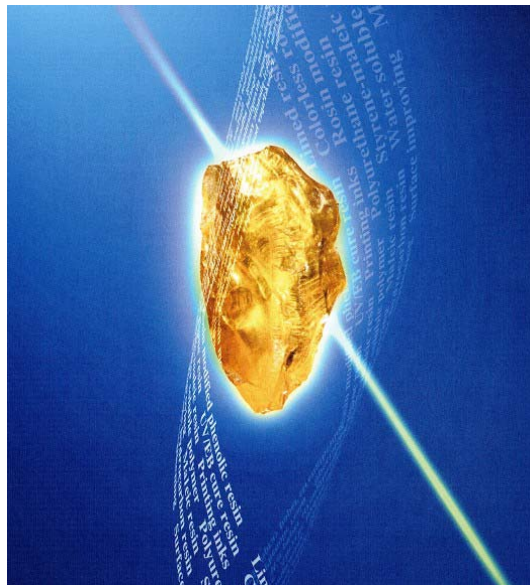


DATA BOOK 2012

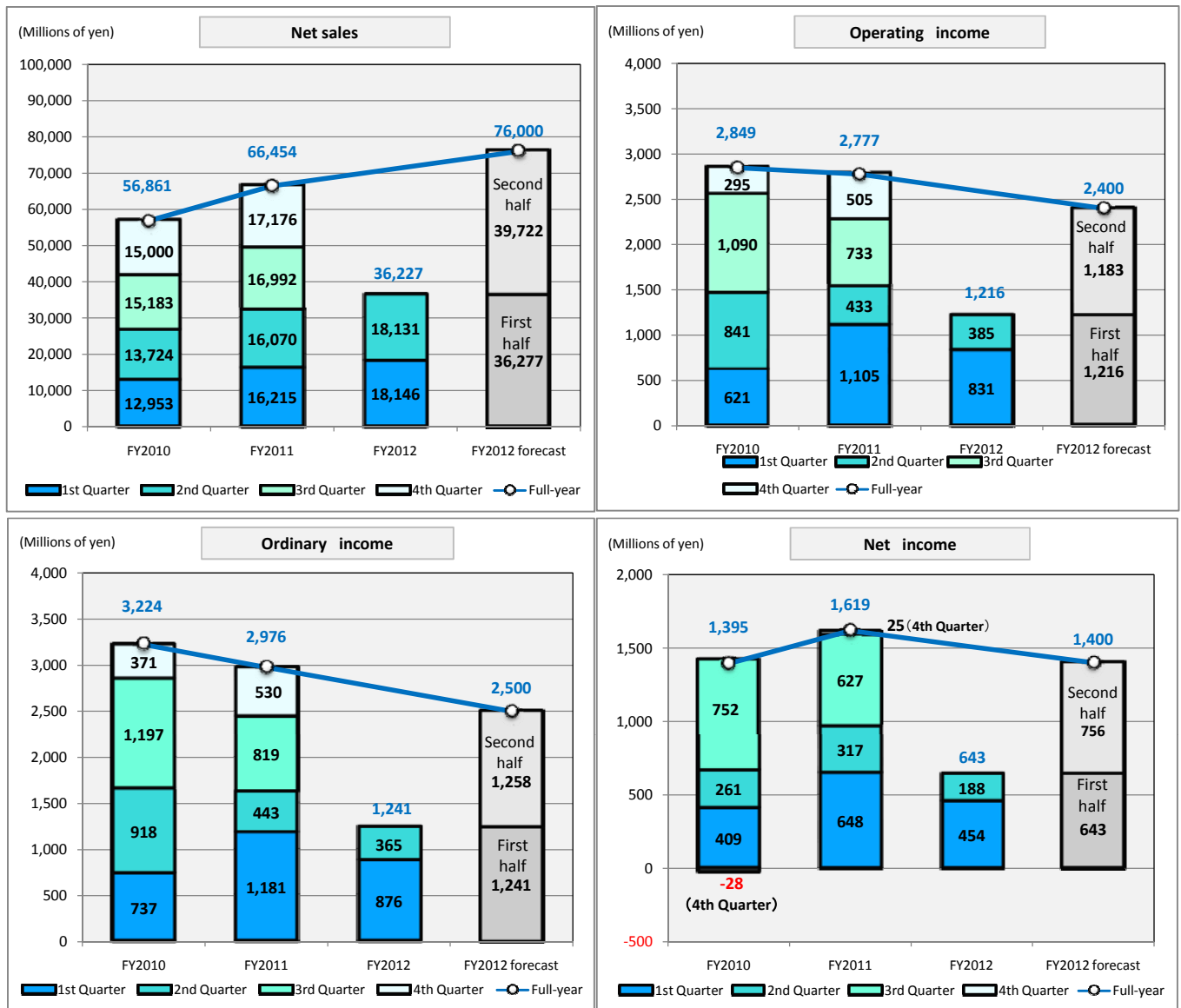
November 1st, 2011

2nd Quarter ended September 30, 2011



ARAKAWA CHEMICAL INDUSTRIES, LTD.

