

DATA BOOK

FY2024 (1st Quarter ended June 30, 2023)

V-ACTION for sustainability



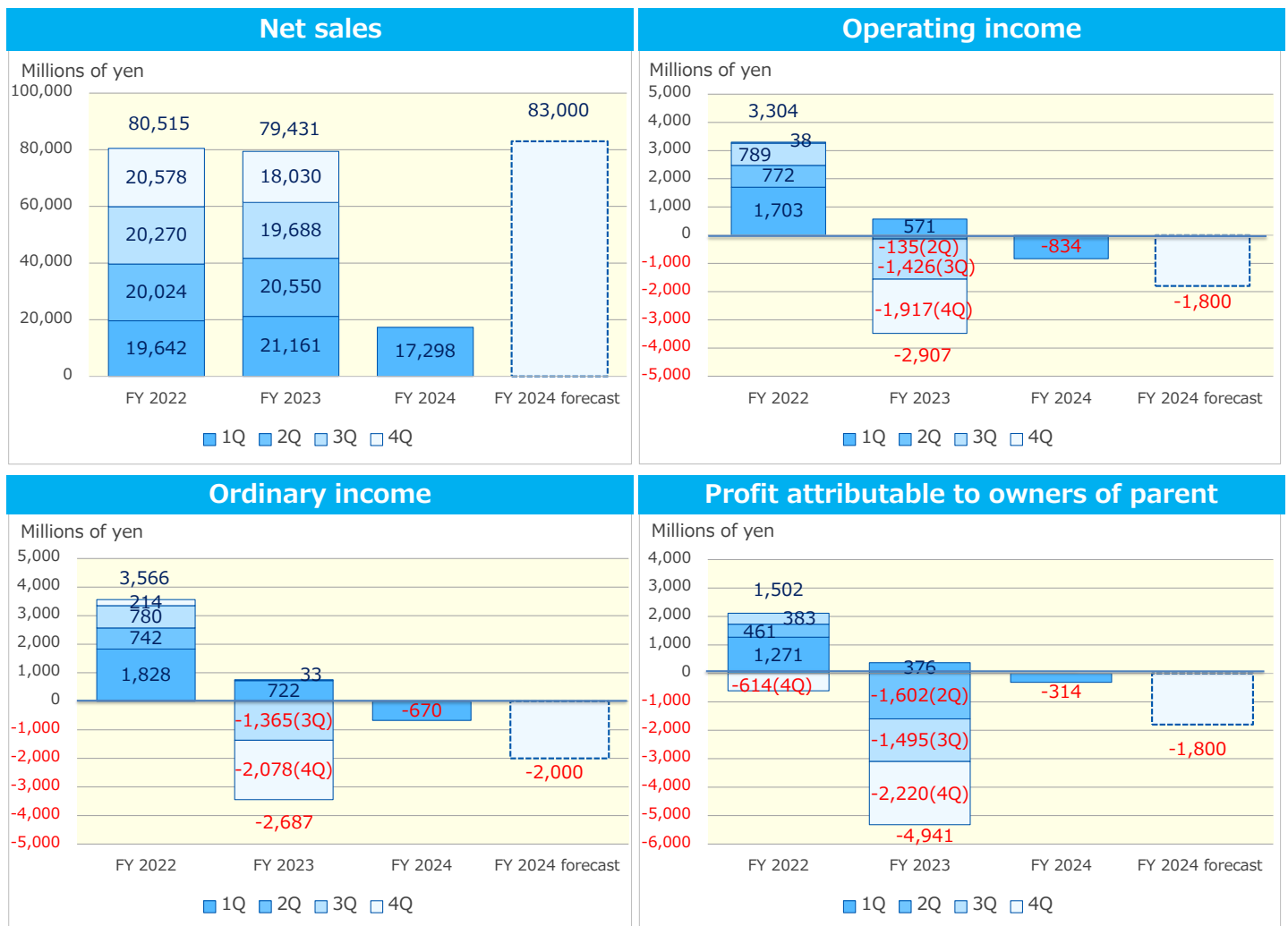
INDEX

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

August 3rd, 2023

ARAKAWA CHEMICAL INDUSTRIES, LTD.

