

DATA BOOK

FY2022 (3rd Quarter ended December 31,2021)

V-ACTION for sustainability



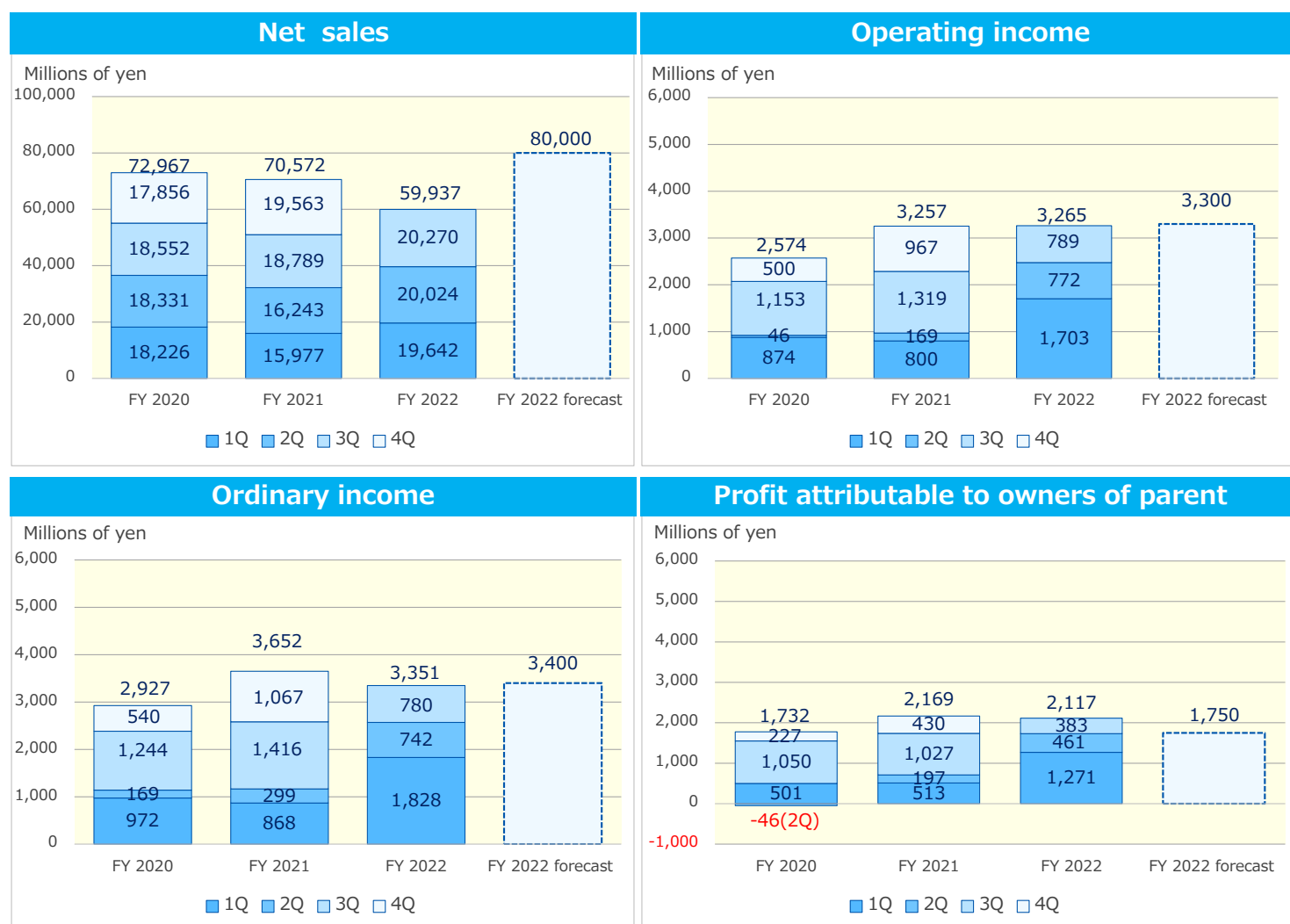
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February 1st,2022

ARAKAWA CHEMICAL INDUSTRIES, LTD.

