

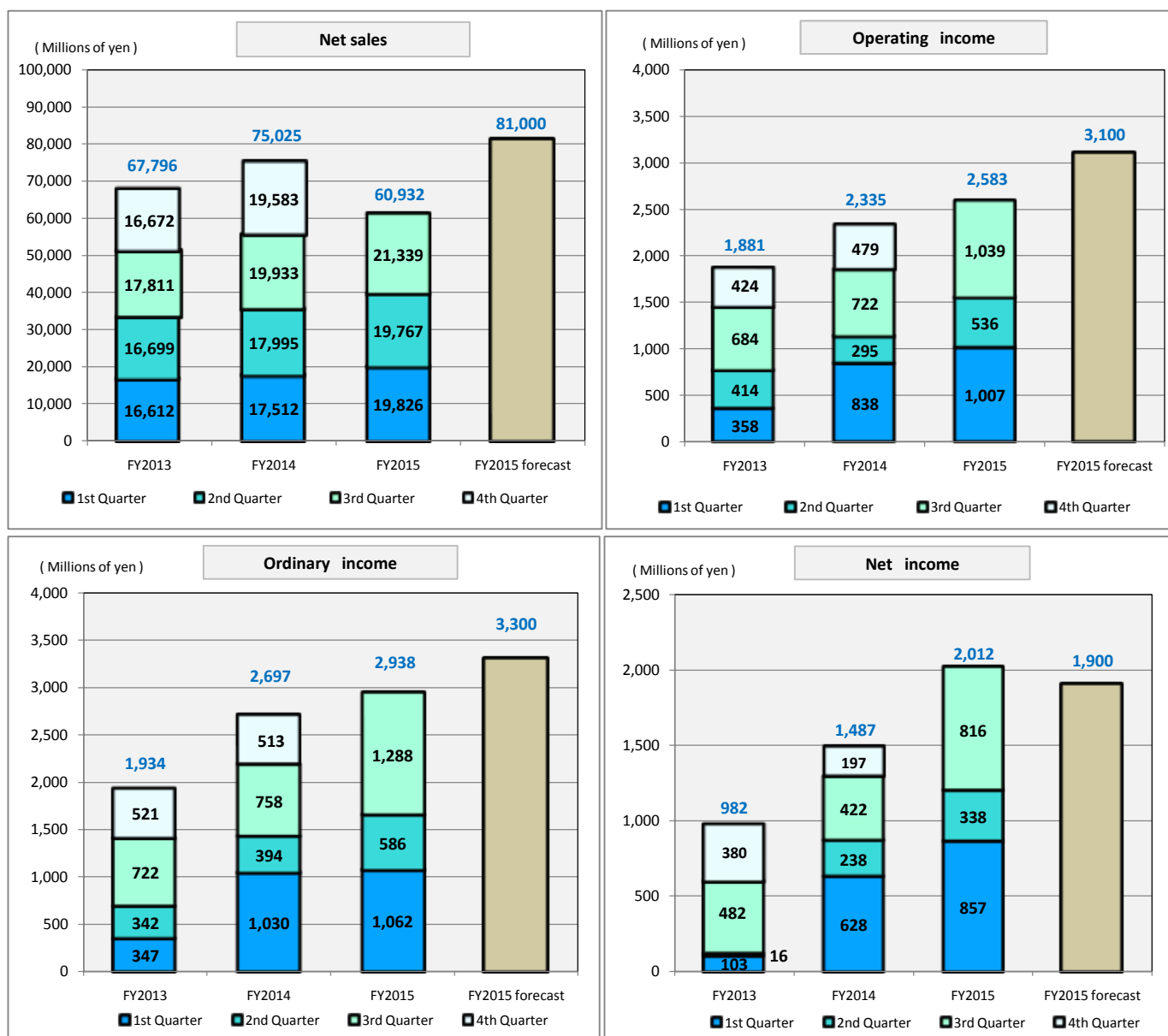
# DATA BOOK 2015

February 3rd, 2015

3rd Quarter ended December 31, 2014

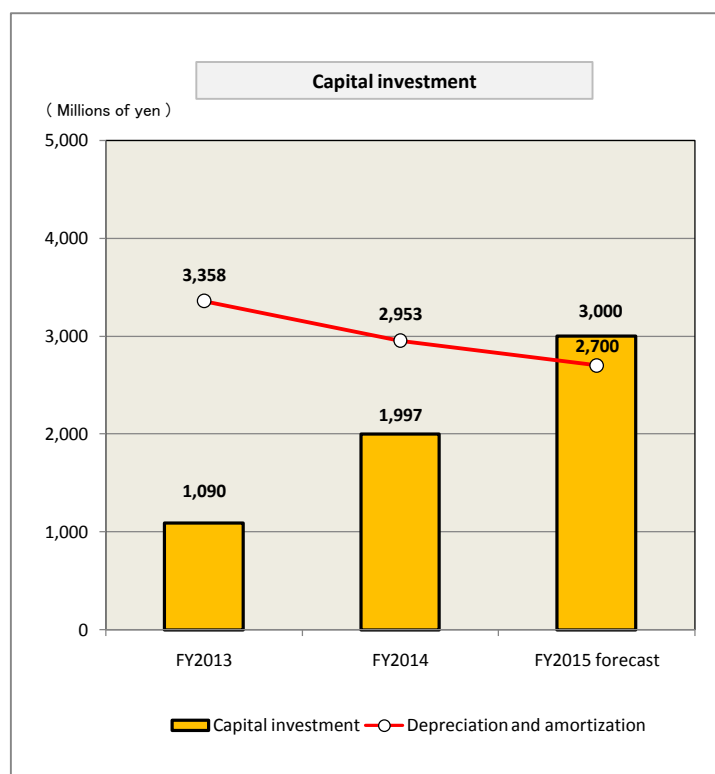
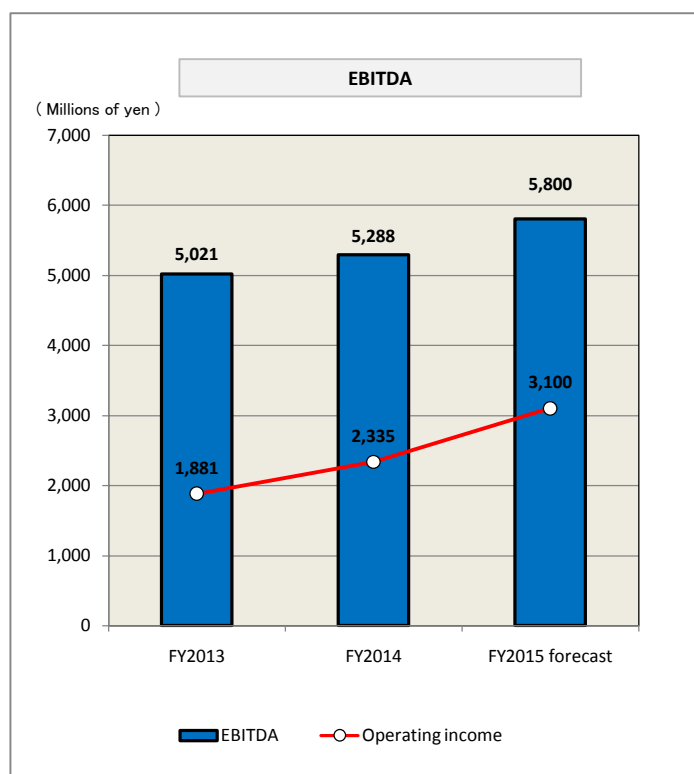


**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

**\* Achievement Transition(Consolidated)**

| Consolidated     | FY2013(3Q)<br>(‘12/4-‘12/12) |         | FY2014(3Q)<br>(‘13/4-‘13/12) |         | FY2015(3Q)<br>(‘14/4-‘14/12) |         | FY2013<br>(‘12/4-‘13/3) |         | FY2014<br>(‘13/4-‘14/3) |         | FY2015 forecast<br>(‘14/4-‘15/3) |         |
|------------------|------------------------------|---------|------------------------------|---------|------------------------------|---------|-------------------------|---------|-------------------------|---------|----------------------------------|---------|
|                  | 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        | 51,123                       | △ 5.4   | 55,442                       | 8.4     | 60,932                       | 9.9     | 67,796                  | △ 4.2   | 75,025                  | 10.7    | 81,000                           | 8.0     |
| Operating income | 1,456                        | △ 5.2   | 1,856                        | 27.4    | 2,583                        | 39.2    | 1,881                   | 5.6     | 2,335                   | 24.1    | 3,100                            | 32.8    |
| Ordinary income  | 1,412                        | △ 9.5   | 2,183                        | 54.5    | 2,938                        | 34.6    | 1,934                   | 4.1     | 2,697                   | 39.4    | 3,300                            | 22.4    |
| Net income       | 602                          | △ 13.9  | 1,289                        | 114.0   | 2,012                        | 56.0    | 982                     | △ 28.2  | 1,487                   | 51.3    | 1,900                            | 27.7    |