*** Achievement Transition(Consolidated)**

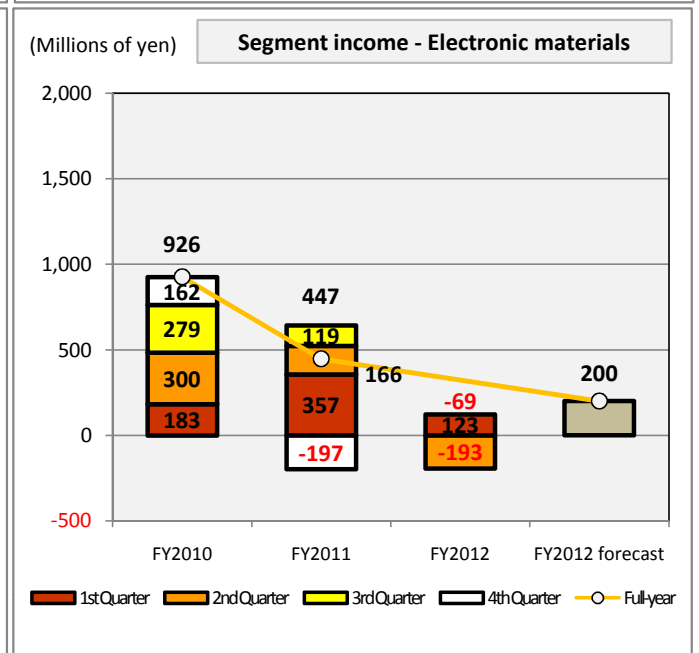
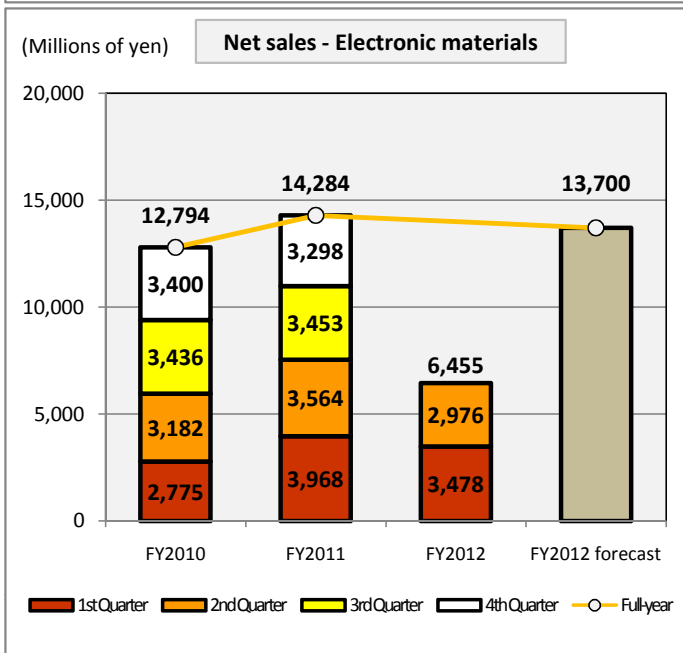
