

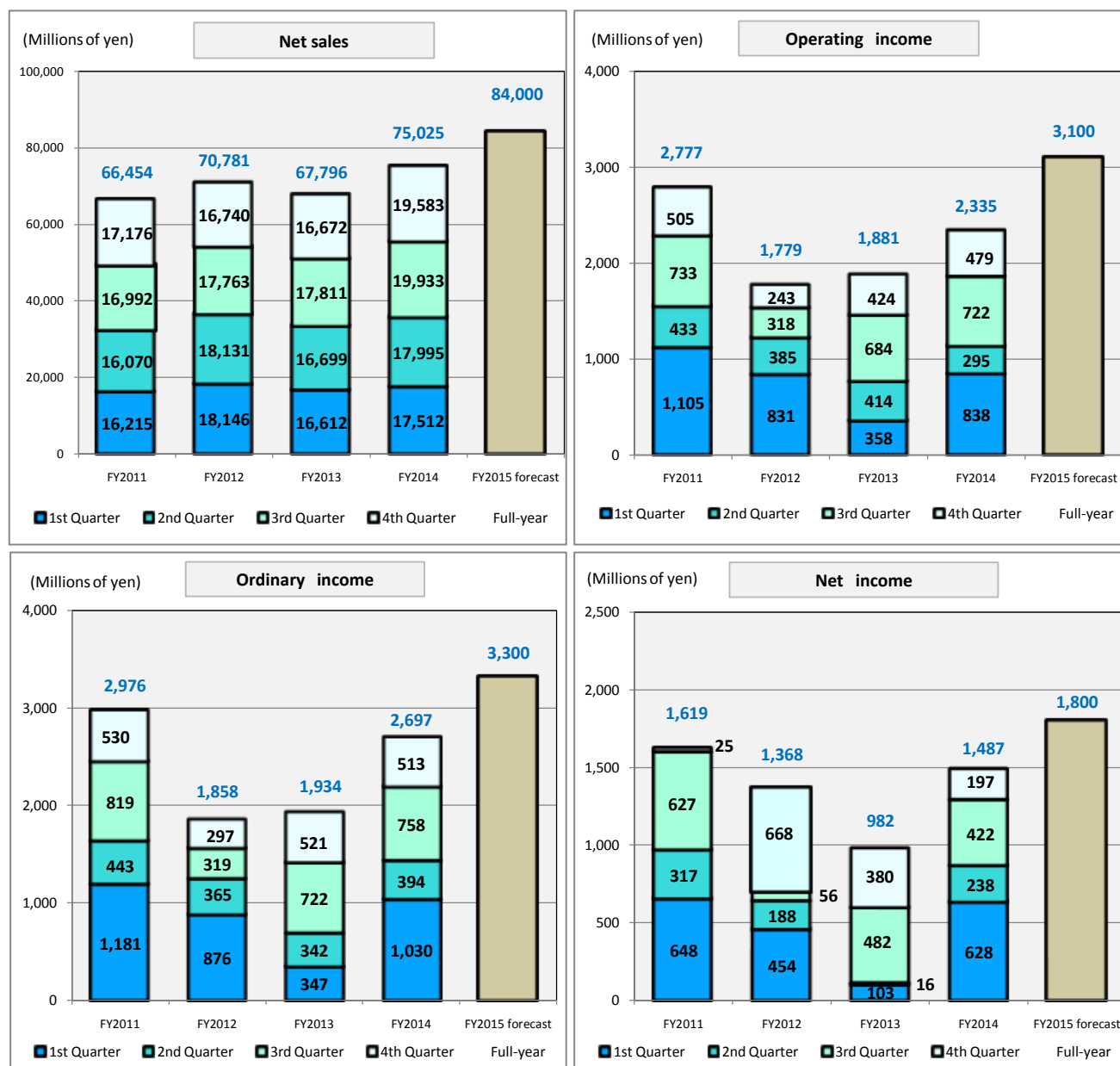
DATA BOOK 2014

May 7th, 2014

Year ended March 31, 2014



ARAKAWA CHEMICAL INDUSTRIES, LTD.

