

DATA BOOK

FY2022 (2nd Quarter ended September 30,2021)

V-ACTION for sustainability



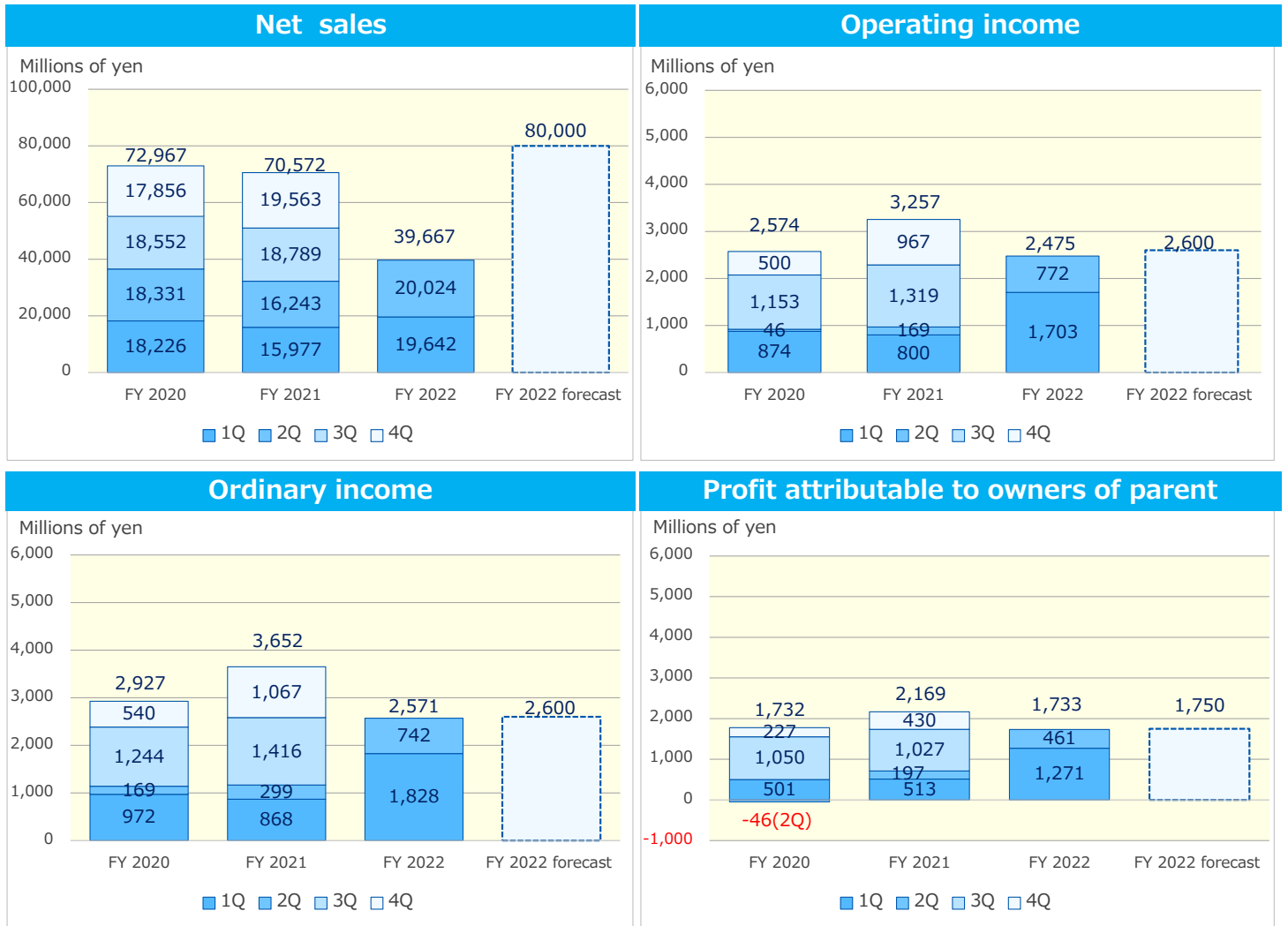
INDEX

Achievement Transition	1
Segment Information	2
Overseas Sales	4
Balance Sheets	5
Statements of Income	7
Statements of Cash Flows	8

November 1st,2021

ARAKAWA CHEMICAL INDUSTRIES, LTD.