Performance (Consolidated)



Consolidated	FY 2022 (1Q)		FY 2023 (1Q)		FY 2024 (1Q)		FY 2022		FY 2023		FY 2024 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	19,642	22.9	21,161	7.7	17,298	△ 18.3	80,515	14.1	79,431	△ 1.3	83,000	4.5
Operating income	1,703	112.7	571	△ 66.4	△ 834	-	3,304	1.4	△ 2,907	-	△ 1,800	-
Ordinary income	1,828	110.6	722	△ 60.5	△ 670	-	3,566	△ 2.3	△ 2,687	-	△ 2,000	-
Profit attributable to owners of parent	1,271	147.9	376	△ 70.4	△ 314	-	1,502	△ 30.7	△ 4,941	-	△ 1,800	-

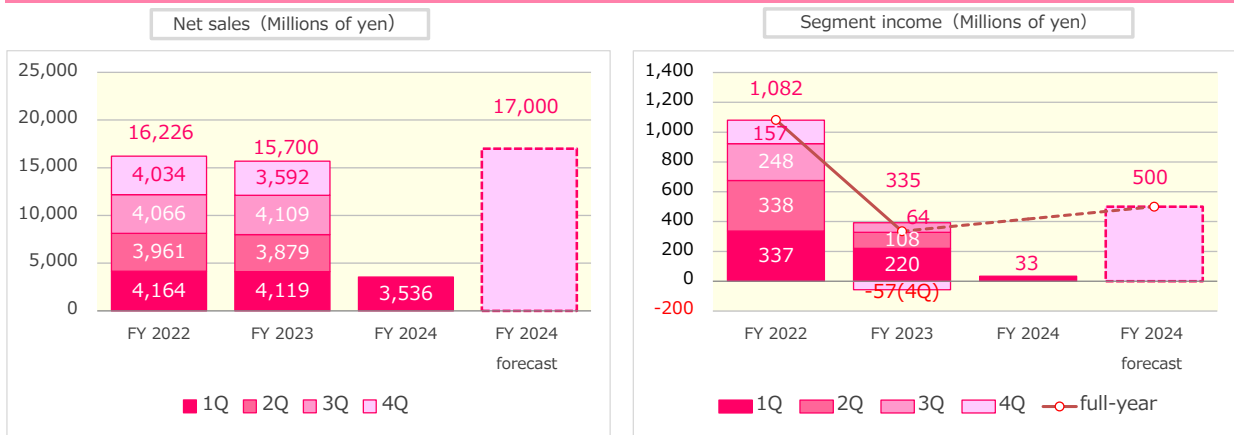
Capital expenditure, etc.

Consolidated	FY 2022 (1Q)		FY 2023 (1Q)		FY 2024 (1Q)		FY 2022		FY 2023		FY 2024 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 expenditure	580	275	936	355	497	△ 439	6,567	△ 11,991	4,025	△ 2,541	5,000	974
Depreciation	679	△ 24	815	135	1,370	555	3,120	139	4,477	1,357	6,000	1,522
R&D expenses	730	△ 60	751	20	731	△ 20	3,100	△ 147	3,024	△ 75	3,500	475
Interest-bearing debt	22,170	453	29,402	7,231	36,846	7,443	26,680	4,891	35,052	8,371	40,000	4,947
EBITDA	2,421	845	1,387	△ 1,033	536	△ 851	6,500	77	1,569	△ 4,931	4,200	2,630

