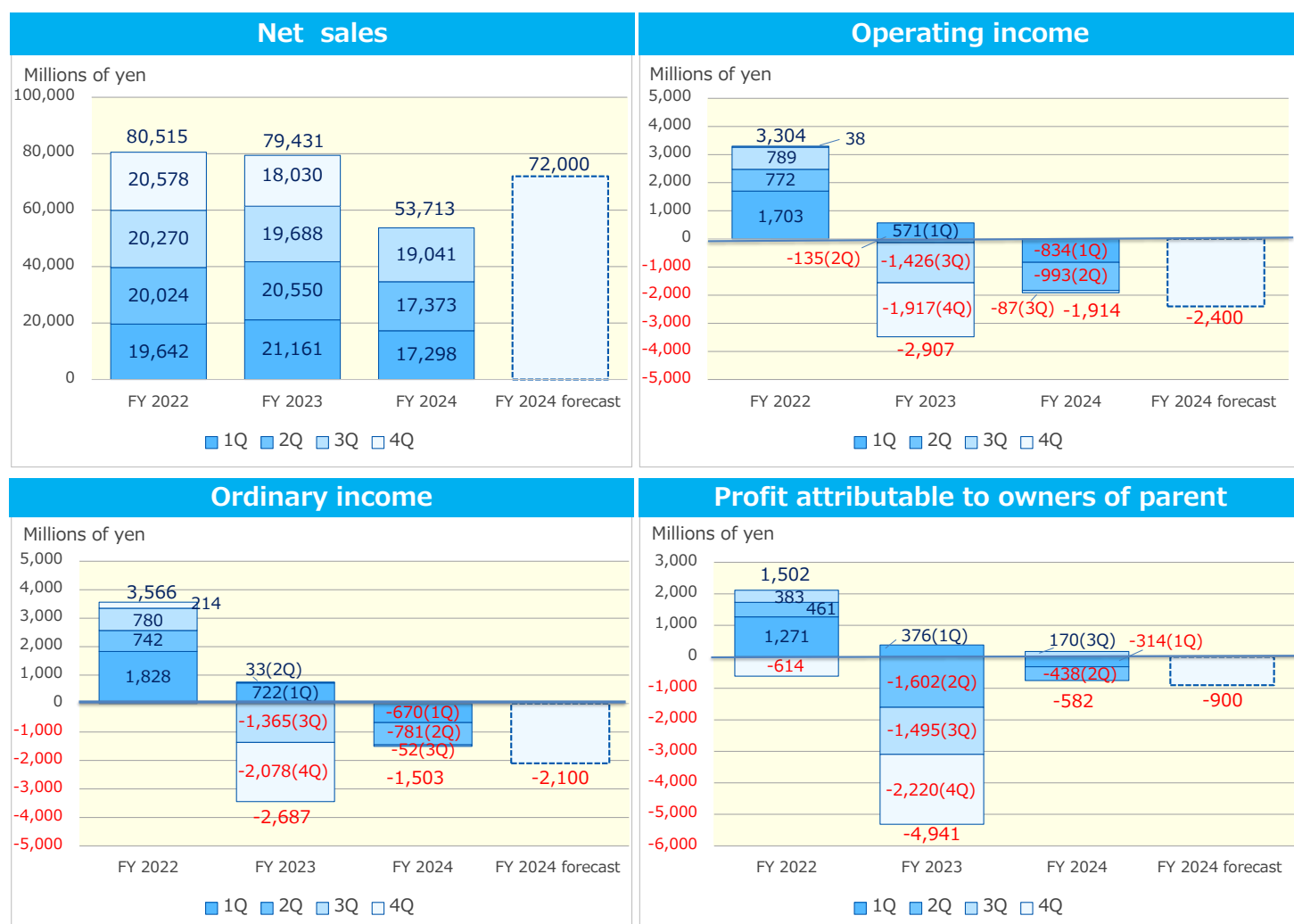


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February 5th,2024
ARAKAWA CHEMICAL INDUSTRIES, LTD.