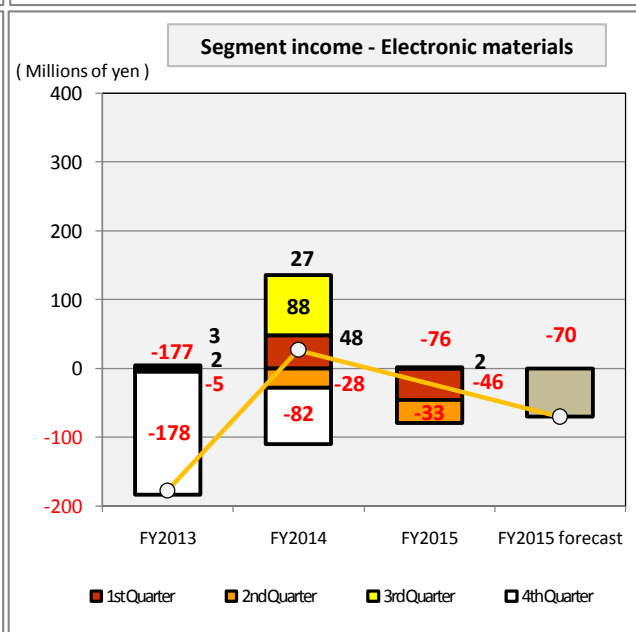
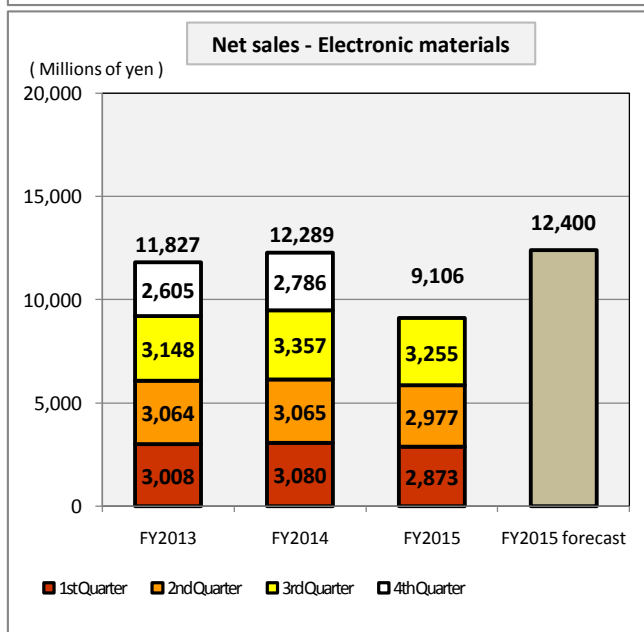
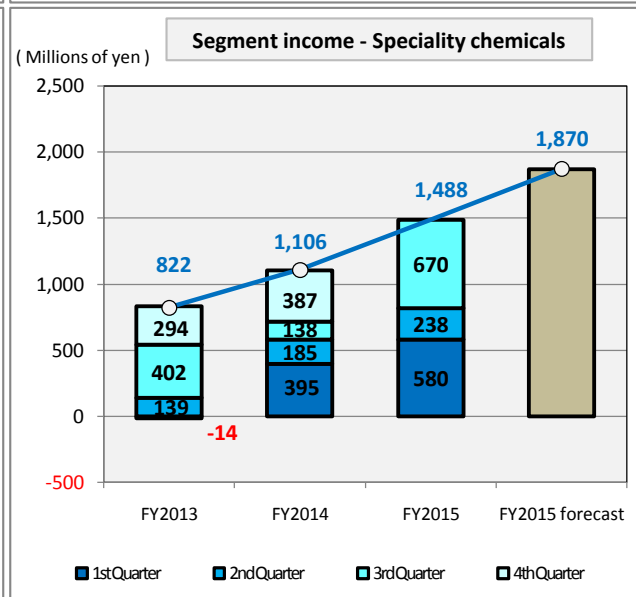
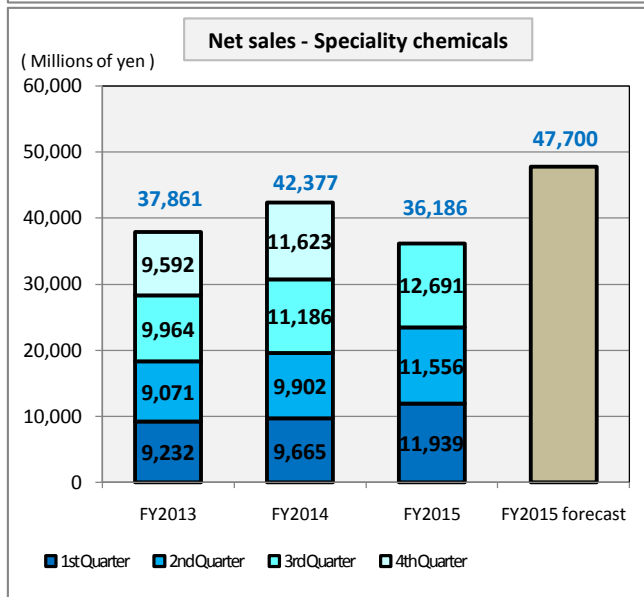
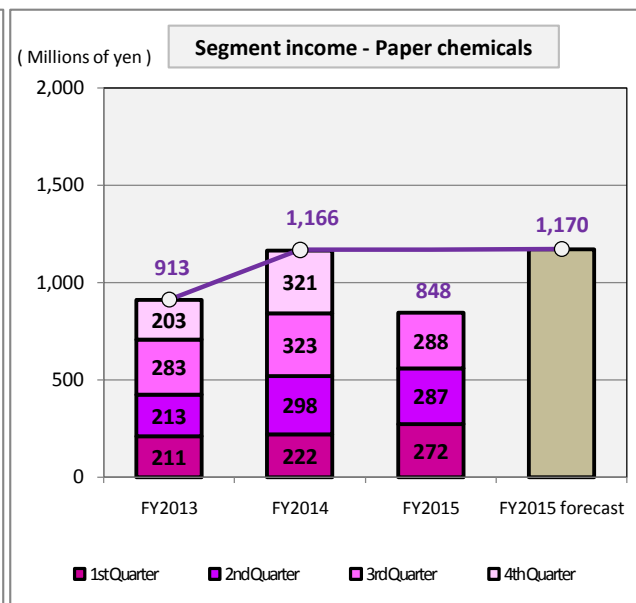
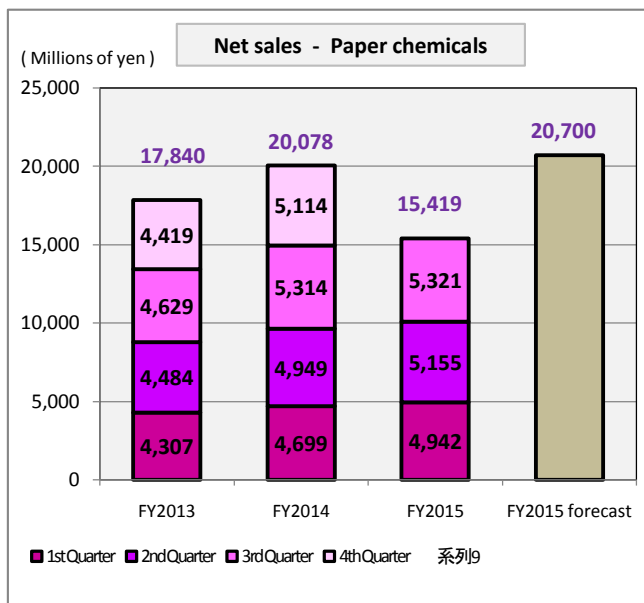
## \* Management Index Transition