*** Achievement Transition(Consolidated)**

| Consolidated | FY2011 (¹⁰ /4- ¹¹ /3) | | FY2012 (¹¹ /4- ¹² /3) | | FY2013 (¹² /4- ¹³ /3) | | FY2014 (¹³ /4- ¹⁴ /3) | | FY2015 forecast (¹⁴ /4- ¹⁵ /3) | |
|------------------|---|---------|---|---------|---|---------|---|---------|--|---------|
| | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change |
| Net sales | 66,454 | 16.9 | 70,781 | 6.5 | 67,796 | △ 4.2 | 75,025 | 10.7 | 84,000 | 12.0 |
| Operating income | 2,777 | △ 2.5 | 1,779 | △ 36.0 | 1,881 | 5.6 | 2,335 | 24.1 | 3,100 | 32.8 |
| Ordinary income | 2,976 | △ 7.7 | 1,858 | △ 37.6 | 1,934 | 4.1 | 2,697 | 39.4 | 3,300 | 22.4 |
| Net income | 1,619 | 16.1 | 1,368 | △ 15.5 | 982 | △ 28.2 | 1,487 | 51.3 | 1,800 | 21.0 |

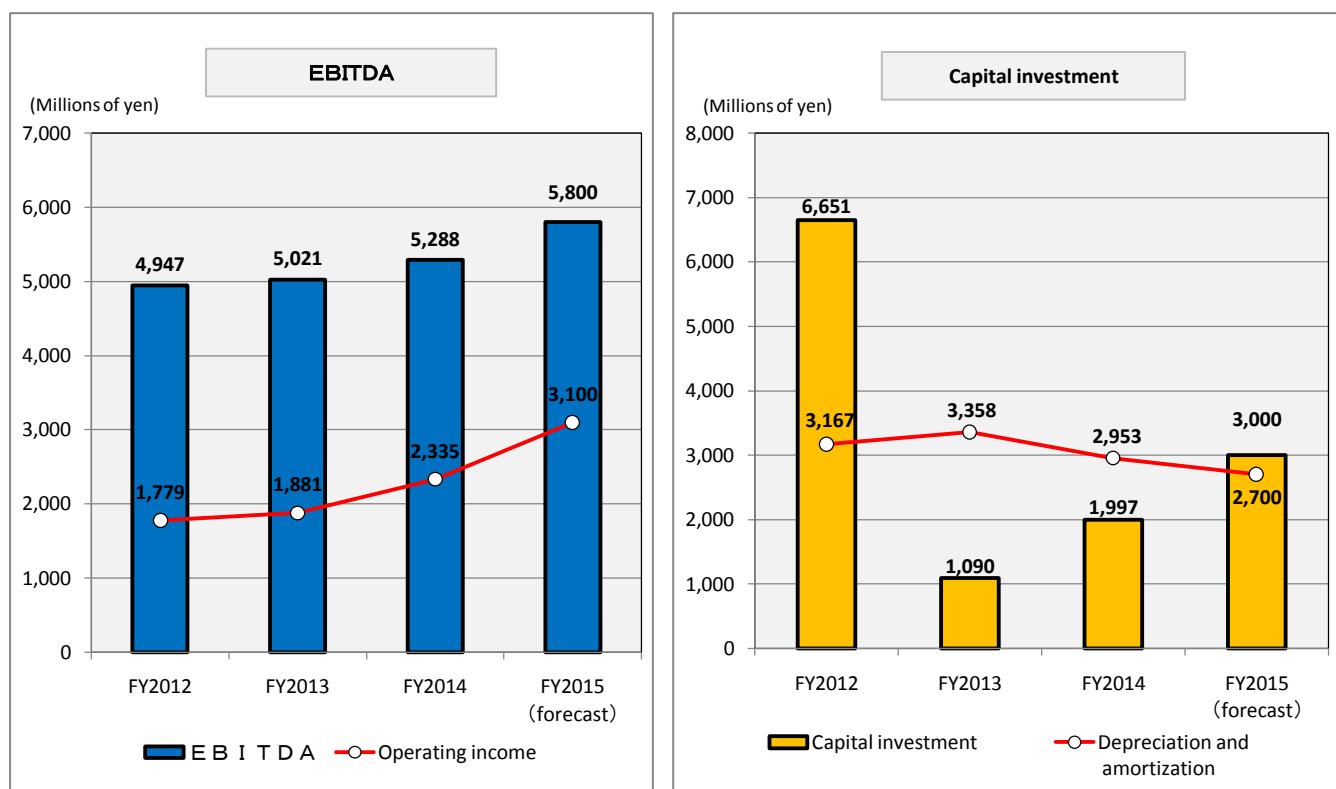
*** Achievement Transition (Non-consolidated)**

