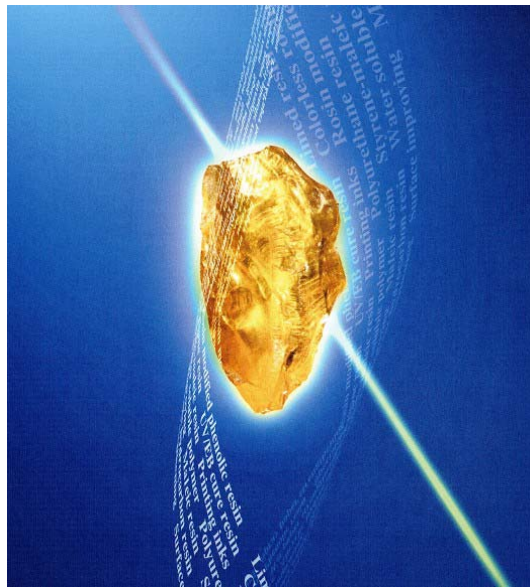


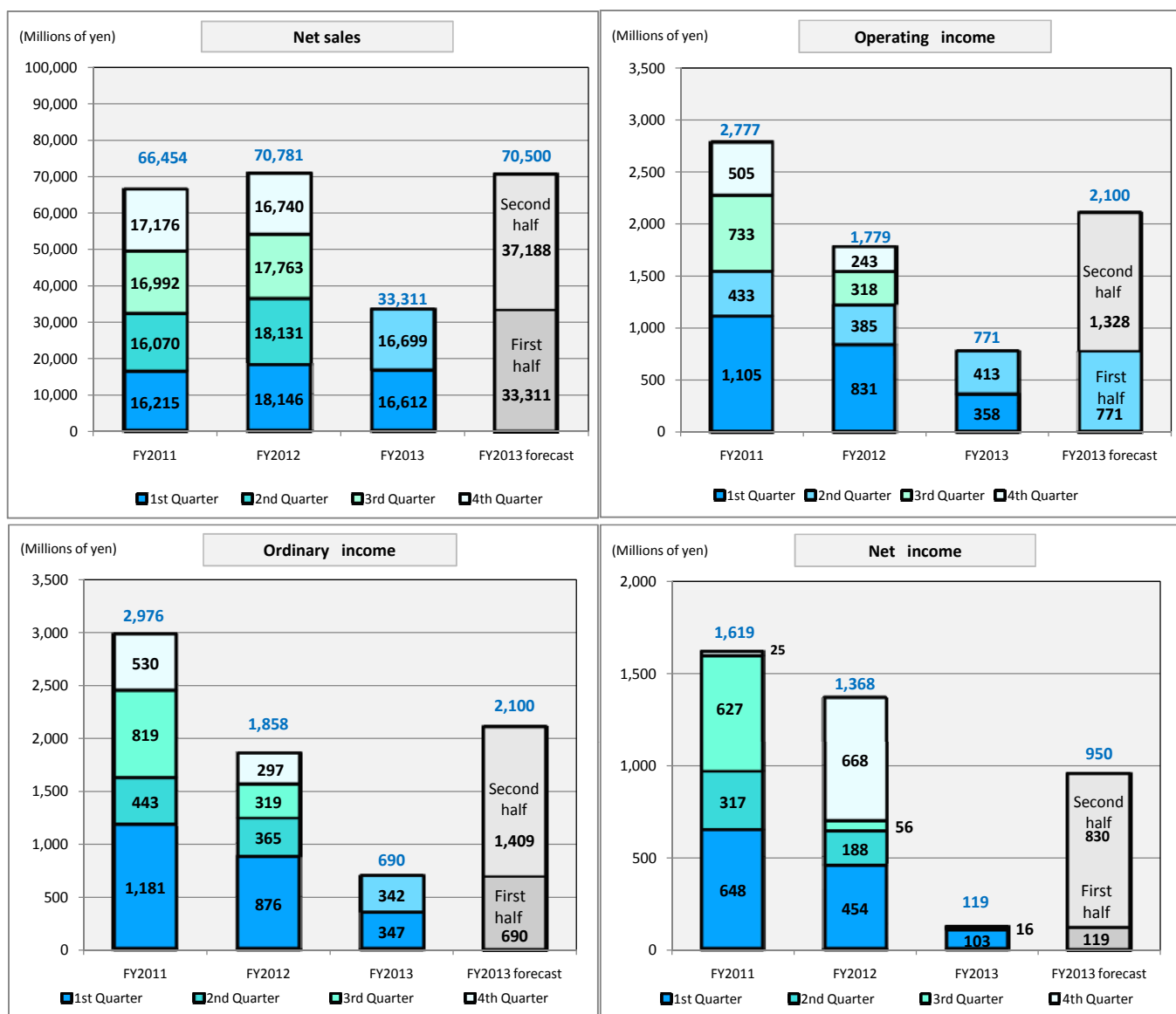
# DATA BOOK 2013

November 1st, 2012

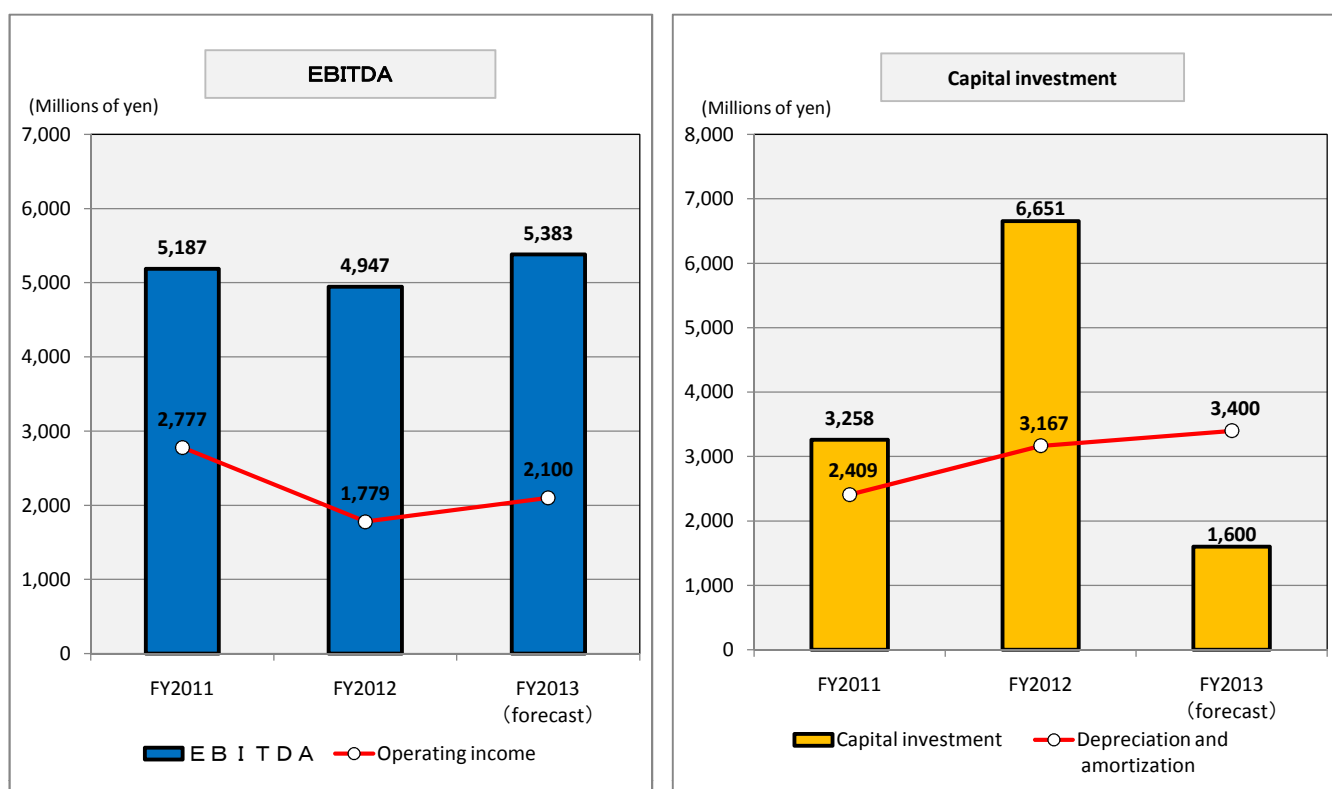
2nd Quarter ended September 30, 2012



**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

**\* Achievement Transition(Consolidated)**

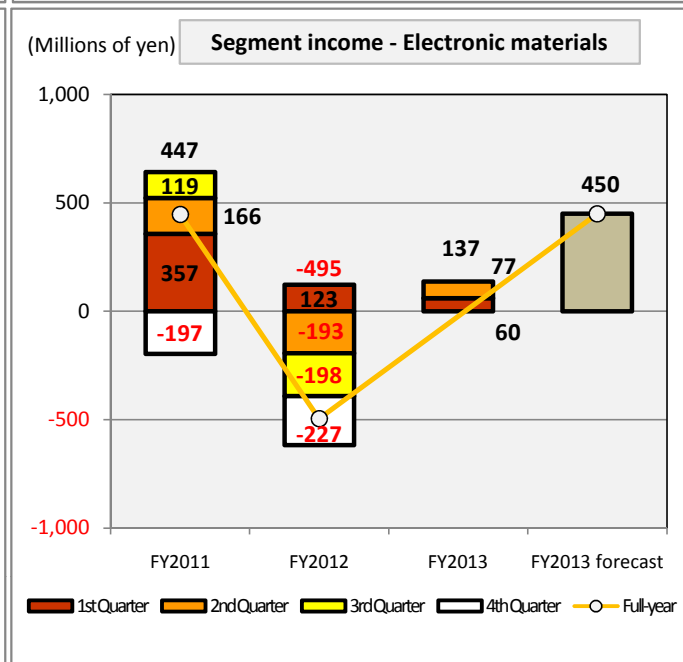
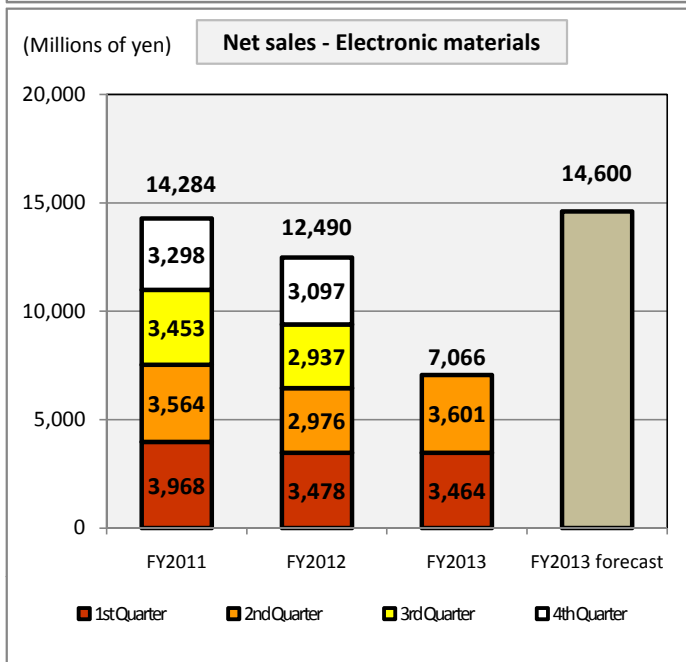