| Consolidated                  | FY2013(3Q)<br>(‘12/4-‘12/12) |                   | FY2014(3Q)<br>(‘13/4-‘13/12) |                   | FY2015(3Q)<br>(‘14/4-‘14/12) |                   | FY2013<br>(‘12/4-‘13/3) |                   | FY2014<br>(‘13/4-‘14/3) |                   | FY2015 forecast<br>(‘14/4-‘15/3) |                   |
|-------------------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|-------------------------|-------------------|-------------------------|-------------------|----------------------------------|-------------------|
|                               | 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            | 809                          | △ 2,709           | 1,638                        | 829               | 1,281                        | △ 357             | 1,090                   | △ 5,561           | 1,997                   | 906               | 3,000                            | 1,002             |
| Depreciation and amortization | 2,488                        | 151               | 2,173                        | △ 314             | 1,962                        | △ 210             | 3,358                   | 190               | 2,953                   | △ 405             | 2,700                            | △ 253             |
| R & D expenses                | 2,073                        | △ 63              | 2,091                        | 18                | 2,016                        | △ 75              | 2,746                   | △ 141             | 2,790                   | 44                | 2,900                            | 109               |
| Interest-bearing debt         | 18,031                       | △ 1,639           | 17,122                       | △ 909             | 17,984                       | 862               | 18,407                  | △ 1,803           | 18,605                  | 197               | 17,700                           | △ 905             |
| EBITDA                        | 3,786                        | △ 86              | 4,029                        | 243               | 4,546                        | 516               | 5,021                   | 71                | 5,288                   | 267               | 5,800                            | 511               |

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

**\* Segment Information(Consolidated)**



**\* Segment Information(Consolidated)**

| Consolidated            |                         | FY2013(3Q)<br>('12/4-'12/12) |         | FY2014(3Q)<br>('13/4-'13/12) |         | FY2015(3Q)<br>('14/4-'14/12) |         | FY2013<br>('12/4-'13/3) |         | FY2014<br>('13/4-'14/3) |         | FY2015 forecast<br>('14/4-'15/3) |         |
|-------------------------|-------------------------|------------------------------|---------|------------------------------|---------|------------------------------|---------|-------------------------|---------|-------------------------|---------|----------------------------------|---------|
|                         |                         | Millions of<br>yen           | %Change | Millions of<br>yen           | %Change | Millions of<br>yen           | %Change | Millions of<br>yen      | %Change | Millions of<br>yen      | %Change | Millions of<br>yen               | %Change |
| Paper<br>chemicals      | Net sales               | 13,421                       | △ 9.1   | 14,964                       | 11.5    | 15,419                       | 3.0     | 17,840                  | △ 6.2   | 20,078                  | 12.5    | 20,700                           | 3.1     |
|                         | Segment income          | 709                          | 4.7     | 845                          | 19.2    | 848                          | 0.4     | 913                     | 1.5     | 1,166                   | 27.8    | 1,170                            | 0.3     |
|                         | Segment<br>income/sales | 5.3%                         |         | 5.6%                         |         | 5.5%                         |         | 5.1%                    |         | 5.8%                    |         | 5.7%                             |         |
| Speciality<br>chemicals | Net sales               | 28,268                       | △ 7.1   | 30,754                       | 8.8     | 36,186                       | 17.7    | 37,861                  | △ 5.6   | 42,377                  | 11.9    | 47,700                           | 12.6    |
|                         | Segment income          | 528                          | △ 44.8  | 718                          | 36.1    | 1,488                        | 107.1   | 822                     | △ 17.9  | 1,106                   | 34.5    | 1,870                            | 69.0    |
|                         | Segment<br>income/sales | 1.9%                         |         | 2.3%                         |         | 4.1%                         |         | 2.2%                    |         | 2.6%                    |         | 3.9%                             |         |
| Electronic<br>materials | Net sales               | 9,221                        | 7.2     | 9,503                        | 3.1     | 9,106                        | △ 4.2   | 11,827                  | 4.2     | 12,289                  | 3.9     | 12,400                           | 0.9     |
|                         | Segment income(loss)    | 1                            | —       | 109                          | —       | △ 76                         | —       | △ 177                   | —       | 27                      | —       | △ 70                             | —       |
|                         | Segment<br>income/sales | 0.0%                         |         | 1.1%                         |         | △ 0.8%                       |         | △ 1.5%                  |         | 0.2%                    |         | △ 0.6%                           |         |
| Others                  | Net sales               | 212                          | △ 11.9  | 220                          | 3.7     | 220                          | 0.2     | 267                     | △ 11.2  | 279                     | 4.3     | 200                              | △ 28.4  |
|                         | Segment income          | △ 0                          | —       | 8                            | —       | 11                           | 45.1    | 0                       | △ 94.7  | 9                       | —       | 10                               | 2.0     |
|                         | Segment<br>income/sales | △ 0.3%                       |         | 3.6%                         |         | 5.3%                         |         | 0.3%                    |         | 3.5%                    |         | 5.0%                             |         |
| Consolidated<br>total   | Net sales               | 51,122                       | △ 5.4   | 55,442                       | 8.4     | 60,932                       | 9.9     | 67,796                  | △ 4.2   | 75,025                  | 10.7    | 81,000                           | 8.0     |
|                         | Segment income          | 1,237                        | △ 10.6  | 1,681                        | 35.8    | 2,272                        | 35.2    | 1,559                   | 3.3     | 2,310                   | 48.2    | 2,980                            | 29.0    |
|                         | Segment<br>income/sales | 2.4%                         |         | 3.0%                         |         | 3.7%                         |         | 2.3%                    |         | 3.1%                    |         | 3.7%                             |         |

