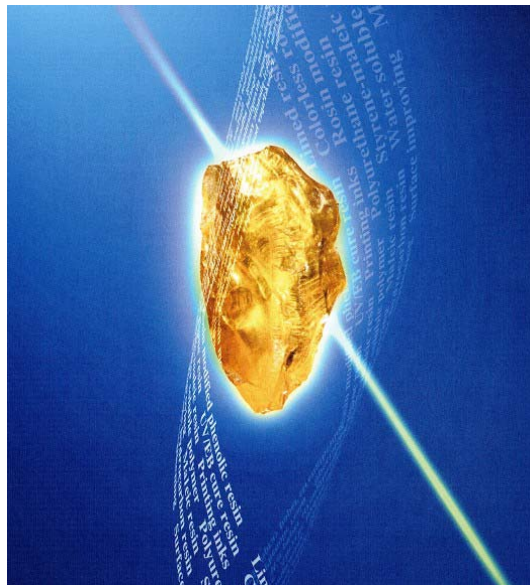


DATA BOOK 2014

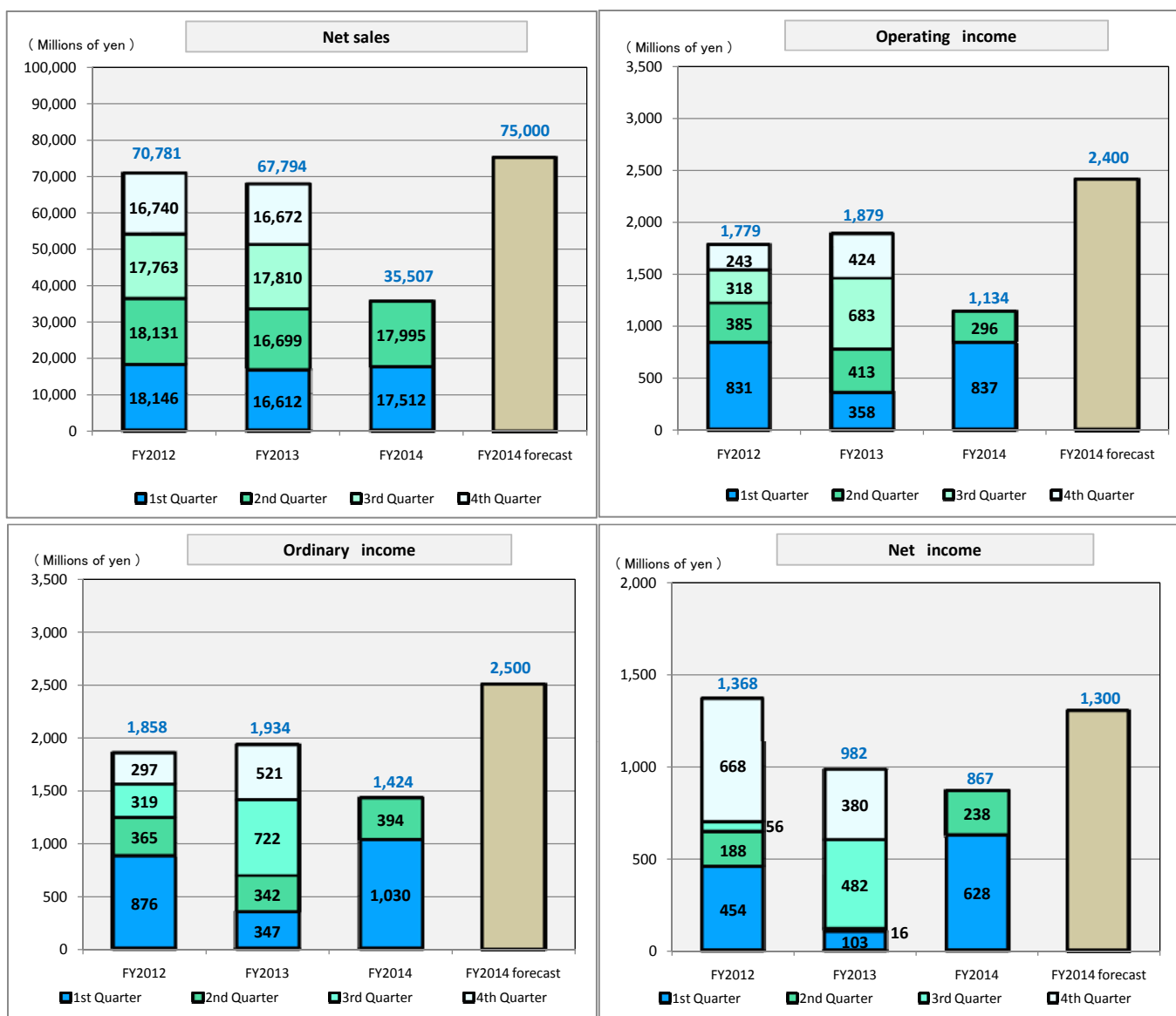
November 5th, 2013

2nd Quarter ended September 30, 2013



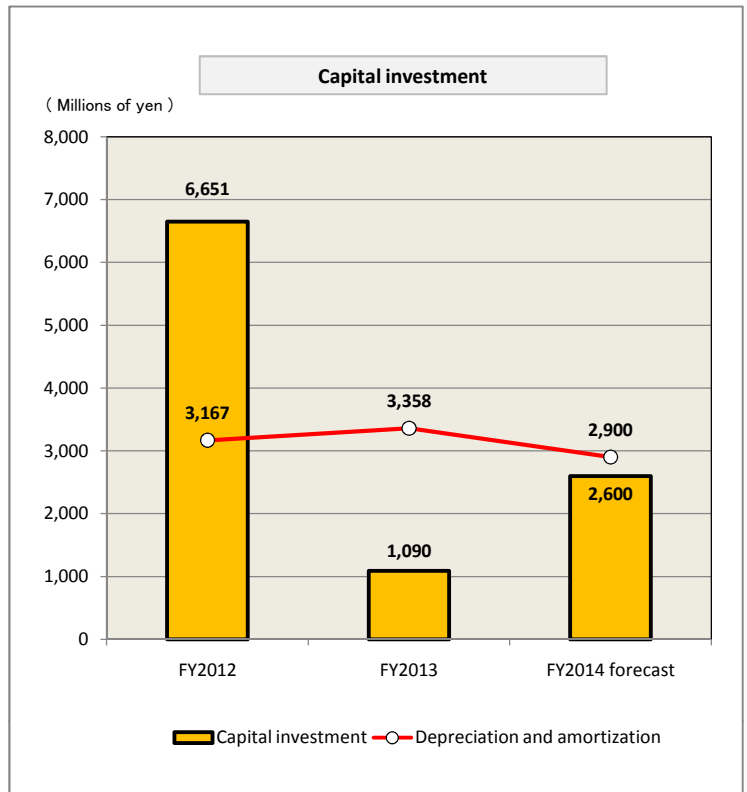
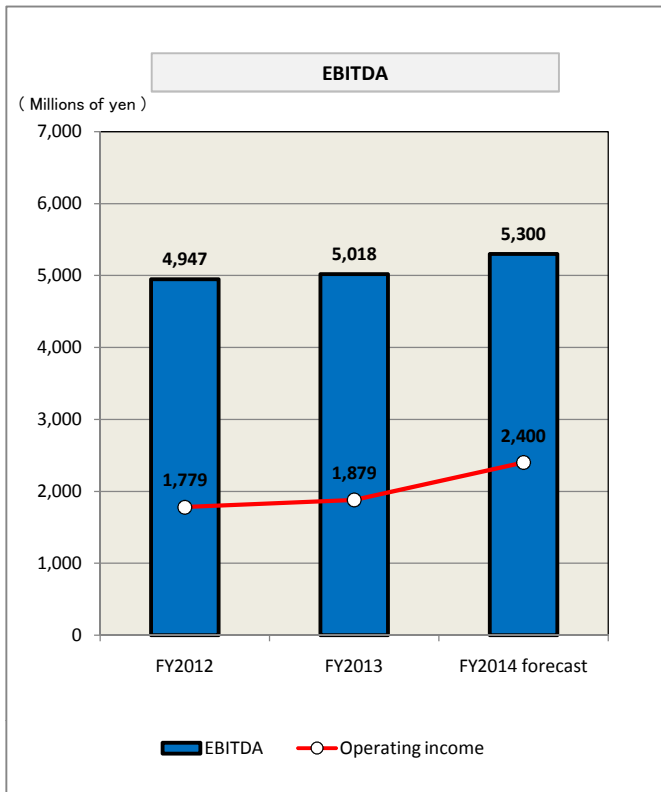
ARAKAWA CHEMICAL INDUSTRIES, LTD.

*** Achievement Transition (Consolidated)**



Consolidated	FY2012(2Q) ('11/4-'11/9)		FY2013(2Q) ('12/4-'12/9)		FY2014(2Q) ('13/4-'13/9)		FY2012 ('11/4-'12/3)		FY2013 ('12/4-'13/3)		FY2014 forecast ('13/4-'14/3)	
	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	36,277	12.4	33,311	△ 8.2	35,507	6.6	70,781	6.5	67,794	△ 4.2	75,000	10.6
Operating income	1,216	△ 20.9	771	△ 36.6	1,134	47.0	1,779	△ 36.0	1,879	5.6	2,400	27.7
Ordinary income	1,241	△ 23.6	690	△ 44.4	1,424	106.3	1,858	△ 37.6	1,934	4.1	2,500	29.2
Net income	643	△ 33.4	119	△ 81.4	867	623.3	1,368	△ 15.5	982	△ 28.2	1,300	32.3