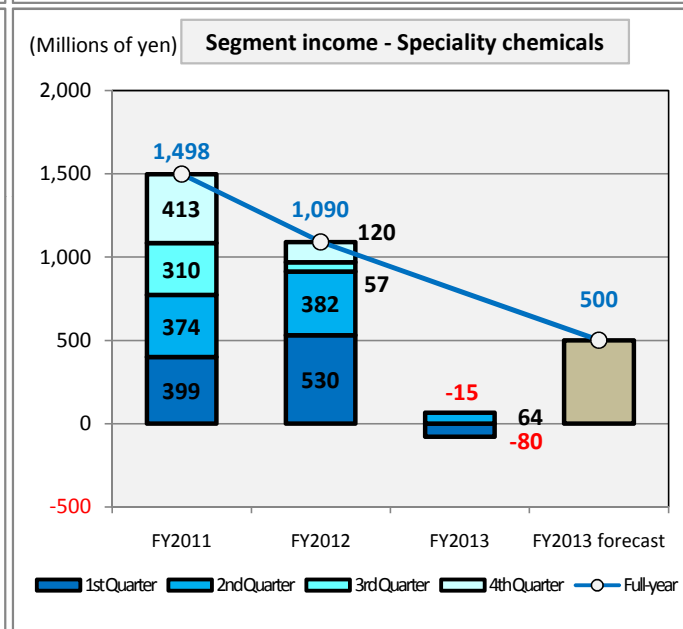
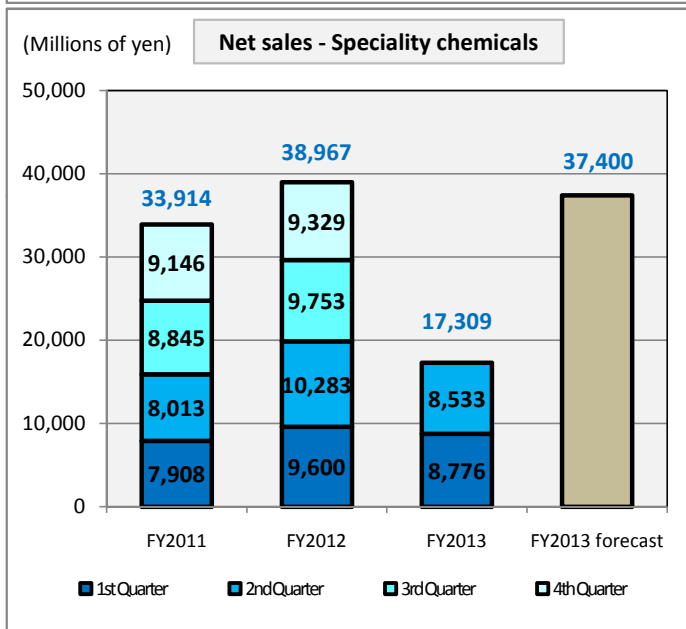
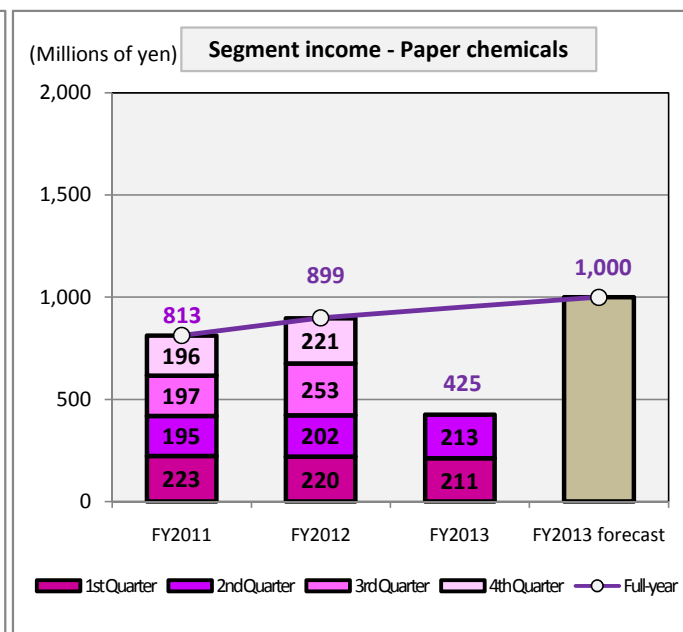
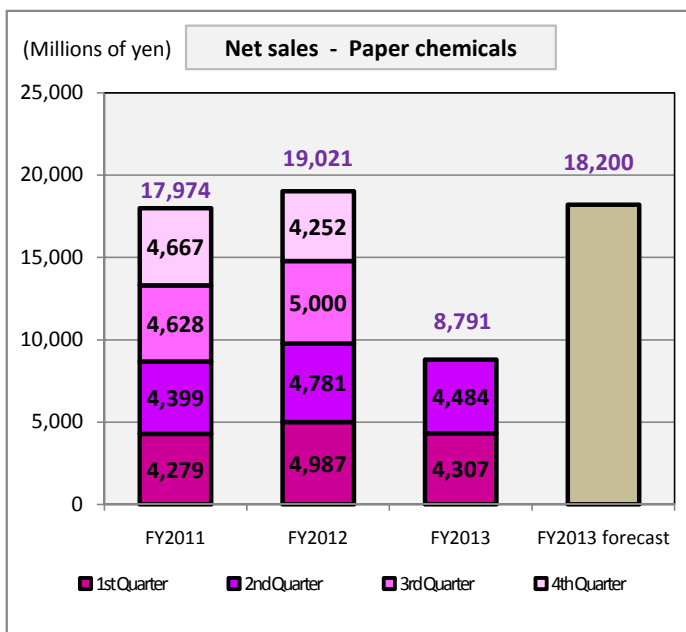
Consolidated	FY2011(2Q) (‘10/4-‘10/6)		FY2012(2Q) (‘11/4-‘11/6)		FY2013(2Q) (‘12/4-‘12/6)		FY2011 (‘10/4-‘11/3)		FY2012 (‘11/4-‘12/3)		FY2013 forecast (‘12/4-‘13/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Net sales	32,285	21.0	36,277	12.4	33,311	△ 8.2	66,454	16.9	70,781	6.5	70,500	△ 0.4
Operating income	1,538	5.1	1,216	△ 20.9	771	△ 36.6	2,777	△ 2.5	1,779	△ 36.0	2,100	18.0
Ordinary income	1,625	△ 1.9	1,241	△ 23.6	690	△ 44.4	2,976	△ 7.7	1,858	△ 37.6	2,100	13.0
Net income	965	43.9	643	△ 33.4	119	△ 81.4	1,619	16.1	1,368	△ 15.5	950	△ 30.6

