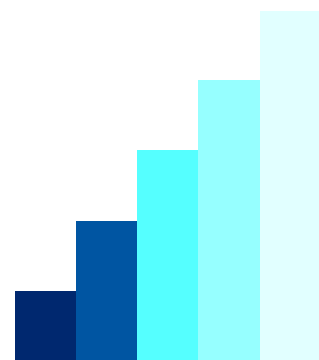


DATA BOOK



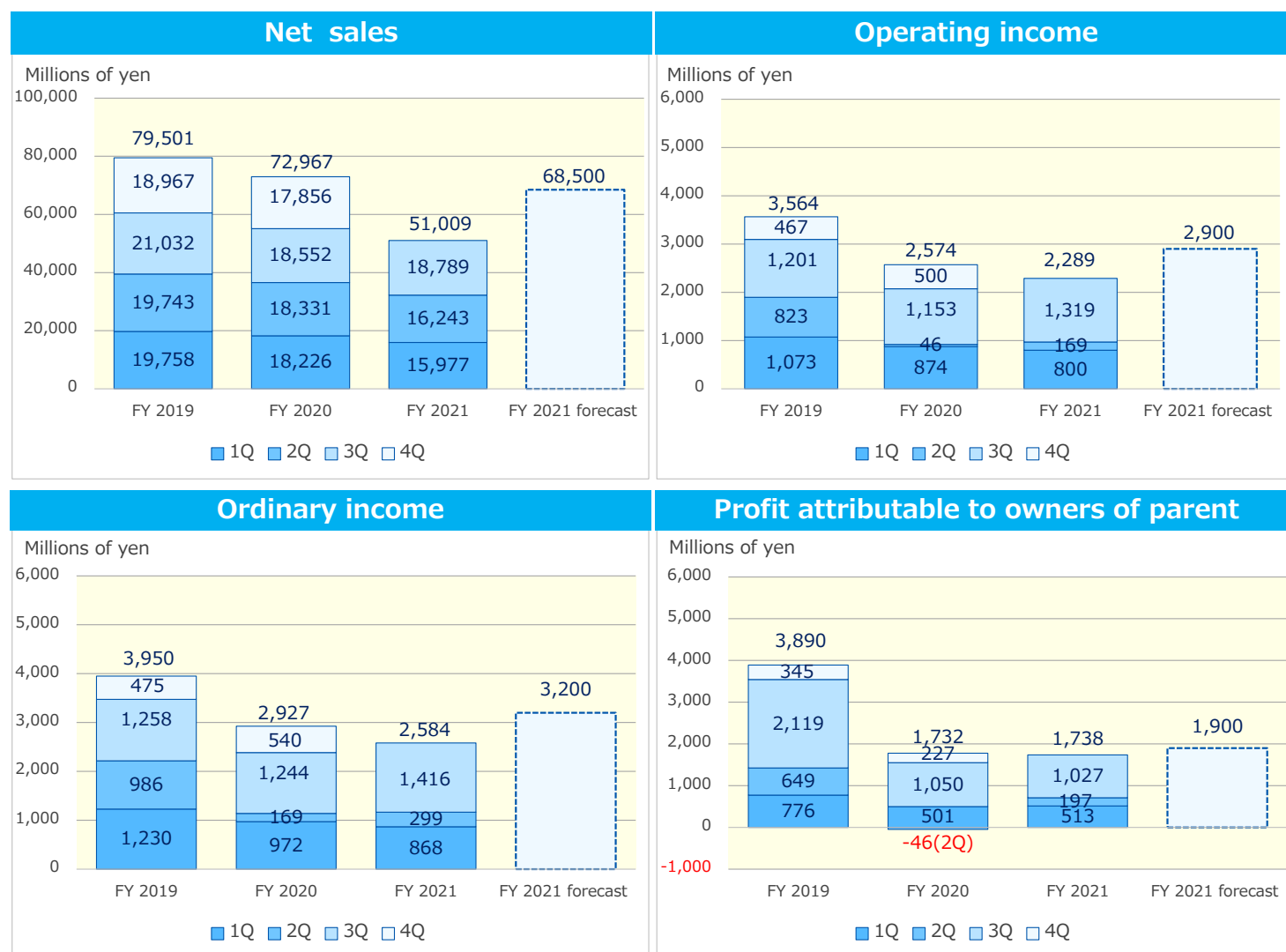
FY2021

3rd Quarter ended December 31, 2020

February 1st, 2021

ARAKAWA CHEMICAL INDUSTRIES, LTD.