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

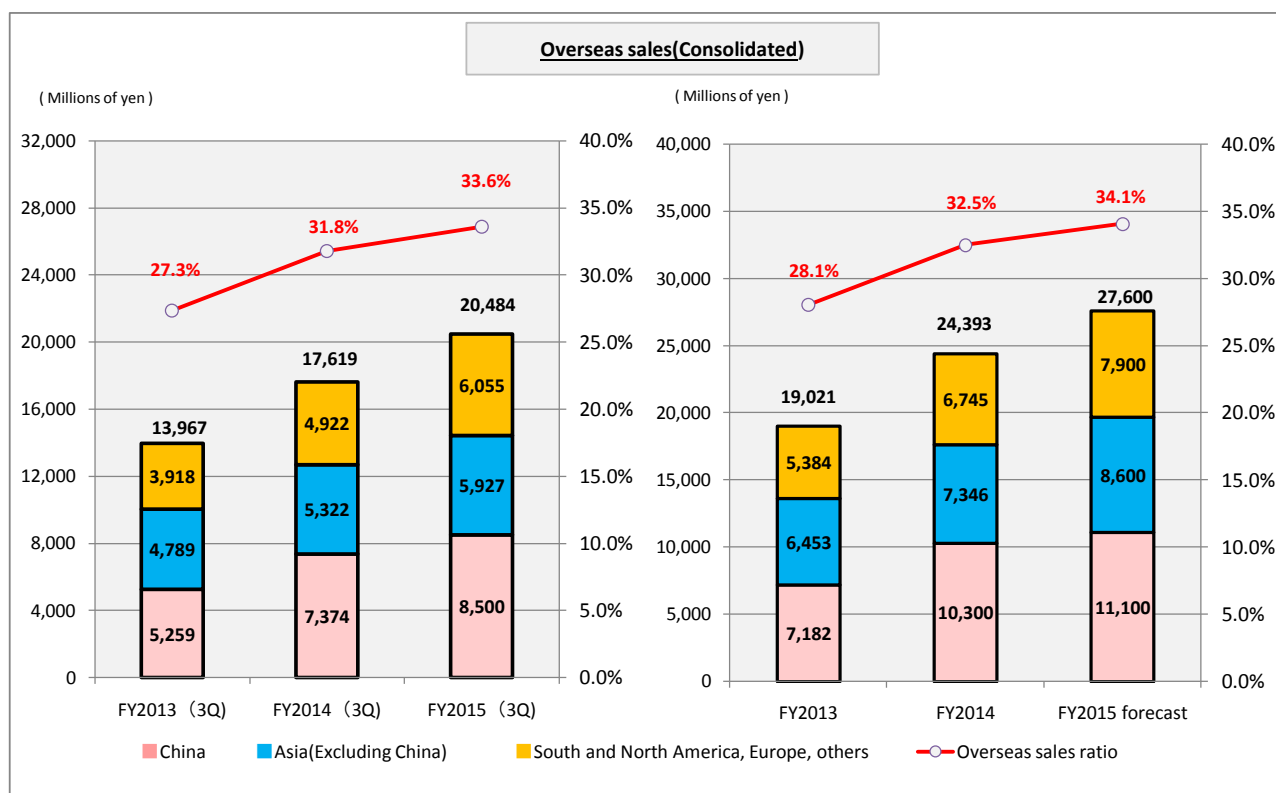
\* Paper chemicals.....Size agent, Paper strengthening agent, Latex, etc.

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

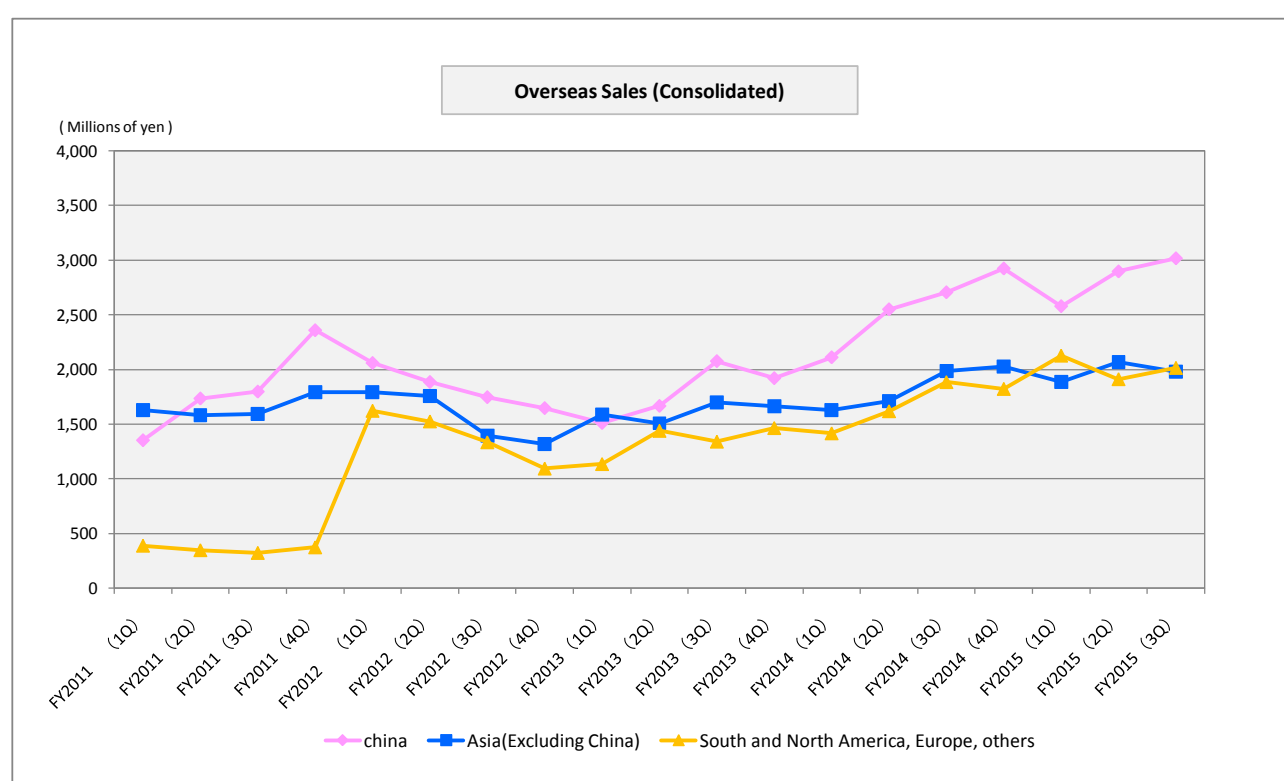
\* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Flux cleaning solvent, Flux cleaning system, etc.

