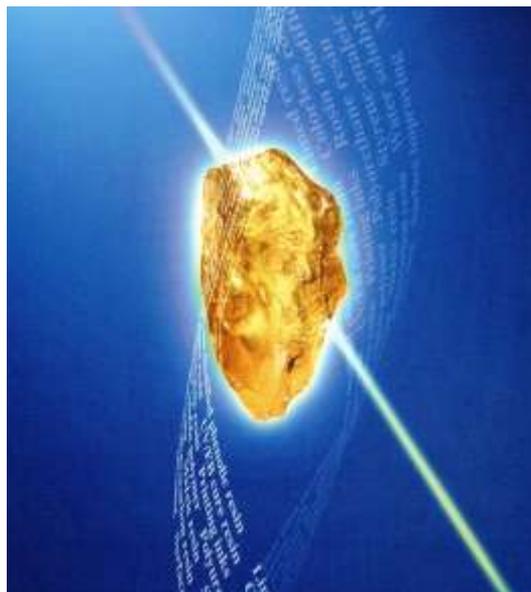


DATA BOOK 2010

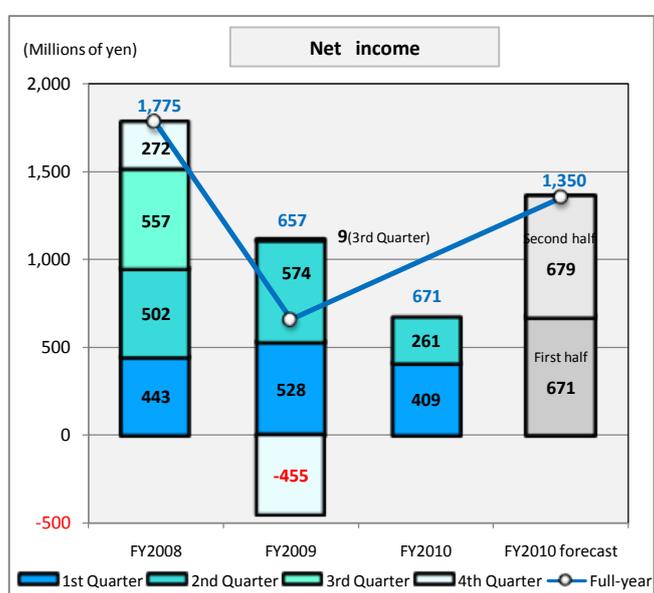
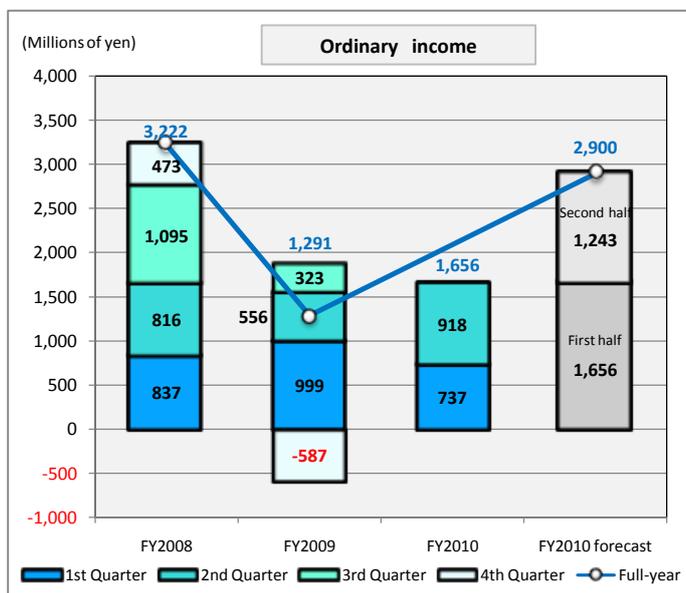
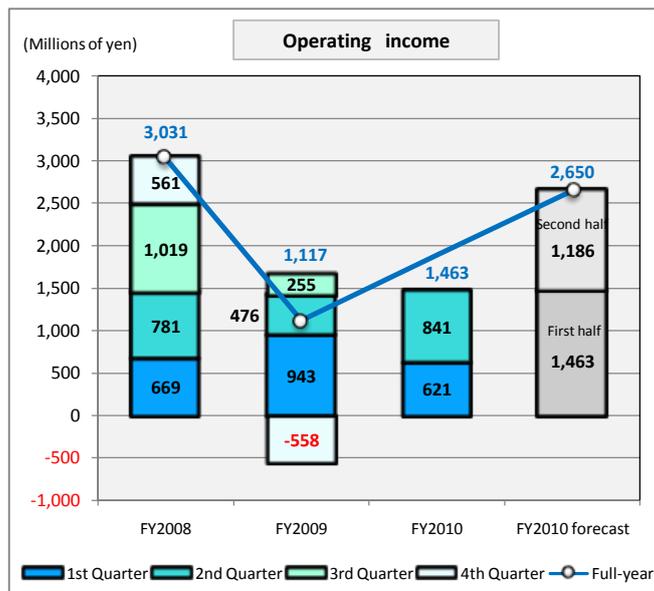
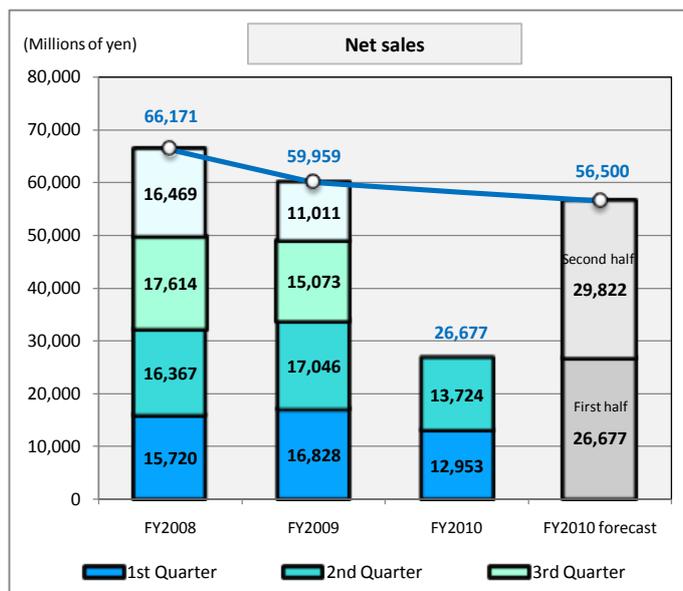
October 29th, 2009