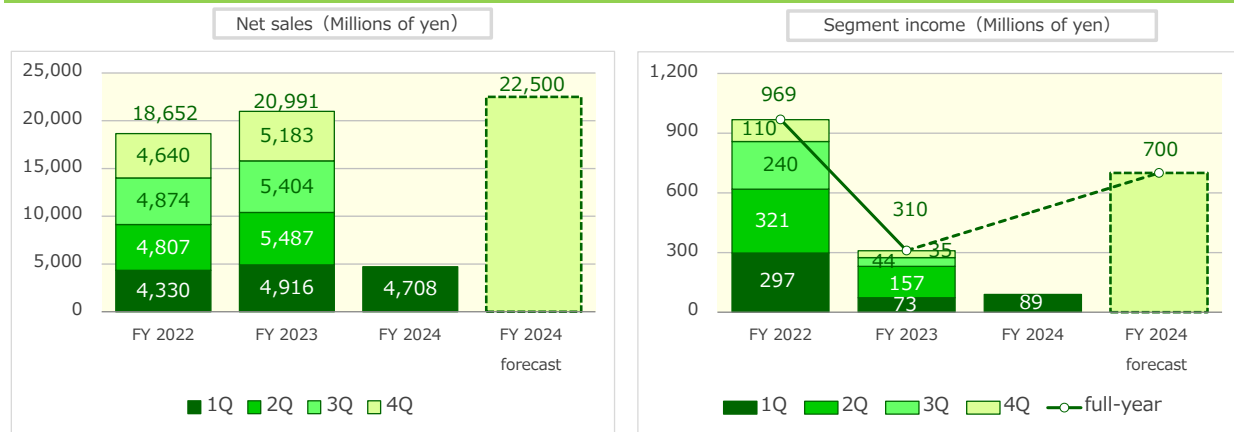
[EBITDA] Operating profit before amortization = Operating profit + Depreciation expense + Amortization of goodwill

Segment Information (Consolidated)