**\* Management Index Transition**

Consolidated	FY2011(2Q) (‘10/4-‘10/9)		FY2012(2Q) (‘11/4-‘11/9)		FY2013(2Q) (‘12/4-‘12/9)		FY2011 (‘10/4-‘11/3)		FY2012 (‘11/4-‘12/3)		FY2013 forecast (‘12/4-‘13/3)	
	Millions of	%Change	Millions of	%Change	Millions of	%Change	Millions of	%Change	Millions of	%Change	Millions of	%Change
Capital investment	523	△ 67	2,600	2,076	527	△ 2,073	3,258	152	6,651	3,392	1,600	△ 5,051
Depreciation and amortization	1,107	79	1,511	403	1,650	138	2,409	223	3,167	758	3,400	232
R & D expenses	1,385	76	1,435	49	1,347	△ 87	2,743	△ 86	2,887	143	2,800	△ 87
Interest-bearing debt	10,362	1,907	20,851	10,488	18,695	△ 2,155	19,396	10,287	20,211	814	18,500	△ 1,711
EBITDA	2,646	154	2,728	82	2,305	△ 422	5,187	152	4,947	△ 240	5,383	436

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

**\* Segment Information(Consolidated)**



**\* Segment Information(Consolidated)**

Consolidated		FY2011(2Q) ('10/4-'10/9)		FY2012(2Q) ('11/4-'11/9)		FY2013(2Q) ('12/4-'12/9)		FY2011 ('10/4-'11/3)		FY2012 ('11/4-'12/3)		FY2013 forecast ('12/4-'13/3)	
		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	8,679	10.1	9,768	12.5	8,791	△ 10.0	17,974	9.1	19,021	5.8	18,200	△ 4.3
	Segment income	419	△ 13.9	423	1.1	425	0.3	813	△ 22.9	899	10.5	1,000	11.2
	Segment income/sales	4.8%		4.3%		4.8%		4.5%		4.7%		5.5%	
Speciality chemicals	Net sales	15,922	25.5	19,884	24.9	17,309	△ 13.0	33,914	24.2	38,967	14.9	37,400	△ 4.0
	Segment income(loss)	774	119.1	912	17.8	△ 15	—	1,498	73.2	1,090	△ 27.2	500	△ 54.1
	Segment income/sales	4.9%		4.6%		△ 0.1%		4.4%		2.8%		1.3%	
Electronic materials	Net sales	7,532	26.4	6,455	△ 14.3	7,066	9.5	14,284	11.7	12,490	△ 12.6	14,600	16.9
	Segment income	524	8.4	△ 69	—	137	—	447	△ 51.7	△ 495	—	450	—
	Segment income/sales	7.0%		△ 1.1%		2.0%		3.1%		△ 4.0%		3.1%	
Others	Net sales	151	4.9	169	11.7	144	△ 14.8	280	△ 1.9	301	7.6	300	△ 0.5
	Segment income	0	△ 89.6	5	—	1	△ 72.1	10	54.5	12	27.9	10	△ 22.6
	Segment income/sales	0.3%		3.3%		1.1%		3.6%		4.3%		3.3%	
Consolidated total	Net sales	32,285	21.0	36,277	12.4	33,311	△ 8.2	66,454	16.9	70,781	6.5	70,500	△ 0.4
	Segment income	1,718	29.4	1,272	△ 26.0	549	△ 56.8	2,769	△ 3.0	1,506	△ 45.6	1,960	30.1
	Segment income/sales	5.3%		3.5%		1.6%		4.2%		2.1%		2.8%	