2nd Quarter ended September 30, 2009



ARAKAWA CHEMICAL INDUSTRIES, LTD.

*** Achievement transition(Consolidated)**



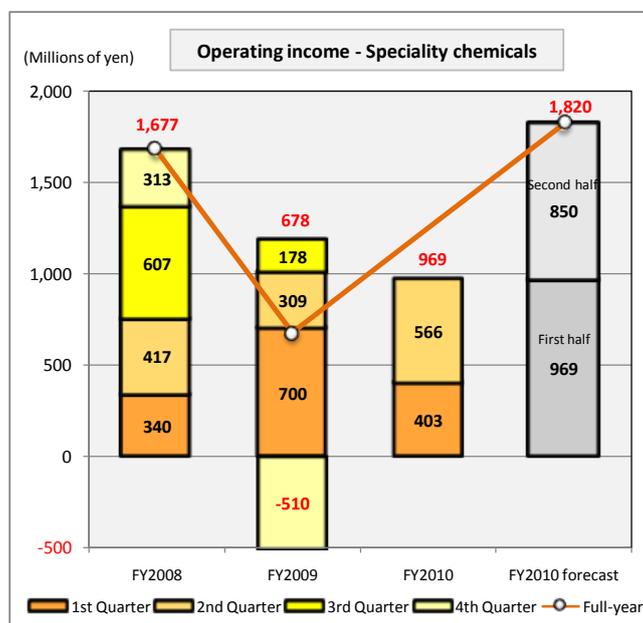
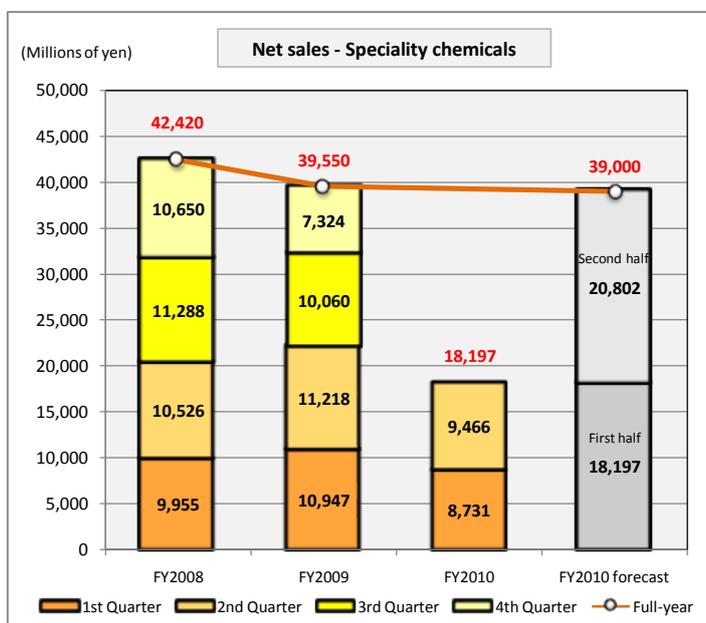
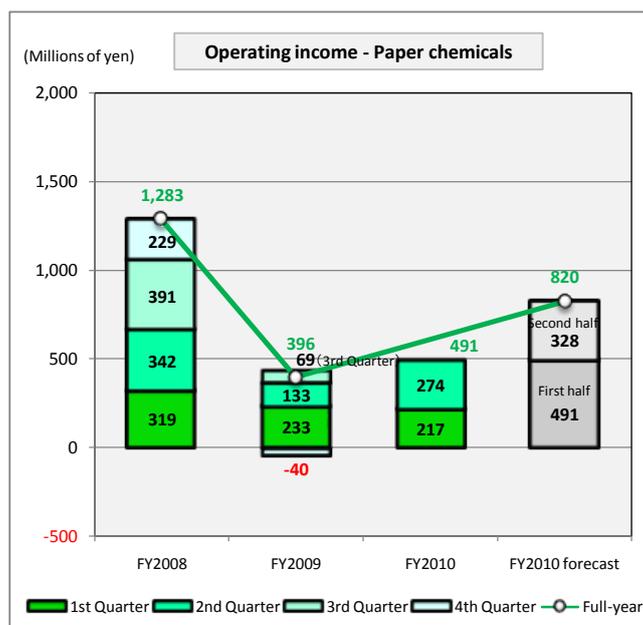
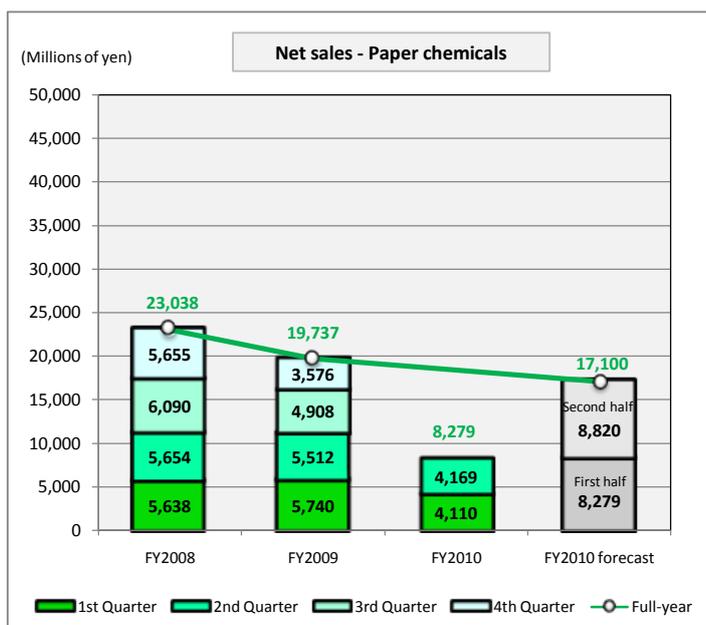
Consolidated	FY2008(2Q) (‘07/4-‘07/9)		FY2009(2Q) (‘08/4-‘08/9)		FY2010(2Q) (‘09/4-‘09/9)		FY2008 (‘07/4-‘08/3)		FY2009 (‘08/4-‘09/3)		FY2010 forecast (‘09/4-‘10/3)	
	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change	Millions of Yen	%Change
Net sales	32,088	7.4	33,875	5.6	26,677	△ 21.2	66,171	7.3	59,959	△ 9.4	56,500	△ 5.8
Operating income	1,450	12.9	1,420	△ 2.1	1,463	3.0	3,031	7.1	1,117	△ 63.1	2,650	137.2
Ordinary income	1,653	17.9	1,555	△ 5.9	1,656	6.5	3,222	10.8	1,291	△ 59.9	2,900	124.5
Net income	946	15.2	1,103	16.6	671	△ 39.2	1,775	8.4	657	△ 63.0	1,350	105.4

*** Management index(Consolidated)**

Consolidated	FY2008(2Q) (‘07/4-‘07/9)		FY2009(2Q) (‘08/4-‘08/9)		FY2010(2Q) (‘09/4-‘09/9)		FY2008 (‘07/4-‘08/3)		FY2009 (‘08/4-‘09/3)		FY2010 forecast (‘09/4-‘10/3)	
	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	2,128	1,599	670	△ 1,457	590	△ 80	2,991	1,417	1,349	△ 1,642	3,250	1,900
Depreciation and amortization	989	106	1,042	53	1,028	△ 14	2,091	259	2,183	91	2,250	66
R & D expenses	1,220	69	1,342	122	1,308	△ 33	2,495	174	2,637	141	3,000	362
Interest-bearing debt	8,164	749	8,001	△ 162	8,455	453	8,275	△ 1,553	10,147	1,872	9,000	△ 1,147

* The Quarter Performances of past years in this appendix are for reference purpose only, due to the New Accounting Principles which came into effect in FY2008.