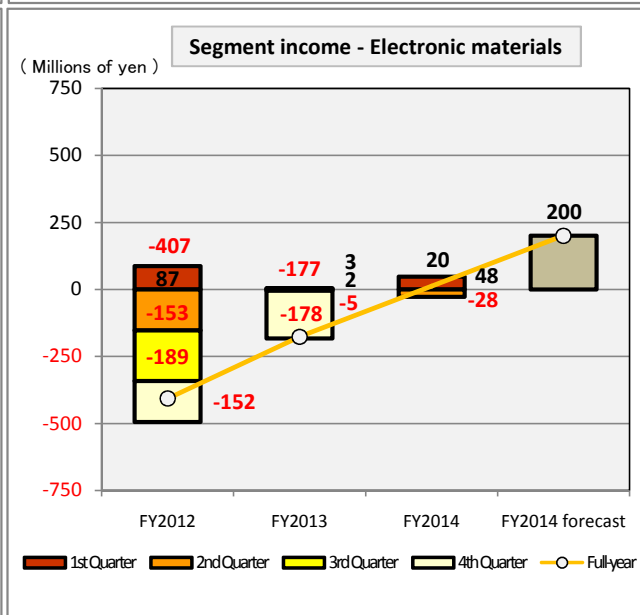
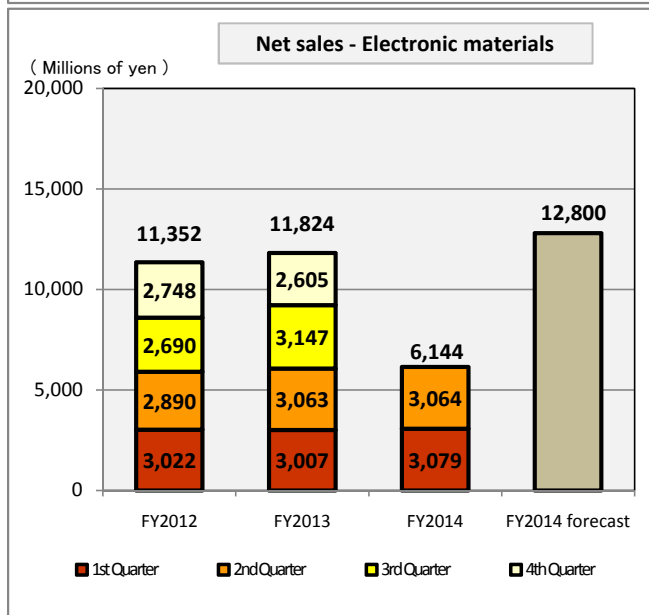
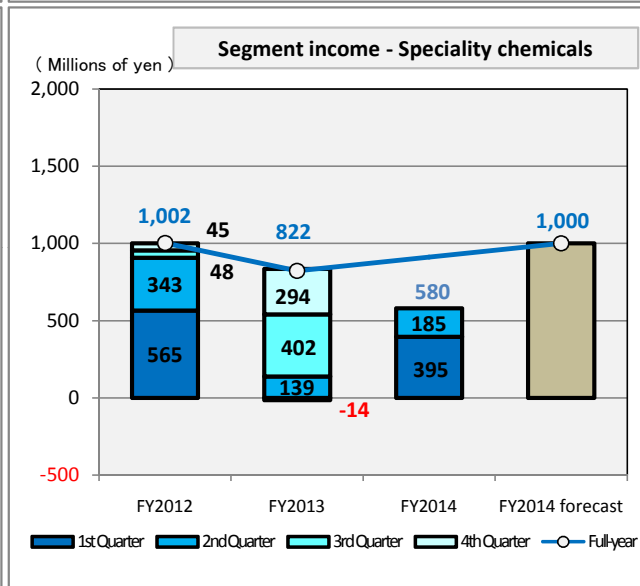
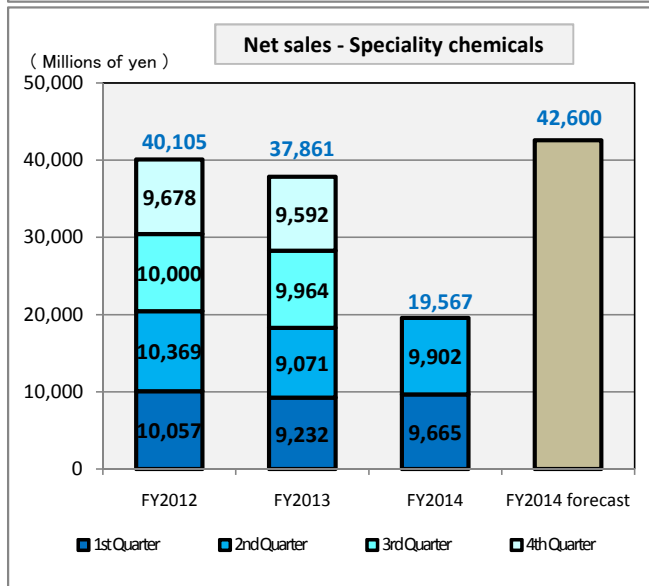
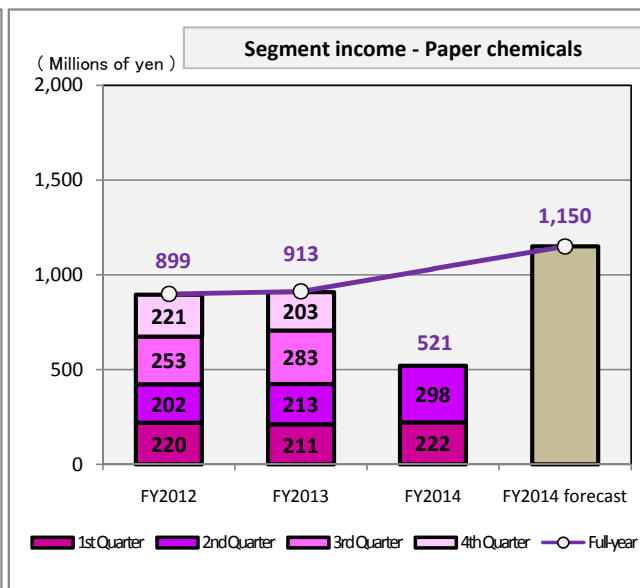
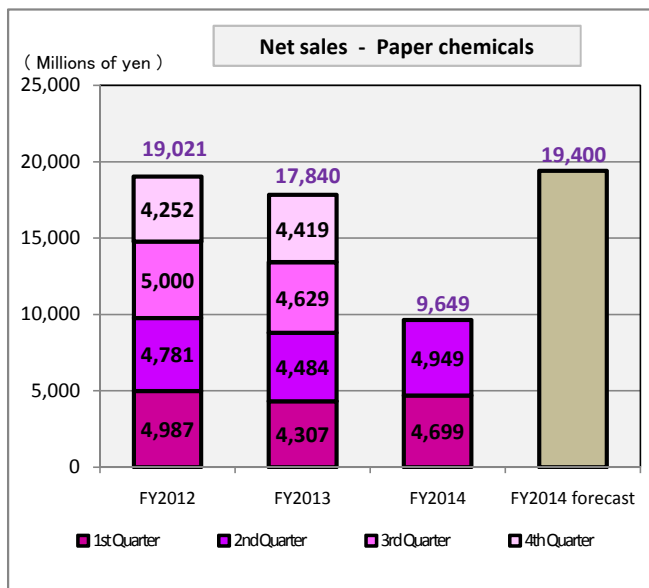
*** Management Index Transition**