Performance (Consolidated)



Consolidated	FY 2022 (3Q)		FY 2023 (3Q)		FY 2024 (3Q)		FY 2022		FY 2023		FY 2024 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	59,937	17.5	61,400	2.4	53,713	△ 12.5	80,515	14.1	79,431	△ 1.3	72,000	△ 9.4
Operating income	3,265	42.6	△ 990	-	△ 1,914	-	3,304	1.4	△ 2,907	-	△ 2,400	-
Ordinary income	3,351	29.7	△ 609	-	△ 1,503	-	3,566	△ 2.3	△ 2,687	-	△ 2,100	-
Profit attributable to owners of parent	2,117	21.8	△ 2,721	-	△ 582	-	1,502	△ 30.7	△ 4,941	-	△ 900	-

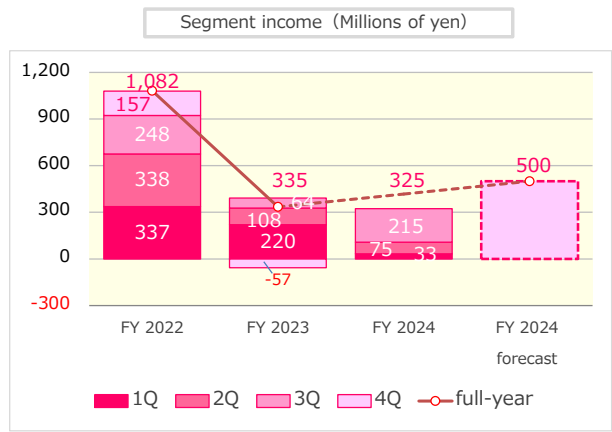
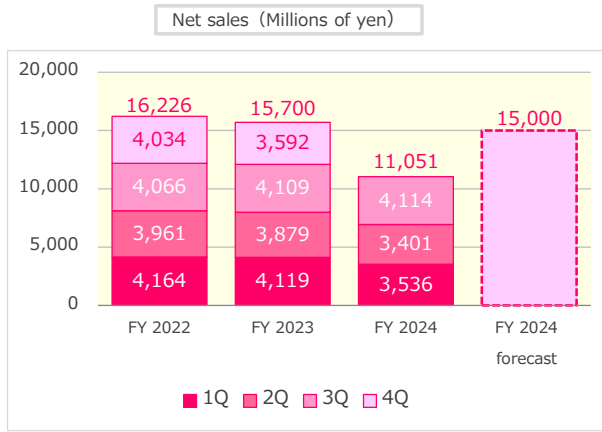
Capital expenditure, etc.

Consolidated	FY 2022 (3Q)		FY 2023 (3Q)		FY 2024 (3Q)		FY 2022		FY 2023		FY 2024 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	3,455	1,519	2,954	△ 500	3,260	306	6,567	△ 11,991	4,025	△ 2,541	5,000	974
Depreciation	2,182	△ 43	2,958	776	4,242	1,283	3,120	139	4,477	1,357	6,000	1,522
R&D expenses	2,274	△ 84	2,256	△ 18	2,183	△ 72	3,100	△ 147	3,024	△ 75	3,500	475
Interest-bearing debt	24,743	2,970	38,440	13,696	41,769	3,329	26,680	4,891	35,052	8,371	43,000	7,947
EBITDA	5,524	861	1,968	△ 3,556	2,327	359	6,500	77	1,569	△ 4,931	3,600	2,030