Achievement Transition (Consolidated)



Consolidated	FY 2019 (3Q)		FY 2020 (3Q)		FY 2021 (3Q)		FY 2019		FY 2020		FY 2021 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	60,534	△ 0.9	55,111	△ 9.0	51,009	△ 7.4	79,501	△ 1.6	72,967	△ 8.2	68,500	△ 6.1
Operating income	3,097	△ 26.2	2,073	△ 33.0	2,289	10.4	3,564	△ 27.1	2,574	△ 27.8	2,900	12.6
Ordinary income	3,475	△ 22.9	2,386	△ 31.3	2,584	8.3	3,950	△ 24.3	2,927	△ 25.9	3,200	9.3
Profit attributable to owners of parent	3,544	21.0	1,504	△ 57.5	1,738	15.5	3,890	25.0	1,732	△ 55.5	1,900	9.7

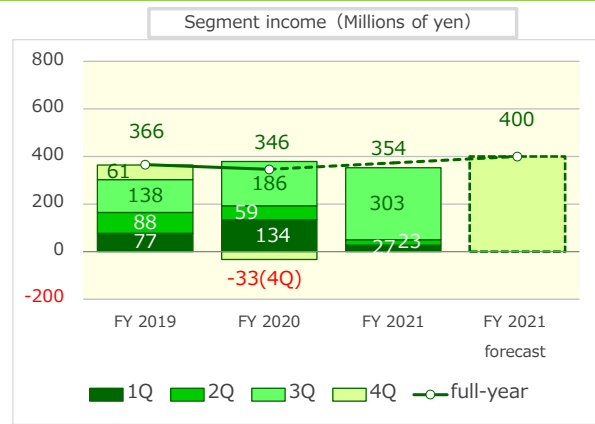
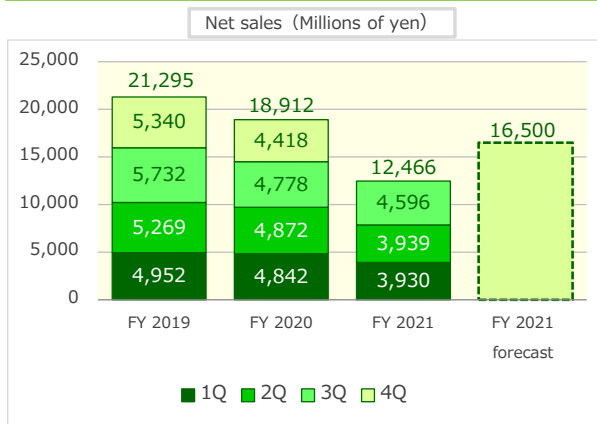
Management index transition

Consolidated	FY 2019 (3Q)		FY 2020 (3Q)		FY 2021 (3Q)		FY 2019		FY 2020		FY 2021 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	1,551	358	2,002	450	1,935	△ 67	2,977	1,040	3,932	955	4,350	417
Depreciation and amortization	2,053	136	2,178	124	2,226	47	2,870	257	2,887	16	3,050	162
R&D expenses	2,262	△ 115	2,241	△ 20	2,359	117	3,051	△ 169	3,041	△ 9	3,350	308
Interest-bearing debt	14,565	3,209	19,357	4,791	21,772	2,415	14,349	3,080	19,045	4,695	23,000	3,954
EBITDA	5,151	△ 963	4,252	△ 898	4,515	262	6,435	△ 1,070	5,461	△ 973	5,950	488