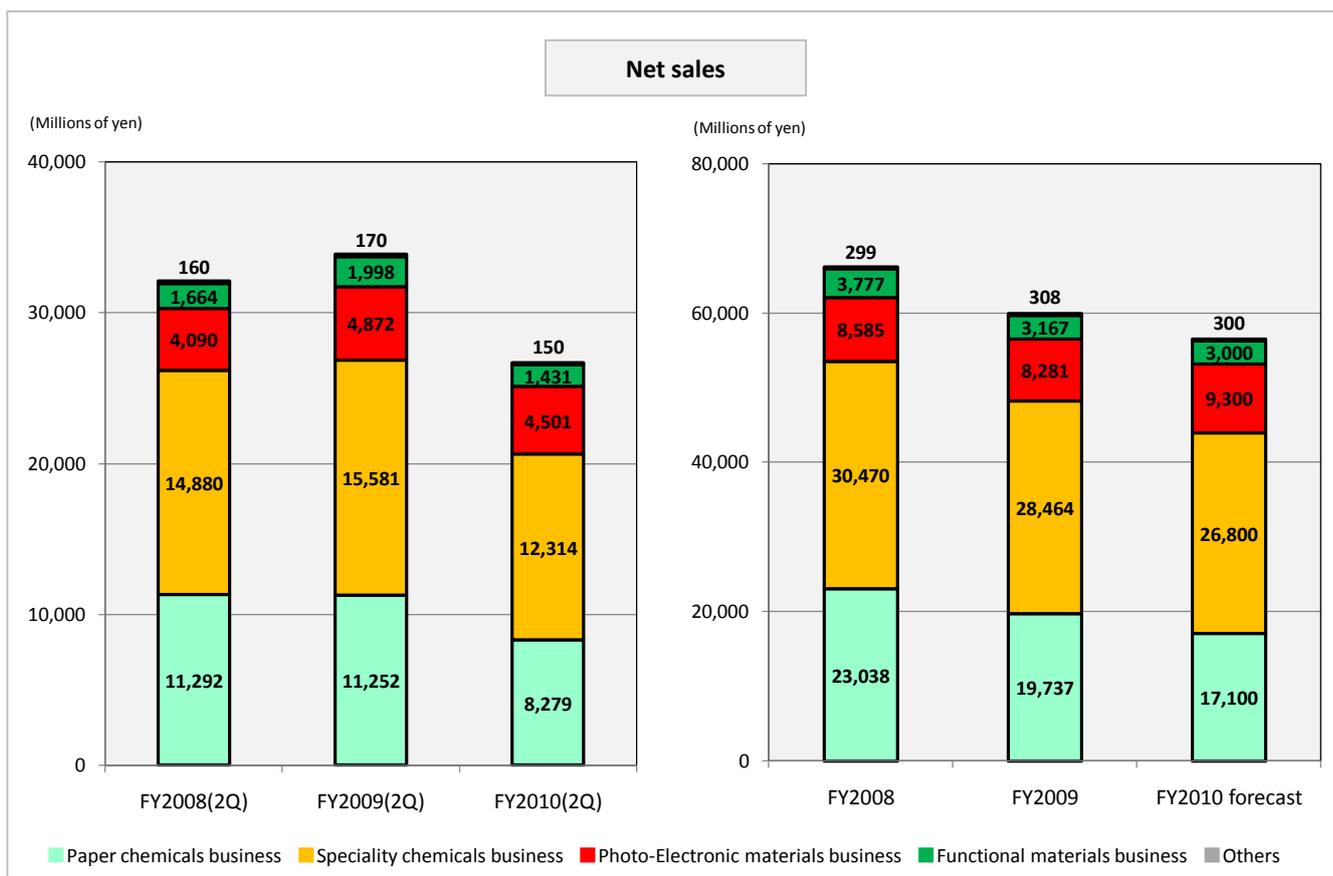
*** Segment information(Consolidated)**



Consolidated		FY2008(2Q) (‘07/4-‘07/9)		FY2009(2Q) (‘08/4-‘08/9)		FY2010(2Q) (‘09/4-‘09/9)		FY2008 (‘07/4-‘08/3)		FY2009 (‘08/4-‘09/3)		FY2010 forecast (‘09/4-‘10/3)	
		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	11,292	6.1	11,252	△ 0.4	8,279	△ 26.4	23,038	3.8	19,737	△ 14.3	17,100	△ 13.4
	Operating income	662	29.8	367	△ 44.5	491	33.8	1,283	13.1	396	△ 69.1	820	106.9
	Operating income/sales	5.9%		3.3%		5.9%		5.6%		2.0%		4.8%	
Speciality chemicals	Net sales	20,481	8.8	22,165	8.2	18,197	△ 17.9	42,420	10.0	39,550	△ 6.8	39,000	△ 1.4
	Operating income	757	1.8	1,010	33.3	969	△ 4.0	1,677	3.0	678	△ 59.6	1,820	168.3
	Operating income/sales	3.7%		4.6%		5.3%		4.0%		1.7%		4.7%	
Others	Net sales	313	△ 21.7	457	45.6	200	△ 56.2	712	△ 21.8	671	△ 5.7	400	△ 40.5
	Operating income	30	1.5	42	40.4	1	△ 95.7	69	2.8	42	△ 39.2	10	△ 76.4
	Operating income/sales	9.7%		9.3%		0.9%		9.8%		6.3%		2.5%	
Consolidated total	Net sales	32,088	7.4	33,875	5.6	26,677	△ 21.2	66,171	7.3	59,959	△ 9.4	56,500	△ 5.8
	Operating income	1,450	12.9	1,420	△ 2.1	1,463	3.0	3,031	7.1	1,117	△ 63.1	2,650	137.2
	Operating income/sales	4.5%		4.2%		5.5%		4.6%		1.9%		4.7%	

* The Quarter Performances of past years in this appendix are for reference purpose only, due to the New Accounting Principles which came into effect in FY2008.