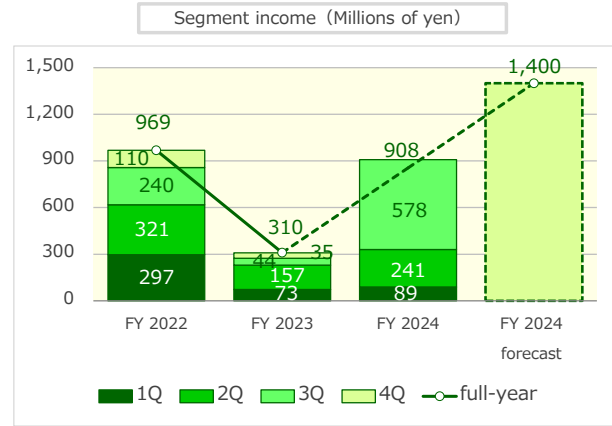
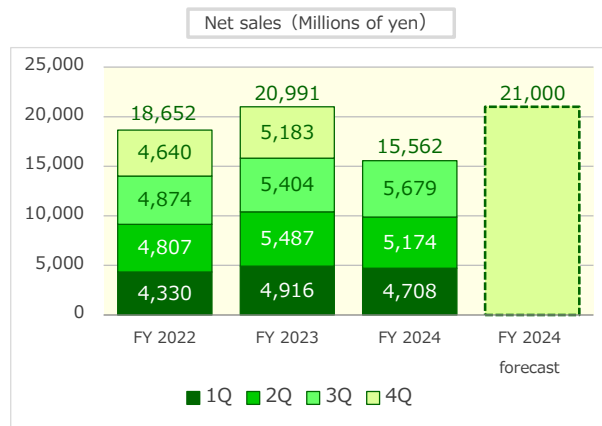
[EBITDA] Operating profit before amortization = Operating profit + Depreciation expense + Amortization of goodwill

Segment Information (Consolidated)

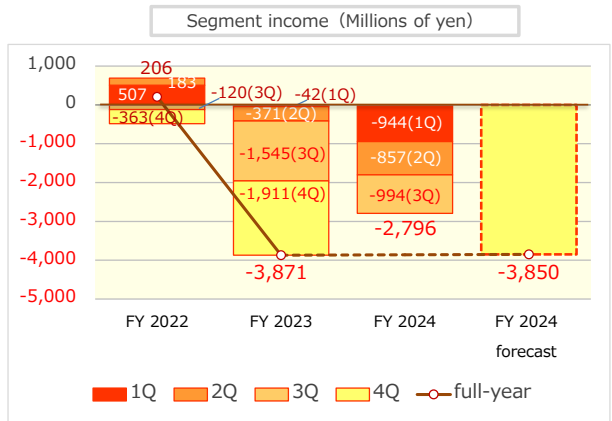
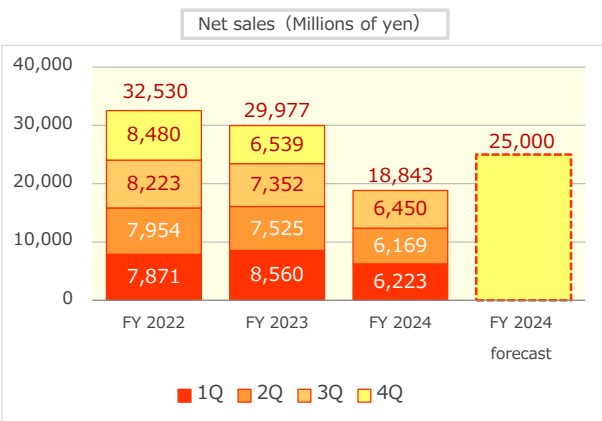
Functional Coating Chemicals



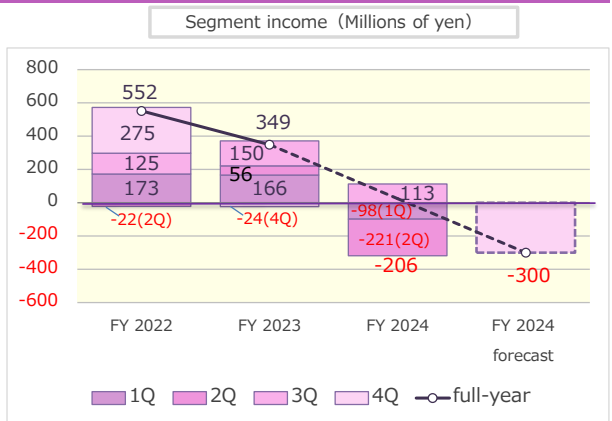
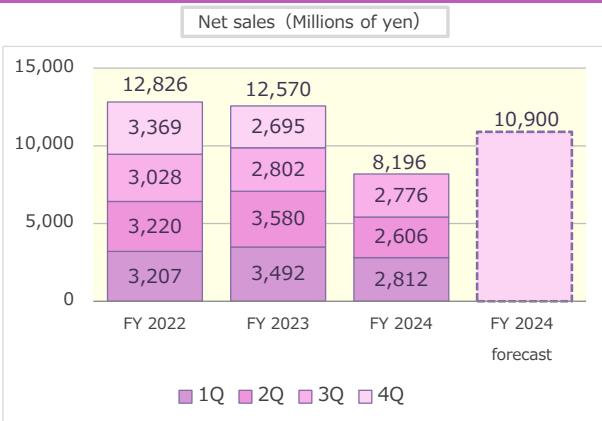
Paper Chemicals & Environmental Business