Achievement Transition (Consolidated)



Consolidated	FY 2020 (2Q)		FY 2021 (2Q)		FY 2022 (2Q)		FY 2020		FY 2021		FY 2022 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	36,558	△ 7.5	32,220	△ 11.9	39,667	23.1	72,967	△ 8.2	70,572	△ 3.3	80,000	13.4
Operating income	920	△ 51.4	969	5.3	2,475	155.3	2,574	△ 27.8	3,257	26.5	2,600	△ 20.2
Ordinary income	1,142	△ 48.5	1,167	2.2	2,571	120.3	2,927	△ 25.9	3,652	24.8	2,600	△ 28.8
Profit attributable to owners of parent	454	△ 68.1	710	56.4	1,733	143.9	1,732	△ 55.5	2,169	25.3	1,750	△ 19.3

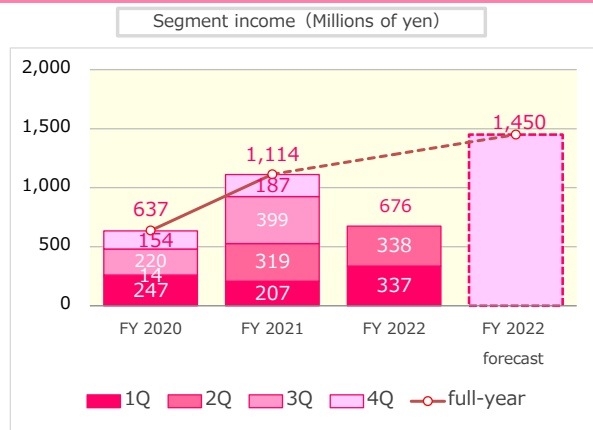
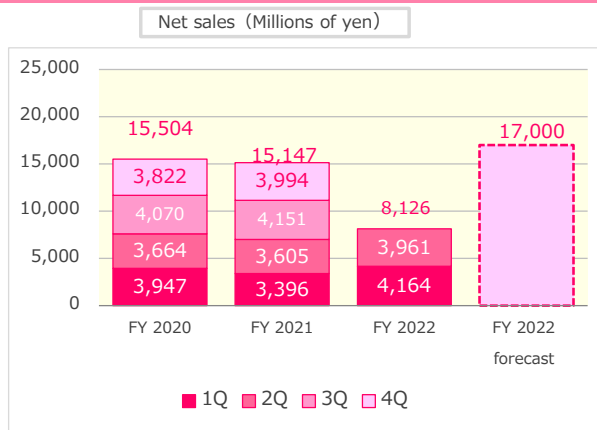
Management index transition

Consolidated	FY 2020 (2Q)		FY 2021 (2Q)		FY 2022 (2Q)		FY 2020		FY 2021		FY 2022 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	1,418	380	929	△ 489	1,416	486	3,932	955	18,559	14,626	7,250	△ 11,309
Depreciation	1,323	4	1,441	118	1,385	△ 55	2,887	16	2,980	93	4,090	1,109
R&D expenses	1,519	13	1,569	49	1,511	△ 57	3,041	△ 9	3,247	205	3,400	152
Interest-bearing debt	15,767	4,893	21,704	5,936	22,346	642	19,045	4,695	21,789	2,743	25,000	3,210
EBITDA	2,384	△ 971	2,519	134	3,938	1,418	5,742	△ 973	6,423	680	6,750	326

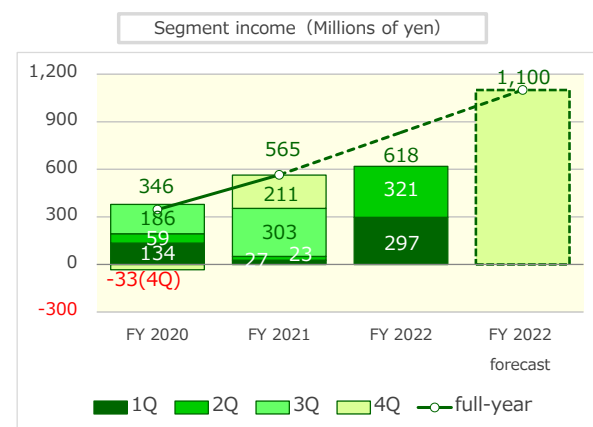
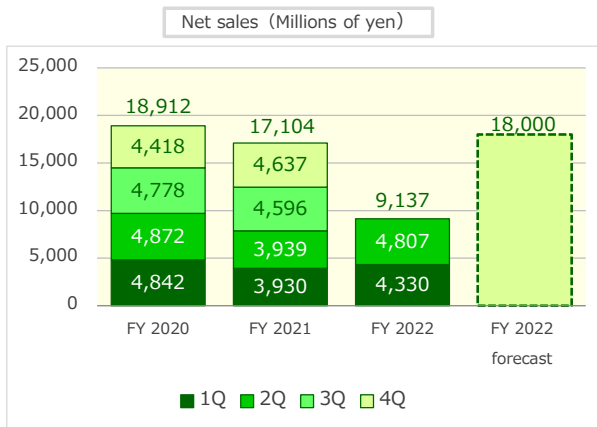
[EBITDA] Earnings Before Interest , Taxes , Depreciation and Amortization