| Non-consolidated | FY2011 (¹⁰ /4- ¹¹ /3) | | FY2012 (¹¹ /4- ¹² /3) | | FY2013 (¹² /4- ¹³ /3) | | FY2014 (¹³ /4- ¹⁴ /3) | |
|------------------|---|---------|---|---------|---|---------|---|---------|
| | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change |
| Net sales | 52,010 | 10.2 | 51,899 | △ 0.2 | 49,338 | △ 5.2 | 52,509 | 6.4 |
| Operating income | 1,180 | △ 28.5 | 260 | △ 78.0 | 533 | 26.7 | 106 | △ 80.0 |
| Ordinary income | 2,088 | △ 16.3 | 1,333 | △ 36.2 | 1,269 | △ 4.8 | 1,745 | 37.5 |
| Net income | 1,275 | 14.7 | 840 | △ 34.1 | 759 | △ 9.6 | 1,320 | 73.9 |

* Technical support fee, which has previously been presented as apart of non-operating income, has been presented as a part of net sales from FY2014.

The figures of FY2013 are reflecting this change as well. The figures of FY2011 and FY2012 are presented in previous way.

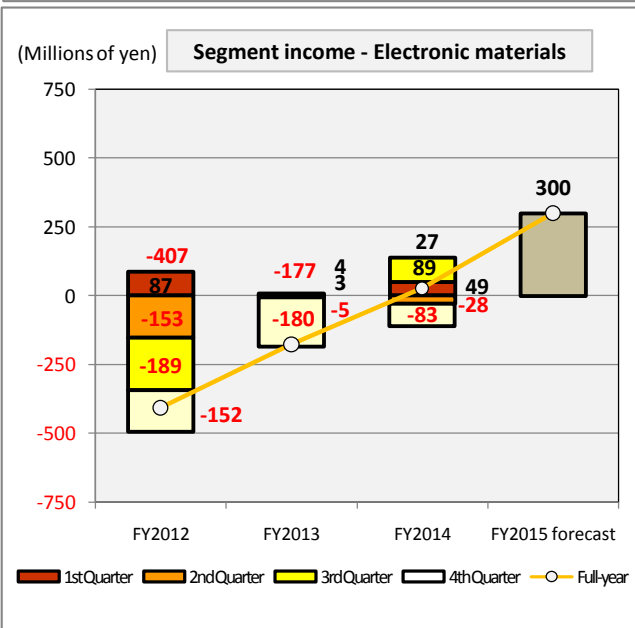
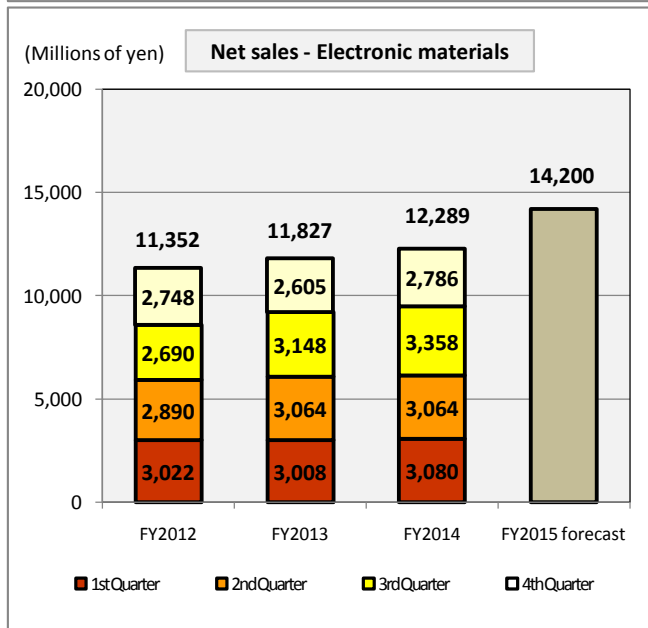
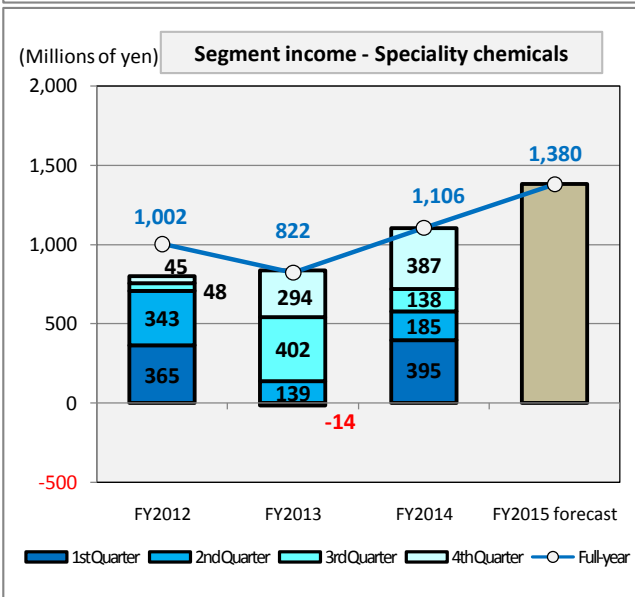
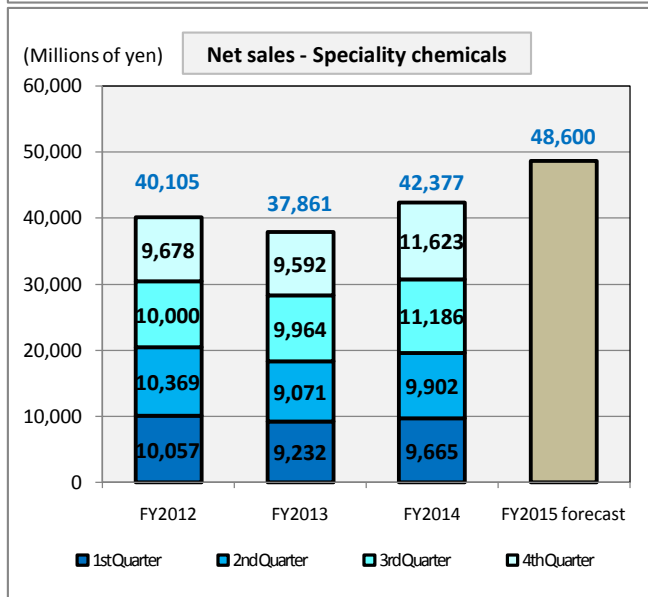
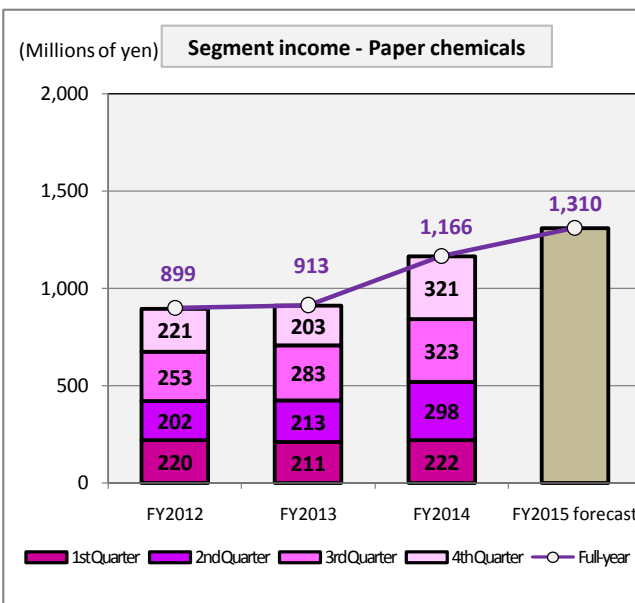
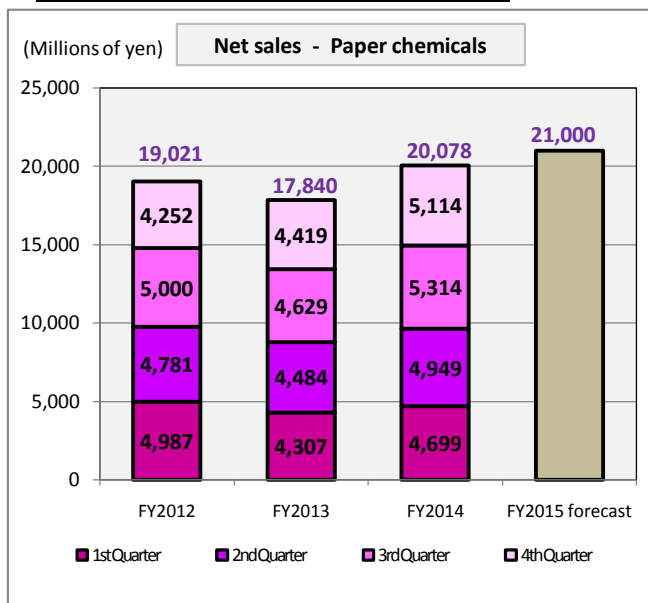
* Management Index Transition