Consolidated	FY2012(2Q) (‘11/4-‘11/9)		FY2013(2Q) (‘12/4-‘12/9)		FY2014(2Q) (‘13/4-‘13/9)		FY2012 (‘11/4-‘12/3)		FY2013 (‘12/4-‘13/3)		FY2014 forecast (‘13/4-‘14/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Capital investment	2,600	2,076	527	Δ 2,073	1,054	526	6,651	3,392	1,090	Δ 5,561	2,600	1,509
Depreciation and amortization	1,511	403	1,650	138	1,423	Δ 226	3,167	758	3,358	190	2,900	Δ 458
R & D expenses	1,435	49	1,347	Δ 87	1,386	39	2,887	143	2,746	Δ 141	2,850	103
Interest-bearing debt	20,851	10,488	18,695	Δ 2,155	17,515	Δ 1,179	20,211	814	18,407	Δ 1,803	16,600	Δ 1,807
EBITDA	2,728	82	2,305	Δ 422	2,558	252	4,947	Δ 240	5,018	71	5,300	281

* EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization

*** Segment Information(Consolidated)**



* Starting with this consolidated first quarter, we have changed the classification of the business segments of Functional fine chemical materials from Electronic materials to Speciality chemicals. Figures for previous financial years were recalculated for the new segment classification.