Segment Information (Consolidated)

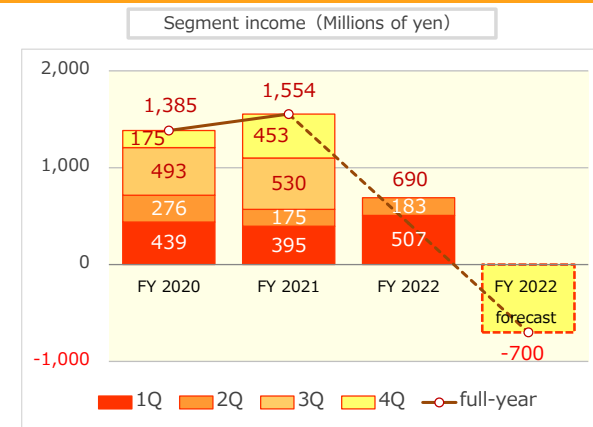
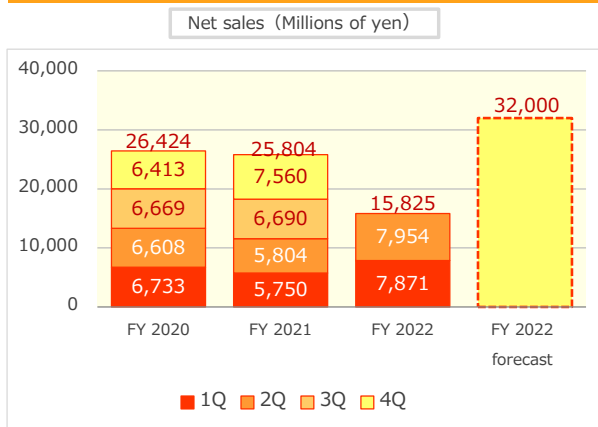
Functional Coating Chemicals



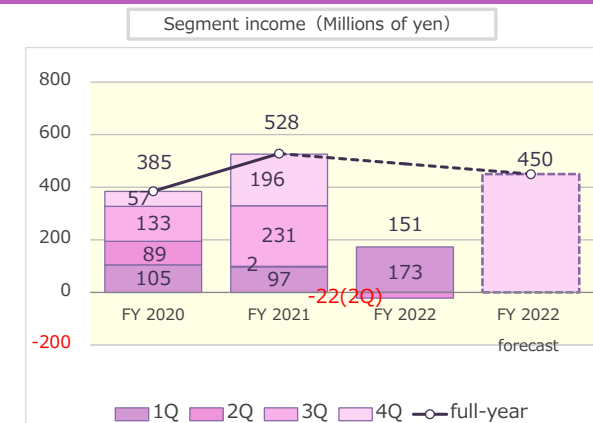
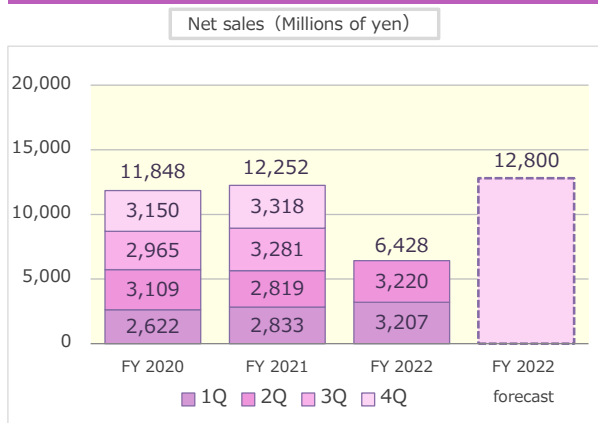
Paper Chemicals & Environmental Business