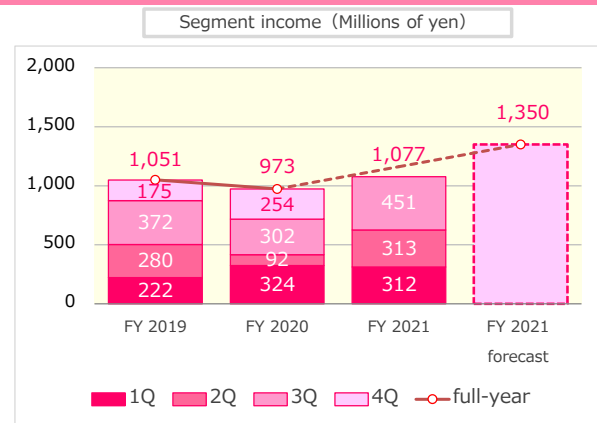
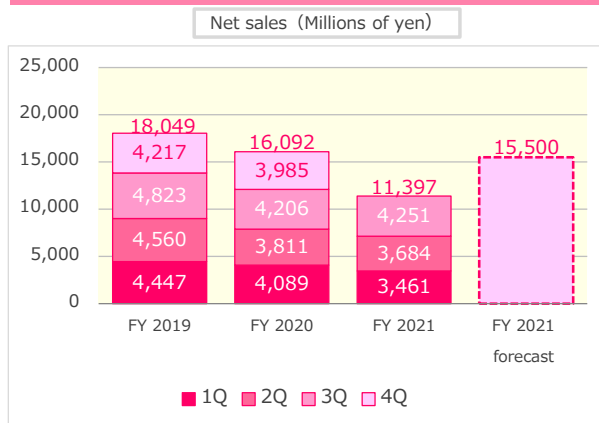
[EBITDA] Earnings Before Interest , Taxes , Depreciation and Amortization

Segment Information (Consolidated)

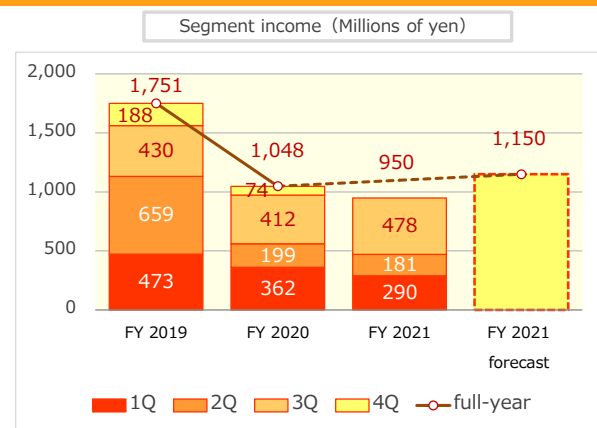
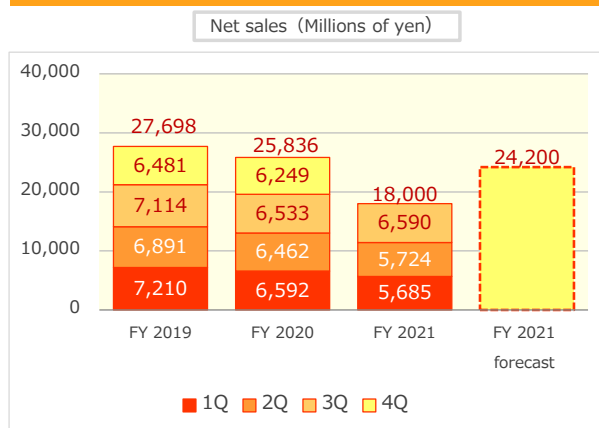
Paper Chemicals