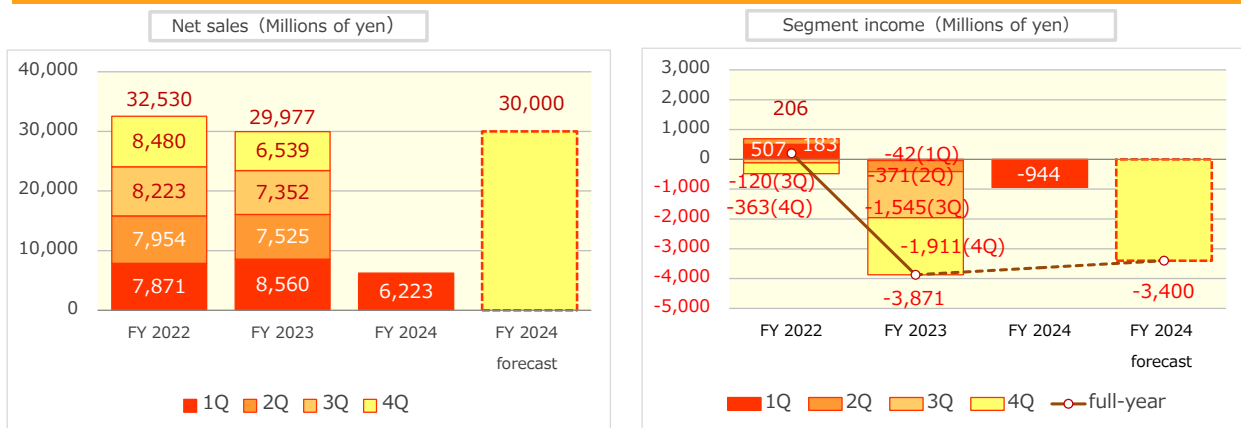
Functional Coating Chemicals



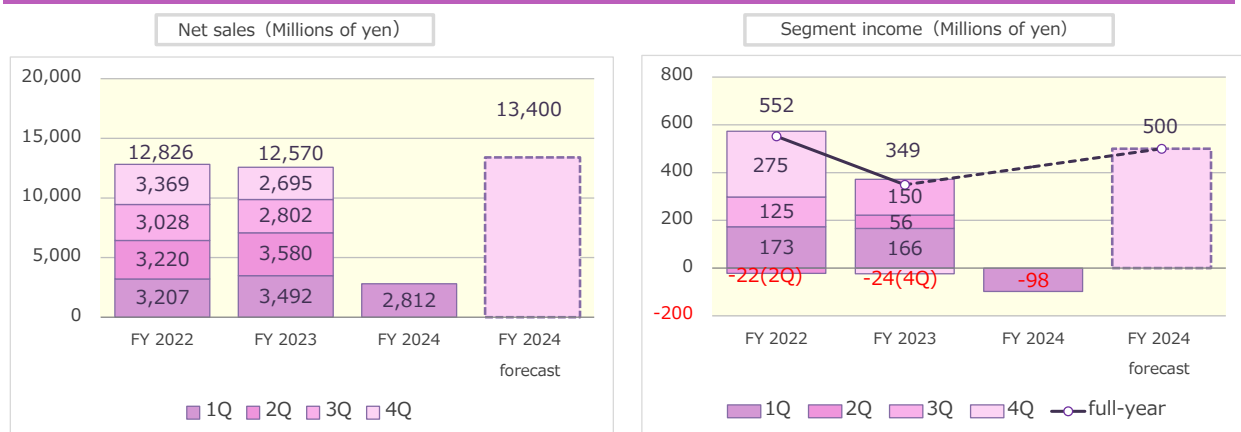
Paper Chemicals & Environmental Business



Adhesive & Biomass Materials



Fine Chemicals & Electronics



Segment Information (Consolidated)

Consolidated		FY 2022 (1Q)		FY 2023 (1Q)		FY 2024 (1Q)		FY 2022		FY 2023		FY 2024 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	4,164	22.6	4,119	△ 1.1	3,536	△ 14.2	16,226	7.1	15,700	△ 3.2	17,000	8.3
	Segment income	337	62.4	220	△ 34.6	33	△ 84.7	1,082	△ 2.9	335	△ 69.0	500	48.9
	Segment income/sales	8.1%		5.4%		1.0%		6.7%		2.1%		2.9%	
Paper Chemicals & Environmental Business	Net sales ※1	4,330	10.2	4,916	13.5	4,708	△ 4.2	18,652	9.1	20,991	12.5	22,500	7.2
	Segment income	297	974.9	73	△ 75.2	89	21.0	969	71.4	310	△ 67.9	700	125.2
	Segment income/sales	6.9%		1.5%		1.9%		5.2%		1.5%		3.1%	
Adhesive & Biomass Materials	Net sales ※1	7,871	36.9	8,560	8.8	6,223	△ 27.3	32,530	26.1	29,977	△ 7.8	30,000	0.1
	Segment income	507	28.4	△ 42	—	△ 944	—	206	△ 86.7	△ 3,871	—	△ 3,400	—
	Segment income/sales	6.4%		△ 0.5%		△ 15.2%		0.6%		△ 12.9%		△ 11.3%	
Fine Chemicals & Electronics	Net sales ※1	3,207	13.2	3,492	8.9	2,812	△ 19.5	12,826	4.7	12,570	△ 2.0	13,400	6.6
	Segment income	173	78.1	166	△ 3.9	△ 98	—	552	4.6	349	△ 36.7	500	42.9
	Segment income/sales	5.4%		4.8%		△ 3.5%		4.3%		2.8%		3.7%	
Others	Net sales ※1	67	1.9	72	7.0	17	△ 76.1	279	6.2	191	△ 31.4	100	△ 47.8
	Segment income	9	58.7	9	△ 4.9	7	△ 22.1	45	72.8	42	△ 7.3	30	△ 28.6
	Segment income/sales	14.1%		12.6%		40.9%		16.2%		22.0%		30.0%	
Subtotal	Net sales ※1	19,642	22.9	21,161	7.7	17,298	△ 18.3	80,515	14.1	79,431	△ 1.3	83,000	4.5
	Segment income	1,325	80.5	427	△ 67.7	△ 913	—	2,855	△ 24.6	△ 2,832	—	△ 1,670	—
	Segment income/sales	6.7%		2.0%		△ 5.3%		3.5%		△ 3.6%		△ 2.0%	
Consolidated total	Development Investment ※2	△ 104	—	△ 102	—	△ 96	—	△ 437	—	△ 406	—	△ 450	—
	Segment income	1,220	90.5	324	△ 73.4	△ 1,009	—	2,418	△ 29.1	△ 3,239	—	△ 2,120	—
	Segment income/sales	6.2%		1.5%		△ 5.8%		3.0%		△ 4.1%		△ 2.6%	

※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.

