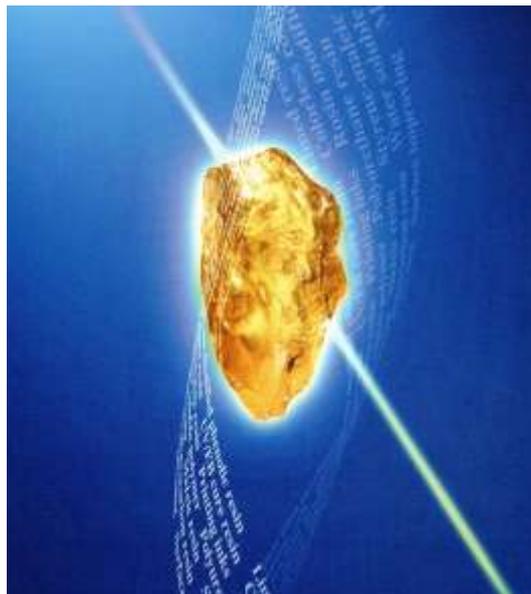


DATA BOOK 2011

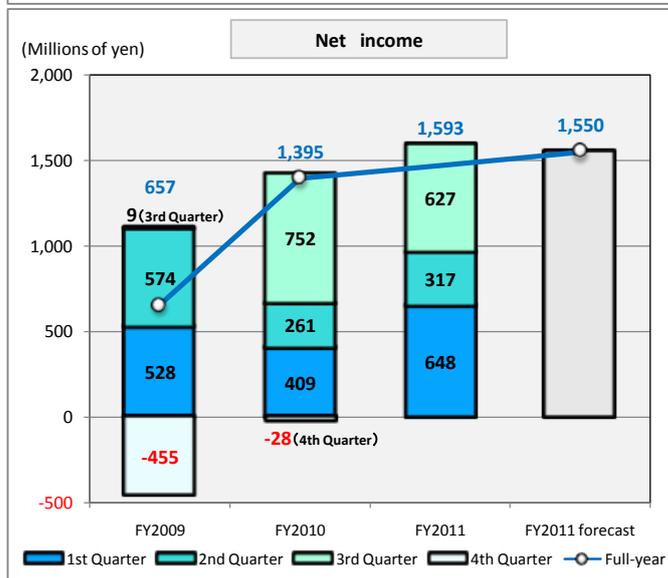
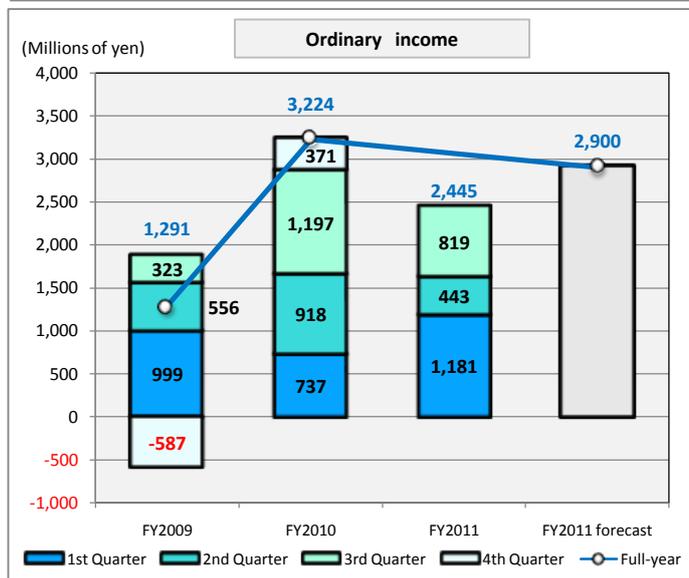