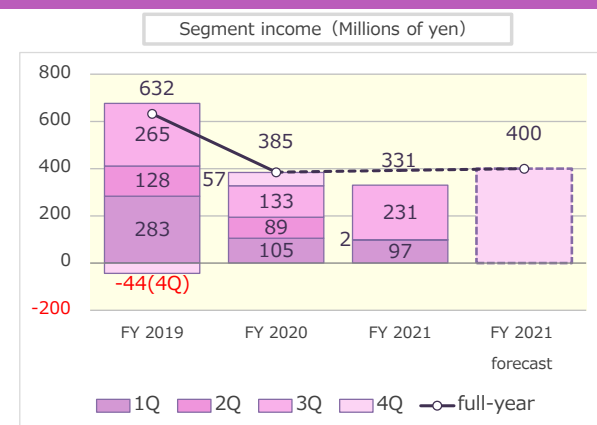
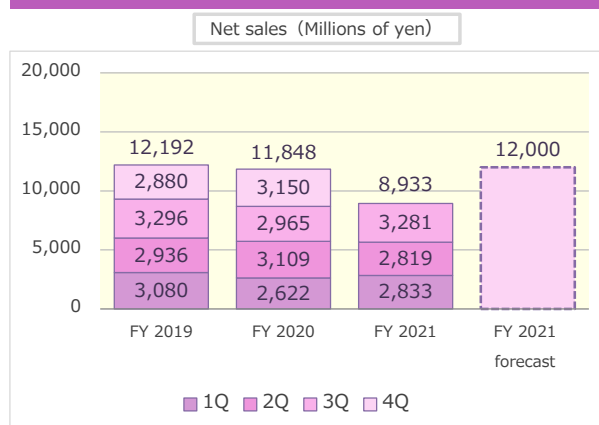
Coating Chemicals



Adhesive Materials



Functional Materials



Segment Information (Consolidated)

Consolidated		FY 2019 (3Q)		FY 2020 (3Q)		FY 2021 (3Q)		FY 2019		FY 2020		FY 2021 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	15,954	6.1	14,493	△ 9.2	12,466	△ 14.0	21,295	7.3	18,912	△ 11.2	16,500	△ 12.8
	Segment income	305	△ 66.9	380	24.8	354	△ 7.0	366	△ 60.8	346	△ 5.3	400	15.3
	Segment income/sales	1.9%		2.6%		2.8%		1.7%		1.8%		2.4%	
Coating chemicals	Net sales	13,831	△ 5.6	12,106	△ 12.5	11,397	△ 5.9	18,049	△ 5.7	16,092	△ 10.8	15,500	△ 3.7
	Segment income	875	△ 11.7	719	△ 17.9	1,077	49.8	1,051	△ 4.8	973	△ 7.4	1,350	38.6
	Segment income/sales	6.3%		5.9%		9.5%		5.8%		6.1%		8.7%	
Adhesive Materials	Net sales	21,216	△ 5.8	19,587	△ 7.7	18,000	△ 8.1	27,698	△ 7.4	25,836	△ 6.7	24,200	△ 6.3
	Segment income	1,562	△ 21.8	973	△ 37.7	950	△ 2.4	1,751	△ 29.3	1,048	△ 40.1	1,150	9.7
	Segment income/sales	7.4%		5.0%		5.3%		6.3%		4.1%		4.8%	
Functional Materials	Net sales	9,312	8.0	8,697	△ 6.6	8,933	2.7	12,192	5.0	11,848	△ 2.8	12,000	1.3
	Segment income	677	22.0	328	△ 51.5	331	0.9	632	2.1	385	△ 39.1	400	3.7
	Segment income/sales	7.3%		3.8%		3.7%		5.2%		3.3%		3.3%	
Others	Net sales	218	2.0	225	3.4	211	△ 6.5	266	0.3	277	4.2	300	8.1
	Segment income	22	△ 0.3	26	17.1	19	△ 24.0	26	7.2	31	17.6	20	△ 36.2
	Segment income/sales	10.2%		11.6%		9.4%		10.0%		11.3%		6.7%	
Subtotal	Net sales	60,534	△ 0.9	55,111	△ 9.0	51,009	△ 7.4	79,501	△ 1.6	72,967	△ 8.2	68,500	△ 6.1
	Segment income	3,443	△ 23.3	2,428	△ 29.5	2,733	12.5	3,828	△ 25.8	2,786	△ 27.2	3,320	19.1
	Segment income/sales	5.7%		4.4%		5.4%		4.8%		3.8%		4.8%	
Consolidated total	*Development Investment	△ 256	—	△ 218	—	△ 279	—	△ 352	—	△ 294	—	△ 350	—
	Segment income	3,186	△ 24.4	2,209	△ 30.7	2,454	11.1	3,476	△ 27.4	2,491	△ 28.3	2,970	19.2
	Segment income/sales	5.3%		4.0%		4.8%		4.4%		3.4%		4.3%	