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

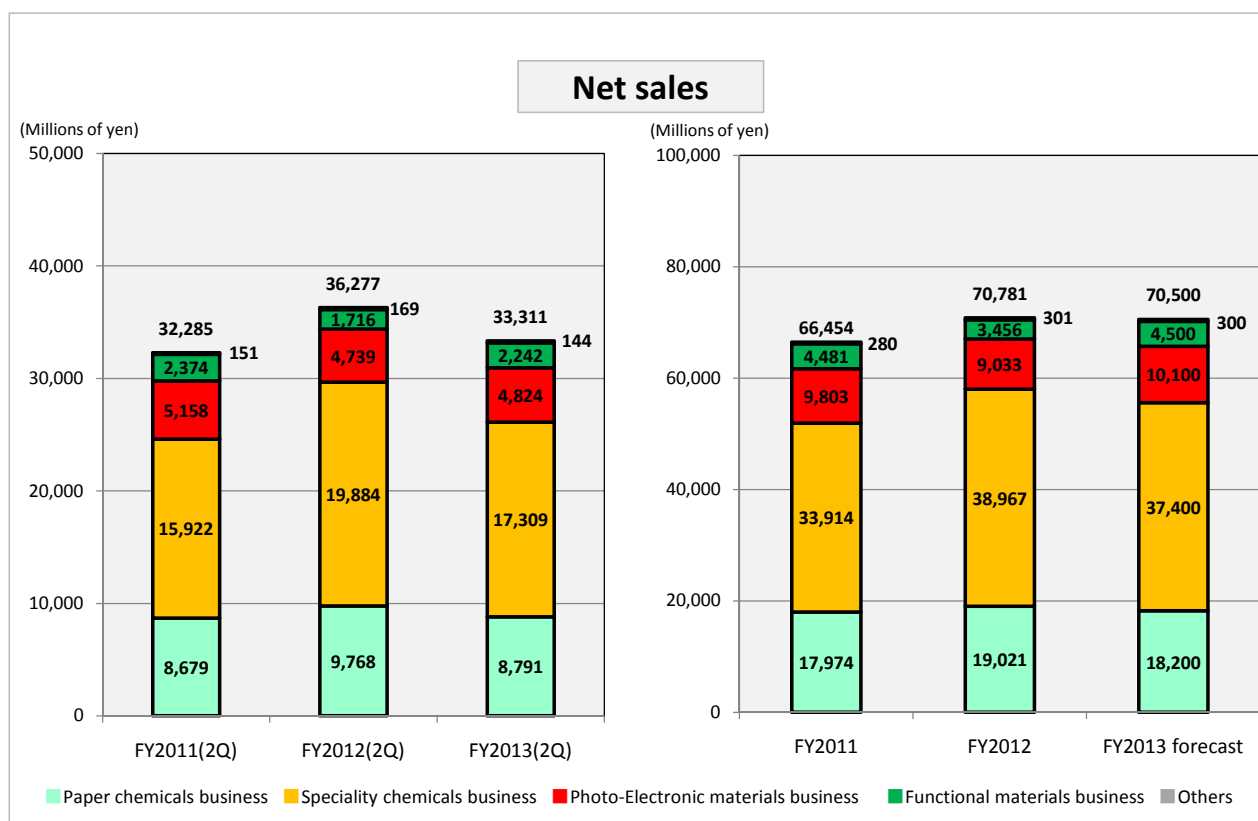
\* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

\* 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 materials etc.

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

## \* Business Segment Information(Consolidated)



Consolidated	FY2011(2Q) (‘10/4-‘10/9)		FY2012(2Q) (‘11/4-‘11/9)		FY2013(2Q) (‘12/4-‘12/9)		FY2011 (‘10/4-‘11/3)		FY2012 (‘11/4-‘12/3)		FY2013 forecast (‘12/4-‘13/3)	
	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	8,679	10.1	9,768	12.5	8,791	△ 10.0	17,974	9.1	19,021	5.8	18,200	△ 4.3
Speciality chemicals business	15,922	25.5	19,884	24.9	17,309	△ 13.0	33,914	24.2	38,967	14.9	37,400	△ 4.0
Total basis business	24,601	19.6	29,652	20.5	26,101	△ 12.0	51,889	18.5	57,989	11.8	55,600	△ 4.1
Share	76.2%		81.7%		78.4%		78.1%		81.9%		78.9%	
Photo-Electronic materials business	5,158	14.3	4,739	△ 8.1	4,824	1.8	9,803	4.2	9,033	△ 7.9	10,100	11.8
Functional materials business	2,374	64.4	1,716	△ 27.7	2,242	30.7	4,481	32.5	3,456	△ 22.9	4,500	30.2
Total expansion business	7,532	26.4	6,455	△ 14.3	7,066	9.5	14,284	11.7	12,490	△ 12.6	14,600	16.9
Share	23.3%		17.8%		21.2%		21.5%		17.6%		20.7%	
Others	151	4.9	169	11.7	144	△ 14.8	280	△ 1.9	301	7.6	300	△ 0.5
Total	32,285	21.0	36,277	12.4	33,311	△ 8.2	66,454	16.9	70,781	6.5	70,500	△ 0.4