Achievement Transition (Consolidated)



Consolidated	FY 2020 (3Q)		FY 2021 (3Q)		FY 2022 (3Q)		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	55,111	△ 9.0	51,009	△ 7.4	59,937	17.5	72,967	△ 8.2	70,572	△ 3.3	80,000	13.4
Operating income	2,073	△ 33.0	2,289	10.4	3,265	42.6	2,574	△ 27.8	3,257	26.5	3,300	1.3
Ordinary income	2,386	△ 31.3	2,584	8.3	3,351	29.7	2,927	△ 25.9	3,652	24.8	3,400	△ 6.9
Profit attributable to owners of parent	1,504	△ 57.5	1,738	15.5	2,117	21.8	1,732	△ 55.5	2,169	25.3	1,750	△ 19.3

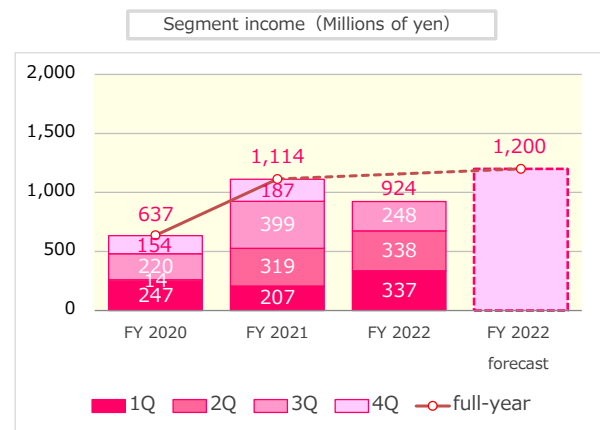
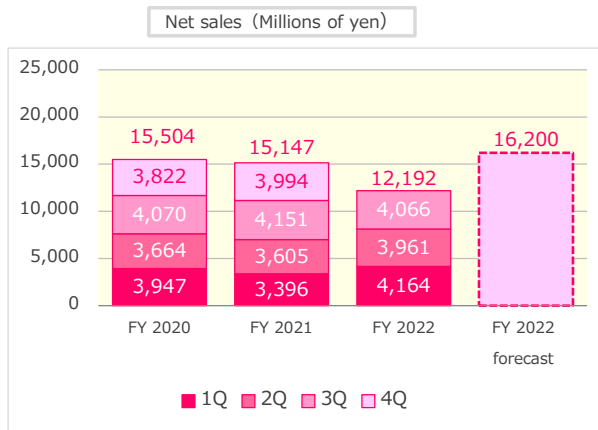
Management index transition

Consolidated	FY 2020 (3Q)		FY 2021 (3Q)		FY 2022 (3Q)		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	2,002	450	1,935	△ 67	3,455	1,519	3,932	955	18,559	14,626	7,250	△ 11,309
Depreciation	2,178	124	2,226	47	2,182	△ 43	2,887	16	2,980	93	3,200	219
R&D expenses	2,241	△ 20	2,359	117	2,274	△ 84	3,041	△ 9	3,247	205	3,400	152
Interest-bearing debt	19,357	4,791	21,772	2,415	24,743	2,970	19,045	4,695	21,789	2,743	25,000	3,210
EBITDA	4,463	△ 898	4,662	198	5,524	861	5,742	△ 973	6,423	680	6,560	136