| Consolidated | FY2012 (‘11/4-‘12/3) | | FY2013 (‘12/4-‘13/3) | | FY2014 (‘13/4-‘14/3) | | FY2015 forecast (‘14/4-‘15/3) | |
|-------------------------------|-------------------------|---------|-------------------------|---------|-------------------------|---------|----------------------------------|---------|
| | Millions of | %Change | Millions of | %Change | Millions of | %Change | Millions of | %Change |
| Capital investment | 6,651 | 3,392 | 1,090 | △ 5,561 | 1,997 | 906 | 3,000 | 1,002 |
| Depreciation and amortization | 3,167 | 758 | 3,358 | 190 | 2,953 | △ 405 | 2,700 | △ 253 |
| R & D expenses | 2,887 | 143 | 2,746 | △ 141 | 2,790 | 44 | 2,900 | 109 |
| Interest-bearing debt | 20,211 | 814 | 18,407 | △ 1,803 | 18,605 | 197 | 17,700 | △ 905 |
| EBITDA | 4,947 | △ 240 | 5,021 | 71 | 5,288 | 267 | 5,800 | 511 |

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

*** Segment Information(Consolidated)**



* From FY2014, classification of functional fine chemical materials has been changed from electronic materials to speciality chemicals. The figures of FY2012 and FY2013 stated above have been modified to reflect the operating results based on the business segment after this change.

*** Segment Information(Consolidated)**

| Consolidated | | FY2012 ('11/4-'12/3) | | FY2013 ('12/4-'13/3) | | FY2014 ('13/4-'14/3) | | FY2015 forecast ('14/4-'15/3) | |
|----------------------|----------------------|-------------------------|---------|-------------------------|---------|-------------------------|---------|----------------------------------|---------|
| | | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change |
| Paper chemicals | Net sales | 19,021 | — | 17,840 | △ 6.2 | 20,078 | 12.5 | 21,000 | 4.6 |
| | Segment income | 899 | — | 913 | 1.5 | 1,166 | 27.8 | 1,310 | 12.3 |
| | Segment income/sales | 4.7% | | 5.1% | | 5.8% | | 6.2% | |
| Speciality chemicals | Net sales | 40,105 | — | 37,861 | △ 5.6 | 42,377 | 11.9 | 48,600 | 14.7 |
| | Segment income | 1,002 | — | 822 | △ 17.9 | 1,106 | 34.5 | 1,380 | 24.7 |
| | Segment income/sales | 2.5% | | 2.2% | | 2.6% | | 2.8% | |
| Electronic materials | Net sales | 11,352 | — | 11,827 | 4.2 | 12,289 | 3.9 | 14,200 | 15.5 |
| | Segment income | △ 407 | — | △ 177 | — | 27 | — | 300 | — |
| | Segment income/sales | △ 3.6% | | △ 1.5% | | 0.2% | | 2.1% | |
| Others | Net sales | 301 | — | 267 | △ 11.2 | 279 | 4.3 | 200 | △ 28.4 |
| | Segment income | 12 | — | 0 | △ 94.7 | 9 | — | 10 | 2.0 |
| | Segment income/sales | 4.3% | | 0.3% | | 3.5% | | 5.0% | |
| Consolidated total | Net sales | 70,781 | — | 67,796 | △ 4.2 | 75,025 | 10.7 | 84,000 | 12.0 |
| | Segment income | 1,506 | — | 1,559 | 3.3 | 2,310 | 48.2 | 3,000 | 29.9 |
| | Segment income/sales | 2.1% | | 2.3% | | 3.1% | | 3.6% | |

* From FY2014, classification of functional fine chemical materials has been changed from electronic materials to speciality chemicals. The figures of FY2012 and FY2013 stated above have been modified to reflect the operating results based on the business segment after this change.