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

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.

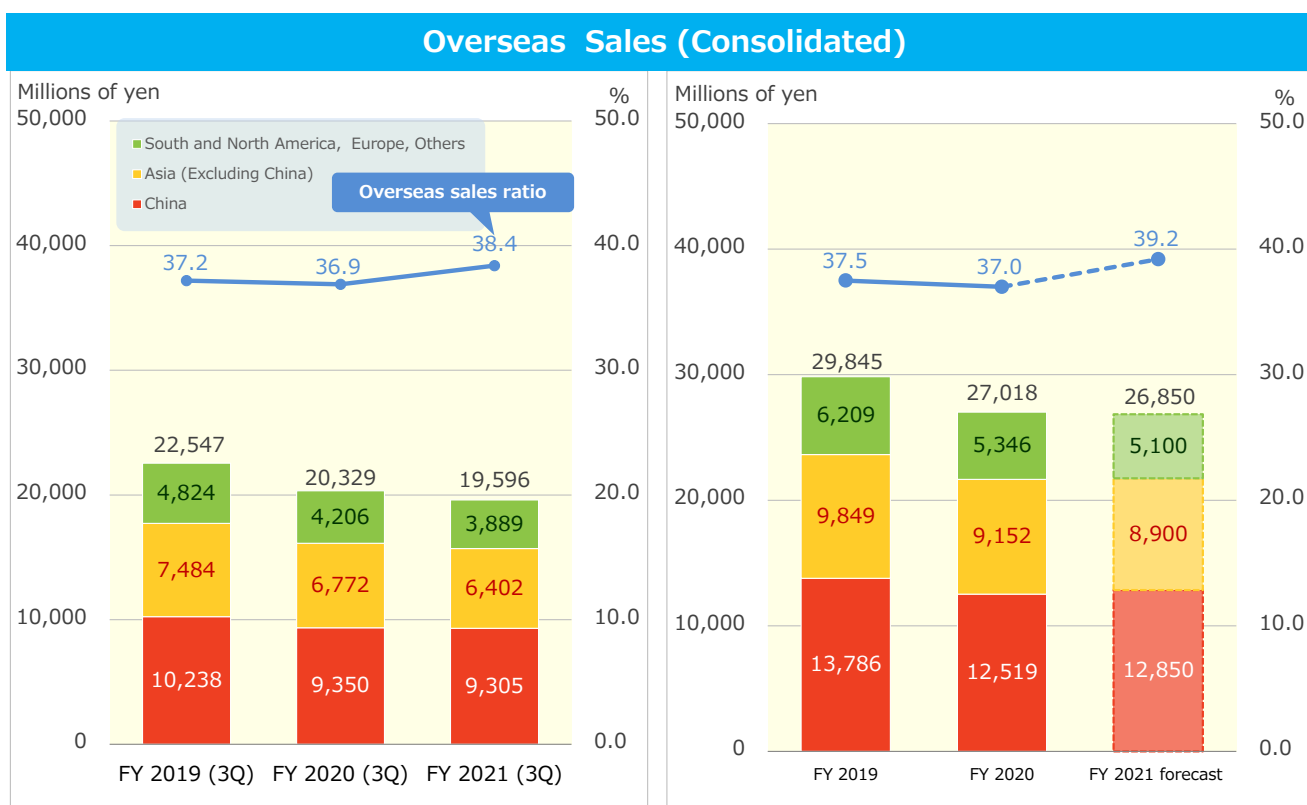
[Adhesive Materials] Adhesive resin, Colorless rosin derivatives, etc.