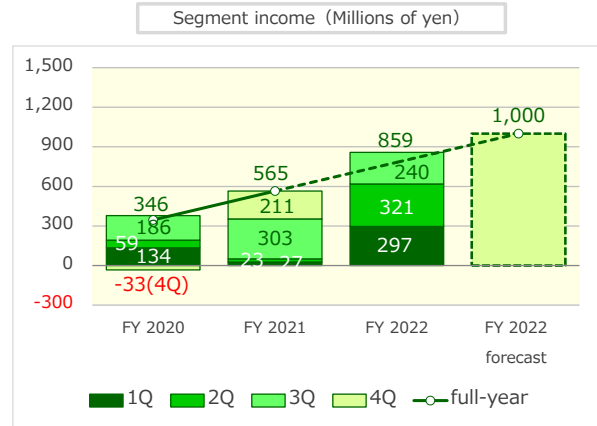
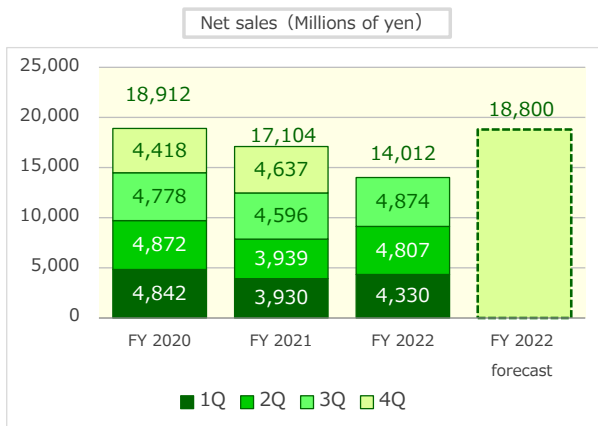
[EBITDA] Earnings Before Interest , Taxes , Depreciation and Amortization

Segment Information (Consolidated)

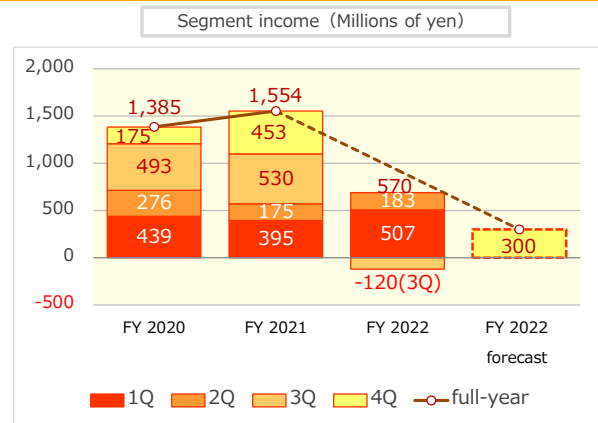
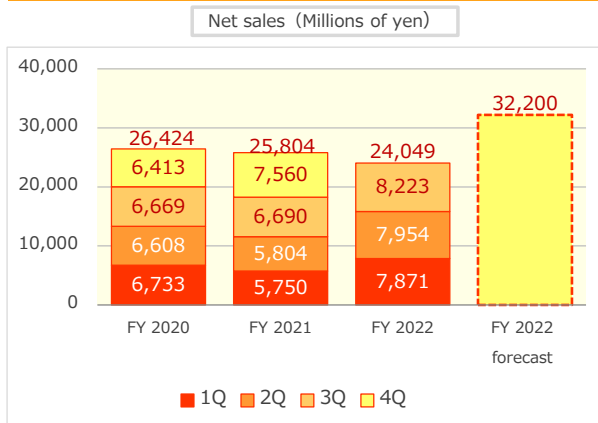
Functional Coating Chemicals