\* Others .....Insurance business, Real estate agent, etc.

**\* Overseas Sales(Consolidated)**



| Consolidated            | FY2013(3Q)<br>( '12/4-'12/12) |         | FY2014(3Q)<br>( '13/4-'13/12) |         | FY2015(3Q)<br>( '14/4-'14/12) |         | FY2013<br>( '12/4-'13/3) |         | FY2014<br>( '13/4-'14/3) |         | FY2015 forecast<br>( '14/4-'15/3) |         |
|-------------------------|-------------------------------|---------|-------------------------------|---------|-------------------------------|---------|--------------------------|---------|--------------------------|---------|-----------------------------------|---------|
|                         | 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          | 13,967                        | △ 7.6   | 17,619                        | 26.1    | 20,484                        | 16.3    | 19,021                   | △ 0.9   | 24,393                   | 28.2    | 27,600                            | 13.1    |
| Overseas sales in Asia  | 10,048                        | △ 5.5   | 12,696                        | 26.3    | 14,428                        | 13.6    | 13,636                   | 0.2     | 17,647                   | 29.4    | 19,700                            | 11.6    |
| Overseas sales in China | 5,259                         | △ 7.7   | 7,374                         | 40.2    | 8,500                         | 15.3    | 7,182                    | △ 2.2   | 10,300                   | 43.4    | 11,100                            | 7.8     |
| Overseas sales ratio    | 27.3%                         |         | 31.8%                         |         | 33.6%                         |         | 28.1%                    |         | 32.5%                    |         | 34.1%                             |         |



## Balance Sheets(Consolidated)

(Unit: Millions of yen)

| Item                                   | FY2014(3Q)                |                           | FY2015(3Q)                |                           | FY2014                 |                           | Increase /Decrease<br>(A) - (B) |
|--|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|---------------------------|---------------------------------|
|  | (As of December 31, 2013) |                           | (As of December 31, 2014) |                           | (As of March 31, 2014) |                           |                                 |
|  | Amount                    | Com-<br>position<br>ratio | Amount(A)                 | Com-<br>position<br>ratio | Amount(B)              | Com-<br>position<br>ratio |                                 |
| (Assets)                               |                           | %                         |                           | %                         |                        | %                         |                                 |
| <b>I Current assets</b>                |                           |                           |                           |                           |                        |                           |                                 |
| 1. Cash and deposits                   | 4,238                     |                           | 6,685                     |                           | 6,668                  |                           | 16                              |
| 2. Notes and accounts receivable-trade | 30,640                    |                           | 33,232                    |                           | 28,167                 |                           | 5,065                           |
| 3. Merchandise and finished goods      | 6,968                     |                           | 8,095                     |                           | 8,530                  | △                         | 435                             |
| 4. Work in process                     | 1,053                     |                           | 1,110                     |                           | 1,069                  |                           | 40                              |
| 5. Raw materials and supplies          | 7,821                     |                           | 7,655                     |                           | 7,878                  | △                         | 222                             |
| 6. Deferred tax assets                 | 539                       |                           | 385                       |                           | 579                    | △                         | 193                             |
| 7. Other                               | 1,296                     |                           | 1,047                     |                           | 1,670                  | △                         | 623                             |
| Allowance for doubtful accounts        | △ 148                     |                           | △ 144                     |                           | △ 157                  |                           | 13                              |
| Total current assets                   | 52,411                    | 64.7                      | 58,068                    | 67.1                      | 54,406                 | 66.1                      | 3,662                           |
| <b>II Noncurrent assets</b>            |                           |                           |                           |                           |                        |                           |                                 |
| 1. Property, plant and equipment       |                           |                           |                           |                           |                        |                           |                                 |
| (1) Buildings and structures           | 8,094                     |                           | 7,670                     |                           | 7,933                  | △                         | 262                             |
| (2) Machinery, equipment and vehicles  | 8,005                     |                           | 7,321                     |                           | 7,828                  | △                         | 507                             |
| (3) Land                               | 4,774                     |                           | 4,788                     |                           | 4,724                  |                           | 64                              |
| (4) Construction in progress           | 208                       |                           | 359                       |                           | 266                    |                           | 92                              |
| (5) Other                              | 329                       |                           | 321                       |                           | 318                    |                           | 3                               |
| Total property, plant and equipment    | 21,412                    | 26.4                      | 20,462                    | 23.7                      | 21,072                 | 25.6                      | △ 610                           |
| 2. Intangible assets                   |                           |                           |                           |                           |                        |                           |                                 |
| (1) Goodwill                           | 138                       |                           | 83                        |                           | 134                    | △                         | 50                              |
| (2) Other                              | 580                       |                           | 485                       |                           | 540                    | △                         | 54                              |
| Total intangible assets                | 719                       | 0.9                       | 569                       | 0.7                       | 674                    | 0.8                       | △ 105                           |
| 3. Investments and other assets        |                           |                           |                           |                           |                        |                           |                                 |
| (1) Investment securities              | 5,776                     |                           | 6,643                     |                           | 5,480                  |                           | 1,163                           |
| (2) Deferred tax assets                | 213                       |                           | 176                       |                           | 193                    | △                         | 17                              |
| (3) Other                              | 516                       |                           | 513                       |                           | 523                    | △                         | 10                              |
| Allowance for doubtful accounts        | △ 6                       |                           | △ 12                      |                           | △ 8                    | △                         | 4                               |
| Total investments and other assets     | 6,500                     | 8.0                       | 7,320                     | 8.5                       | 6,189                  | 7.5                       | 1,131                           |
| Total noncurrent assets                | 28,632                    | 35.3                      | 28,352                    | 32.9                      | 27,936                 | 33.9                      | 416                             |
| Total assets                           | 81,043                    | 100.0                     | 86,421                    | 100.0                     | 82,342                 | 100.0                     | 4,078                           |