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

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

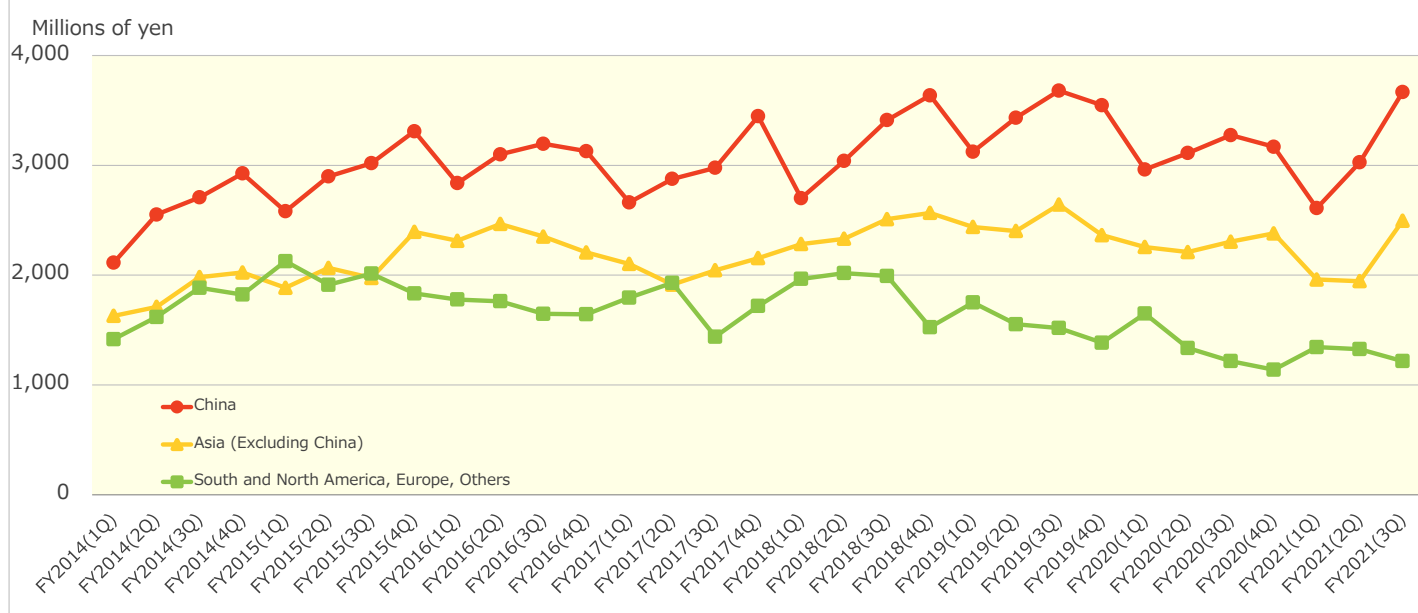
From FY2019, classification of some products has been changed from Functional Materials to Adhesive Materials.