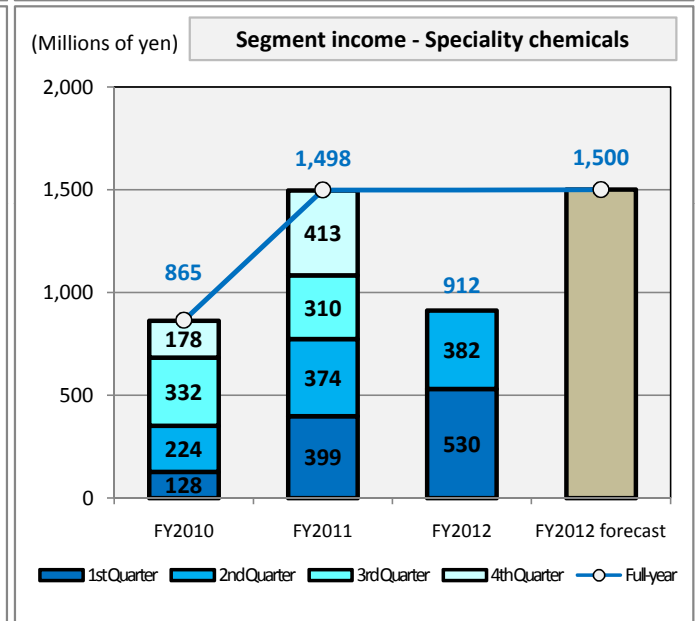
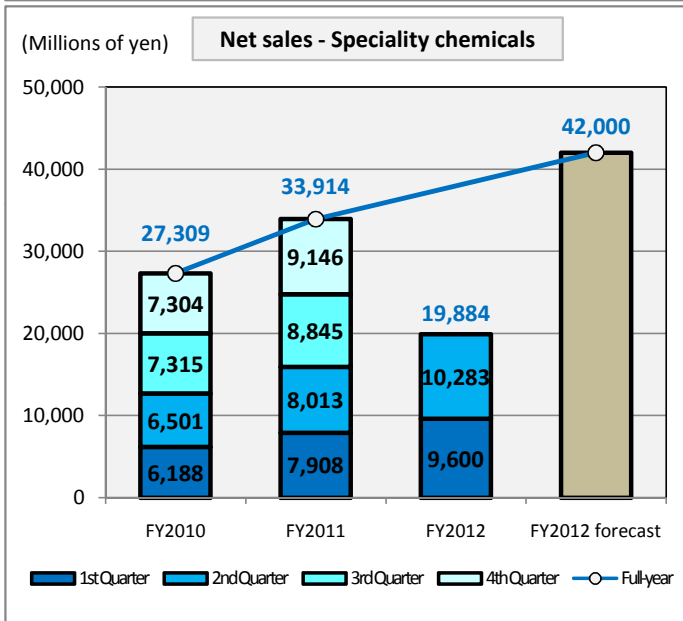
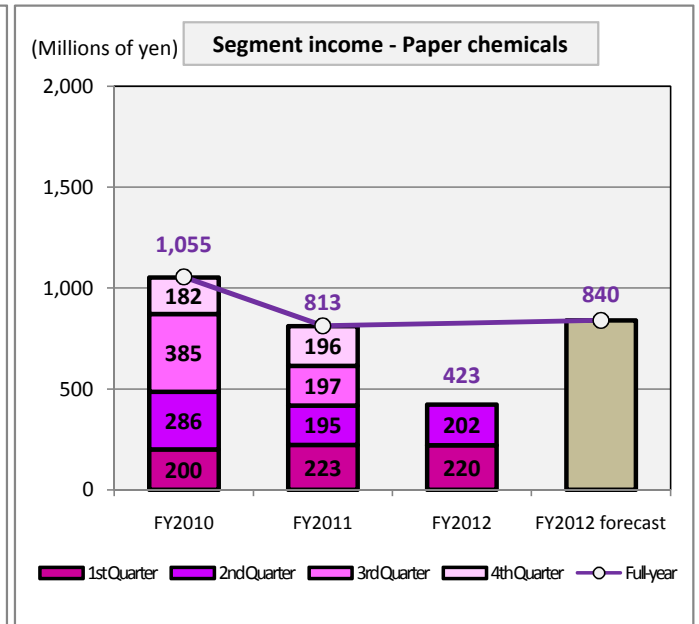
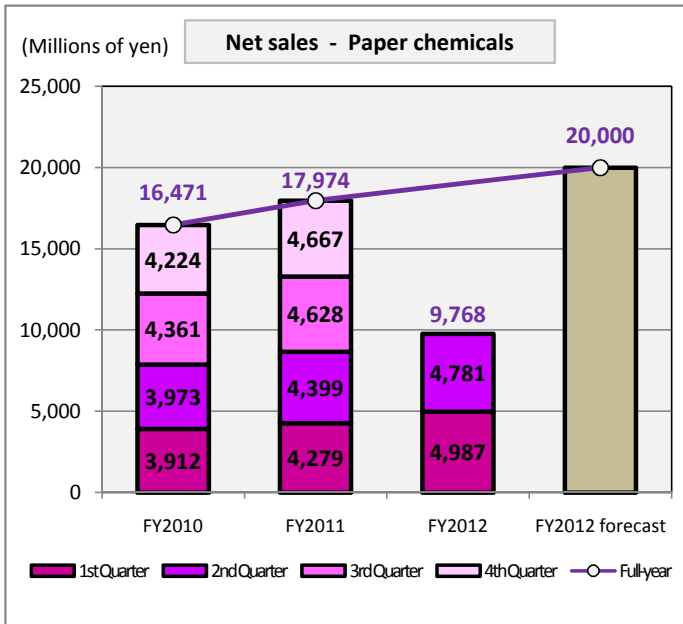