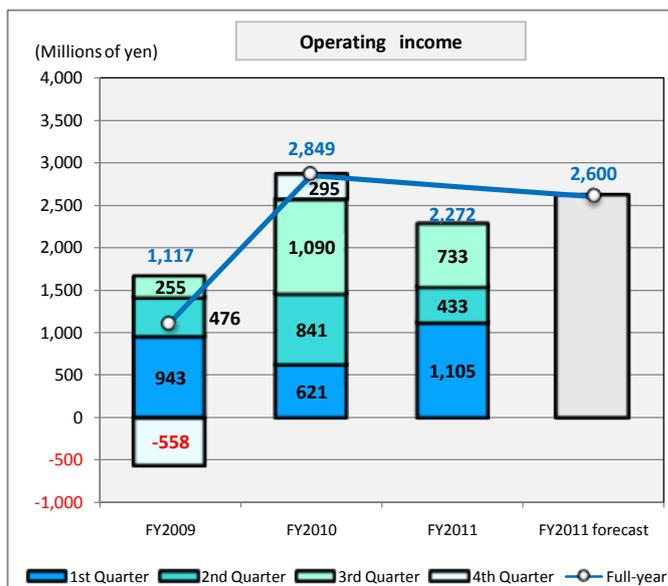
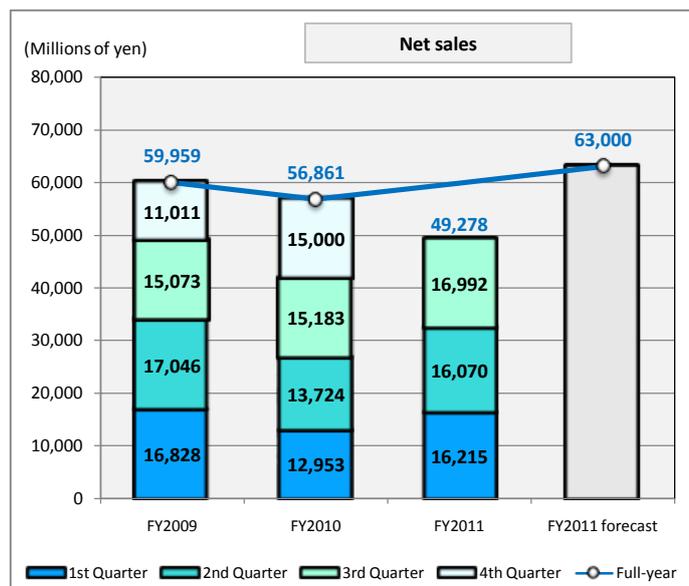
February 1st, 2011