* Business segment information(consolidated)



Consolidated	FY2008(2Q) (‘07/4-‘07/9)		FY2009(2Q) (‘08/4-‘08/9)		FY2010(2Q) (‘09/4-‘09/9)		FY2008 (‘07/4-‘08/3)		FY2009 (‘08/4-‘09/3)		FY2010 forecast (‘09/4-‘10/3)	
	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	11,292	6.1	11,252	△ 0.4	8,279	△ 26.4	23,038	3.8	19,737	△ 14.3	17,100	△ 13.4
Speciality chemicals business	14,880	10.0	15,581	4.7	12,314	△ 21.0	30,470	9.6	28,464	△ 6.6	26,800	△ 5.8
Total Basis business	26,173	8.3	26,834	2.5	20,594	△ 23.3	53,509	7.0	48,202	△ 9.9	43,900	△ 8.9
Share	81.6%		79.2%		77.2%		80.9%		80.4%		77.7%	
Photo-Electronic materials business	4,090	5.5	4,872	19.1	4,501	△ 7.6	8,585	10.5	8,281	△ 3.5	9,300	12.3
Functional materials business	1,664	△ 0.3	1,998	20.1	1,431	△ 28.4	3,777	4.8	3,167	△ 16.1	3,000	△ 5.3
Total Expansion business	5,754	3.7	6,870	19.4	5,932	△ 13.7	12,362	8.7	11,448	△ 7.4	12,300	7.4
Share	17.9%		20.3%		22.2%		18.7%		19.1%		21.8%	
Others	160	3.1	170	6.3	150	△ 11.8	299	2.0	308	3.0	300	△ 2.9
Total	32,088	7.4	33,875	5.6	26,677	△ 21.2	66,171	7.3	59,959	△ 9.4	56,500	△ 5.8

* The Quarter Performances of past years in this appendix are for reference purpose only, due to the New Accounting Principles which came into effect in FY2008.