Consolidated	FY2010(2Q) (‘09/4-‘09/9)		FY2011(2Q) (‘10/4-‘10/9)		FY2012(2Q) (‘11/4-‘11/9)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Net sales	26,677	△ 21.2	32,285	21.0	36,277	12.4	56,861	△ 5.2	66,454	16.9	76,000	14.4
Operating income	1,463	3.0	1,538	5.1	1,216	△ 20.9	2,849	155.1	2,777	△ 2.5	2,400	△ 13.6
Ordinary income	1,656	6.5	1,625	△ 1.9	1,241	△ 23.6	3,224	149.6	2,976	△ 7.7	2,500	△ 16.0
Net income	671	△ 39.2	965	43.9	643	△ 33.4	1,395	112.3	1,619	16.1	1,400	△ 13.6

*** Management Index(Consolidated)**

Consolidated	FY2010(2Q) (‘09/4-‘09/9)		FY2011(2Q) (‘10/4-‘10/9)		FY2012(2Q) (‘11/4-‘11/9)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
	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	590	△ 80	523	△ 67	2,600	2,076	3,106	1,756	3,258	152	8,000	4,741
Depreciation and amortization	1,028	△ 14	1,107	79	1,511	403	2,185	2	2,409	223	3,400	990
R & D expenses	1,308	△ 33	1,385	76	1,435	49	2,830	193	2,743	△ 86	2,900	156
Interest-bearing debt	8,455	453	10,362	1,907	20,851	10,488	9,109	△ 1,038	19,396	10,287	21,500	2,103

*** Segment Information(Consolidated)**



*** Segment Information(Consolidated)**

Consolidated		FY2010(2Q) (‘09/4-‘09/9)		FY2011(2Q) (‘10/4-‘10/9)		FY2012(2Q) (‘11/4-‘11/9)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
		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	7,885	—	8,679	10.1	9,768	12.5	16,471	—	17,974	9.1	20,000	11.3
	Segment income	486	—	419	△ 13.9	423	1.1	1,055	—	813	△ 22.9	840	3.2
	Segment income/sales	6.2%		4.8%		4.3%		6.4%		4.5%		4.2%	
Speciality chemicals	Net sales	12,689	—	15,922	25.5	19,884	24.9	27,309	—	33,914	24.2	42,000	23.8
	Segment income	353	—	774	119.1	912	17.8	865	—	1,498	73.2	1,500	0.1
	Segment income/sales	2.8%		4.9%		4.6%		3.2%		4.4%		3.6%	
Electronic materials	Net sales	5,957	—	7,532	26.4	6,455	△ 14.3	12,794	—	14,284	11.7	13,700	△ 4.1
	Segment income(loss)	483	—	524	8.4	△ 69	—	926	—	447	△ 51.7	200	△ 55.3
	Segment income/sales	8.1%		7.0%		△ 1.1%		7.2%		3.1%		1.5%	
Others	Net sales	144	—	151	4.9	169	11.7	285	—	280	△ 1.9	300	7.1
	Segment income	4	—	0	△ 89.6	5	—	6	—	10	54.5	10	△ 1.0
	Segment income/sales	2.8%		0.3%		3.3%		2.3%		3.6%		3.3%	
Consolidated total	Net sales	26,677	—	32,285	21.0	36,277	12.4	56,861	—	66,454	16.9	76,000	14.4
	Segment income	1,328	—	1,718	29.4	1,272	△ 26.0	2,853	—	2,769	△ 3.0	2,550	△ 7.9
	Segment income/sales	5.0%		5.3%		3.5%		5.0%		4.2%		3.4%	

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

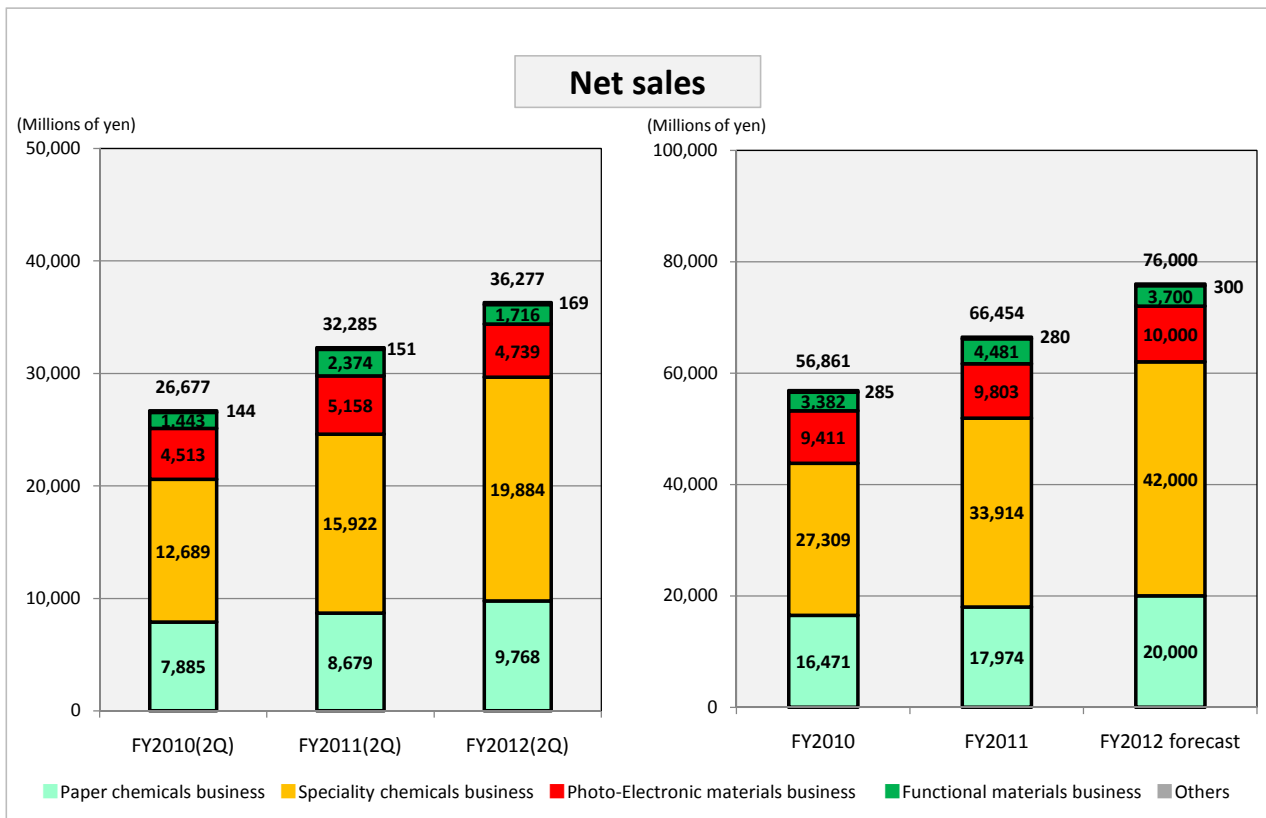
* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