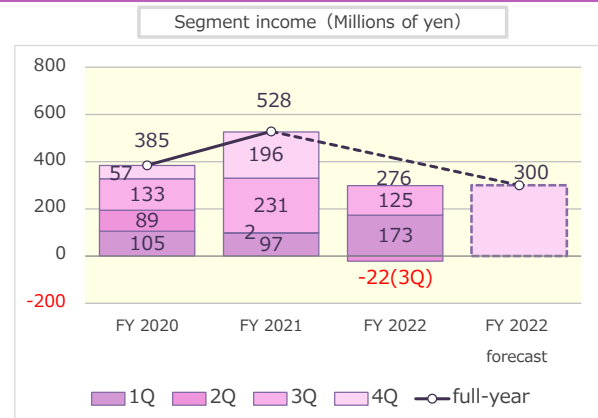
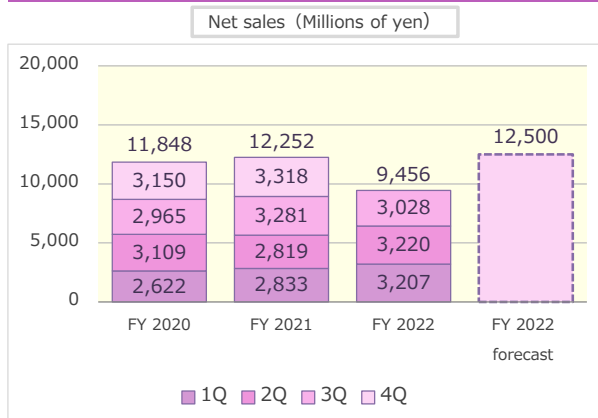
Paper Chemicals & Environmental Business



Adhesive & Biomass Materials



Fine Chemicals & Electronics



Segment Information (Consolidated)

Consolidated		FY 2020 (3Q)		FY 2021 (3Q)		FY 2022 (3Q)		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	11,682	△ 11.2	11,153	△ 4.5	12,192	9.3	15,504	△ 9.6	15,147	△ 2.3	16,200	6.9
	Segment income	482	△ 22.4	927	92.0	924	△ 0.3	637	0.5	1,114	75.0	1,200	7.6
	Segment income/sales	4.1%		8.3%		7.6%		4.1%		7.4%		7.4%	
Paper Chemicals & Environmental Business	Net sales ※1	14,493	△ 9.2	12,466	△ 14.0	14,012	12.4	18,912	△ 11.2	17,104	△ 9.6	18,800	9.9
	Segment income	380	24.8	354	△ 7.0	859	142.7	346	△ 5.3	565	63.1	1,000	76.8
	Segment income/sales	2.6%		2.8%		6.1%		1.8%		3.3%		5.3%	
Adhesive & Biomass Materials	Net sales ※1	20,011	△ 8.6	18,244	△ 8.8	24,049	31.8	26,424	△ 7.6	25,804	△ 2.3	32,200	24.8
	Segment income	1,210	△ 33.4	1,100	△ 9.0	570	△ 48.2	1,385	△ 36.1	1,554	12.2	300	△ 80.7
	Segment income/sales	6.0%		6.0%		2.4%		5.2%		6.0%		0.9%	
Fine Chemicals & Electronics	Net sales ※1	8,697	△ 6.6	8,933	2.7	9,456	5.9	11,848	△ 2.8	12,252	3.4	12,500	2.0
	Segment income	328	△ 51.5	331	0.9	276	△ 16.5	385	△ 39.1	528	36.9	300	△ 43.2
	Segment income/sales	3.8%		3.7%		2.9%		3.3%		4.3%		2.4%	
Others	Net sales ※1	225	3.4	211	△ 6.5	226	7.4	277	4.2	263	△ 5.2	300	14.0
	Segment income	26	17.1	19	△ 24.0	36	85.0	31	17.6	26	△ 16.2	45	71.4
	Segment income/sales	11.6%		9.4%		16.2%		11.3%		10.0%		15.0%	
Subtotal	Net sales ※1	55,111	△ 9.0	51,009	△ 7.4	59,937	17.5	72,967	△ 8.2	70,572	△ 3.3	80,000	13.4
	Segment income	2,428	△ 29.5	2,733	12.5	2,667	△ 2.4	2,786	△ 27.2	3,789	36.0	2,845	△ 24.9
	Segment income/sales	4.4%		5.4%		4.4%		3.8%		5.4%		3.6%	
Consolidated total	*Development Investment ※2	△ 218	—	△ 279	—	△ 326	—	△ 294	—	△ 377	—	△ 440	—
	Segment income	2,209	△ 30.7	2,454	11.1	2,340	△ 4.6	2,491	△ 28.3	3,411	36.9	2,405	△ 29.5
	Segment income/sales	4.0%		4.8%		3.9%		3.4%		4.8%		3.0%	

※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, 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.