※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.

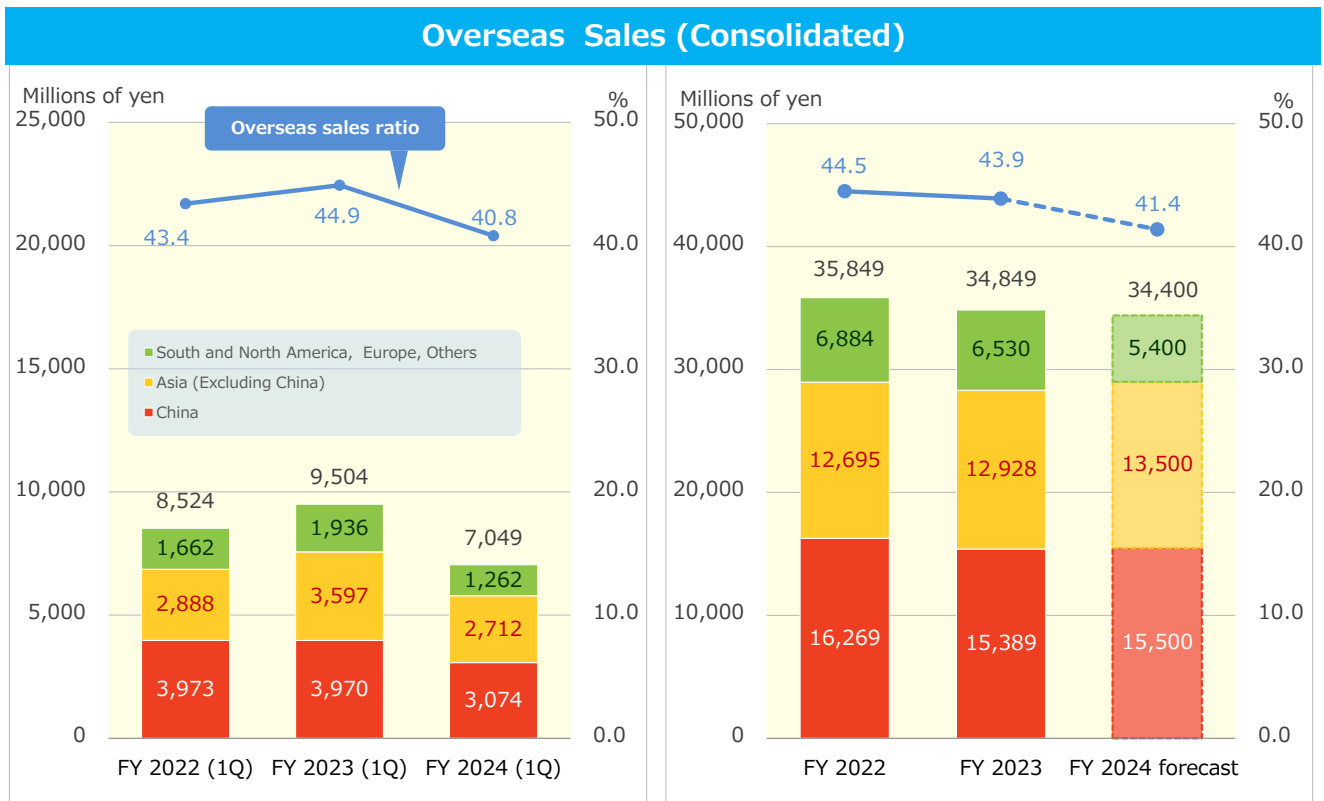
[Paper chemicals & Environmental Business] Paper strengthening agent, Sizing agent, New water-based polymer, etc.

[Adhesive & Biomass Materials] Hydrogenated hydrocarbon resin, Adhesive resin, Colorless rosin derivative, Synthetic rubber polymerization emulsifier, etc.