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

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

* OthersInsurance business, Real estate agent, etc.

* Business Segment Information(Consolidated)



Consolidated	FY2010(2Q) (‘09/4-‘09/9)		FY2011(2Q) (‘10/4-‘10/9)		FY2012(2Q) (‘11/4-‘11/9)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
	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 business	7,885	△ 27.8	8,679	10.1	9,768	12.5	16,471	△ 13.5	17,974	9.1	20,000	11.3
Speciality chemicals business	12,689	△ 20.3	15,922	25.5	19,884	24.9	27,309	△ 6.3	33,914	24.2	42,000	23.8
Total basis business	20,575	△ 23.3	24,601	19.6	29,652	20.5	43,781	△ 9.2	51,889	18.5	62,000	19.5
Share	77.1%		76.2%		81.7%		77.0%		78.1%		81.6%	
Photo-Electronic materials business	4,513	△ 7.4	5,158	14.3	4,739	△ 8.1	9,411	13.7	9,803	4.2	10,000	2.0
Functional materials business	1,443	△ 27.8	2,374	64.4	1,716	△ 27.7	3,382	6.8	4,481	32.5	3,700	△ 17.4
Total expansion business	5,957	△ 13.3	7,532	26.4	6,455	△ 14.3	12,794	11.8	14,284	11.7	13,700	△ 4.1
Share	22.3%		23.3%		17.8%		22.5%		21.5%		18.0%	
Others	144	△ 15.2	151	4.9	169	11.7	285	△ 7.5	280	△ 1.9	300	7.1
Total	26,677	△ 21.2	32,285	21.0	36,277	12.4	56,861	△ 5.2	66,454	16.9	76,000	14.4