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

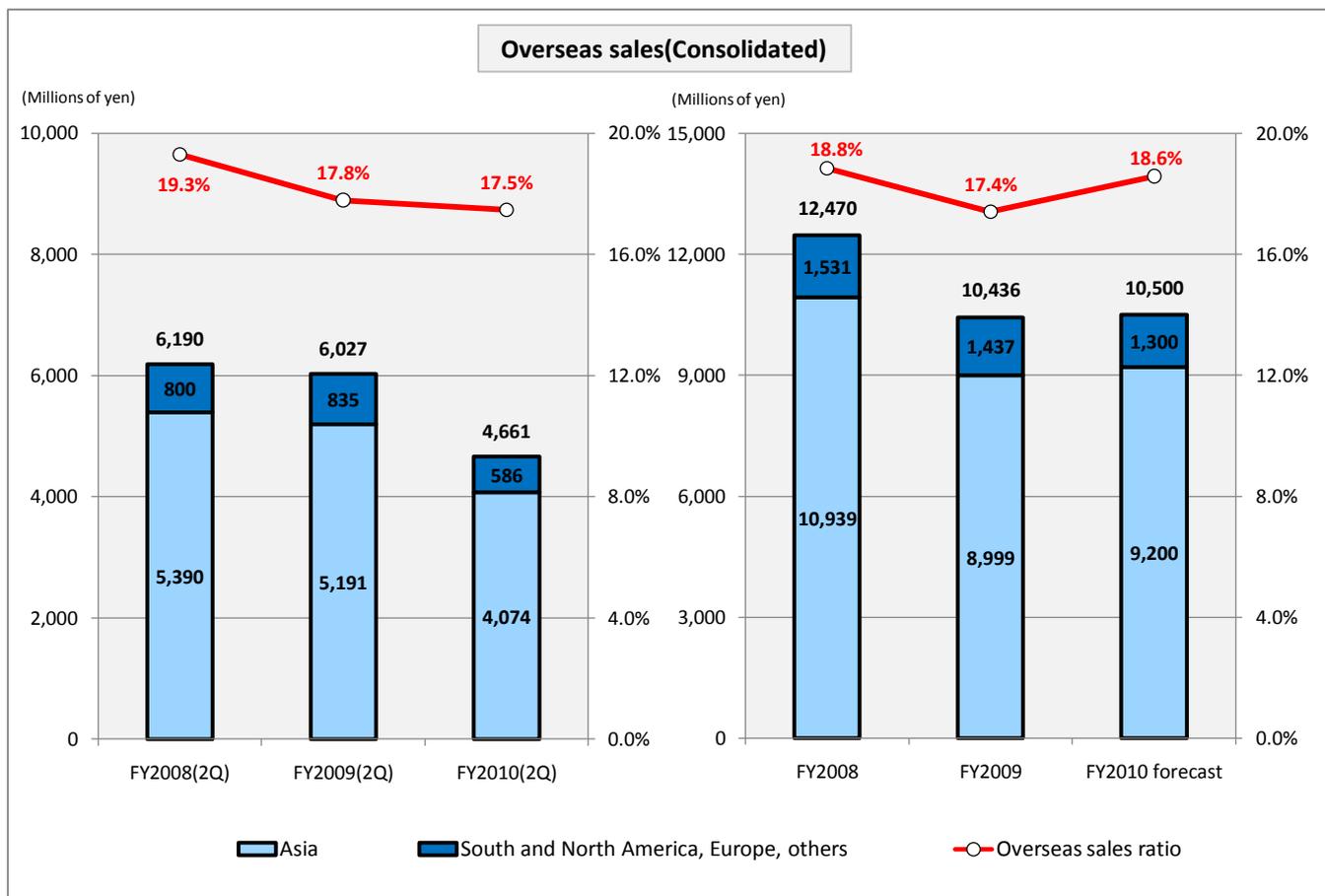
* Speciality chemicals business.....Printing ink resin, Paint resin, Adhesive resin, Polymerization emulsifier, Colorless rosin derivatives, etc.

* 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.

* OthersReal estate agent, Insurance business, etc.

* Overseas sales(Consolidated)



Consolidated	FY2008(2Q) (‘07/4-‘07/9)		FY2009(2Q) (‘08/4-‘08/9)		FY2010(2Q) (‘09/4-‘09/9)		FY2008 (‘07/4-‘08/3)		FY2009 (‘08/4-‘09/3)		FY2010 forecast (‘09/4-‘10/3)	
	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	6,190	16.4	6,027	△ 2.6	4,661	△ 22.7	12,470	11.8	10,436	△ 16.3	10,500	0.6
Overseas sales in Asia	5,390	19.5	5,191	△ 3.7	4,074	△ 21.5	10,939	13.6	8,999	△ 17.7	9,200	2.2
Overseas sales ratio	19.3%		17.8%		17.5%		18.8%		17.4%		18.6%	

* The Quarter Performances of past years in this appendix are for reference purpose only, due to the New Accounting Principles which came into effect in FY2008.