Adhesive & Biomass Materials



Fine Chemicals & Electronics



Segment Information (Consolidated)

Consolidated		FY 2022 (3Q)		FY 2023 (3Q)		FY 2024 (3Q)		FY 2022		FY 2023		FY 2024 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
Functional Coating Chemicals	Net sales ※1	12,192	9.3	12,107	△ 0.7	11,051	△ 8.7	16,226	7.1	15,700	△ 3.2	15,000	△ 4.5
	Segment income	924	△ 0.3	393	△ 57.5	325	△ 17.4	1,082	△ 2.9	335	△ 69.0	500	48.9
	Segment income/sales	7.6%		3.2%		2.9%		6.7%		2.1%		3.3%	
Paper Chemicals & Environmental Business	Net sales ※1	14,012	12.4	15,808	12.8	15,562	△ 1.6	18,652	9.1	20,991	12.5	21,000	0.0
	Segment income	859	142.7	275	△ 67.9	908	229.8	969	71.4	310	△ 67.9	1,400	350.3
	Segment income/sales	6.1%		1.7%		5.8%		5.2%		1.5%		6.7%	
Adhesive & Biomass Materials	Net sales ※1	24,049	31.8	23,438	△ 2.5	18,843	△ 19.6	32,530	26.1	29,977	△ 7.8	25,000	△ 16.6
	Segment income	570	△ 48.2	△ 1,959	-	△ 2,796	-	206	△ 86.7	△ 3,871	-	△ 3,850	-
	Segment income/sales	2.4%		△8.4%		△14.8%		0.6%		△12.9%		△15.4%	
Fine Chemicals & Electronics	Net sales ※1	9,456	5.9	9,874	4.4	8,196	△ 17.0	12,826	4.7	12,570	△ 2.0	10,900	△ 13.3
	Segment income	276	△ 16.5	374	35.3	△ 206	-	552	4.6	349	△ 36.7	△ 300	-
	Segment income/sales	2.9%		3.8%		△2.5%		4.3%		2.8%		△2.8%	
Others	Net sales ※1	226	7.4	171	△ 24.5	58	△ 65.7	279	6.2	191	△ 31.4	100	△ 47.8
	Segment income	36	85.0	29	△ 19.9	27	△ 8.0	45	72.8	42	△ 7.3	40	△ 4.9
	Segment income/sales	16.2%		17.2%		46.1%		16.2%		22.0%		40.0%	
Subtotal	Net sales ※1	59,937	17.5	61,400	2.4	53,713	△ 12.5	80,515	14.1	79,431	△ 1.3	72,000	△ 9.4
	Segment income	2,667	△ 2.4	△ 887	-	△ 1,742	-	2,855	△ 24.6	△ 2,832	-	△ 2,210	-
	Segment income/sales	4.4%		△1.4%		△3.2%		3.5%		△3.6%		△3.1%	
Consolidated total	*Development Investment ※2	△ 326	-	△ 301	-	△ 294	-	△ 437	-	△ 406	-	△ 400	-
	Segment income	2,340	△ 4.6	△ 1,188	-	△ 2,036	-	2,418	△ 29.1	△ 3,239	-	△ 2,610	-
	Segment income/sales	3.9%		△1.9%		△3.8%		3.0%		△4.1%		△3.6%	

※1 The sales of business segmentation do not include intersegment sales.

The Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending March 31, 2022.

※2 Applied research and development expense that will be the source of growth in the medium to long term.

[Functional Coating Chemicals] UV/EB curable resin, Resins for paint and printing ink, etc.