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

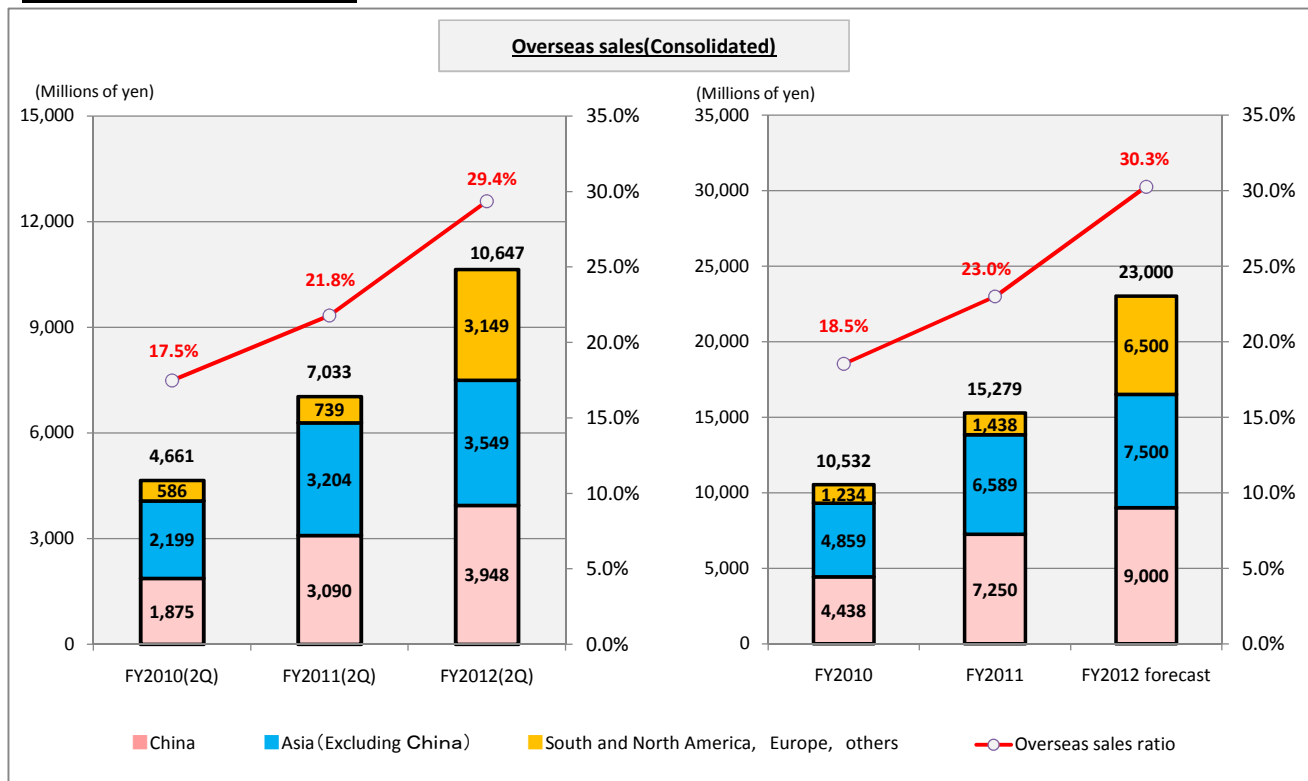
* Speciality chemicals business.....Printing ink resin, Paint resin, Adhesive resin, Polymerization emulsifier, Colorless rosin derivatives, etc.

* Photo-Electronic materials business.....UV/EB curable resin, Compound materials for electronics, Organic/inorganic hybrid resin, etc.

* Functional materials business.....Flux cleaning solvent, Flux cleaning system, Functional fine chemical materials, Solder paste, etc.

* OthersInsurance business, Real estate agent, etc.

*** Overseas Sales(Consolidated)**



Consolidated	FY2010(2Q) (‘09/4-‘09/9)		FY2011(2Q) (‘10/4-‘10/9)		FY2012(2Q) (‘11/4-‘11/9)		FY2010 (‘09/4-‘10/3)		FY2011 (‘10/4-‘11/3)		FY2012 forecast (‘11/4-‘12/3)	
	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	4,661	△ 22.7	7,033	50.9	10,647	51.4	10,532	0.9	15,279	45.1	23,000	50.5
Overseas sales in Asia	4,074	△ 21.5	6,294	54.5	7,497	19.1	9,297	3.3	13,840	48.9	16,500	19.2
Overseas sales in China	1,875	△ 15.8	3,090	64.8	3,948	27.8	4,438	6.9	7,250	63.4	9,000	24.1
Overseas sales ratio	17.5%		21.8%		29.4%		18.5%		23.0%		30.3%	

Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2011(2Q)		FY2012(2Q)		FY2011		Increase /Decrease (A) - (B)
	(As of September 30, 2010)		(As of September 30, 2011)		(As of March 31, 2011)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	6,547		6,121		6,443		△ 322
2. Notes and accounts receivable-trade	23,255		25,887		25,554		332
3. Merchandise and finished goods	5,891		7,487		6,818		668
4. Work in process	652		840		763		76
5. Raw materials and supplies	3,638		6,144		6,074		70
6. Deferred tax assets	600		666		695		△ 28
7. Other	683		1,093		1,187		△ 94
Allowance for doubtful accounts	△ 103		△ 116		△ 110		△ 5
Total current assets	41,166	62.3	48,124	62.6	47,427	62.0	697
II Noncurrent assets							
1. Property, plant and equipment							
(1) Buildings and structures	6,469		7,794		6,929		864
(2) Machinery, equipment and vehicles	4,029		7,996		7,581		415
(3) Land	5,423		4,704		5,328		△ 623
(4) Construction in progress	3,694		2,705		3,428		△ 723
(5) Other	579		495		578		△ 83
Total property, plant and equipment	20,196	30.6	23,696	30.8	23,846	31.2	△ 150
2. Intangible assets							
(1) Goodwill	-		209		214		△ 5
(2) Other	413		606		514		92
Total intangible assets	413	0.6	815	1.1	729	1.0	86
3. Investments and other assets							
(1) Investment securities	3,542		3,699		3,861		△ 162
(2) Deferred tax assets	283		278		286		△ 8
(3) Other	521		291		313		△ 22
Allowance for doubtful accounts	△ 23		△ 21		△ 23		2
Total investments and other assets	4,323	6.5	4,247	5.5	4,438	5.8	△ 190
Total noncurrent assets	24,933	37.7	28,759	37.4	29,013	38.0	△ 254
Total assets	66,099	100.0	76,884	100.0	76,441	100.0	442