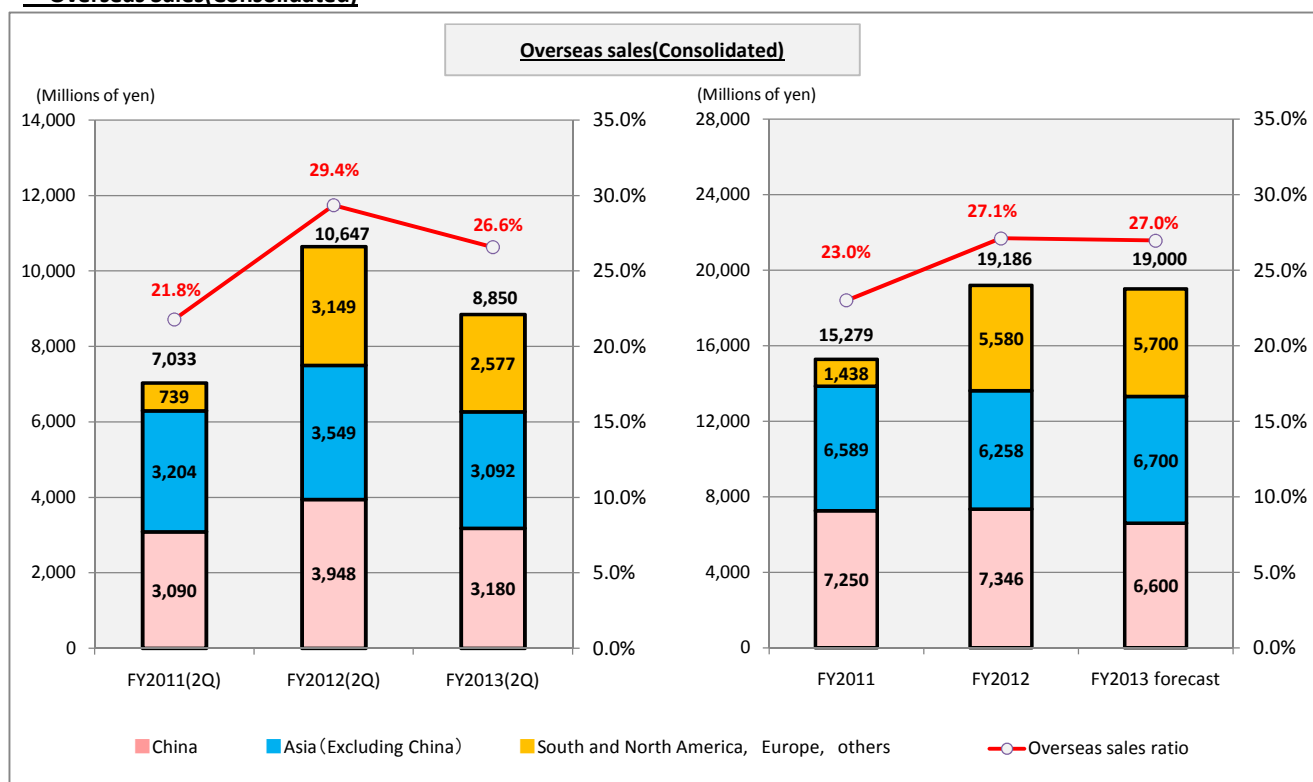
\* Paper chemicals business.....Size agent, Paper strengthening agent, Ratex, etc.

\* 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.

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

**\* Overseas Sales(Consolidated)**

Consolidated	FY2011(2Q) (‘10/4-‘10/9)		FY2012(2Q) (‘11/4-‘11/9)		FY2013(2Q) (‘12/4-‘12/9)		FY2011 (‘10/4-‘11/3)		FY2012 (‘11/4-‘12/3)		FY2013 forecast (‘12/4-‘13/3)	
	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	7,033	50.9	10,647	51.4	8,850	△ 16.9	15,279	45.1	19,186	25.6	19,000	△ 1.0
Overseas sales in Asia	6,294	54.5	7,497	19.1	6,273	△ 16.3	13,840	48.9	13,605	△ 1.7	13,300	△ 2.2
Overseas sales in China	3,090	64.8	3,948	27.8	3,180	△ 19.4	7,250	63.4	7,346	1.3	6,600	△ 10.2
Overseas sales ratio	21.8%		29.4%		26.6%		23.0%		27.1%		27.0%	

Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2012(2Q)		FY2013(2Q)		FY2012		Increase /Decrease (A) - (B)
	(As of September 30, 2011)		(As of September 30, 2012)		(As of March 31, 2012)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
<b>I Current assets</b>							
1. Cash and deposits	6,121		5,724		5,678		45
2. Notes and accounts receivable-trade	25,887		26,774		27,482	△	707
3. Merchandise and finished goods	7,487		6,774		6,890	△	116
4. Work in process	840		773		693		80
5. Raw materials and supplies	6,144		5,684		5,742	△	58
6. Deferred tax assets	666		635		508		127
7. Other	1,093		1,070		1,439	△	369
Allowance for doubtful accounts	△ 116		△ 125		△ 115	△	10
Total current assets	48,124	62.6	47,313	63.6	48,321	62.7	△ 1,007
<b>II Noncurrent assets</b>							
1. Property, plant and equipment							
(1) Buildings and structures	7,794		8,360		8,700	△	339
(2) Machinery, equipment and vehicles	7,996		8,225		9,151	△	925
(3) Land	4,704		4,701		4,700		1
(4) Construction in progress	2,705		37		50	△	13
(5) Other	495		402		408	△	5
Total property, plant and equipment	23,696	30.8	21,727	29.2	23,010	29.8	△ 1,282
2. Intangible assets							
(1) Goodwill	209		165		160		5
(2) Other	606		627		634	△	7
Total intangible assets	815	1.1	793	1.0	795	1.0	△ 1
3. Investments and other assets							
(1) Investment securities	3,699		3,752		4,074	△	322
(2) Deferred tax assets	278		562		563	△	1
(3) Other	291		292		350	△	57
Allowance for doubtful accounts	△ 21		△ 8		△ 7	△	0
Total investments and other assets	4,247	5.5	4,599	6.2	4,981	6.5	△ 381
Total noncurrent assets	28,759	37.4	27,120	36.4	28,786	37.3	△ 1,666
Total assets	76,884	100.0	74,433	100.0	77,108	100.0	△ 2,674