[Paper chemicals & Environmental Business] Paper strengthening agent, Sizing agent, New water-based polymer, etc.

[Adhesive & Biomass Materials] Hydrogenated hydrocarbon resin, Adhesive resin, Colorless rosin derivative, Synthetic rubber polymerization emulsifier, etc.

[Fine Chemicals & Electronics] Precise parts cleaning agent and Cleaning system and its peripheral equipment, Thermoplastic Polyimide Solution, Fine chemical Products, Compounded Products for electronic material, Polishing agent for hard disk substrates, etc.

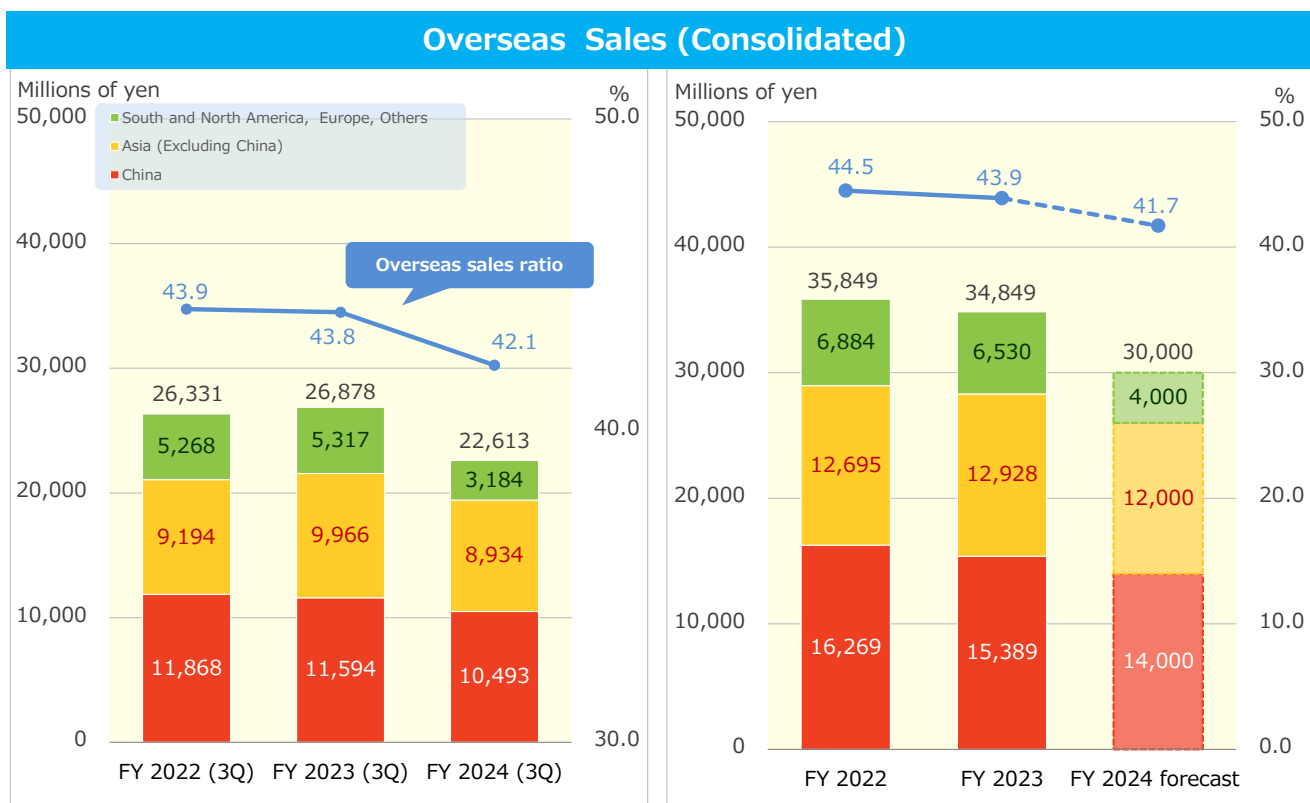
[Others] Insurance business, Real estate management, etc.