Adhesive & Biomass Materials



Fine Chemicals & Electronics



Segment Information (Consolidated)

Consolidated		FY 2020 (2Q)		FY 2021 (2Q)		FY 2022 (2Q)		FY 2020		FY 2021		FY 2022 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	7,612	△ 10.8	7,001	△ 8.0	8,126	16.1	15,504	△ 9.6	15,147	△ 2.3	17,000	12.2
	Segment income	262	△ 22.1	527	101.0	676	28.2	637	0.5	1,114	75.0	1,450	30.1
	Segment income/sales	3.4%		7.5%		8.3%		4.1%		7.4%		8.5%	
Paper Chemicals & Environmental Business	Net sales ※1	9,715	△ 5.0	7,870	△ 19.0	9,137	16.1	18,912	△ 11.2	17,104	△ 9.6	18,000	5.2
	Segment income	193	16.5	50	△ 73.8	618	-	346	△ 5.3	565	63.1	1,100	94.4
	Segment income/sales	2.0%		0.6%		6.8%		1.8%		3.3%		6.1%	
Adhesive & Biomass Materials	Net sales ※1	13,342	△ 8.4	11,554	△ 13.4	15,825	37.0	26,424	△ 7.6	25,804	△ 2.3	32,000	24.0
	Segment income	716	△ 44.8	570	△ 20.4	690	21.1	1,385	△ 36.1	1,554	12.2	△ 700	-
	Segment income/sales	5.4%		4.9%		4.4%		5.2%		6.0%		△ 2.2%	
Fine Chemicals & Electronics	Net sales ※1	5,732	△ 4.7	5,652	△ 1.4	6,428	13.7	11,848	△ 2.8	12,252	3.4	12,800	4.5
	Segment income	194	△ 52.8	100	△ 48.5	151	51.2	385	△ 39.1	528	36.9	450	△ 14.8
	Segment income/sales	3.4%		1.8%		2.4%		3.3%		4.3%		3.5%	
Others	Net sales ※1	155	2.5	141	△ 9.2	149	5.4	277	4.2	263	△ 5.2	200	△ 24.0
	Segment income	16	4.4	11	△ 29.0	23	99.6	31	17.6	26	△ 16.2	30	14.2
	Segment income/sales	10.7%		8.4%		15.9%		11.3%		10.0%		15.0%	
Subtotal	Net sales ※1	36,558	△ 7.5	32,220	△ 11.9	39,667	23.1	72,967	△ 8.2	70,572	△ 3.3	80,000	13.4
	Segment income	1,383	△ 37.9	1,260	△ 8.9	2,160	71.4	2,786	△ 27.2	3,789	36.0	2,330	△ 38.5
	Segment income/sales	3.8%		3.9%		5.4%		3.8%		5.4%		2.9%	
Consolidated total	Development Investment ※2	△ 147	-	△ 188	-	△ 216	-	△ 294	-	△ 377	-	△ 350	-
	Segment income	1,236	△ 40.1	1,071	△ 13.3	1,943	81.3	2,491	△ 28.3	3,411	36.9	1,980	△ 42.0
	Segment income/sales	3.4%		3.3%		4.9%		3.4%		4.8%		2.5%	

※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.

Figures of each fiscal year have been changed to reflect the new classification.

※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, Heat 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.