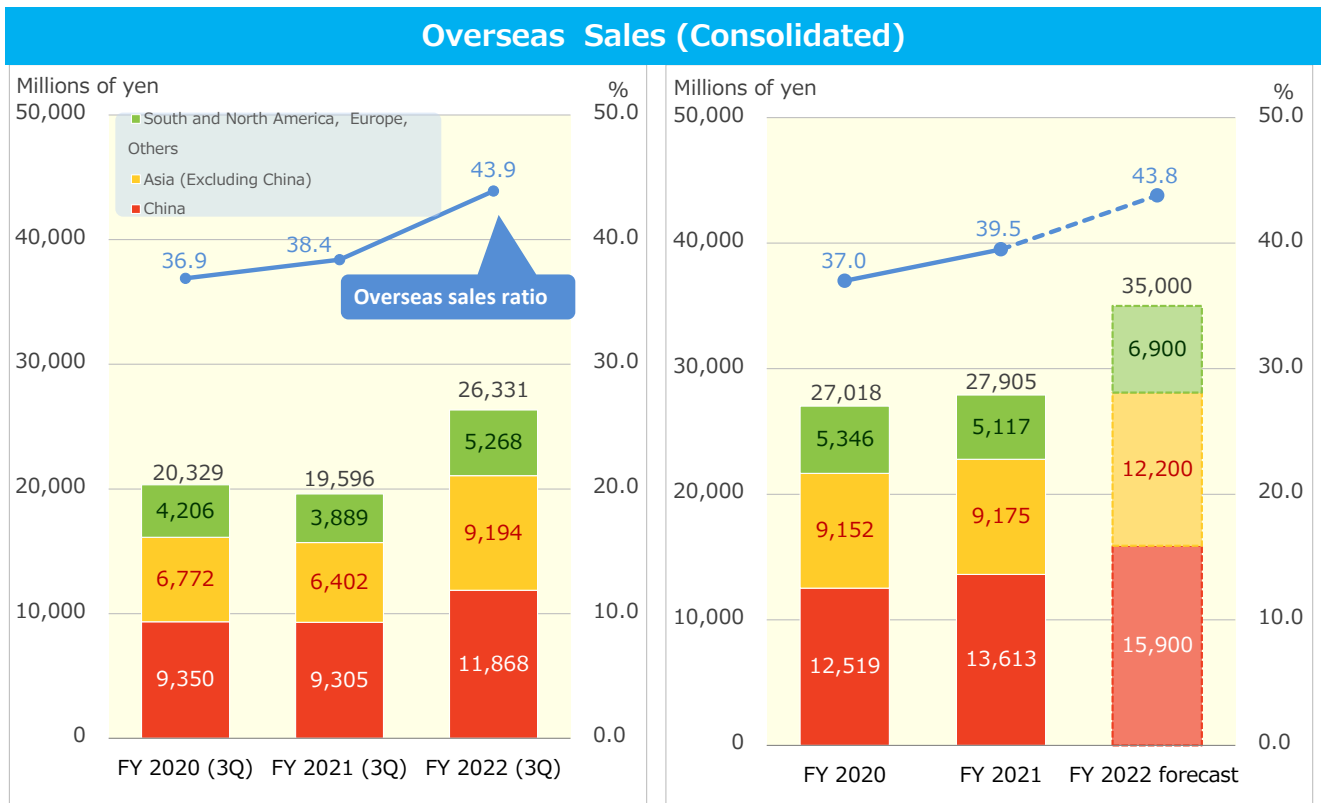
[Fine Chemicals & Electronics] Precise parts cleaning agent and Cleaning system and its peripheral equipment, Thermoplastic Polyimide Solution, Fine chemical Products, Compounded Products for electronic material, Polishing agent for hard disk substrates, etc.