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

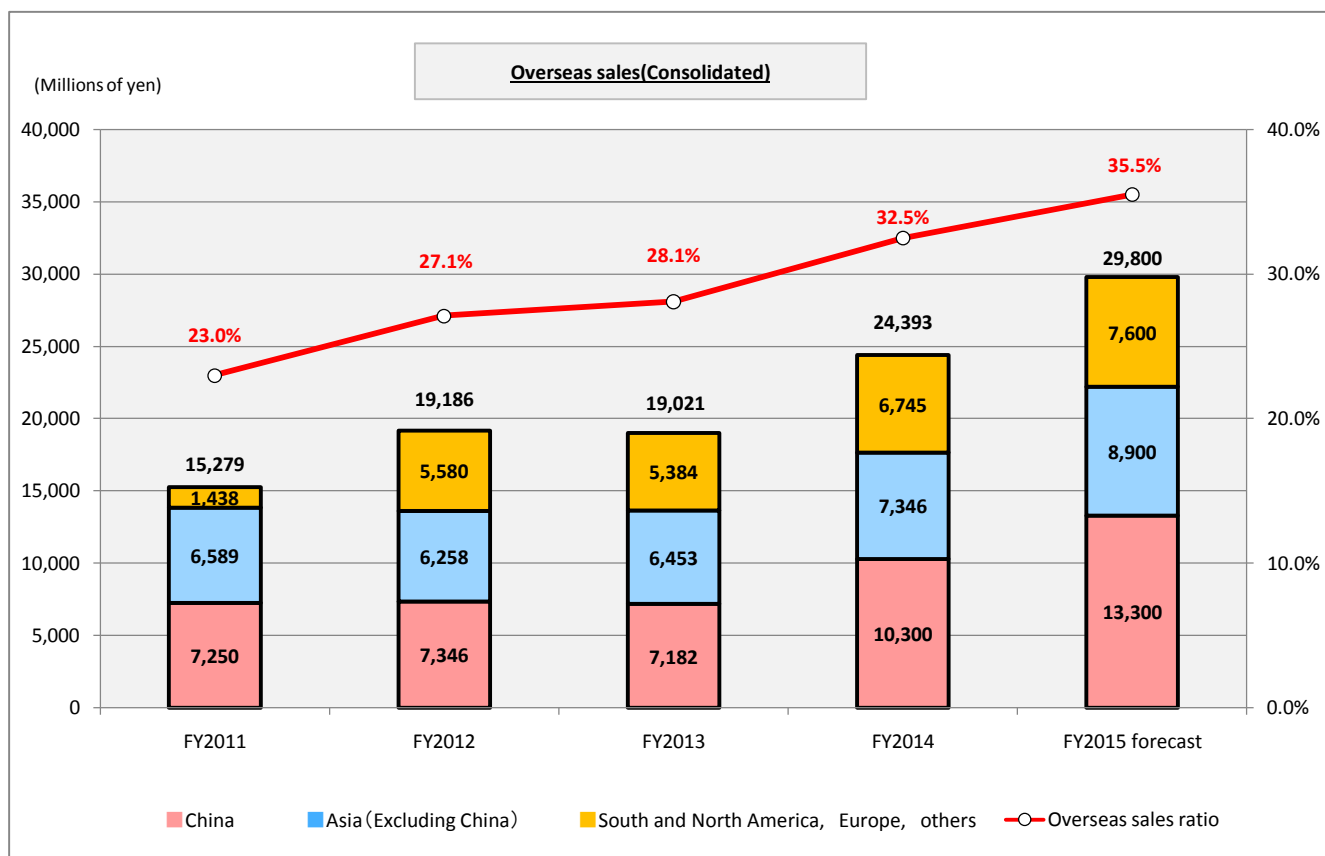
* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