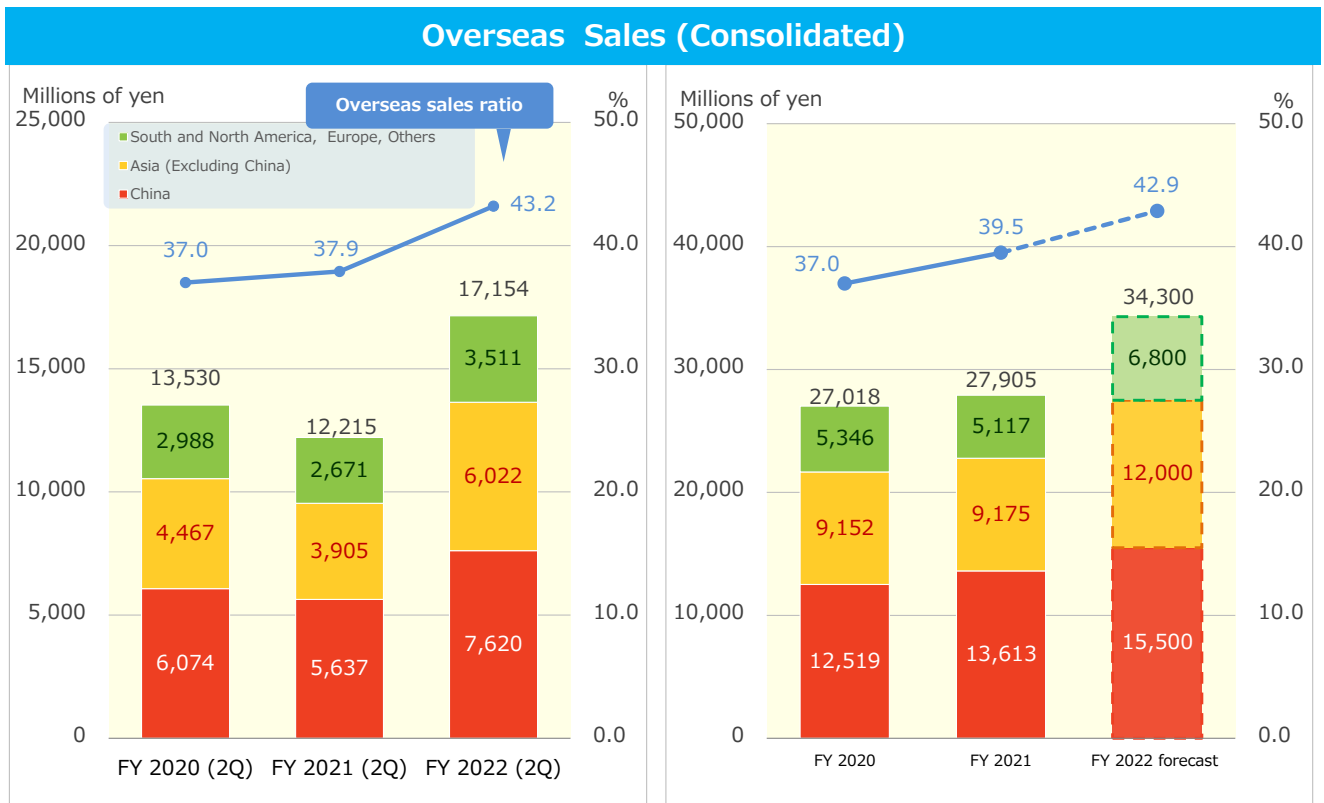
Amount of financial impact on the "Accounting Standard for Revenue Recognition"

(FY2022 2Q)

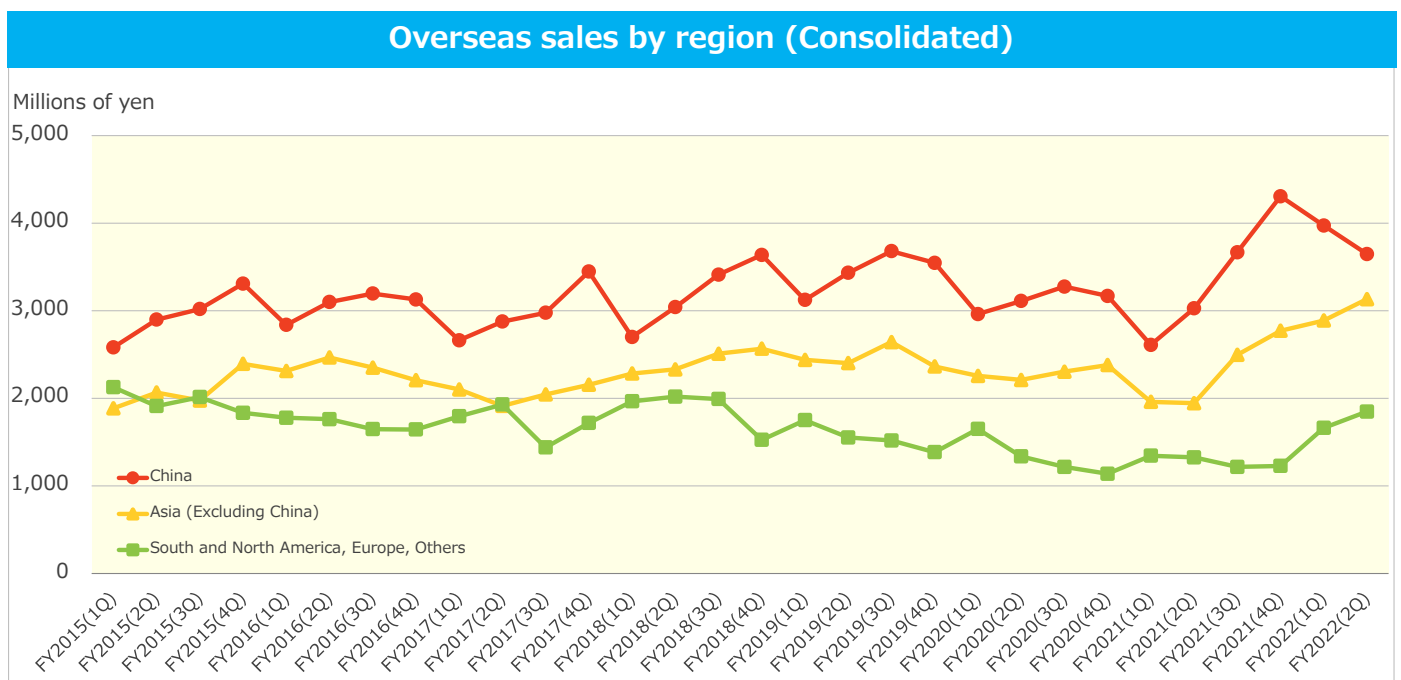
(millions of yen)