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

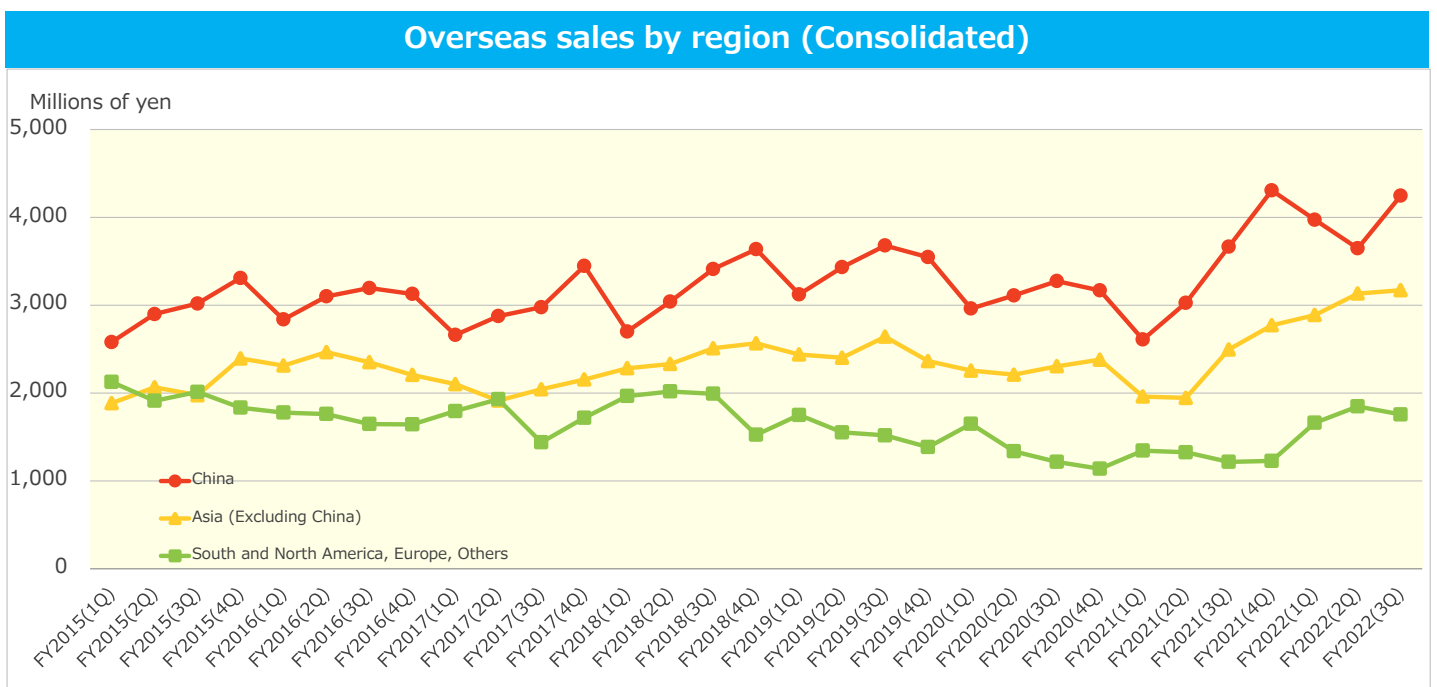
Amount of financial impact on the "Accounting Standard for Revenue Recognition"
(FY2022 3Q) (millions of yen)

Functional Coating Chemicals	Paper Chemicals & Environmental Business	Adhesive & Biomass Materials	Fine Chemicals & Electronics	Total
△9	△875	△44	△903	△1,833

Overseas Sales (Consolidated)



Consolidated	FY 2020 (3Q)		FY 2021 (3Q)		FY 2022 (3Q)		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	20,329	△ 9.8	19,596	△ 3.6	26,331	34.4	27,018	△ 9.5	27,905	3.3	35,000	25.4
Overseas sales in Asia	16,122	△ 9.0	15,707	△ 2.6	21,062	34.1	21,672	△ 8.3	22,788	5.1	28,100	23.3
Overseas sales in China	9,350	△ 8.7	9,305	△ 0.5	11,868	27.6	12,519	△ 9.2	13,613	8.7	15,900	16.8
Overseas sales ratio	36.9%		38.4%		43.9%		37.0%		39.5%		43.8%	



Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2021 (3Q)		FY2022 (3Q)		FY2021		Increase /Decrease (A) - (B)
	(As of December 31, 2020)		(As of December 31, 2021)		(As of March 31, 2021)		
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	9,106		8,896		8,464		431
2. Notes and accounts receivable - trade	23,986		27,817		23,097		4,719
3. Electronically recorded monetary claims - operating	1,903		2,237		1,746		491
4. Merchandise and finished goods	8,546		9,276		9,360	△	83
5. Work in process	1,029		1,441		991		449
6. Raw materials and supplies	6,656		9,406		7,515		1,890
7. Other	1,236		2,027		2,643	△	616
Allowance for doubtful accounts	△ 106		△ 128		△ 107	△	21
Total Current assets	52,359	54.3	60,974	53.1	53,713	50.8	7,261
II Non-current assets							
1. Property, plant and equipment							
(1) Buildings and structures	8,155		15,649		15,443		206
(2) Machinery, equipment and vehicles	6,416		15,204		14,753		450
(3) Land	4,991		4,990		4,993	△	3
(4) Construction in progress	13,599		2,862		2,009		852
(5) Other	792		1,000		902		97
Total property, plant and equipment	33,955	35.2	39,707	34.6	38,103	36.0	1,603
2. Intangible assets							
(1) Goodwill	115		-		76		△ 76
(2) Other	1,118		1,901		1,694		207
Total intangible assets	1,233	1.3	1,901	1.7	1,770	1.7	130
3. Investments and other assets							
(1) Investment securities	7,636		8,066		8,552	△	485
(2) Retirement benefit asset	246		2,453		2,438		14
(3) Deferred tax assets	278		265		277	△	12
(4) Other	305		346		316		30
Allowance for doubtful accounts	△ 61		△ 110		△ 63	△	47
Total investments and other assets	8,404	8.7	11,021	9.6	11,521	10.9	△ 500
Total noncurrent assets	43,593	45.2	52,630	45.9	51,396	48.6	1,234
III Deferred Assets							
1. Business commencement expenses	488		1,171		647		523
Total deferred assets	488	0.5	1,171	1.0	647	0.6	523
Total assets	96,441	100.0	114,775	100.0	105,757	100.0	9,018

(Unit: Millions of yen)

Item	FY2021 (3Q)		FY2022 (3Q)		FY2021		Increase /Decrease (A) - (B)
	(As of December 31, 2020)		(As of December 31, 2021)		(As of March 31, 2021)		
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable - trade	8,922		10,665		8,753		1,911
2. Electronically recorded obligations - operating	803		1,476		897		578
3. Short-term borrowings	7,926		11,013		7,976		3,037
4. Current portion of bonds payable	5,000		-		5,000		△ 5,000
5. Income taxes payable	342		291		741		△ 449
6. Accrued consumption taxes	165		75		91		△ 16
7. Provision for bonuses	633		702		1,490		△ 788
8. Provision for bonuses for directors (and other officers)	35		48		56		△ 8
9. Provision for repairs	218		529		259		270
10. Notes payable - facilities	139		177		201		△ 23
11. Other	5,032		8,832		8,305		526
Total current liabilities	29,220	30.3	33,812	29.5	33,773	31.9	38
II Non-current liabilities							
1. Bonds payable	5,000		10,000		5,000		5,000
2. Long-term borrowings	3,846		3,730		3,813		△ 83
3. Deferred tax liabilities	1,180		2,333		2,242		91
4. Retirement benefit liability	327		318		301		17
5. Asset retirement obligations	343		1,793		1,791		1
6. Other	281		253		244		9
Total noncurrent liabilities	10,978	11.4	18,430	16.0	13,393	12.7	5,036
Total liabilities	40,198	41.7	52,242	45.5	47,166	44.6	5,075
(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	45,834		47,430		46,265		1,164
4. Treasury shares	△ 1,210		△ 1,211		△ 1,211		-
Total shareholders' equity	51,531	53.4	53,126	46.3	51,961	49.1	1,164
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	2,972		3,191		3,576		△ 384
2. Foreign currency translation adjustment	422		1,621		646		975
3. Remeasurements of defined benefit plans	△ 479		948		1,044		△ 95
Total accumulated other comprehensive income	2,915	3.0	5,761	5.0	5,267	5.0	494
III Non-controlling interests	1,796	1.9	3,645	3.2	1,361	1.3	2,284
Total net assets	56,243	58.3	62,533	54.5	58,590	55.4	3,943
Total liabilities and net assets	96,441	100.0	114,775	100.0	105,757	100.0	9,018