Depreciation expense of Chiba Arkon Production, Limited

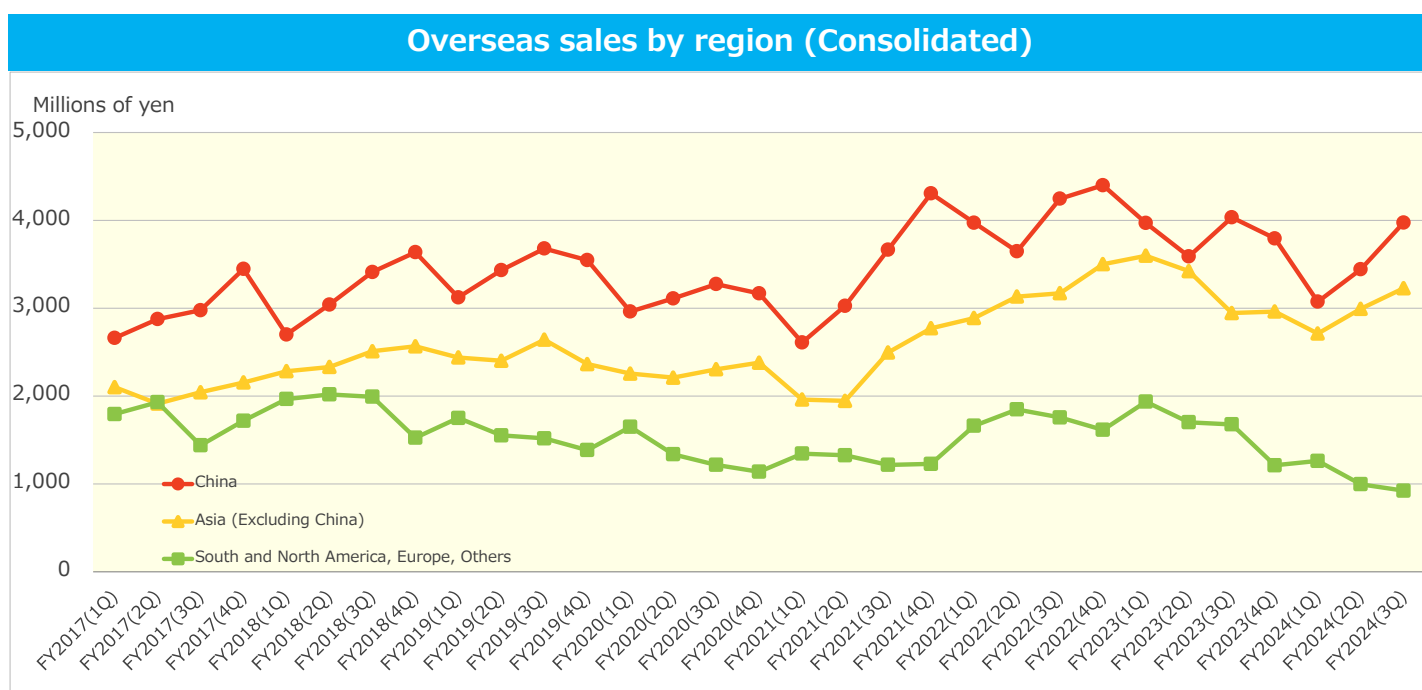
(millions of yen)

FY2023	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
1,043	2,400	1,900	1,500

Overseas Sales (Consolidated)



Consolidated	FY 2022 (3Q)		FY 2023 (3Q)		FY 2024 (3Q)		FY 2022		FY 2023		FY 2024 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	26,331	34.4	26,878	2.1	22,613	△ 15.9	35,849	28.5	34,849	△ 2.8	30,000	△ 13.9
Overseas sales in Asia	21,062	34.1	21,560	2.4	19,428	△ 9.9	28,965	27.1	28,318	△ 2.2	26,000	△ 8.2
Overseas sales in China	11,868	27.6	11,594	△ 2.3	10,493	△ 9.5	16,269	19.5	15,389	△ 5.4	14,000	△ 9.0
Overseas sales ratio	43.9%		43.8%		42.1%		44.5%		43.9%		41.7%	



Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2023 (As of December 31, 2022)		FY2024 (As of December 31, 2023)		FY2023 (As of March 31, 2023)		Increase /Decrease (A) - (B)
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
		%		%		%	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	13,862		12,375		11,140		1,235
2. Notes and accounts receivable - trade	28,522		25,829		23,461		2,367
3. Electronically recorded monetary claims - operating	2,181		2,477		1,965		511
4. Merchandise and finished goods	11,701		13,064		12,609		455
5. Work in process	1,771		1,516		1,649		△ 132
6. Raw materials and supplies	10,539		9,302		9,954		△ 652
7. Other	1,533		1,337		2,129		△ 792
8. Allowance for doubtful accounts	△ 120		△ 111		△ 110		△ 1
Total current assets	69,992	56.2	65,791	52.7	62,799	52.8	2,992
II Non-current assets							
1. Property, plant and equipment							
(1) Buildings and structures	16,870		17,063		16,628		435
(2) Machinery, equipment and vehicles	15,428		13,662		14,809		△ 1,146
(3) Land	5,097		5,001		4,993		7
(4) Construction in progress	1,328		3,750		2,927		822
(5) Other	1,098		1,183		1,083		100
Total property, plant and equipment	39,822	32.0	40,662	32.5	40,442	34.0	219
2. Intangible assets							
(1) Other	1,774		1,609		1,678		△ 69
Total intangible assets	1,774	1.4	1,609	1.3	1,678	1.4	△ 69
3. Investments and other assets							
(1) Investment securities	7,633		10,281		7,837		2,443
(2) Retirement benefit asset	2,939		4,098		3,895		202
(3) Deferred tax assets	231		282		231		51
(4) Other	388		345		322		23
(5) Allowance for doubtful accounts	△ 142		△ 81		△ 75		△ 5
Total investments and other assets	11,049	8.9	14,926	12.0	12,210	10.2	2,715
Total non-current assets	52,646	42.3	57,197	45.8	54,331	45.6	2,865
III Deferred assets							
1. Business commencement expenses	1,889		1,948		1,904		44
Total deferred assets	1,889	1.5	1,948	1.5	1,904	1.6	44
Total assets	124,528	100.0	124,937	100.0	119,035	100.0	5,902

(Unit: Millions of yen)

Item	FY2023 (As of December 31, 2022)		FY2024 (As of December 31, 2023)		FY2023 (As of March 31, 2023)		Increase /Decrease (A) - (B)
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable - trade	11,274		9,876		9,973		△ 97
2. Electronically recorded obligations - operating	1,519		1,313		1,074		238
3. Short-term borrowings	23,000		16,804		19,645		△ 2,841
4. Current portion of bonds payable	-		5,000		-		5,000
5. Income taxes payable	243		323		336		△ 12
6. Accrued consumption taxes	47		247		67		180
7. Provision for bonuses	662		629		1,036		△ 406
8. Provision for bonuses for directors (and other officers)	10		-		-		-
9. Provision for repairs	622		705		414		291
10. Provision for loss on business liquidation	-		606		1,179		△ 572
11. Notes payable - facilities	112		268		219		49
12. Other	6,897		6,642		8,167		△ 1,524
Total current liabilities	44,389	35.6	42,418	33.9	42,113	35.4	304
II Non-current liabilities							
1. Bonds payable	10,000		5,000		10,000		△ 5,000
2. Long-term borrowings	5,440		14,965		5,407		9,558
3. Deferred tax liabilities	2,009		2,996		2,372		623
4. Retirement benefit liability	317		316		298		18
5. Asset retirement obligations	2,183		2,394		2,161		233
6. Other	217		185		172		12
Total non-current liabilities	20,167	16.2	25,858	20.7	20,412	17.1	5,446
Total liabilities	64,557	51.8	68,277	54.6	62,526	52.5	5,751
(Net assets)							
I Shareholders' equity							
1. Share capital	3,343		3,343		3,343		-
2. Capital surplus	3,564		3,564		3,564		-
3. Retained earnings	43,138		39,387		40,922		△ 1,534
4. Treasury shares	△ 1,211		△ 1,211		△ 1,211		-
Total shareholders' equity	48,834	39.2	45,083	36.1	46,618	39.2	△ 1,534
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	2,705		4,658		2,933		1,724
2. Foreign currency translation adjustment	3,976		3,903		2,819		1,083
3. Remeasurements of defined benefit plans	1,105		1,544		1,710		△ 166
Total accumulated other comprehensive income	7,787	6.3	10,106	8.1	7,464	6.3	2,641
III Non-controlling interests	3,347	2.7	1,470	1.2	2,426	2.0	△ 955
Total net assets	59,970	48.2	56,660	45.4	56,509	47.5	151
Total liabilities and net assets	124,528	100.0	124,937	100.0	119,035	100.0	5,902