Functional Coating Chemicals	Paper Chemicals & Environmental Business	Adhesive & Biomass Materials	Fine Chemicals & Electronics	Total
△5	△602	△44	△560	△1,213

Overseas Sales (Consolidated)



Consolidated	FY 2020 (2Q)		FY 2021 (2Q)		FY 2022 (2Q)		FY 2020		FY 2021		FY 2022 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	13,530	△ 8.0	12,215	△ 9.7	17,154	40.4	27,018	△ 9.5	27,905	3.3	34,300	22.9
Overseas sales in Asia	10,542	△ 7.5	9,543	△ 9.5	13,643	43.0	21,672	△ 8.3	22,788	5.1	27,500	20.7
Overseas sales in China	6,074	△ 7.4	5,637	△ 7.2	7,620	35.2	12,519	△ 9.2	13,613	8.7	15,500	13.9
Overseas sales ratio	37.0%		37.9%		43.2%		37.0%		39.5%		42.9%	



Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2021 (2Q)		FY2022 (2Q)		FY2021		Increase /Decrease (A) - (B)
	(As of September 30, 2020)		(As of September 30, 2021)		(As of March 31, 2021)		
	Amount	Com- position ratio	Amount (A)	Com- position ratio	Amount (B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	10,526		9,581		8,464		1,116
2. Notes and accounts receivable - trade	19,687		24,273		23,097		1,176
3. Electronically recorded monetary claims - operating	1,518		1,843		1,746		97
4. Merchandise and finished goods	8,792		9,058		9,360	△	301
5. Work in process	996		1,296		991		304
6. Raw materials and supplies	6,752		8,466		7,515		950
7. Other	1,091		1,625		2,643	△	1,018
Allowance for doubtful accounts	△ 104		△ 109		△ 107	△	2
Total Current assets	49,259	53.4	56,035	51.1	53,713	50.8	2,322
II Non-current assets							
1. Property, plant and equipment							
(1) Buildings and structures	8,069		15,374		15,443	△	69
(2) Machinery, equipment and vehicles	6,285		14,997		14,753		243
(3) Land	4,994		4,994		4,993		0
(4) Construction in progress	13,238		3,075		2,009		1,066
(5) Other	730		983		902		80
Total property, plant and equipment	33,318	36.1	39,425	36.0	38,103	36.0	1,322
2. Intangible assets							
(1) Goodwill	153		-		76	△	76
(2) Other	1,092		1,841		1,694		147
Total intangible assets	1,245	1.4	1,841	1.7	1,770	1.7	70
3. Investments and other assets							
(1) Investment securities	7,184		8,343		8,552	△	209
(2) Retirement benefit asset	254		2,448		2,438		10
(3) Deferred tax assets	294		289		277		12
(4) Other	342		370		316		54
Allowance for doubtful accounts	△ 60		△ 109		△ 63	△	46
Total investments and other assets	8,015	8.7	11,343	10.3	11,521	10.9	△ 178
Total noncurrent assets	42,579	46.2	52,610	48.0	51,396	48.6	1,214
III Deferred Assets							
1. Business commencement expenses	393		1,011		647		364
Total deferred assets	393	0.4	1,011	0.9	647	0.6	364
Total assets	92,233	100.0	109,658	100.0	105,757	100.0	3,901