(Unit : Millions of yen)

| Item   | FY2014 (3Q)               |                           | FY2015 (3Q)               |                           | FY2014                 |                           | Increase /Decrease<br>(A) - (B) |
|--|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|---------------------------|---------------------------------|
|  | (As of December 31, 2013) |                           | (As of December 31, 2014) |                           | (As of March 31, 2014) |                           |                                 |
|  | Amount                    | Com-<br>position<br>ratio | Amount(A)                 | Com-<br>position<br>ratio | Amount(B)              | Com-<br>position<br>ratio |                                 |
| (Liabilities)  |                           | %                         |                           | %                         |                        | %                         |                                 |
| <b>I Current liabilities</b>                             |                           |                           |                           |                           |                        |                           |                                 |
| 1. Notes and accounts payable-trade                      | 13,771                    |                           | 14,089                    |                           | 12,867                 |                           | 1,222                           |
| 2. Short-term loans payable                              | 11,326                    |                           | 10,414                    |                           | 11,525                 | △                         | 1,110                           |
| 3. Income taxes payable                                  | 205                       |                           | 524                       |                           | 272                    |                           | 252                             |
| 4. Accrued consumption taxes                             | 53                        |                           | 213                       |                           | 36                     |                           | 177                             |
| 5. Provision for bonuses                                 | 476                       |                           | 500                       |                           | 989                    | △                         | 488                             |
| 6. Provision for directors' bonuses                      | 28                        |                           | 33                        |                           | 40                     | △                         | 7                               |
| 7. Provision for repairs                                 | -                         |                           | 77                        |                           | -                      |                           | 77                              |
| 8. Notes payable-facilities                              | 212                       |                           | 102                       |                           | 212                    | △                         | 109                             |
| 9. Other   | 3,403                     |                           | 3,834                     |                           | 3,103                  |                           | 730                             |
| Total current liabilities                                | 29,476                    | 36.3                      | 29,791                    | 34.5                      | 29,047                 | 35.3                      | 743                             |
| <b>II Noncurrent liabilities</b>                         |                           |                           |                           |                           |                        |                           |                                 |
| 1. Bonds payable   | 5,000                     |                           | 5,000                     |                           | 5,000                  |                           | -                               |
| 2. Long-term loans payable                               | 796                       |                           | 2,569                     |                           | 2,079                  |                           | 490                             |
| 3. Deferred tax liabilities                              | 934                       |                           | 1,389                     |                           | 968                    |                           | 421                             |
| 4. Provision for retirement benefits                     | 1,540                     |                           | -                         |                           | -                      |                           | -                               |
| 5. Net defined benefit liability                         | -                         |                           | 784                       |                           | 1,015                  | △                         | 230                             |
| 6. Provision for repairs                                 | 24                        |                           | -                         |                           | 37                     | △                         | 37                              |
| 7. Asset retirement obligations                          | 87                        |                           | 89                        |                           | 88                     |                           | 1                               |
| 8. Other   | 462                       |                           | 477                       |                           | 470                    |                           | 6                               |
| Total noncurrent liabilities                             | 8,846                     | 10.9                      | 10,311                    | 11.9                      | 9,660                  | 11.7                      | 650                             |
| Total liabilities  | 38,322                    | 47.2                      | 40,102                    | 46.4                      | 38,708                 | 47.0                      | 1,394                           |
| (Net assets)   |                           |                           |                           |                           |                        |                           |                                 |
| <b>I Shareholders' equity</b>                            |                           |                           |                           |                           |                        |                           |                                 |
| 1. Capital stock   | 3,128                     |                           | 3,189                     |                           | 3,128                  |                           | 60                              |
| 2. Capital surplus                                       | 3,350                     |                           | 3,410                     |                           | 3,350                  |                           | 60                              |
| 3. Retained earnings                                     | 32,401                    |                           | 34,086                    |                           | 32,599                 |                           | 1,486                           |
| 4. Treasury stock  | △ 11                      |                           | △ 11                      |                           | △ 11                   | △                         | 0                               |
| Total shareholders' equity                               | 38,868                    | 48.0                      | 40,674                    | 47.0                      | 39,066                 | 47.5                      | 1,608                           |
| <b>II Accumulated other comprehensive income</b>         |                           |                           |                           |                           |                        |                           |                                 |
| 1. Valuation difference on available-for-sale securities | 1,646                     |                           | 2,116                     |                           | 1,370                  |                           | 745                             |
| 2. Foreign currency translation adjustment               | 794                       |                           | 1,734                     |                           | 1,714                  |                           | 20                              |
| 3. Remeasurements of defined benefit plans               | -                         |                           | 237                       |                           | 256                    | △                         | 19                              |
| Total accumulated other comprehensive income             | 2,441                     | 3.0                       | 4,088                     | 4.7                       | 3,342                  | 4.1                       | 746                             |
| <b>III Subscription rights to shares</b>                 | 27                        | 0.0                       | 23                        | 0.0                       | 27                     | 0.0                       | △ 3                             |
| <b>IV Minority interests</b>                             | 1,383                     | 1.8                       | 1,531                     | 1.9                       | 1,199                  | 1.4                       | 332                             |
| Total net assets   | 42,720                    | 52.7                      | 46,318                    | 53.6                      | 43,634                 | 53.0                      | 2,683                           |
| Total liabilities and net assets                         | 81,043                    | 100.0                     | 86,421                    | 100.0                     | 82,342                 | 100.0                     | 4,078                           |