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2023 '22/4-'22/12		FY2024 '23/4-'23/12		Increase /Decrease		FY2023 '22/4-'23/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio
		%		%		%		%
I Net sales	61,400	100.0	53,713	100.0	△ 7,686	△ 12.5	79,431	100.0
II Cost of sales	51,453	83.8	45,048	83.9	△ 6,405	△ 12.4	67,859	85.4
Gross profit	9,946	16.2	8,664	16.1	△ 1,281	△ 12.9	11,571	14.6
III Selling, general and administrative expenses	10,936	17.8	10,579	19.7	△ 357	△ 3.3	14,479	18.3
Operating profit (loss)	△ 990	△ 1.6	△ 1,914	△ 3.6	△ 924	-	△ 2,907	△ 3.7
IV Non-operating income								
Interest income	20		68		48		32	
Dividend income	211		195		△ 16		248	
Rental income from real estate	77		35		△ 41		93	
Foreign exchange gains	577		254		△ 322		413	
Other	115		189		73		148	
Total non-operating income	1,002	1.6	743	1.4	△ 258	△ 25.8	935	1.2
V Non-operating expenses								
Interest expenses	154		236		81		224	
Provision for repairs	384		-		△ 384		384	
Other	82		96		14		105	
Total non-operating expenses	621	1.0	332	0.6	△ 288	△ 46.5	715	0.9
Ordinary profit (loss)	△ 609	△ 1.0	△ 1,503	△ 2.8	△ 894	-	△ 2,687	△ 3.4
VI Extraordinary income								
Gain on sale of non-current assets	2		5		3		1,059	
Gain on sale of investment securities	122		196		73		303	
Compensation income	-		431		431		-	
Total extraordinary income	124	0.2	633	1.1	508	407.6	1,363	1.7
VII Extraordinary losses								
Loss on sale and retirement of non-current assets	171		343		172		284	
Impairment losses	1,635		-		△ 1,635		1,838	
Loss on valuation of investment securities	0		-		△ 0		0	
Loss on liquidation of business	51		-		△ 51		1,205	
Total extraordinary losses	1,858	3.0	343	0.6	△ 1,514	△ 81.5	3,328	4.2
Profit(Loss) before income taxes	△ 2,342	△ 3.8	△ 1,213	△ 2.3	1,129	-	△ 4,652	△ 5.9
Income taxes - current	554	0.9	598	1.1	43	7.9	828	1.0
Income taxes - deferred	63	0.1	△ 115	△ 0.2	△ 178	-	54	0.1
Profit(Loss)	△ 2,960	△ 4.8	△ 1,697	△ 3.2	1,263	-	△ 5,536	△ 7.0
Profit(Loss) attributable to non-controlling interests	△ 239	△ 0.4	△ 1,115	△ 2.1	△ 875	-	△ 595	△ 0.8
Profit(Loss) attributable to owners of parent	△ 2,721	△ 4.4	△ 582	△ 1.1	2,139	-	△ 4,941	△ 6.2

<Reference> Statements of Comprehensive Income (Consolidated)

Profit(Loss)	△ 2,960		△ 1,697		1,263	-	△ 5,536	
Other comprehensive income								
Valuation difference on available-for-sale securities	△ 628		1,724		2,353		△ 400	
Foreign currency translation adjustment	2,059		1,243		△ 815		779	
Remeasurements of defined benefit plans, net of tax	△ 121		△ 167		△ 45		489	
Total other comprehensive income	1,309		2,801		1,492		868	
Comprehensive income	△ 1,651		1,103		2,755	-	△ 4,668	