(Unit: Millions of yen)

Item	FY2012(2Q)		FY2013(2Q)		FY2012		Increase /Decrease (A) - (B)
	(As of September 30, 2011)		(As of September 30, 2012)		(As of March 31, 2012)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Liabilities)		%		%		%	
<b>I Current liabilities</b>							
1. Notes and accounts payable-trade	10,980		11,318		11,782		△ 464
2. Short-term loans payable	12,098		11,075		12,131		△ 1,055
3. Income taxes payable	242		152		197		△ 45
4. Accrued consumption taxes	35		215		36		178
5. Provision for bonuses	908		912		810		102
6. Provision for directors' bonuses	20		18		37		△ 19
7. Provision for repairs	-		79		-		79
8. Provision for loss on disaster	208		-		-		-
9. Asset retirement obligations	-		-		15		△ 15
10. Notes payable-facilities	286		157		90		66
11. Other	2,824		2,704		3,720		△ 1,016
Total current liabilities	27,605	35.9	26,633	35.8	28,822	37.4	△ 2,189
<b>II Noncurrent liabilities</b>							
1. Bonds payable	5,000		5,000		5,000		-
2. Long-term loans payable	3,753		2,619		3,080		△ 460
3. Deferred tax liabilities	-		66		64		2
4. Provision for retirement benefits	2,013		1,832		1,920		△ 88
5. Provision for repairs	17		-		51		△ 51
6. Asset retirement obligations	98		85		84		0
7. Other	178		270		173		96
Total noncurrent liabilities	11,060	14.4	9,874	13.2	10,375	13.4	△ 500
Total liabilities	38,666	50.3	36,507	49.0	39,197	50.8	△ 2,689
(Net assets)							
<b>I Shareholders' equity</b>							
1. Capital stock	3,128		3,128		3,128		-
2. Capital surplus	3,350		3,350		3,350		-
3. Retained earnings	30,571		30,953		31,065		△ 111
4. Treasury stock	△ 11		△ 11		△ 11		-
Total shareholders' equity	37,038	48.2	37,420	50.3	37,532	48.7	△ 111
<b>II Accumulated other comprehensive income</b>							
1. Valuation difference on available-for-sale securities	322		447		578		△ 130
2. Foreign currency translation adjustment	△ 326		△ 1,091		△ 1,281		189
Total accumulated other comprehensive income	△ 3	△0.0	644	△0.9	△ 703	△0.9	58
<b>III Minority interests</b>	1,183	1.5	1,149	1.6	1,081	1.4	68
Total net assets	38,218	49.7	37,926	51.0	37,910	49.2	15
Total liabilities and net assets	76,884	100.0	74,433	100.0	77,108	100.0	△ 2,674

## Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2012(2Q)		FY2013(2Q)		Increase /Decrease		FY2012	
	' 11/4-' 11/9		' 12/4-' 12/9				11/4-' 12/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio
I Net sales	36,277	100.0	33,311	100.0	△ 2,965	△ 8.2	70,781	100.0
II Cost of sales	29,501	81.3	27,087	81.3	△ 2,414	△ 8.2	58,203	82.2
Gross profit	6,775	18.7	6,224	18.7	△ 551	△ 8.1	12,577	17.8
III Selling, general and administrative expenses	5,558	15.3	5,452	16.4	△ 106	△ 1.9	10,798	15.3
Operating income	1,216	3.4	771	2.3	△ 445	△ 36.9	1,779	2.5
IV Non-operating income								
1. Interest income	2		4				6	
2. Dividends income	62		59				116	
3. Real estate rent	58		58				115	
4. Compensation income	-		50				-	
5. Other	108	232	75	247	15	6.6	197	436
V Non-operating expenses								
1. Interest expenses	147		144				298	
2. Equity in losses of affiliates	-		0				-	
3. Foreign exchange losses	26		29				4	
4. Loss on suspension of operation	-		133				-	
5. Other	33	207	21	329	121	58.4	53	357
Ordinary income	1,241	3.4	690	2.1	△ 551	△ 44.4	1,858	2.6
VI Extraordinary income								
1. Gain on sales of noncurrent assets	104		0				102	
2. Gains on negative goodwill	12		-				12	
3. Gain on sales of investment securities	-		-				0	
4. Gain on liquidation of subsidiaries and affiliates	-		-				51	
5. State subsidy	-		-				15	
6. Reversal of provision for loss on disaster	-	117	0	0.0	△ 116	△ 99.4	140	322
VII Extraordinary loss								
1. Loss on sales and retirement of noncurrent assets	25		12				50	
2. Loss on disaster	93		-				93	
3. Loss on valuation of noncurrent assets	3		-				3	
4. Loss on sales of investment securities	0		-				0	
5. Loss on valuation of investment securities	22		372				22	
6. Loss on abolishment of retirement benefit plan	-	146	-	384	237	161.9	50	221
Income before income taxes	1,211	3.3	306	0.9	△ 905	△ 74.7	1,959	2.7
Income taxes-current	286		201				439	
Income taxes-deferred	180	467	△51	149	△ 317	△ 67.9	17	457
Income before minority interests	744	2.1	156	0.5	△ 588	△ 79.0	1,501	2.1
Minority interests in income	101	0.3	36	0.1	△ 64	△ 63.7	133	0.2
Net income	643	1.8	119	0.4	△ 523	△ 81.4	1,368	1.9