(Unit: Millions of yen)

Item	FY2021 (2Q)		FY2022 (2Q)		FY2021		Increase / Decrease (A) - (B)
	(As of September 30, 2020)		(As of September 30, 2021)		(As of March 31, 2021)		
	Amount	Com-position ratio	Amount (A)	Com-position ratio	Amount (B)	Com-position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable - trade	7,040		8,917		8,753		164
2. Electronically recorded obligations - operating	531		1,142		897		245
3. Short-term borrowings	7,825		8,599		7,976		623
4. Current portion of bonds payable	-		5,000		5,000		-
5. Income taxes payable	375		456		741	△	284
6. Accrued consumption taxes	67		118		91		26
7. Provision for bonuses	1,086		1,255		1,490	△	235
8. Provision for bonuses for directors (and other officers)	15		34		56	△	22
9. Provision for repairs	75		340		259		80
10. Notes payable - facilities	108		165		201	△	36
11. Other	4,185		7,499		8,305	△	806
Total current liabilities	21,310	23.1	33,528	30.6	33,773	31.9	△ 244
II Non-current liabilities							
1. Bonds payable	10,000		5,000		5,000		-
2. Long-term borrowings	3,879		3,747		3,813	△	66
3. Deferred tax liabilities	976		2,278		2,242		35
4. Retirement benefit liability	318		317		301		16
5. Asset retirement obligations	337		1,796		1,791		4
6. Other	308		277		244		33
Total noncurrent liabilities	15,819	17.2	13,416	12.2	13,393	12.7	23
Total liabilities	37,129	40.3	46,945	42.8	47,166	44.6	△ 221
(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	45,243		47,523		46,265		1,257
4. Treasury shares	△ 1,210		△ 1,211		△ 1,211		-
Total shareholders' equity	50,939	55.2	53,219	48.5	51,961	49.1	1,257
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	2,697		3,391		3,576	△	184
2. Foreign currency translation adjustment	270		1,558		646		912
3. Remeasurements of defined benefit plans	△ 486		980		1,044	△	64
Total accumulated other comprehensive income	2,481	2.7	5,930	5.4	5,267	5.0	663
III Non-controlling interests	1,681	1.8	3,563	3.3	1,361	1.3	2,201
Total net assets	55,103	59.7	62,712	57.2	58,590	55.4	4,122
Total liabilities and net assets	92,233	100.0	109,658	100.0	105,757	100.0	3,901

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2021 (2Q) '20/4-'20/9		FY2022 (2Q) '21/4-'21/9		Increase/ Decrease		FY2021 '20/4-'21/3		
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio	
I Net sales	32,220	100.0	39,667	100.0	7,446	23.1	70,572	100.0	
II Cost of sales	24,785	76.9	29,995	75.6	5,210	21.0	53,884	76.4	
Gross profit	7,435	23.1	9,671	24.4	2,236	30.1	16,688	23.6	
III Selling, general and administrative expenses	6,465	20.1	7,195	18.2	730	11.3	13,431	19.0	
Operating profit	969	3.0	2,475	6.2	1,506	155.3	3,257	4.6	
IV Non-operating income									
Interest income	24		16				41		
Dividend income	99		118				193		
Rental income from real estate	46		48				95		
Foreign exchange gains	-		119				21		
Insurance claim income	28		101				42		
Compensation income	82		-				82		
Other	65	348	87	490	142	40.8	165	642	
V Non-operating expenses									
Interest expenses	69		75				138		
Foreign exchange losses	26		-				-		
Provision for repairs	-		267				-		
Other	54	150	52	394	243	161.5	108	247	
Ordinary profit		1,167		2,571	1,404	120.3		3,652	
VI Extraordinary income									
Gain on sale of non-current assets	5		1				5		
Gain on sale of investment securities	163	169	0	2	△ 166	△ 98.7	321	327	
VII Extraordinary losses									
Loss on sale and retirement of non-current assets	48		48				135		
Loss on valuation of investments in capital	2	50	-	48	△ 1	△ 3.5	2	137	
Profit before income taxes		1,286		2,525	1,239	96.4		3,842	
Income taxes - current	402		519				1,264		
Income taxes - deferred	△ 17	385	135	654	269	70.0	196	1,460	
Profit		901		1,870	969	107.6		2,381	
Profit attributable to non-controlling interests		190		136	△ 53	△ 28.0		212	
Profit attributable to owners of parent		710		1,733	1,022	143.9		2,169	
<Reference> Statements of Comprehensive Income (Consolidated)									
Profit		901		1,870	969	107.6		2,381	
Other comprehensive income									
Valuation difference on available-for-sale securities		810		△ 184	△ 995			1,689	
Foreign currency translation adjustment		△ 213		1,038	1,251			169	
Remeasurements of defined benefit plans		13		△ 65	△ 78			1,540	
Total other comprehensive income		611		787	176			3,399	
Comprehensive income		1,512		2,658	1,146	75.8		5,781	