Overseas Sales (Consolidated)



Consolidated	FY 2019 (3Q)		FY 2020 (3Q)		FY 2021 (3Q)		FY 2019		FY 2020		FY 2021 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	22,547	1.3	20,329	△ 9.8	19,596	△ 3.6	29,845	△ 0.6	27,018	△ 9.5	26,850	△ 0.6
Overseas sales in Asia	17,723	8.9	16,122	△ 9.0	15,707	△ 2.6	23,635	4.9	21,672	△ 8.3	21,750	0.4
Overseas sales in China	10,238	11.8	9,350	△ 8.7	9,305	△ 0.5	13,786	7.5	12,519	△ 9.2	12,850	2.6
Overseas sales ratio	37.2%		36.9%		38.4%		37.5%		37.0%		39.2%	

Overseas sales by region (Consolidated)



Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2020 (3Q)		FY2021 (3Q)		FY2020		Increase /Decrease (A) - (B)
	(As of December 31, 2019)		(As of December 31, 2020)		(As of March 31, 2020)		
	Amount	Com- position ratio	Amount (A)	Com- position ratio	Amount (B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	9,044		9,106		9,636		△ 530
2. Notes and accounts receivable - trade	25,376		23,986		22,789		1,197
3. Electronically recorded monetary claims - operating	2,014		1,903		1,656		247
4. Merchandise and finished goods	8,486		8,546		8,803		△ 256
5. Work in process	998		1,029		912		117
6. Raw materials and supplies	6,653		6,656		6,399		256
7. Other	1,994		1,236		1,248		△ 12
Allowance for doubtful accounts	△ 103		△ 106		△ 109		2
Total Current assets	54,464	57.2	52,359	54.3	51,337	56.8	1,022
II Non-current assets							
1. Property, plant and equipment							
(1) Buildings and structures	7,705		8,155		8,227		△ 71
(2) Machinery, equipment and vehicles	6,484		6,416		6,729		△ 312
(3) Land	5,144		4,991		5,147		△ 156
(4) Construction in progress	10,643		13,599		10,310		3,288
(5) Other	551		792		630		161
Total property, plant and equipment	30,529	32.1	33,955	35.2	31,044	34.4	2,910
2. Intangible assets							
(1) Goodwill	332		115		262		△ 147
(2) Other	417		1,118		988		130
Total intangible assets	749	0.8	1,233	1.3	1,250	1.4	△ 16
3. Investments and other assets							
(1) Investment securities	7,509		7,636		5,919		1,716
(2) Retirement benefit asset	1,169		246		264		△ 18
(3) Deferred tax assets	290		278		268		9
(4) Other	345		305		349		△ 44
Allowance for doubtful accounts	△ 61		△ 61		△ 63		2
Total investments and other assets	9,253	9.7	8,404	8.7	6,738	7.4	1,666
Total noncurrent assets	40,532	42.6	43,593	45.2	39,034	43.2	4,559
III Deferred Assets							
1. Business commencement expenses	148		488		228		259
Total deferred assets	148	0.2	488	0.5	228	0.3	259
Total assets	95,145	100.0	96,441	100.0	90,600	100.0	5,841

(Unit : Millions of yen)

Item	FY2020 (3Q)		FY2021 (3Q)		FY2020		Increase / Decrease (A) - (B)
	(As of December 31, 2019)		(As of December 31, 2020)		(As of March 31, 2020)		
	Amount	Com-position ratio	Amount (A)	Com-position ratio	Amount (B)	Com-position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable - trade	10,984		9,726		9,174		551
2. Short-term borrowings	5,368		7,926		5,100		2,826
3. Current portion of bonds payable	-		5,000		-		5,000
4. Income taxes payable	296		342		293		49
5. Accrued consumption taxes	236		165		212	△	47
6. Provision for bonuses	584		633		1,177	△	543
7. Provision for bonuses for directors (and other officers)	20		35		45	△	10
8. Provision for repairs	-		218		-		218
9. Notes payable - facilities	219		139		227	△	87
10. Other	5,371		5,032		4,780		251
Total current liabilities	23,081	24.3	29,220	30.3	21,011	23.2	8,208
II Non-current liabilities							
1. Bonds payable	10,000		5,000		10,000	△	5,000
2. Long-term borrowings	3,989		3,846		3,945	△	99
3. Deferred tax liabilities	1,549		1,180		602		578
4. Provision for repairs	30		-		45	△	45
5. Retirement benefit liability	317		327		322		5
6. Asset retirement obligations	316		343		339		4
7. Other	305		281		307	△	26
Total noncurrent liabilities	16,509	17.3	10,978	11.4	15,560	17.2	4,581
Total liabilities	39,590	41.6	40,198	41.7	36,572	40.4	3,626
(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	44,741		45,834		44,969		865
4. Treasury shares	△ 895		△ 1,210		△ 1,210	△	0
Total shareholders' equity	50,753	53.3	51,531	53.4	50,665	55.9	865
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	2,951		2,972		1,886		1,086
2. Foreign currency translation adjustment	62		422		494	△	72
3. Remeasurements of defined benefit plans	148		△ 479		△ 499		20
Total accumulated other comprehensive income	3,162	3.4	2,915	3.0	1,881	2.1	1,034
III Minority interests	1,638	1.7	1,796	1.9	1,480	1.6	315
Total net assets	55,554	58.4	56,243	58.3	54,027	59.6	2,215
Total liabilities and net assets	95,145	100.0	96,441	100.0	90,600	100.0	5,841