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

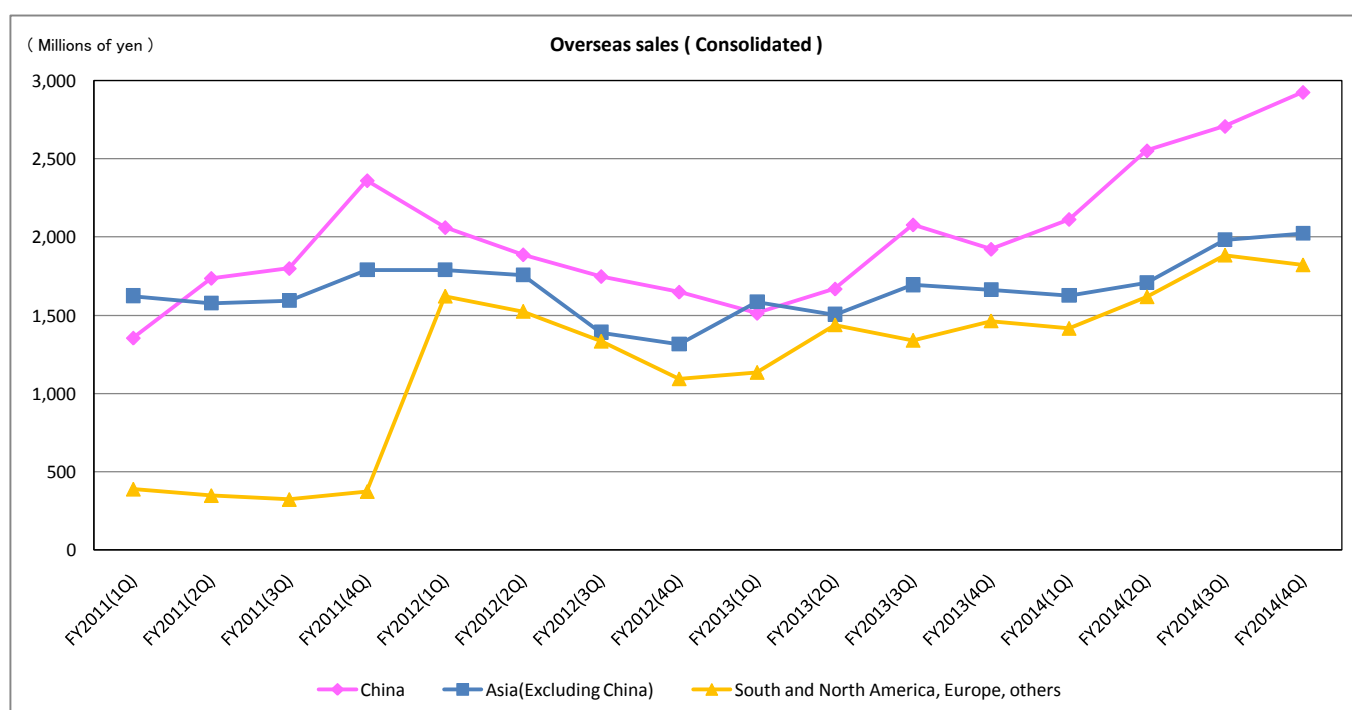
* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Flux cleaning solvent, Flux cleaning system etc.

* OthersInsurance business, Real estate agent, etc.

*** Overseas Sales(Consolidated)**



| Consolidated | FY2011 ('10/4-'11/3) | | FY2012 ('11/4-'12/3) | | FY2013 ('12/4-'13/3) | | FY2014 ('13/4-'14/3) | | FY2015 forecast ('14/4-'15/3) | |
|-------------------------|----------------------|---------|----------------------|---------|----------------------|---------|----------------------|---------|-------------------------------|---------|
| | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change | Millions of yen | %Change |
| Overseas sales | 15,279 | 45.1 | 19,186 | 25.6 | 19,021 | △ 0.9 | 24,393 | 28.2 | 29,800 | 22.2 |
| Overseas sales in Asia | 13,840 | 48.9 | 13,605 | △ 1.7 | 13,636 | 0.2 | 17,647 | 29.4 | 22,200 | 25.8 |
| Overseas sales in China | 7,250 | 63.4 | 7,346 | 1.3 | 7,182 | △ 2.2 | 10,300 | 43.4 | 13,300 | 29.1 |
| Overseas sales ratio | 23.0% | | 27.1% | | 28.1% | | 32.5% | | 35.5% | |