3rd Quarter ended December 31, 2010



ARAKAWA CHEMICAL INDUSTRIES, LTD.

*** Achievement Transition(Consolidated)**



Consolidated	FY2009(3Q) (‘08/4-‘08/12)		FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2009 (‘08/4-‘09/3)		FY2010 (‘09/4-‘10/3)		FY2011 forecast (‘10/4-‘11/3)	
	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	48,948	△ 1.5	41,860	△ 14.5	49,278	17.7	59,959	△ 9.4	56,861	△ 5.2	63,000	10.8
Operating income	1,675	△ 32.1	2,554	52.4	2,272	△ 11.0	1,117	△ 63.1	2,849	155.1	2,600	△ 8.8
Ordinary income	1,878	△ 31.7	2,853	51.9	2,445	△ 14.3	1,291	△ 59.9	3,224	149.6	2,900	△ 10.1
Net income	1,112	△ 26.0	1,423	28.0	1,593	11.9	657	△ 63.0	1,395	112.3	1,550	11.1

*** Management Index(Consolidated)**

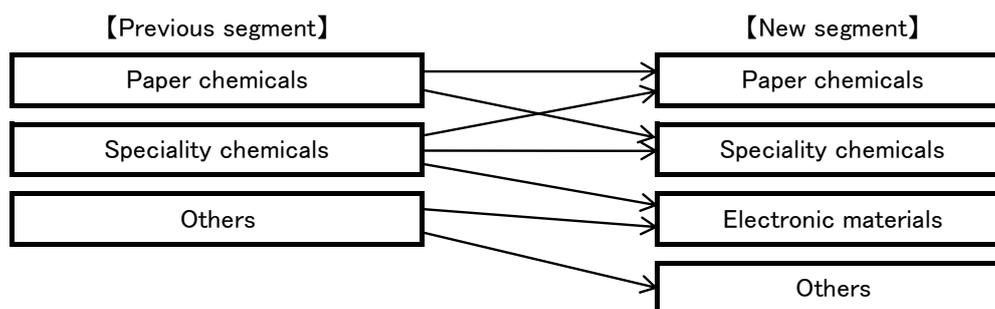
Consolidated	FY2009(3Q) (‘08/4-‘08/12)		FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2009 (‘08/4-‘09/3)		FY2010 (‘09/4-‘10/3)		FY2011 forecast (‘10/4-‘11/3)	
	Millions of Yen	Increase /Decrease	Millions of Yen	Increase /Decrease	Millions of Yen	Increase /Decrease	Millions of Yen	Increase /Decrease	Millions of Yen	Increase /Decrease	Millions of Yen	Increase /Decrease
Capital investment	946	△ 1,461	964	17	716	△ 248	1,349	△ 1,642	3,106	1,756	4,660	1,553
Depreciation and amortization	1,614	88	1,557	△ 57	1,686	128	2,183	91	2,185	2	2,790	604
R & D expenses	2,031	184	2,089	57	2,050	△ 38	2,637	141	2,830	193	2,920	89
Interest-bearing debt	9,868	1,246	8,011	△ 1,857	17,803	9,792	10,147	1,872	9,109	△ 1,038	19,500	10,390

*** Segment Information(Consolidated)**

Consolidated		FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2010 (‘09/4-‘10/3)		FY2011 forecast (‘10/4-‘11/3)	
		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	16,471	—	17,500	6.2
	Segment income	872	—	616	△ 29.3	—	—	—	—
	Segment income/sales	7.1%		4.6%		—		—	
Speciality chemicals	Net sales	20,005	—	24,768	23.8	27,309	—	30,000	9.9
	Segment income	686	—	1,084	58.1	—	—	—	—
	Segment income/sales	3.4%		4.4%		—		—	
Electronic materials	Net sales	9,394	—	10,986	16.9	12,794	—	15,250	19.2
	Segment income	763	—	644	△ 15.6	—	—	—	—
	Segment income/sales	8.1%		5.9%		—		—	
Others	Net sales	214	—	216	1.0	285	—	250	△ 12.3
	Segment income	3	—	1	△ 60.4	—	—	—	—
	Segment income/sales	1.8%		0.7%		—		—	
Consolidated total	Net sales	41,860	—	49,278	17.7	56,861	—	63,000	10.8
	Segment income	2,326	—	2,347	0.9	—	—	—	—
	Segment income/sales	5.6%		4.8%		—		—	

* As a result of the application of “Accounting Standard for Disclosure of Segment Information”, the segment information has been changed from 1st Quarter. The amounts for FY2010(3Q) and FY2010 stated above have been modified to reflect the operating results based on the segments after the change for reference purposes.

* Relationship between new segment and previous segment is stated as follows.