*** Segment Information(Consolidated)**

Consolidated		FY2012(2Q) (‘11/4-‘11/9)		FY2013(2Q) (‘12/4-‘12/9)		FY2014(2Q) (‘13/4-‘13/9)		FY2012 (‘11/4-‘12/3)		FY2013 (‘12/4-‘13/3)		FY2014 forecast (‘13/4-‘14/3)	
		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	Net sales	9,768	—	8,791	△ 10.0	9,649	9.8	19,021	—	17,840	△ 6.2	19,400	8.7
	Segment income	423	—	425	0.3	521	22.6	899	—	913	1.5	1,150	25.9
	Segment income/sales	4.3%		4.8%		5.4%		4.7%		5.1%		5.9%	
Speciality chemicals	Net sales	20,426	—	18,304	△ 10.4	19,567	6.9	40,105	—	37,861	△ 5.6	42,600	12.5
	Segment income	908	—	125	△ 86.2	580	363.2	1,002	—	822	△ 17.9	1,000	21.5
	Segment income/sales	4.4%		0.7%		3.0%		2.5%		2.2%		2.3%	
Electronic materials	Net sales	5,913	—	6,071	2.7	6,144	1.2	11,352	—	11,824	4.2	12,800	8.2
	Segment income	△ 66	—	△ 2	—	20	—	△ 407	—	△ 177	—	200	—
	Segment income/sales	△ 1.1%		△ 0.0%		0.3%		△ 3.6%		△ 1.5%		1.6%	
Others	Net sales	169	—	144	△ 14.8	145	1.1	301	—	267	△ 11.2	200	△ 25.3
	Segment income	5	—	1	△ 72.1	4	176.4	12	—	0	△ 94.7	10	1,347.2
	Segment income/sales	3.3%		1.1%		3.0%		4.3%		0.3%		5.0%	
Consolidated total	Net sales	36,277	—	33,311	△ 8.2	35,507	6.6	70,781	—	67,794	△ 4.2	75,000	10.6
	Segment income	1,272	—	549	△ 56.8	1,126	105.0	1,506	—	1,559	3.5	2,400	53.9
	Segment income/sales	3.5%		1.6%		3.2%		2.1%		2.3%		3.2%	

* The sales of business segmentation do not include intersegment sales.

* Starting with this consolidated first quarter, we have changed the classification of the business segments of Functional fine chemical materials from Electronic materials to Speciality chemicals.
Figures for previous financial years were recalculated for the new segment classification.

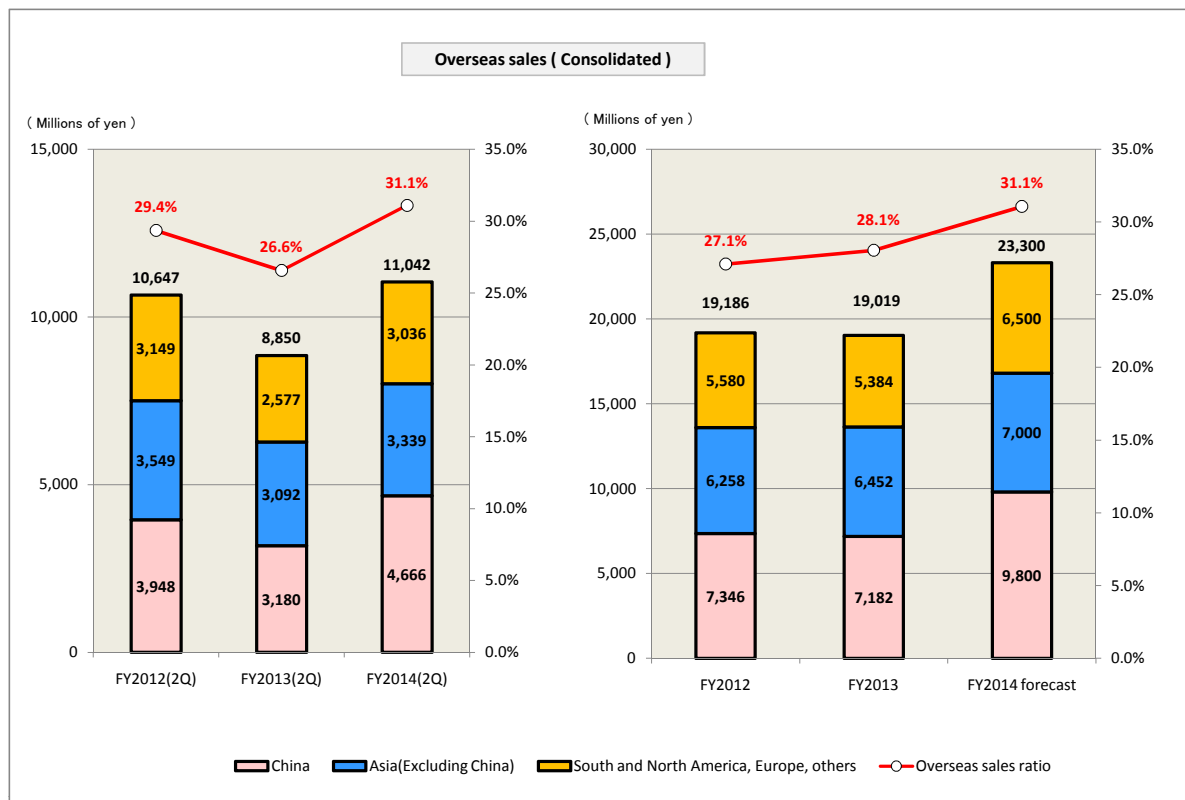
* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

* Speciality chemicals.....Printing ink resin, Paint resin, Adhesive resin, Polymerization emulsifier, Colorless rosin derivatives, Functional fine chemical materials, etc.