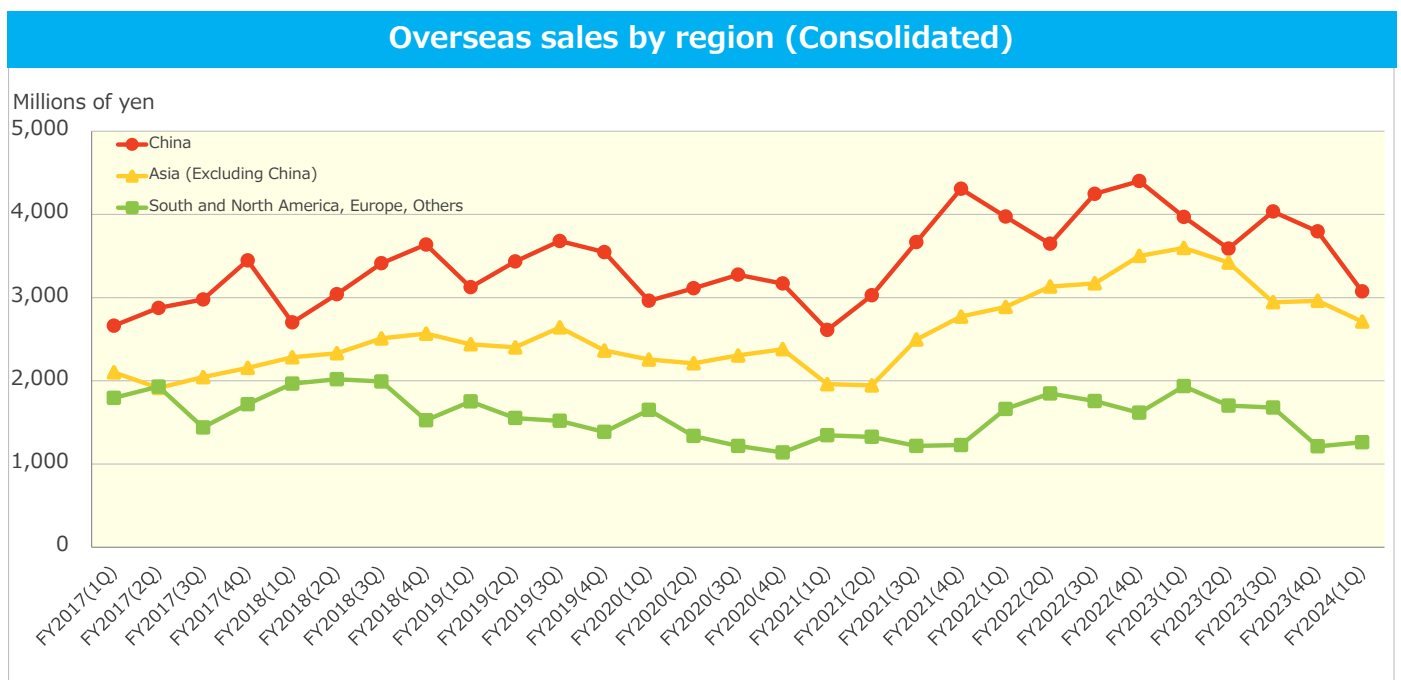
[Fine Chemicals & Electronics] Precise parts cleaning agent and Cleaning system and its peripheral equipment, Thermoplastic Polyimide Solution, Fine chemical Products, Compounded Products for electronic material, Polishing agent for hard disk substrates, etc.

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

Overseas Sales (Consolidated)



Consolidated	FY 2022 (1Q)		FY 2023 (1Q)		FY 2024 (1Q)		FY 2022		FY 2023		FY 2024 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	8,524	44.1	9,504	11.5	7,049	△ 25.8	35,849	28.5	34,849	△ 2.8	34,400	△ 1.3
Overseas sales in Asia	6,862	50.1	7,567	10.3	5,787	△ 23.5	28,965	27.1	28,318	△ 2.2	29,000	2.4
Overseas sales in China	3,973	52.2	3,970	△ 0.1	3,074	△ 22.6	16,269	19.5	15,389	△ 5.4	15,500	0.7
Overseas sales ratio	43.4%		44.9%		40.8%		44.5%		43.9%		41.4%	



Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2023 (As of June 30, 2022)		FY2024 (As of June 30, 2023)		FY2023 (As of March 31, 2023)		Increase /Decrease (A) - (B)
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
		%		%		%	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	10,096		9,950		11,140		△ 1,190
2. Notes and accounts receivable - trade	27,280		22,945		23,461		△ 516
3. Electronically recorded monetary claims - operating	1,989		2,103		1,965		138
4. Merchandise and finished goods	10,985		13,649		12,609		1,039
5. Work in process	1,508		1,692		1,649		43
6. Raw materials and supplies	11,279		9,063		9,954		△ 890
7. Other	2,179		1,806		2,129		△ 323
8. Allowance for doubtful accounts	△ 122		△ 114		△ 110		△ 3
Total current assets	65,197	54.1	61,096	51.6	62,799	52.8	△ 1,702
II Non-current assets							
1. Property, plant and equipment							
(1) Buildings and structures	17,034		16,472		16,628		△ 155
(2) Machinery, equipment and vehicles	16,826		14,254		14,809		△ 555
(3) Land	5,000		4,996		4,993		2
(4) Construction in progress	949		3,383		2,927		455
(5) Other	1,025		1,049		1,083		△ 34
Total property, plant and equipment	40,837	33.9	40,156	34.0	40,442	34.0	△ 286
2. Intangible assets							
(1) Other	1,846		1,639		1,678		△ 39
Total intangible assets	1,846	1.5	1,639	1.4	1,678	1.4	△ 39
3. Investments and other assets							
(1) Investment securities	7,788		9,075		7,837		1,238
(2) Retirement benefit asset	2,916		3,961		3,895		66
(3) Deferred tax assets	220		236		231		4
(4) Other	388		320		322		△ 1
(5) Allowance for doubtful accounts	△ 135		△ 77		△ 75		△ 1
Total investments and other assets	11,178	9.3	13,517	11.4	12,210	10.2	1,307
Total non-current assets	53,862	44.7	55,313	46.8	54,331	45.6	981
III Deferred assets							
1. Business commencement expenses	1,563		1,911		1,904		7
Total deferred assets	1,563	1.2	1,911	1.6	1,904	1.6	7
Total assets	120,623	100.0	118,322	100.0	119,035	100.0	△ 712

(Unit: Millions of yen)

Item	FY2023 (As of June 30, 2022)		FY2024 (As of June 30, 2023)		FY2023 (As of March 31, 2023)		Increase /Decrease (A) - (B)
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable - trade	11,873		8,565		9,973		△ 1,408
2. Electronically recorded obligations - operating	1,250		1,107		1,074		33
3. Short-term borrowings	15,702		21,752		19,645		2,107
4. Income taxes payable	439		332		336		△ 4
5. Accrued consumption taxes	107		160		67		93
6. Provision for bonuses	672		582		1,036		△ 453
7. Provision for bonuses for directors (and other officers)	10		-		-		-
8. Provision for repairs	494		442		414		27
9. Provision for loss on business liquidation	-		1,215		1,179		35
10. Notes payable - facilities	87		220		219		1
11. Other	8,507		7,250		8,167		△ 916
Total current liabilities	39,146	32.5	41,629	35.2	42,113	35.4	△ 483
II Non-current liabilities							
1. Bonds payable	10,000		10,000		10,000		-
2. Long-term borrowings	3,700		5,093		5,407		△ 313
3. Deferred tax liabilities	2,198		2,703		2,372		331
4. Retirement benefit liability	313		305		298		6
5. Asset retirement obligations	2,149		2,180		2,161		19
6. Other	269		145		172		△ 27
Total non-current liabilities	18,630	15.4	20,428	17.2	20,412	17.1	15
Total liabilities	57,777	47.9	62,057	52.4	62,526	52.5	△ 468
(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	46,716		40,151		40,922		△ 770
4. Treasury shares	△ 1,211		△ 1,211		△ 1,211		-
Total shareholders' equity	52,413	43.4	45,847	38.8	46,618	39.2	△ 770
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	2,865		3,784		2,933		850
2. Foreign currency translation adjustment	2,923		2,986		2,819		166
3. Remeasurements of defined benefit plans	1,185		1,655		1,710		△ 55
Total accumulated other comprehensive income	6,974	5.8	8,426	7.1	7,464	6.3	962
III Non-controlling interests	3,458	2.9	1,990	1.7	2,426	2.0	△ 436
Total net assets	62,846	52.1	56,264	47.6	56,509	47.5	△ 244
Total liabilities and net assets	120,623	100.0	118,322	100.0	119,035	100.0	△ 712