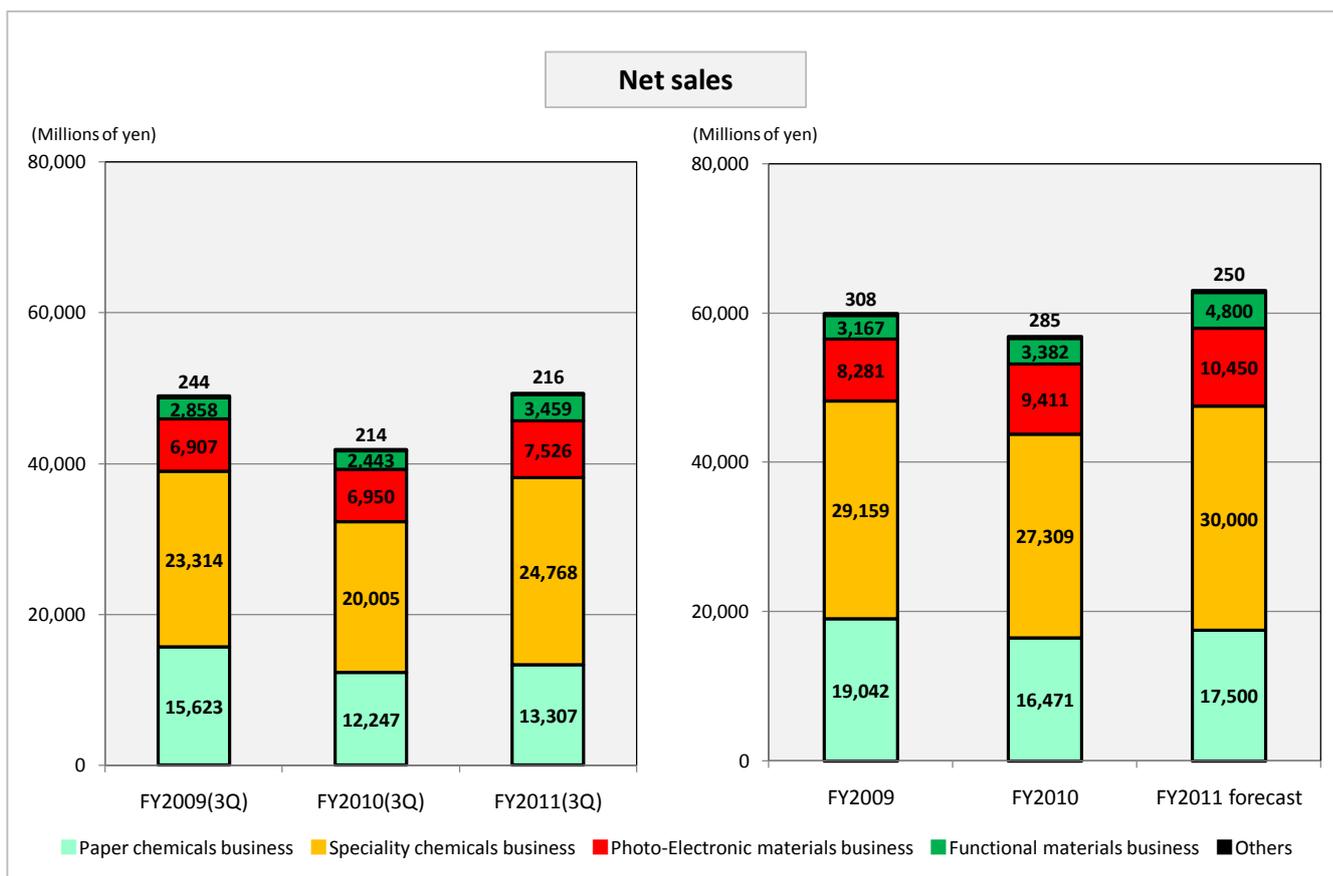
* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

* 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.

* OthersReal estate agent, Insurance business, etc.

* Business Segment Information(Consolidated)



Consolidated	FY2009(3Q) (‘08/4-‘08/12)		FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2009 (‘08/4-‘09/3)		FY2010 (‘09/4-‘10/3)		FY2011 forecast (‘10/4-‘11/3)	
	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	15,623	△ 7.9	12,247	△ 21.6	13,307	8.7	19,042	△ 15.3	16,471	△ 13.5	17,500	6.2
Speciality chemicals business	23,314	0.3	20,005	△ 14.2	24,768	23.8	29,159	△ 6.0	27,309	△ 6.3	30,000	9.9
Total basis business	38,937	△ 3.1	32,252	△ 17.2	38,076	18.1	48,202	△ 9.9	43,780	△ 9.2	47,500	8.5
Share	79.5%		77.0%		77.3%		80.4%		77.0%		75.4%	
Photo-Electronic materials business	6,907	7.6	6,950	0.6	7,526	8.3	8,281	△ 3.5	9,411	13.7	10,450	11.0
Functional materials business	2,858	0.4	2,443	△ 14.5	3,459	41.6	3,167	△ 16.1	3,382	6.8	4,800	41.9
Total expansion business	9,765	5.4	9,394	△ 3.8	10,986	16.9	11,448	△ 7.4	12,794	11.7	15,250	19.2
Share	20.0%		22.4%		22.3%		19.1%		22.5%		24.2%	
Others	244	5.0	214	△ 12.4	216	1.0	308	3.0	285	△ 7.7	250	△ 12.3
Total	48,948	△ 1.5	41,860	△ 14.5	49,278	17.7	59,959	△ 9.4	56,861	△ 5.2	63,000	10.8