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2021 (30) '20/4-'20/12		FY2022 (30) '21/4-'21/12		Increase /Decrease		FY2021 '20/4-'21/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio
I Net sales	51,009	100.0	59,937	100.0	8,928	17.5	70,572	100.0
II Cost of sales	38,948	76.4	45,873	76.5	6,925	17.8	53,884	76.4
Gross profit	12,060	23.6	14,064	23.5	2,003	16.6	16,688	23.6
III Selling, general and administrative expenses	9,771	19.1	10,798	18.1	1,027	10.5	13,431	19.0
Operating profit	2,289	4.5	3,265	5.4	975	42.6	3,257	4.6
IV Non-operating income								
Interest income	33		21		△ 12		41	
Dividend income	161		189		27		193	
Rental income from real estate	70		72		1		95	
Foreign exchange gains	-		193		193		21	
Insurance claim income	29		101		72		42	
Compensation income	82		-		△ 82		82	
Other	135		138		3		165	
Total non-operating income	514	1.0	716	1.3	202	39.3	642	1.0
V Non-operating expenses								
Interest expenses	105		118		13		138	
Bond issuance costs	-		27		27		-	
Foreign exchange losses	31		-		△ 31		-	
Provision for repairs	-		400		400		-	
Other	82		83		0		108	
Total non-operating expenses	219	0.4	629	1.1	410	186.9	247	0.4
Ordinary profit	2,584	5.1	3,351	5.6	767	29.7	3,652	5.2
VI Extraordinary income								
Gain on sale of non-current assets	5		4		△ 1		5	
Gain on sale of investment securities	321		0		△ 321		321	
Total extraordinary income	327	0.6	5	0.0	△ 322	△ 98.5	327	0.4
VII Extraordinary losses								
Loss on sale and retirement of non-current assets	51		86		35		135	
Loss on valuation of non-current assets	-		3		3		-	
Loss on valuation of investment securities	-		0		0		-	
Loss on valuation of investments in capital	2		-		△ 2		2	
Total extraordinary losses	53	0.1	90	0.2	36	68.1	137	0.2
Profit before income taxes	2,858	5.6	3,266	5.4	408	14.3	3,842	5.4
Income taxes - current	733	1.4	642	1.1	△ 90	△ 12.4	1,264	1.7
Income taxes - deferred	78	0.2	318	0.5	240	306.6	196	0.3
Profit	2,046	4.0	2,305	3.8	258	12.6	2,381	3.4
Profit attributable to non-controlling interests	307	0.6	188	0.3	△ 119	△ 38.9	212	0.3
Profit attributable to owners of parent	1,738	3.4	2,117	3.5	378	21.8	2,169	3.1

<Reference> Statements of Comprehensive Income (Consolidated)

Profit	2,046		2,305		258	12.6	2,381	
Other comprehensive income								
Valuation difference on available-for-sale securities	1,086		△ 384		△ 1,471		1,689	
Foreign currency translation adjustment	△ 64		1,132		1,197		169	
Remeasurements of defined benefit plans, net of tax	20		△ 97		△ 117		1,540	
Total other comprehensive income	1,042		650		△ 391		3,399	
Comprehensive income	3,088		2,955		△ 133	△ 4.3	5,781	