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2020 (3Q) '19/4-'19/12		FY2021 (3Q) '20/4-'20/12		Increase/ Decrease		FY2020 '19/4-'20/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio
I Net Sales	55,111	100.0	51,009	100.0	△ 4,102	△ 7.4	72,967	100.0
II Cost of sales	43,081	78.2	38,948	76.4	△ 4,132	△ 9.6	57,014	78.1
Gross profit	12,030	21.8	12,060	23.6	30	0.3	15,953	21.9
III Selling, general and administrative expenses	9,956	18.0	9,771	19.1	△ 185	△ 1.9	13,378	18.4
Operating income	2,073	3.8	2,289	4.5	215	10.4	2,574	3.5
IV Non-operating income								
Interest income	20		33				33	
Dividend income	178		161				210	
Rental income from real estate	74		70				98	
Foreign exchange gains	-		-				3	
Insurance claim income	148		29				147	
Compensation income	6		82				8	
Other	96	524	135	514	△ 10	△ 2.0	99	600
V Non-operating expenses								
Interest expenses	112		105				150	
Bond issuance costs	25		-				25	
Foreign exchange losses	19		31				-	
Other	54	211	82	219	7	3.6	71	247
Ordinary income		2,386		2,584	197	8.3		2,927
VI Extraordinary income								
Gain on sales of non-current assets	0		5				0	
Gain on sales of investment securities	352		321				473	
Reversal of provision foreign currency translation adjustment	7	360	-	327	△ 33	△ 9.2	7	482
VII Extraordinary loss								
Loss on sales and retirement of non-current assets	27		51				153	
Loss on valuation of non-current assets	0		-				1	
Loss on valuation of investment securities	-		-				26	
Loss on sales of investments in capital	15		-				15	
Loss on valuation of investments in capital	-		2				-	
Expenses for suspension of operation	90	132	-	53	△ 78	△ 59.4	89	286
Income before income taxes		2,615		2,858	242	9.3		3,122
Income taxes-current	496		733				846	
Income taxes-deferred	325	821	78	811	△ 10	△ 1.3	158	1,004
Net income		1,793		2,046	253	14.1		2,117
Income before minority interests		288		307	19	6.8		385
Profit attributable to owners of parent		1,504		1,738	233	15.5		1,732

<Reference> Statements of Comprehensive Income (Consolidated)

Net income		1,793		2,046		253	14.1		2,117
Other comprehensive income									
Valuation difference on available-for-sale securities		154		1,086		931		△ 910	
Foreign currency translation adjustment		△ 727		△ 64		662		△ 227	
Remeasurements of defined benefit plans, net of tax		△ 26		20		46		△ 679	
Total other comprehensive income		△ 598		1,042		1,640		△ 1,818	
Comprehensive income		1,194		3,088		1,894	158.6		299