Statements of Cash Flows (Consolidated)

(Units: Millions of yen)

Item	FY2021 (20)	FY2022 (20)	Increase / Decrease	FY2021
	' 20/4-' 20/9	' 21/4-' 21/9		' 20/4-' 21/3
	Amount	Amount		Amount
I Cash flows from operating activities				
Profit before income taxes	1,286	2,525	1,239	3,842
Depreciation	1,441	1,385	△ 55	2,980
Amortization of goodwill	108	76	△ 31	185
Increase (decrease) in allowance for doubtful accounts	△ 5	38	44	△ 4
Increase (decrease) in provision for bonuses	△ 88	△ 245	△ 156	311
Increase (decrease) in provision for bonuses for directors (and other officers)	△ 30	△ 22	8	11
Increase (decrease) in retirement benefit liability	△ 3	14	18	△ 20
Decrease (increase) in retirement benefit asset	10	△ 10	△ 20	△ 2,174
Loss (gain) on sale and retirement of non-current assets	42	47	4	129
Loss (gain) on sale of investment securities	△ 163	△ 0	162	△ 321
Loss on valuation of investments in capital	2	-	△ 2	2
Interest and dividend income	△ 124	△ 134	△ 9	△ 234
Interest expenses	69	75	5	138
Decrease (increase) in trade receivables	3,119	△ 787	△ 3,907	△ 295
Decrease (increase) in inventories	△ 503	△ 564	△ 60	△ 1,634
Increase (decrease) in trade payables	△ 1,551	194	1,745	422
Increase (decrease) in accrued consumption taxes	△ 137	1,002	1,140	△ 187
Other	△ 531	526	1,058	973
Subtotal	2,940	4,123	1,183	4,125
Interest and dividends received	129	140	11	234
Interest paid	△ 73	△ 71	1	△ 135
Income taxes refund (paid)	△ 85	△ 856	△ 770	△ 538
Net cash provided by (used in) operating activities	2,910	3,336	425	3,685
II Cash flows from investing activities				
Decrease (increase) in time deposits	-	162	162	△ 1,014
Purchase of property, plant and equipment	△ 4,067	△ 3,677	389	△ 5,425
Proceeds from sale of property, plant and equipment	158	14	△ 143	160
Purchase of investment securities	△ 117	△ 68	49	△ 234
Proceeds from sale of investment securities	165	6	△ 158	324
Purchase of intangible assets	△ 161	△ 158	2	△ 604
Payments for deferred assets	△ 164	△ 389	△ 225	△ 411
Decrease (increase) in investments and other assets	0	0	0	2
Other	△ 31	△ 21	9	△ 94
Net cash provided by (used in) investing activities	△ 4,217	△ 4,131	86	△ 7,298
III Cash flows from financing activities				
Net increase (decrease) in short-term borrowings	2,793	461	△ 2,332	2,974
Repayments of long-term borrowings	△ 66	△ 66	-	△ 310
Purchase of treasury shares	-	-	-	△ 0
Dividends paid	△ 436	△ 476	△ 39	△ 872
Dividends paid to non-controlling interests	-	-	-	△ 345
Proceeds from share issuance to non-controlling shareholders	-	1,940	1,940	-
Other	△ 42	△ 52	△ 9	△ 90
Net cash provided by (used in) financing activities	2,248	1,806	△ 441	1,354
IV Effect of exchange rate change on cash and cash equivalents	△ 51	187	239	55
V Net increase (decrease) in cash and cash equivalents	889	1,199	310	△ 2,203
VI Cash and cash equivalents at beginning of period	9,545	7,342	△ 2,203	9,545
VII Cash and cash equivalents at end of period	10,434	8,541	△ 1,893	7,342