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2023 '22/4-'22/6		FY2024 '23/4-'23/6		Increase /Decrease		FY2023 '22/4-'23/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio
		%		%		%		%
I Net sales	21,161	100.0	17,298	100.0	△ 3,863	△ 18.3	79,431	100.0
II Cost of sales	16,830	79.5	14,585	84.3	△ 2,244	△ 13.3	67,859	85.4
Gross profit	4,331	20.5	2,712	15.7	△ 1,618	△ 37.4	11,571	14.6
III Selling, general and administrative expenses	3,759	17.9	3,547	20.5	△ 212	△ 5.6	14,479	18.3
Operating profit (loss)	571	2.7	△ 834	△ 4.8	△ 1,406	-	△ 2,907	△ 3.7
IV Non-operating income								
Interest income	3		21		18		32	
Dividend income	82		77		△ 4		248	
Rental income from real estate	24		10		△ 13		93	
Foreign exchange gains	309		85		△ 224		413	
Other	29		59		29		148	
Total non-operating income	449	2.1	254	1.4	△ 195	△ 43.4	935	1.2
V Non-operating expenses								
Interest expenses	48		66		18		224	
Loss on investments in investment partnerships	-		-		-		0	
Provision for repairs	210		-		△ 210		384	
Other	39		23		△ 15		104	
Total non-operating expenses	298	1.4	90	0.5	△ 208	△ 69.8	715	0.9
Ordinary profit (loss)	722	3.4	△ 670	△ 3.9	△ 1,392	-	△ 2,687	△ 3.4
VI Extraordinary income								
Gain on sale of non-current assets	0		4		4		1,059	
Gain on sale of investment securities	-		38		38		303	
Total extraordinary income	0	0.0	43	0.3	43	-	1,363	1.7
VII Extraordinary losses								
Loss on sale and retirement of non-current assets	9		36		27		284	
Impairment losses	-		-		-		1,838	
Loss on valuation of investment securities	-		-		-		0	
Loss on liquidation of business	-		-		-		1,205	
Total extraordinary losses	9	0.0	36	0.2	27	289.8	3,328	4.2
Profit(Loss) before income taxes	713	3.4	△ 663	△ 3.8	△ 1,376	-	△ 4,652	△ 5.9
Income taxes - current	170	0.8	135	0.8	△ 35	△ 20.7	828	1.0
Income taxes - deferred	157	0.8	△ 25	△ 0.1	△ 183	-	54	0.1
Profit(Loss)	384	1.8	△ 773	△ 4.5	△ 1,157	-	△ 5,536	△ 7.0
Profit(Loss) attributable to non-controlling interests	7	0.0	△ 459	△ 2.7	△ 466	-	△ 595	△ 0.8
Profit(Loss) attributable to owners of parent	376	1.8	△ 314	△ 1.8	△ 691	-	△ 4,941	△ 6.2

<Reference> Statements of Comprehensive Income (Consolidated)

Profit(Loss)	384		△ 773		△ 1,157	-	△ 5,536	
Other comprehensive income								
Valuation difference on available-for-sale securities	△ 468		850		1,319		△ 400	
Foreign currency translation adjustment	867		189		△ 678		779	
Remeasurements of defined benefit plans, net of tax	△ 40		△ 55		△ 14		489	
Total other comprehensive income	358		985		626		868	
Comprehensive income	743		212		△ 531	-	△ 4,668	