* Some manufactures belonging to the business segment have been restructured from 1st Quarter. The amounts for FY2009(3Q),FY2010(3Q) , FY2009 and FY2010 stated above have been modified to reflect the operating results based on the business segment after the change.

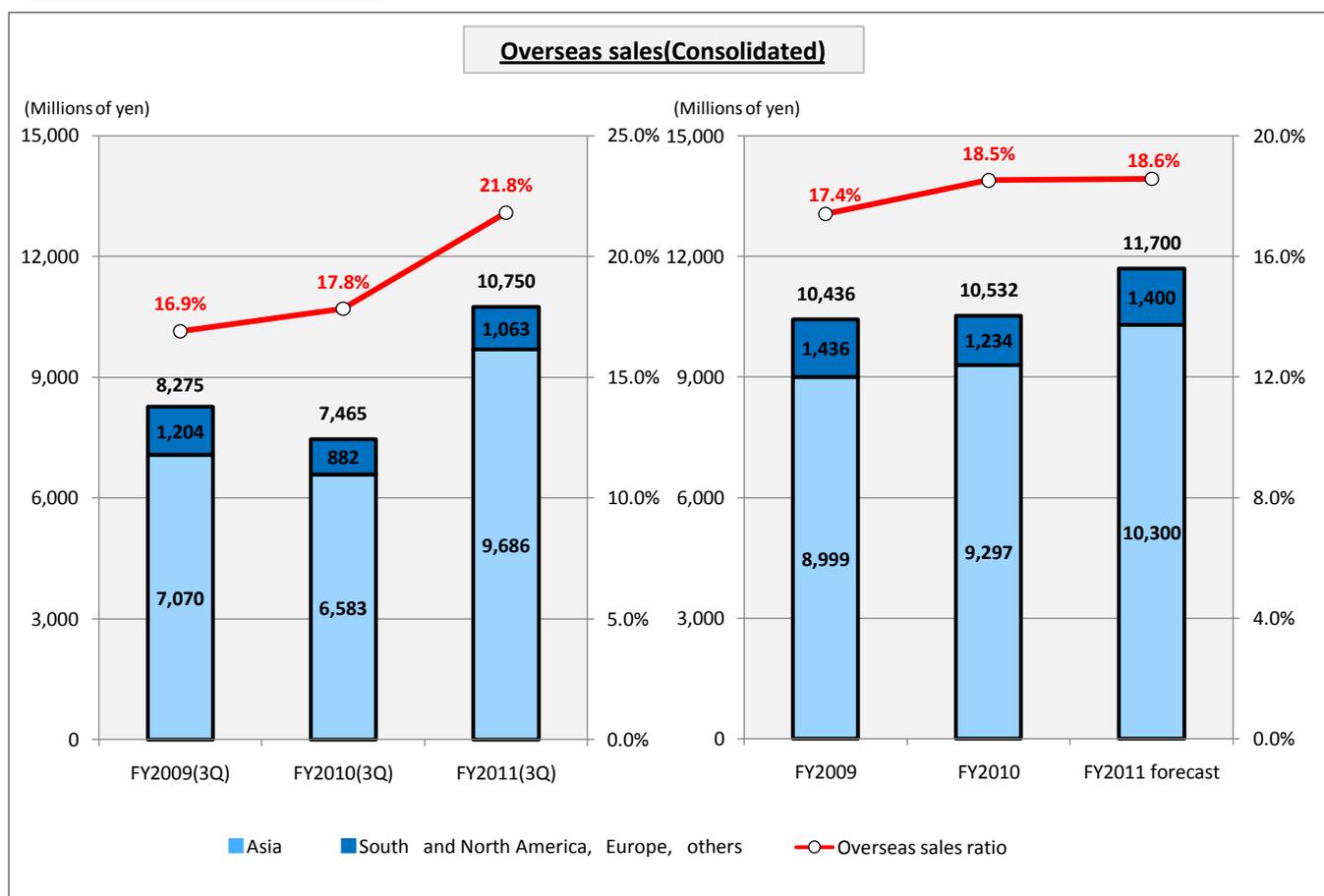
* Paper chemicals business.....Size agent, Paper strengthening agent, Ratex, etc.