Balance sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2009(2Q)		FY2010(2Q)		FY2009		Increase /Decrease (A)–(B)
	(As of September 30, 2008)		(As of September 30, 2009)		(As of March 31, 2009)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	3,969		7,825		6,928		896
2. Notes and accounts receivable-trade	24,996		20,204		17,906		2,298
3. Merchandise and finished goods	5,639		5,140		5,570	△	430
4. Work in process	542		509		495		13
5. Raw materials and supplies	3,876		3,355		4,608	△	1,253
6. Deferred tax assets	545		604		451		152
7. Other	717		514		709	△	194
Allowance for doubtful accounts	△ 116		△ 113		△ 107	△	5
Total Current assets	40,169	62.5	38,040	62.8	36,563	62.5	1,477
II Noncurrent assets							
1. Property, plant and equipment							
(1) Buildings and structures	6,852		6,417		6,465	△	48
(2) Machinery, equipment and vehicles	5,204		4,402		4,644	△	242
(3) Land	5,271		5,065		5,270	△	204
(4) Construction in progress	472		1,396		612		783
(5) Other	690		676		692	△	16
Total Property, plant and equipment	18,491	28.8	17,958	29.7	17,686	30.2	272
2. Intangible assets	526	0.8	440	0.7	460	0.8	△ 19
3. Investments and other assets							
(1) Investment securities	4,332		3,452		2,935		516
(2) Deferred tax assets	164		168		396	△	227
(3) Other	549		502		497		5
Allowance for doubtful accounts	△ 11		△ 22		△ 8	△	14
Total Investments and other assets	5,035	7.9	4,101	6.8	3,821	6.5	279
Total Noncurrent assets	24,053	37.5	22,501	37.2	21,968	37.5	532
Total Assets	64,223	100.0	60,541	100.0	58,531	100.0	2,009

(Unit: Millions of yen)

Item	FY2009(2Q) (As of September 30, 2008)		FY2010(2Q) (As of September 30, 2009)		FY2009 (As of March 31, 2009)		Increase /Decrease (A)–(B)
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable–trade	12,013		8,649		7,964		685
2. Short-term loans payable	7,520		6,221		7,658		△ 1,437
3. Income taxes payable	658		725		75		649
4. Accrued consumption taxes	66		160		44		115
5. Provision for bonuses	–		955		–		955
6. Provision for directors' bonuses	19		18		25		△ 7
7. Provision for repairs	65		–		91		△ 91
8. Notes payable–facilities	77		58		83		△ 24
9. Other	3,241		2,808		2,595		212
Total Current liabilities	23,662	36.9	19,597	32.4	18,539	31.7	1,057
II Noncurrent liabilities							
1. Long-term loans payable	481		2,233		2,489		△ 255
2. Deferred tax liabilities	181		40		–		40
3. Provision for retirement benefits	2,027		2,067		2,039		27
4. Other	216		212		226		△ 13
Total Noncurrent liabilities	2,906	4.5	4,554	7.5	4,755	8.1	△ 200
Total Liabilities	26,568	41.4	24,151	39.9	23,294	39.8	857
(Net assets)							
I Shareholders' equity							
1. Capital stock	3,128		3,128		3,128		–
2. Capital surplus	3,350		3,350		3,350		–
3. Retained earnings	28,819		28,591		28,121		469
4. Treasury stock	△ 10		△ 10		△ 10		△ 0
Total Shareholders' equity	35,287	54.9	35,058	57.9	34,589	59.1	469
II Valuation and translation adjustments							
1. Valuation difference on available-for-sale securities	717		494		72		421
2. Foreign currency translation adjustment	250		△ 285		△ 513		227
Total Valuation and translation adjustments	967	1.5	208	0.3	△ 440	△ 0.8	649
III Minority interests	1,399	2.2	1,122	1.9	1,088	1.9	33
Total Net assets	37,654	58.6	36,389	60.1	35,237	60.2	1,152
Total Liabilities and net assets	64,223	100.0	60,541	100.0	58,531	100.0	2,009

Statements of income(Consolidated)

(Unit: Millions of yen)

Item	FY2009(2Q) '08/4-'08/9		FY2010(2Q) '09/4-'09/9		Increase /Decrease		FY2009 '08/4-'09/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio
I Net sales	33,875	100.0	26,677	100.0	△ 7,197	△ 21.2	59,959	100.0
II Cost of sales	27,042	79.8	20,258	75.9	△ 6,783	△ 25.1	48,585	81.0
Gross profit	6,833	20.2	6,418	24.1	△ 414	△ 6.1	11,374	19.0
III Selling, general and administrative expenses	5,413	16.0	4,955	18.6	△ 457	△ 8.4	10,257	17.1
Operating income	1,420	4.2	1,463	5.5	42	3.0	1,117	1.9
IV Non-operating income								
1. Interest income	9		4				16	
2. Dividends income	57		42				100	
3. Technical support fee	68		53				140	
4. Equity in earnings of affiliates	57		33				86	
5. Other	110	303	163	297	1.1	△ 5	223	567
Operating income								
V Non-operating expenses								
1. Interest expenses	95		90				202	
2. Other	72	167	13	104	0.4	△ 63	189	392
Operating income								
Income before income taxes		1,555		1,656		100		1,291
Income tax rate		4.6		6.2		6.5		2.2
VI Extraordinary income								
1. Gain on sales of noncurrent assets	281		0				282	
2. Gain on sales of investment securities	2		-				5	
3. Reversal of allowance for doubtful accounts	0		-				7	
4. Other	-	283	-	0	0.0	△ 283	15	310
Operating income								
VII Extraordinary loss								
1. Loss on sales and retirement of noncurrent assets	15		53				52	
2. Impairment loss	-		360				-	
3. Loss on valuation of noncurrent assets	-		1				6	
4. Loss on valuation of investment securities	-	15	0	415	1.6	399	260	319
Operating income								
Income before income taxes		1,823		1,240		△ 583		1,282
Income tax rate		5.4		4.6		△ 32.0		2.2
Income taxes-current	663		711				498	
Income taxes-deferred	34	697	△175	535	2.0	△ 162	156	654
Operating income								
Income before income taxes								
Income tax rate								
Minority interests in income		22		34	0.1	12	△ 29	△ 0.0
Operating income								
Income before income taxes								
Income tax rate								
Net income		1,103		671	2.5	△ 432		657
Operating income								
Income before income taxes								
Income tax rate								