(Unit: Millions of yen)

Item	FY2011(2Q)		FY2012(2Q)		FY2011		Increase /Decrease (A) - (B)
	(As of September 30, 2010)		(As of September 30, 2011)		(As of March 31, 2011)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable-trade	10,631		10,980		11,999		△ 1,018
2. Short-term loans payable	9,530		12,098		11,549		548
3. Income taxes payable	508		242		226		15
4. Provision for bonuses	967		908		864		44
5. Provision for directors' bonuses	24		20		40		△ 20
6. Provision for repairs	62		-		93		△ 93
7. Provision for loss on disaster	-		208		270		△ 61
8. Notes payable-facilities	117		286		214		71
9. Other	3,971		2,860		3,564		△ 704
Total current liabilities	25,815	39.2	27,605	35.9	28,824	37.7	△ 1,218
II Noncurrent liabilities							
1. Bonds payable	-		5,000		5,000		-
2. Long-term loans payable	832		3,753		2,847		905
3. Provision for retirement benefits	2,062		2,013		2,078		△ 64
4. Provision for repairs	0		17		-		17
5. Asset retirement obligations	82		98		96		2
6. Other	190		178		188		△ 10
Total noncurrent liabilities	3,166	4.8	11,060	14.4	10,210	13.4	850
Total liabilities	28,982	43.8	38,666	50.3	39,034	51.1	△ 368
(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	29,777		30,571		30,180		391
4. Treasury stock	△ 11		△ 11		△ 11		△ 0
Total shareholders' equity	36,245	54.7	37,038	48.2	36,647	47.9	391
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	342		322		528		△ 206
2. Deferred losses on hedges	18		-		-		-
3. Foreign currency translation adjustment	△ 621		△ 326		△ 895		568
Total accumulated other comprehensive income	△ 260	△ 0.4	△ 3	△ 0.0	△ 366	△ 0.5	362
III Minority interests	1,132	1.7	1,183	1.5	1,126	1.5	56
Total net assets	37,117	56.2	38,218	49.7	37,407	48.9	811
Total liabilities and net assets	66,099	100.0	76,884	100.0	76,441	100.0	442

Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2011(2Q)		FY2012(2Q)			Increase /Decrease		FY2011		
	' 10/4-' 10/9		' 11/4-' 11/9					10/4-' 11/3		
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio		
I Net sales	32,285	100.0	36,277	100.0	3,991	12.4		66,454	100.0	
II Cost of sales	25,249	78.2	29,501	81.3	4,252	16.8		52,992	79.7	
Gross profit	7,036	21.8	6,775	18.7	△ 260	△ 3.7		13,462	20.3	
III Selling, general and administrative expenses	5,498	17.0	5,558	15.3	60	1.1		10,684	16.1	
Operating income	1,538	4.8	1,216	3.4	△ 321	△ 20.9		2,777	4.2	
IV Non-operating income										
1. Interest income	3		2					42		
2. Dividends income	48		62					90		
3. Technical support fee	52		0					133		
4. Real estate rent	52		58					109		
5. Equity in earnings of affiliates	35		-					66		
6. Foreign exchange gains	-		-					-		
7. Other	64	256	107	232	0.6	△ 23	△ 9.2	108	550	0.8
V Non-operating expenses										
1. Interest expenses	83		147					216		
2. Foreign exchange losses	57		26					57		
3. Other	28	169	33	207	0.6	38	22.8	78	352	0.5
Ordinary income	1,625	5.0	1,241	3.4	△ 383	△ 23.6		2,976	4.5	
VI Extraordinary income										
1. Gain on sales of noncurrent assets	47		104					98		
2. Gains on negative goodwill	-		12					-		
3. Reversal of allowance for doubtful accounts	11		-					13		
4. State subsidy	-		-					15		
5. Gain on step acquisitions	-	58	-	117	0.3	58	100.7	38	166	0.2
VII Extraordinary loss										
1. Loss on sales and retirement of noncurrent assets	18		25					255		
2. Loss on disaster	-		93					328		
3. Loss on valuation of noncurrent assets	0		3					6		
4. Loss on sales of investment securities	0		0					0		
5. Loss on valuation of investment securities	-		22					-		
6. Loss on adjustment for changes of accounting standard for asset retirement obligations	59	78	-	146	0.4	68	87.2	67	657	1.0
Income before income taxes	1,605	5.0	1,211	3.3	△ 393	△ 24.5		2,484	3.7	
Income taxes-current	517		286					903		
Income taxes-deferred	64	582	180	467	1.2	△ 115	△ 19.8	△ 147	756	1.1
Income before minority interests	1,023	3.2	744	2.1	△ 278	△ 27.2		1,727	2.6	
Minority interests in income	57	0.2	101	0.3	44	78.0		107	0.2	
Net income	965	3.0	643	1.8	△ 322	△ 33.4		1,619	2.4	