* 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	FY2009(3Q) (‘08/4-‘08/12)		FY2010(3Q) (‘09/4-‘09/12)		FY2011(3Q) (‘10/4-‘10/12)		FY2009 (‘08/4-‘09/3)		FY2010 (‘09/4-‘10/3)		FY2011 forecast (‘10/4-‘11/3)	
	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	8,275	△ 9.7	7,465	△ 9.8	10,750	44.0	10,436	△ 16.3	10,532	0.9	11,700	11.1
Overseas sales in Asia	7,070	△ 11.5	6,583	△ 6.9	9,686	47.1	8,999	△ 17.7	9,297	3.3	10,300	10.8
Overseas sales ratio	16.9%		17.8%		21.8%		17.4%		18.5%		18.6%	

Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2010(3Q) (As of December 31, 2009)		FY2011(3Q) (As of December 31, 2010)		FY2010 (As of March 31, 2010)		Increase /Decrease (A) - (B)
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	6,205		9,258		6,857		2,401
2. Notes and accounts receivable-trade	24,109		27,614		21,719		5,895
3. Merchandise and finished goods	5,135		6,113		5,679		434
4. Work in process	556		608		611		△ 2
5. Raw materials and supplies	4,261		4,662		4,382		279
6. Deferred tax assets	456		413		705		△ 292
7. Other	843		1,458		745		713
Allowance for doubtful accounts	△ 112		△ 89		△ 116		27
Total current assets	41,455	64.5	50,041	65.6	40,585	63.4	9,456
II Noncurrent assets							
1. Property, plant and equipment							
(1) Buildings and structures	6,270		6,328		6,647		△ 318
(2) Machinery, equipment and vehicles	4,092		3,714		4,475		△ 760
(3) Land	5,269		5,424		5,424		0
(4) Construction in progress	2,092		5,114		1,497		3,616
(5) Other	613		570		612		△ 42
Total property, plant and equipment	18,338	28.5	21,153	27.7	18,657	29.1	2,495
2. Intangible assets							
(1) Goodwill	-		254		-		254
(2) Other	405		392		411		△ 18
Total intangible assets	405	0.7	647	0.9	411	0.6	235
3. Investments and other assets							
(1) Investment securities	3,379		3,877		3,719		157
(2) Deferred tax assets	181		221		169		51
(3) Other	515		318		526		△ 208
Allowance for doubtful accounts	△ 21		△ 23		△ 22		△ 1
Total investments and other assets	4,054	6.3	4,392	5.8	4,393	6.9	△ 0
Total noncurrent assets	22,799	35.5	26,193	34.4	23,462	36.6	2,730
Total assets	64,255	100.0	76,234	100.0	64,048	100.0	12,186

(Unit : Millions of yen)