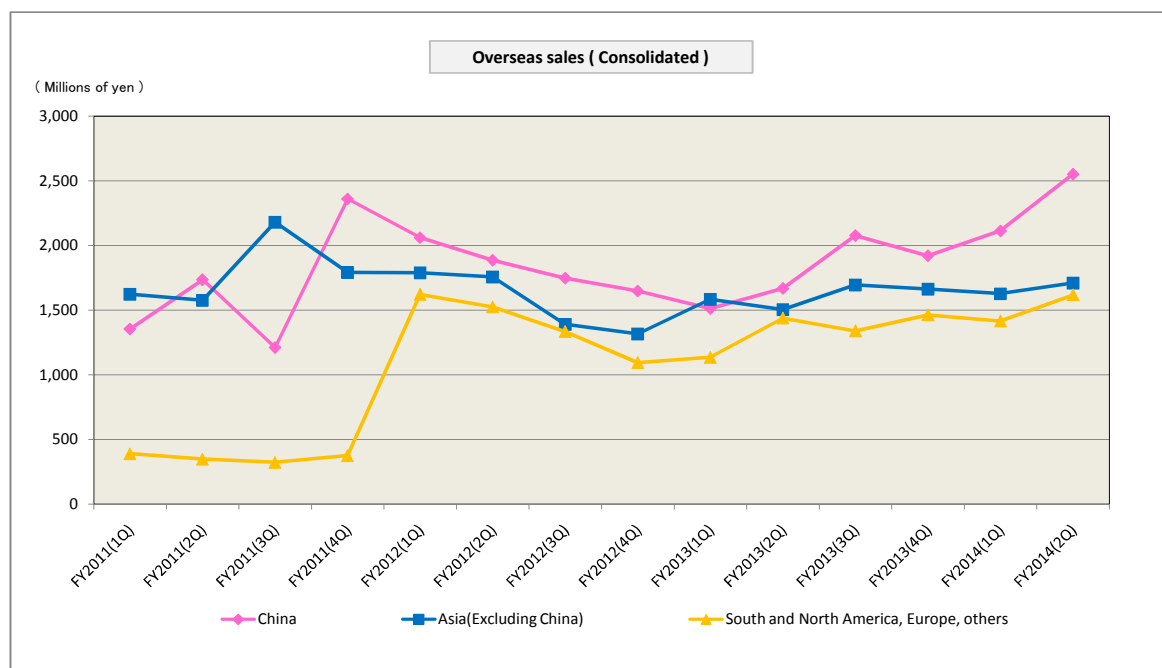
* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Flux cleaning solvent, Flux cleaning system, etc.

* OthersInsurance business, Real estate agent, etc.

*** Overseas Sales (Consolidated)**



Consolidated	FY2012(2Q) ('11/4-'11/9)		FY2013(2Q) ('12/4-'12/9)		FY2014(2Q) ('13/4-'13/9)		FY2012 ('11/4-'12/3)		FY2013 ('12/4-'13/3)		FY2014 forecast ('13/4-'14/3)	
	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	10,647	51.4	8,850	△ 16.9	11,042	24.8	19,186	25.6	19,019	△ 0.9	23,300	22.5
Overseas sales in Asia	7,497	19.1	6,273	△ 16.3	8,005	27.6	13,605	△ 1.7	13,634	0.2	16,800	23.2
Overseas sales in China	3,948	27.8	3,180	△ 19.4	4,666	46.7	7,346	1.3	7,182	△ 2.2	9,800	36.4
Overseas sales ratio	29.4%		26.6%		31.1%		27.1%		28.1%		31.1%	



Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2013(2Q)		FY2014(2Q)		FY2013		Increase /Decrease
	(As of September 30, 2012)		(As of September 30, 2013)		(As of March 31, 2013)		(A) - (B)
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	5,724		8,075		6,993		1,081
2. Notes and accounts receivable-trade	26,774		25,047		27,121	△	2,074
3. Merchandise and finished goods	6,774		7,088		7,216	△	127
4. Work in process	773		961		907		54
5. Raw materials and supplies	5,684		6,381		6,862	△	481
6. Deferred tax assets	635		618		778	△	159
7. Other	1,070		1,203		886		316
Allowance for doubtful accounts	△ 125		△ 147		△ 131	△	15
Total current assets	47,313	63.6	49,229	63.3	50,636	64.6	△ 1,406
II Noncurrent assets							
1. Property, plant and equipment							
(1) Buildings and structures	8,360		8,092		8,123	△	30
(2) Machinery, equipment and vehicles	8,225		8,152		7,907		245
(3) Land	4,701		4,775		4,710		64
(4) Construction in progress	37		270		286	△	16
(5) Other	402		333		353	△	19
Total property, plant and equipment	21,727	29.2	21,624	27.8	21,381	27.3	243
2. Intangible assets							
(1) Goodwill	165		150		162	△	12
(2) Other	627		603		615	△	11
Total intangible assets	793	1.0	753	1.0	777	1.0	△ 23
3. Investments and other assets							
(1) Investment securities	3,752		5,411		4,783		627
(2) Deferred tax assets	562		213		217	△	3
(3) Other	292		582		580		2
Allowance for doubtful accounts	△ 8		△ 7		△ 4	△	2
Total investments and other assets	4,599	6.2	6,200	7.9	5,577	7.1	623
Total noncurrent assets	27,120	36.4	28,579	36.7	27,735	35.4	843
Total assets	74,433	100.0	77,808	100.0	78,372	100.0	△ 563

(Unit: Millions of yen)

Item	FY2013(2Q)		FY2014(2Q)		FY2013		Increase /Decrease (A) - (B)
	(As of September 30, 2012)		(As of September 30, 2013)		(As of March 31, 2013)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable-trade	11,318		11,090		12,478		△ 1,387
2. Short-term loans payable	11,075		10,962		11,581		△ 619
3. Current portion of bonds	-		5,000		5,000		-
4. Income taxes payable	152		209		288		△ 79
5. Accrued consumption taxes	215		66		329		△ 262
6. Provision for bonuses	912		923		870		53
7. Provision for directors' bonuses	18		18		38		△ 20
8. Provision for repairs	79		14		113		△ 99
9. Notes payable-facilities	157		56		43		13
10. Other	2,704		2,573		3,081		△ 507
Total current liabilities	26,633	35.8	30,916	39.7	33,825	43.1	△ 2,909
II Noncurrent liabilities							
1. Bonds payable	5,000		-		-		-
2. Long-term loans payable	2,619		1,553		1,825		△ 272
3. Deferred tax liabilities	66		760		470		289
4. Provision for retirement benefits	1,832		1,626		1,783		△ 156
5. Provision for repairs	-		12		-		12
6. Asset retirement obligations	85		87		86		0
7. Other	270		310		270		39
Total noncurrent liabilities	9,874	13.2	4,349	5.6	4,437	5.7	△ 87
Total liabilities	36,507	49.0	35,266	45.3	38,262	48.8	△ 2,996
(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	30,953		32,220		31,585		635
4. Treasury stock	△ 11		△ 11		△ 11		△ 0
Total shareholders' equity	37,420	50.3	38,687	49.7	38,052	48.6	635
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	447		1,480		1,089		390
2. Foreign currency translation adjustment	△ 1,091		873		△ 253		1,126
Total accumulated other comprehensive income	△ 644	△ 0.9	2,353	3.0	836	1.1	1,517
III Subscription rights to shares	-	0.0	27	0.0	-	0.0	27
IV Minority interests	1,149	1.6	1,473	2.0	1,220	1.5	253
Total net assets	37,926	51.0	42,542	54.7	40,109	51.2	2,433
Total liabilities and net assets	74,433	100.0	77,808	100.0	78,372	100.0	△ 563

Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2013(2Q)		FY2014(2Q)		Increase /Decrease		FY2013	
	' 12/4-' 12/9		' 13/4-' 13/9				12/4-' 13/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio
I Net sales	33,311	100.0	35,507	100.0	2,196	6.6	67,794	100.0
II Cost of sales	27,087	81.3	28,672	80.7	1,585	5.9	54,879	80.9
Gross profit	6,224	18.7	6,835	19.3	610	9.8	12,915	19.1
III Selling, general and administrative expenses	5,452	16.4	5,700	16.1	248	4.6	11,036	16.3
Operating income	771	2.3	1,134	3.2	362	47.0	1,879	2.8
IV Non-operating income								
1. Interest income	4		4				8	
2. Dividends income	59		62				113	
3. Real estate rent	58		58				116	
4. Foreign exchange gains	-		197				144	
5. Compensation income for suspension of operation	50		-				98	
6. Other	75	247	127	450	202	81.6	161	642
Operating income		0.7		1.3				0.9
V Non-operating expenses								
1. Interest expenses	144		127				272	
2. Equity in losses of affiliates	0		6				1	
3. Foreign exchange losses	29		-				-	
4. Expenses for suspension of operation	133		-				251	
5. Other	21	329	27	160	169	51.3	60	587
Operating income		0.9		0.5				0.8
Ordinary income		690		1,424	734	106.3		1,934
Operating income		2.1		4.0				2.9
VI Extraordinary income								
1. Gain on sales of noncurrent assets	0		1				1	
2. State subsidy	-	0	-	1	0	106.1	15	17
Operating income		0.0		0.0				0.0
VII Extraordinary loss								
1. Loss on sales and retirement of noncurrent assets	12		6				27	
2. Loss on valuation of investment securities	372	384	-	6			108	136
Operating income		1.2		0.0				0.2
Income before income taxes		306		1,419	1,112	363.1		1,815
Income taxes-current	201		243				547	
Income taxes-deferred	△ 51	149	228	472	322	215.6	191	738
Income before minority interests		156		946	790	503.9		1,076
Minority interests in income		36		79	42	115.9		93
Net income		119		867	747	623.3		982
		0.4		2.5				1.5