<Reference> Statements of Comprehensive Income(Consolidated)

Income before minority interests	1,023	744	△ 278	△ 27.2	1,727
Other comprehensive income					
Valuation difference on available-for-sale securities	△ 310	△ 206	104		△ 124
Deferred losses on hedges	18	-	△ 18		-
Foreign currency translation adjustment	△ 173	582	755		△ 469
Share of other comprehensive income of associates accounted for using equity method	△ 58	-	58		△ 59
Total other comprehensive income	△ 524	376	900		△ 653
Comprehensive income	498	1,121	622	124.9	1,074

Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2011(2Q)	FY2012(2Q)	Increase /Decrease (B)–(A)	FY2011
	'10/4-'10/9 Amount(A)	'11/4-'11/9 Amount (B)		10/4-'11/3 Amount
I Net cash provided by (used in) operating				
Income before income taxes	1,605	1,211	△ 393	2,484
Depreciation and amortization	1,107	1,511	403	2,409
Amortization of goodwill	–	23	23	–
Gain on negative goodwill	–	△ 12	△ 12	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	59	–	△ 59	67
Increase (decrease) in allowance for doubtful accounts	△ 10	3	14	△ 8
Increase (decrease) in provision for bonuses	△ 82	44	126	△ 185
Increase (decrease) in provision for directors' bonuses	△ 21	△ 20	1	△ 5
Increase (decrease) in provision for retirement benefits	△ 1	△ 67	△ 65	△ 14
Increase (decrease) in provision for loss on disaster	–	△ 61	△ 61	0
Loss on disaster	–	93	93	328
Loss (gain) on valuation of investment securities	–	22	22	–
Loss (gain) on sales of investment securities	0	0	0	0
Loss (gain) on sales and retirement of noncurrent assets	△ 28	△ 79	△ 50	156
Interest and dividends income	△ 51	△ 65	△ 14	△ 133
Interest expenses	83	147	64	216
Equity in (earnings) losses of affiliates	△ 35	–	35	△ 66
Decrease (increase) in notes and accounts receivable–trade	△ 1,639	△ 201	1,438	△ 2,890
Decrease (increase) in inventories	426	△ 725	△ 1,152	△ 2,423
Increase (decrease) in notes and accounts payable–trade	566	△ 1,123	△ 1,689	1,010
Other, net	△ 212	121	333	△ 808
Sub-total	1,765	823	△ 941	139
Interest and dividends income received	97	67	△ 29	156
Interest expenses paid	△ 85	△ 153	△ 68	△ 219
Payments for loss on disaster	–	△ 91	△ 91	△ 37
Income taxes paid	△ 1,172	△ 230	942	△ 1,848
Net cash provided by (used in) operating activities	605	416	△ 189	△ 1,810
II Net cash provided by (used in) investment activities				
Decrease (increase) in time deposits	–	△ 0	△ 0	1
Purchase of property, plant and equipment	△ 1,491	△ 2,525	△ 1,034	△ 4,042
Proceeds from sales of property, plant and equipment	48	718	669	188
Purchase of investment securities	△ 352	△ 208	143	△ 362
Proceeds from sales of investment securities	2	0	△ 1	2
Purchase of intangible assets	△ 54	△ 149	△ 94	△ 199
Purchase of investments in subsidiaries	–	△ 32	△ 32	0
Proceeds from investments in subsidiaries' equity resulting in change in scope of consolidation	–	–	–	421
Purchase of investments in capital of subsidiaries	–	–	–	△ 1,236
Decrease (increase) in other investments	△ 51	3	55	△ 58
Payments of loans receivable	–	–	–	△ 2,552
Other, net	△ 5	△ 5	0	△ 6
Net cash provided by (used in) investment activities	△ 1,905	△ 2,199	△ 294	△ 7,846
III Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term loans payable	2,000	419	△ 1,580	2,906
Proceeds from long-term loans payable	–	2,000	2,000	3,410
Repayment of long-term loans payable	△ 675	△ 770	△ 94	△ 1,382
Proceeds from issuance of bonds	–	–	–	4,965
Purchase of treasury stock	△ 0	△ 0	0	△ 0
Cash dividends paid	△ 261	△ 251	10	△ 513
Cash dividends paid to minority shareholders	–	△ 13	△ 13	△ 34
Net cash provided by (used in) financing activities	1,062	1,384	321	9,352
IV Effect of exchange rate change on cash and cash equivalents	△ 72	76	148	△ 107
V Net increase (decrease) in cash and cash equivalents	△ 309	△ 322	△ 13	△ 411
VI Cash and cash equivalents, beginning of term	6,745	6,333	△ 411	6,745
VII Cash and cash equivalents, end of term	6,436	6,011	△ 424	6,333