### <Reference> Statements of Comprehensive Income(Consolidated)

Income before minority interests	744		156		△ 588	△ 79.0	1,501	
Other comprehensive income								
Valuation difference on available-for-sale securities	△206		△ 130		75		49	
Foreign currency translation adjustment	582		228		△ 353		△437	
Share of Other Comprehensive Income of Associates Accounted for Using Equity Method	-		△ 7		△ 7		-	
Total other comprehensive income	376		90		△ 286		△388	
Comprehensive income	1,121		247		△ 874	△ 78.0	1,113	

## Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2012(2Q)	FY2013(2Q)	Increase /Decrease (B)–(A)	FY2012
	' 11/4–' 11/9 Amount(A)	' 12/4–' 12/9 Amount (B)		11/4–' 12/3 Amount
<b>I Net cash provided by (used in) operating</b>				
Income before income taxes	1,211	306	△ 905	1,659
Depreciation and amortization	1,511	1,650	138	3,167
Amortization of goodwill	23	22	△ 0	44
Gain on negative goodwill	△ 12	–	12	△ 12
Increase (decrease) in allowance for doubtful accounts	3	10	6	△ 8
Increase (decrease) in provision for bonuses	44	102	58	△ 53
Increase (decrease) in provision for directors' bonuses	△ 20	△ 19	0	△ 2
Increase (decrease) in provision for retirement benefits	△ 67	△ 89	△ 22	△ 155
Increase (decrease) in provision for loss on disaster	△ 61	–	61	△ 270
Loss on disaster	93	–	△ 93	93
Loss (gain) on liquidation of subsidiaries and affiliates	–	–	–	△ 51
Loss (gain) on valuation of investment securities	22	372	349	22
Loss (gain) on sales of investment securities	0	–	△ 0	0
Loss (gain) on sales and retirement of noncurrent assets	△ 79	11	91	△ 52
Interest and dividends income	△ 65	△ 64	1	△ 123
Interest expenses	147	144	△ 2	298
Equity in (earnings) losses of affiliates	–	0	0	–
Decrease (increase) in notes and accounts receivable–trade	△ 201	763	964	△ 2,100
Decrease (increase) in inventories	△ 725	122	848	152
Increase (decrease) in notes and accounts payable–trade	△ 1,123	△ 497	625	△ 65
Other, net	121	532	411	△ 13
<b>Sub-total</b>	823	3,368	2,544	2,829
Interest and dividends income received	67	65	△ 2	129
Interest expenses paid	△ 153	△ 154	△ 0	△ 291
Payments for loss on disaster	△ 91	–	91	△ 138
Income taxes paid	△ 230	11	242	△ 414
Net cash provided by (used in) operating activities	416	3,291	2,875	2,115
<b>II Net cash provided by (used in) investment activities</b>				
Decrease (increase) in time deposits	△ 0	–	0	8
Purchase of property, plant and equipment	△ 2,525	△ 1,542	983	△ 3,365
Proceeds from sales of property, plant and equipment	718	126	△ 592	694
Purchase of investment securities	△ 208	△ 12	196	△ 225
Proceeds from sales of investment securities	0	–	△ 0	5
Purchase of intangible assets	△ 149	△ 97	52	△ 247
Purchase of investments in subsidiaries	△ 32	–	32	△ 32
Payments for investments in capital of subsidiaries and affiliates	–	△ 247	△ 247	△ 92
Purchase of goodwill	–	△ 30	△ 30	–
Decrease (increase) in other investments	3	△ 4	△ 8	△ 4
Other, net	△ 5	–	5	△ 5
Net cash provided by (used in) investment activities	△ 2,199	△ 1,807	392	△ 3,265
<b>III Net cash provided by (used in) financing activities</b>				
Net increase (decrease) in short-term loans payable	419	△ 943	△ 1,362	1,167
Proceeds from long-term loans payable	2,000	100	△ 1,900	2,000
Repayment of long-term loans payable	△ 770	△ 392	377	△ 2,137
Purchase of treasury stock	△ 0	–	0	△ 0
Cash dividends paid	△ 251	△ 231	20	△ 483
Cash dividends paid to minority shareholders	△ 13	–	13	△ 82
Net cash provided by (used in) financing activities	1,384	△ 1,467	△ 2,851	464
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	△ 76	28	△ 48	△ 69
<b>V Net increase (decrease) in cash and cash equivalents</b>	△ 322	45	368	△ 755
<b>VI Cash and cash equivalents, beginning of term</b>	6,333	5,577	△ 755	6,333
<b>VII Cash and cash equivalents, end of term</b>	6,011	5,623	△ 387	5,577