## Statements of Income(Consolidated)

(Unit: Millions of yen)

| Item  | FY2014(3Q)     |       | FY2015(3Q)     |       |        |                | Increase /Decrease |       | FY2014 |  |
|---|----------------|-------|----------------|-------|--------|----------------|--------------------|-------|--------|--|
|   | ' 13/4-' 13/12 |       | ' 14/4-' 14/12 |       |        |                | ' 13/4-' 14/3      |       |        |  |
|   | Amount         | Ratio | Amount         | Ratio | Amount | Rate of change | Amount             | Ratio |        |  |
| I Net sales                                       | 55,442         | 100.0 | 60,932         | 100.0 | 5,490  | 9.9            | 75,025             | 100.0 |        |  |
| II Cost of sales                                  | 44,900         | 81.0  | 49,494         | 81.2  | 4,593  | 10.2           | 61,028             | 81.3  |        |  |
| Gross profit                                      | 10,541         | 19.0  | 11,438         | 18.8  | 896    | 8.5            | 13,997             | 18.7  |        |  |
| III Selling, general and administrative expenses  | 8,685          | 15.7  | 8,854          | 14.5  | 169    | 2.0            | 11,662             | 15.5  |        |  |
| Operating income                                  | 1,856          | 3.3   | 2,583          | 4.3   | 727    | 39.2           | 2,335              | 3.1   |        |  |
| IV Non-operating income                           |                |       |                |       |        |                |                    |       |        |  |
| Interest income                                   | 7              |       | 24             |       |        |                | 11                 |       |        |  |
| Dividends income                                  | 107            |       | 116            |       |        |                | 119                |       |        |  |
| Real estate rent                                  | 86             |       | 90             |       |        |                | 116                |       |        |  |
| Foreign exchange gains                            | 262            |       | 204            |       |        |                | 291                |       |        |  |
| Other   | 145            | 609   | 183            | 619   | 9      | 1.5            | 208                | 747   |        |  |
| V Non-operating expenses                          |                |       |                |       |        |                |                    |       |        |  |
| Interest expenses                                 | 196            |       | 197            |       |        |                | 262                |       |        |  |
| Equity in losses of affiliates                    | 12             |       | 26             |       |        |                | 20                 |       |        |  |
| Bond issuance cost                                | 28             |       | -              |       |        |                | 28                 |       |        |  |
| Other   | 45             | 282   | 40             | 264   | 18     | 6.4            | 74                 | 386   |        |  |
| Ordinary income                                   | 2,183          | 3.9   | 2,938          | 4.9   | 754    | 34.6           | 2,697              | 3.6   |        |  |
| VI Extraordinary income                           |                |       |                |       |        |                |                    |       |        |  |
| Gain on sales of noncurrent assets                | 1              |       | 21             |       |        |                | 75                 |       |        |  |
| Compensation income                               | -              |       | 445            |       |        |                | -                  |       |        |  |
| State subsidy                                     | -              | 1     | -              | 467   | 465    | -              | 15                 | 91    |        |  |
| VII Extraordinary loss                            |                |       |                |       |        |                |                    |       |        |  |
| Loss on sales and retirement of noncurrent assets | 105            | 105   | 18             | 18    | 87     | 82.9           | 113                | 113   |        |  |
| Income before income taxes                        | 2,079          | 3.8   | 3,387          | 5.6   | 1,307  | 62.9           | 2,674              | 3.6   |        |  |
| Income taxes-current                              | 346            |       | 767            |       |        |                | 678                |       |        |  |
| Income taxes-deferred                             | 331            | 677   | 321            | 1,088 | 410    | 60.6           | 348                | 1,026 |        |  |
| Income before minority interests                  | 1,401          | 2.5   | 2,298          | 3.8   | 896    | 64.0           | 1,647              | 2.2   |        |  |
| Minority interests in income                      | 112            | 0.2   | 286            | 0.5   | 174    | 155.5          | 160                | 0.2   |        |  |
| Net income  | 1,289          | 2.3   | 2,012          | 3.3   | 722    | 56.0           | 1,487              | 2.1   |        |  |

## &lt;Reference&gt; Statements of Comprehensive Income(Consolidated)

|   |       |  |       |  |       |      |       |
|---|-------|--|-------|--|-------|------|-------|
| Income before minority interests  | 1,401 |  | 2,298 |  | 896   | 64.0 | 1,647 |
| Other comprehensive income  |       |  |       |  |       |      |       |
| Valuation difference on available-for-sale securities                               | 557   |  | 745   |  | 188   |      | 280   |
| Foreign currency translation adjustment   | 1,175 |  | 62    |  | 1,113 |      | 2,199 |
| Remeasurements of defined benefit plans   | -     |  | 19    |  | 19    |      | -     |
| Share of other comprehensive income of associates accounted for using equity method | 16    |  | 4     |  | 12    |      | 15    |
| Total other comprehensive income  | 1,748 |  | 792   |  | 956   |      | 2,495 |
| Comprehensive income  | 3,150 |  | 3,091 |  | 59    | 1.9  | 4,142 |