Item	FY2010(3Q) (As of December 31, 2009)		FY2011(3Q) (As of December 31, 2010)		FY2010 (As of March 31, 2010)		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	12,000		13,145		10,122		3,023
2. Short-term loans payable	6,139		9,961		7,673		2,288
3. Income taxes payable	763		85		1,179		△ 1,094
4. Provision for bonuses	610		520		1,050		△ 529
5. Provision for directors' bonuses	30		34		45		△ 11
6. Provision for repairs	-		74		-		74
7. Notes payable-facilities	142		272		93		179
8. Other	3,814		4,384		3,133		1,251
Total current liabilities	23,501	36.6	28,479	37.4	23,297	36.4	5,181
II Noncurrent liabilities							
1. Bonds payable	-		5,000		-		5,000
2. Long-term loans payable	1,871		2,841		1,436		1,405
3. Deferred tax liabilities	-		62		129		△ 67
4. Provision for retirement benefits	2,078		2,059		2,064		△ 4
5. Provision for repairs	28		-		42		△ 42
6. Asset retirement obligations	-		95		-		95
7. Other	197		189		197		△ 8
Total noncurrent liabilities	4,176	6.5	10,249	13.4	3,870	6.0	6,379
Total liabilities	27,677	43.1	38,729	50.8	27,167	42.4	11,561
(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	29,102		30,154		29,073		1,080
4. Treasury stock	△ 10		△ 11		△ 11		△ 0
Total shareholders' equity	35,569	55.4	36,621	48.0	35,541	55.5	1,080
II Valuation and translation adjustments							
1. Valuation difference on available-for-sale securities	456		538		653		△ 115
2. Foreign currency translation adjustment	△ 553		△ 759		△ 431		△ 328
Total valuation and translation adjustments	△ 96	△ 0.2	△ 221	△ 0.3	221	0.4	△ 443
III Minority interests	1,104	1.7	1,106	1.5	1,117	1.7	△ 11
Total net assets	36,577	56.9	37,505	49.2	36,880	57.6	625
Total liabilities and net assets	64,255	100.0	76,234	100.0	64,048	100.0	12,186

Statements of income(Consolidated)

(Unit: Millions of yen)

Item	FY2010(3Q) '09/4-'09/12		FY2011(3Q) '10/4-'10/12		Increase /Decrease		FY2010 '09/4-'10/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio
		%		%		%		%
I Net sales	41,860	100.0	49,278	100.0	7,417	17.7	56,861	100.0
II Cost of sales	31,603	75.5	38,891	78.9	7,287	23.1	43,499	76.5
Gross profit	10,256	24.5	10,387	21.1	130	1.3	13,361	23.5
III Selling, general and administrative expenses	7,702	18.4	8,115	16.5	412	5.4	10,511	18.5
Operating income	2,554	6.1	2,272	4.6	△ 281	△ 11.0	2,849	5.0
IV Non-operating income								
1. Interest income	6		19				8	
2. Dividends income	76		87				78	
3. Technical support fee	78		118				118	
4. Equity in earnings of affiliates	55		56				69	
5. Other	233	450	167	449	△ 0	△ 0.1	297	573
V Non-operating expenses								
1. Interest expenses	130		143				170	
2. Foreign exchange losses	-		63				-	
3. Other	20	151	70	276	125	83.1	28	198
Ordinary income	2,853	6.8	2,445	5.0	△ 408	△ 14.3	3,224	5.7
VI Extraordinary income								
1. Gain on sales of noncurrent assets	0		47				0	
2. Reversal of allowance for doubtful accounts	-		25				-	
3. State subsidy	-		-				42	
4. Gain on step acquisitions	-	0	48	120	120	-	-	42
VII Extraordinary loss								
1. Loss on sales and retirement of noncurrent assets	63		32				101	
2. Impairment loss	360		-				510	
3. Loss on valuation of noncurrent assets	1		0				6	
4. Loss on sales of investment securities	-		0				-	
5. Loss on valuation of investment securities	0		-				0	
6. Loss on adjustment for changes of accounting standard for asset retirement obligations	-	425	67	99	△ 325	△ 76.5	-	619
Income before income taxes	2,427	5.8	2,466	5.0	38	1.6	2,647	4.7
Income taxes-current	965		549				1,412	
Income taxes-deferred	△ 41	924	255	805	△ 118	△ 12.8	△ 287	1,124
Income before minority interests	1,503	3.6	1,660	3.4	156	10.4	1,523	2.7
Minority interests in income	80	0.2	66	0.2	△ 13	△ 16.7	128	0.2
Net income	1,423	3.4	1,593	3.2	170	11.9	1,395	2.5

Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2010(3Q)	FY2011(3Q)	Increase /Decrease /Decrease (B)–(A)	FY2010
	'09/4–'09/12	'10/4–'10/12		'09/4–'10/3
	Amount(A)	Amount(B)		Amount
I Operating activities				
Income before income taxes	2,427	2,466	38	2,647
Depreciation and amortization	1,557	1,686	128	2,185
Impairment loss	360	–	△ 360	510
Amortization of goodwill	18	–	△ 18	18
Loss on adjustment for changes of accounting standard	–	67	67	–
Increase (decrease) in allowance for doubtful accounts	4	△ 24	△ 28	7
Increase (decrease) in provision for bonuses	609	△ 528	△ 1,138	1,050
Increase (decrease) in provision for directors' bonuses	4	△ 11	△ 16	20
Increase (decrease) in provision for retirement benefits	38	△ 3	△ 41	23
Loss (gain) on sales of investment securities	–	0	0	–
Loss (gain) on sales and retirement of noncurrent assets	62	△ 15	△ 78	100
Interest and dividends income	△ 82	△ 107	△ 24	△ 87
Interest expenses	130	143	12	170
Equity in (earnings) losses of affiliates	△ 55	△ 56	△ 1	△ 69
Decrease (increase) in notes and accounts receivable–trade	△ 6,174	△ 4,868	1,305	△ 3,720
Decrease (increase) in inventories	798	△ 857	△ 1,655	107
Increase (decrease) in notes and accounts payable–trade	4,021	2,425	△ 1,595	2,113
Other, net	△ 158	△ 936	△ 778	121
Subtotal	3,563	△ 621	△ 4,185	5,200
Interest and dividends income received	129	135	6	134
Interest expenses paid	△ 131	△ 144	△ 12	△ 161
Income taxes paid	△ 268	△ 1,415	△ 1,146	△ 204
Net cash provided by (used in) operating activities	3,292	△ 2,045	△ 5,338	4,969
II Investment activities				
Decrease (increase) in time deposits	4	10	6	3
Purchase of property, plant and equipment	△ 1,310	△ 2,796	△ 1,485	△ 3,687
Proceeds from sales of property, plant and equipment	7	47	39	374
Purchase of investment securities	△ 15	△ 358	△ 342	△ 19
Proceeds from sales of investment securities	–	2	2	–
Purchase of intangible assets	△ 15	△ 67	△ 51	△ 38
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	46	–	△ 46	46
Purchase of investment in capital of subsidiaries resulting in change in scope of consolidation	–	△ 480	△ 480	–
Purchase of investments in capital of subsidiaries	△ 122	–	122	△ 122
Decrease (increase) in other investments	3	△ 55	△ 59	15
Other, net	0	△ 6	△ 6	△ 24
Net cash provided by (used in) investment activities	△ 1,401	△ 3,704	△ 2,302	△ 3,451
III Financing activities				
Net increase (decrease) in short-term loans payable	△ 1,867	1,832	3,700	△ 978
Proceeds from long-term loans payable	–	3,118	3,118	273
Repayment of long-term loans payable	△ 288	△ 1,010	△ 721	△ 428
Proceeds from issuance of bonds	–	4,965	4,965	–
Purchase of treasury stock	△ 0	△ 0	0	△ 0
Cash dividends paid	△ 443	△ 513	△ 70	△ 443
Cash dividends paid to minority shareholders	–	–	–	△ 64
Net cash provided by (used in) financing activities	△ 2,599	8,392	10,991	△ 1,642
IV Effect of exchange rate change on cash and cash equivalents	△ 10	△ 230	△ 219	57
V Net increase (decrease) in cash and cash equivalents	△ 718	2,412	3,131	△ 67
VI Cash and cash equivalents, beginning of term	6,812	6,745	△ 67	6,812
VII Cash and cash equivalents, end of term	6,094	9,157	3,063	6,745