<Reference> Statements of Comprehensive Income(Consolidated)

Income before minority interests		156		946	790	503.9		1,076
Other comprehensive income								
Valuation difference on available-for-sale securities	△	130		390	521			511
Foreign currency translation adjustment		228		1,277	1,048			1,190
Share of other comprehensive income of associates accounted for using equity method	△	7		9	16			3
Total other comprehensive income		90		1,677	1,587			1,705
Comprehensive income		247		2,624	2,377	961.9		2,782

Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

	FY2013 (2Q)	FY2014 (2Q)	Increase /Decrease (B) - (A)	FY2013
	' 12/4-' 12/9 Amount (A)	' 13/4-' 13/9 Amount (B)		' 12/4-' 13/3 Amount
I Net cash provided by (used in) operating				
Income before income taxes	306	1,419	1,112	1,815
Depreciation and amortization	1,650	1,423	△ 226	3,358
Amortization of goodwill	22	28	5	46
Increase (decrease) in allowance for doubtful accounts	10	11	1	7
Increase (decrease) in provision for bonuses	102	49	△ 52	57
Increase (decrease) in provision for directors' bonuses	△ 19	△ 20	△ 0	0
Increase (decrease) in provision for retirement benefits	△ 89	△ 165	△ 75	△ 146
Loss (gain) on valuation of investment securities	372	—	△ 372	108
Loss (gain) on sales and retirement of noncurrent assets	11	5	△ 6	26
Interest and dividends income	△ 64	△ 66	△ 2	△ 121
Interest expenses	144	127	△ 17	272
Equity in (earnings) losses of affiliates	0	6	6	1
Decrease (increase) in notes and accounts receivable-trade	763	2,847	2,083	1,028
Decrease (increase) in inventories	122	1,155	1,032	△ 1,108
Increase (decrease) in notes and accounts payable-trade	△ 497	△ 1,746	△ 1,248	327
Other, net	532	△ 1,200	△ 1,733	1,142
Subtotal	3,368	3,874	506	6,816
Interest and dividends income received	65	65	△ 0	122
Interest expenses paid	△ 154	△ 119	34	△ 284
Income taxes (paid) refund	11	△ 332	△ 344	△ 183
Net cash provided by (used in) operating activities	3,291	3,487	196	6,471
II Net cash provided by (used in) investing activities				
Decrease (increase) in time deposits	—	—	—	9
Purchase of property, plant and equipment	△ 1,542	△ 1,071	471	△ 2,180
Proceeds from sales of property, plant and equipment	126	78	△ 47	129
Purchase of investment securities	△ 12	△ 12	△ 0	△ 24
Purchase of intangible assets	△ 97	△ 1	95	△ 127
Payments for investments in capital of subsidiaries and affiliates	△ 247	—	247	△ 247
Purchase of goodwill	△ 30	—	30	△ 30
Decrease (increase) in other investments	△ 4	△ 16	△ 12	△ 12
Other, net	—	—	—	△ 0
Net cash provided by (used in) investing activities	△ 1,807	△ 1,023	783	△ 2,484
III Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term loans payable	△ 943	△ 1,104	△ 161	△ 976
Proceeds from long-term loans payable	100	—	△ 100	100
Repayment of long-term loans payable	△ 392	△ 401	△ 9	△ 1,458
Proceeds from issuance of subscription rights to shares	—	27	27	—
Purchase of treasury stock	—	△ 0	△ 0	△ 0
Cash dividends paid	△ 231	△ 231	0	△ 463
Cash dividends paid to minority shareholders	—	—	—	△ 120
Net cash provided by (used in) financing activities	△ 1,467	△ 1,710	△ 243	△ 2,919
IV Effect of exchange rate change on cash and cash equivalents	28	327	299	255
V Net increase (decrease) in cash and cash equivalents	45	1,081	1,035	1,323
VI Cash and cash equivalents at beginning of period	5,577	6,901	1,323	5,577
VII Cash and cash equivalents at end of period	5,623	7,983	2,359	6,901