Statements of cash flows(Consolidated)

(Unit: Millions of yen)

Item	FY2009(2Q)	FY2010(2Q)	Increase /Decrease	FY2009
	'08/4-'08/9	'09/4-'09/9		'08/4-'09/3
	Amount	Amount		Amount
I Net cash provided by (used in) operating				
Income before income taxes	1,823	1,240	△ 583	1,282
Depreciation and amortization	1,042	1,028	△ 14	2,183
Impairment loss	—	360	360	—
Amortization of goodwill	108	18	△ 90	108
Increase (decrease) in allowance for doubtful accounts	0	4	4	△ 6
Increase (decrease) in provision for bonuses	—	954	954	—
Increase (decrease) in provision for directors' bonuses	△ 21	△ 7	13	△ 14
Increase (decrease) in provision for retirement benefits	11	25	13	33
Loss (gain) on sales of investment securities	△ 2	—	2	△ 5
Loss (gain) on valuation of investment securities	—	0	0	260
Loss (gain) on sales and retirement of noncurrent assets	△ 265	53	318	△ 229
Interest and dividends income	△ 66	△ 46	19	△ 117
Interest expenses	95	90	△ 4	202
Equity in (earnings) losses of affiliates	△ 57	△ 33	23	△ 86
Decrease (increase) in notes and accounts receivable-trade	△ 650	△ 2,146	△ 1,496	6,079
Decrease (increase) in inventories	571	1,853	1,281	△ 556
Increase (decrease) in notes and accounts payable-trade	△ 154	624	778	△ 3,962
Other, net	△ 128	△ 226	△ 98	△ 760
Subtotal	2,306	3,791	1,485	4,411
Interest and dividends income received	108	96	△ 12	158
Interest expenses paid	△ 96	△ 92	3	△ 200
Income taxes paid	△ 678	△ 68	610	△ 1,108
Net cash provided by (used in) operating activities	1,640	3,726	2,086	3,261
II Net cash provided by (used in) investment activities				
Decrease (increase) in time deposits	△ 32	4	37	△ 45
Purchase of property, plant and equipment	△ 730	△ 748	△ 18	△ 1,520
Proceeds from sales of property, plant and equipment	347	1	△ 346	370
Purchase of investment securities	△ 56	△ 9	46	△ 70
Proceeds from sales of investment securities	2	—	△ 2	11
Purchase of intangible assets	△ 11	△ 13	△ 1	△ 41
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	55	55	—
Purchase of investments in capital of subsidiaries	△ 173	△ 122	51	△ 173
Decrease (increase) in other investments	△ 12	4	16	△ 4
Other, net	△ 433	0	433	△ 383
Net cash provided by (used in) investment activities	△ 1,099	△ 828	271	△ 1,858
III Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term loans payable	△ 115	△ 1,633	△ 1,518	363
Proceeds from long-term loans payable	—	—	—	2,200
Repayment of long-term loans payable	△ 199	△ 192	6	△ 384
Purchase of treasury stock	△ 0	△ 0	0	△ 0
Cash dividends paid	△ 261	△ 201	60	△ 513
Cash dividends paid to minority shareholders	—	—	—	△ 20
Net cash provided by (used in) financing activities	△ 576	△ 2,027	△ 1,451	1,645
IV Effect of exchange rate change on cash and cash equivalents	△ 8	29	37	△ 146
V Net increase (decrease) in cash and cash equivalents	△ 44	899	944	2,901
VI Cash and cash equivalents, Beginning of term	3,911	6,812	2,901	3,911
VII Cash and cash equivalents, End of term	3,866	7,712	3,846	6,812