Management Index

| | | FY2010 (‘09/4-‘10/3) | FY2011 (‘10/4-‘11/3) | FY2012 (‘11/4-‘12/3) | FY2013 (‘12/4-‘13/3) | FY2014 (‘13/4-‘14/3) | FY2015 forecast (‘14/4-‘15/3) |
|---|------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------------|
| Capital investment (Completion basis) (Millions of yen) | Consolidated | 3,106 | 3,258 | 6,651 | 1,090 | 1,997 | 3,000 |
| | Non-consolidated | 1,945 | 2,780 | 5,547 | 732 | 1,033 | — |
| Capital investment (Cash flows basis) (Millions of yen) | Consolidated | 3,725 | 4,242 | 3,612 | 2,308 | 1,913 | 2,900 |
| | Non-consolidated | 3,084 | 3,170 | 2,818 | 1,783 | 1,060 | — |
| Depreciation and amortization (Millions of yen) | Consolidated | 2,185 | 2,409 | 3,167 | 3,358 | 2,953 | 2,700 |
| | Non-consolidated | 1,471 | 1,541 | 2,163 | 2,413 | 1,889 | — |
| R & D expenses (Millions of yen) | Consolidated | 2,830 | 2,743 | 2,887 | 2,746 | 2,790 | 2,900 |
| | Non-consolidated | 2,536 | 2,388 | 2,485 | 2,235 | 2,384 | — |
| Interest-bearing debt (Millions of yen) | Consolidated | 9,109 | 19,396 | 20,211 | 18,407 | 18,605 | 17,700 |
| | Non-consolidated | 6,830 | 16,539 | 17,272 | 15,314 | 14,285 | — |
| Debt equity ratio (Times) | Consolidated | 0.25 | 0.53 | 0.55 | 0.47 | 0.44 | 0.41 |
| | Non-consolidated | 0.20 | 0.48 | 0.50 | 0.42 | 0.39 | — |
| Total assets (Millions of yen) | Consolidated | 64,048 | 76,441 | 77,108 | 78,372 | 82,342 | 86,000 |
| | Non-consolidated | 55,247 | 65,527 | 67,365 | 65,832 | 64,533 | — |
| Shareholders' equity (Millions of yen) | Consolidated | 35,762 | 36,280 | 36,829 | 38,888 | 42,408 | 43,700 |
| | Non-consolidated | 33,838 | 34,484 | 34,892 | 35,699 | 36,821 | — |
| Shareholders' equity to total assets (%) | Consolidated | 55.8 | 47.5 | 47.8 | 49.6 | 51.5 | 50.8 |
| | Non-consolidated | 61.2 | 52.6 | 51.8 | 54.2 | 57.1 | — |
| Return on equity (%) | Consolidated | 4.0 | 4.5 | 3.7 | 2.6 | 3.7 | 4.2 |
| | Non-consolidated | 3.3 | 3.7 | 2.4 | 2.2 | 3.6 | — |
| Operating income to net sales (%) | Consolidated | 5.0 | 4.2 | 2.5 | 2.8 | 3.1 | 3.7 |
| | Non-consolidated | 3.5 | 2.3 | 0.5 | 1.1 | 0.2 | — |
| Ordinary income to net sales (%) | Consolidated | 5.7 | 4.5 | 2.6 | 2.9 | 3.6 | 3.9 |
| | Non-consolidated | 5.3 | 4.0 | 2.6 | 2.6 | 3.3 | — |
| Earnings per share (Yen) | Consolidated | 69.28 | 80.43 | 67.96 | 48.81 | 73.86 | 89.38 |
| | Non-consolidated | 55.25 | 63.35 | 41.73 | 37.71 | 65.60 | — |
| Book-value per share (Yen) | Consolidated | 1,775.81 | 1,801.54 | 1,828.79 | 1,931.05 | 2,105.85 | 2,170.00 |
| | Non-consolidated | 1,680.28 | 1,712.33 | 1,732.64 | 1,772.71 | 1,828.43 | — |
| Price to earnings ratio (Times) | Consolidated | 15.8 | 10.2 | 10.7 | 16.7 | 12.4 | — |
| | Non-consolidated | 19.9 | 13.0 | 17.4 | 21.6 | 14.0 | — |
| Annual dividends per share (Yen) | | 25.00 | 25.00 | 23.00 | 23.00 | 25.00 | 26.00 |
| Payout ratio (%) | Consolidated | 36.1 | 31.1 | 33.8 | 47.1 | 33.8 | 29.1 |
| | Non-consolidated | 45.2 | 39.5 | 55.1 | 61.0 | 38.1 | — |
| Number of employees | Consolidated | 1,298 | 1,321 | 1,319 | 1,334 | 1,330 | 1,350 |
| | Non-consolidated | 676 | 692 | 713 | 717 | 732 | — |

Balance Sheets (Consolidated)

(Unit : Millions of yen)

| | FY2010 (‘09/4-‘10/3) | FY2011 (‘10/4-‘11/3) | FY2012 (‘11/4-‘12/3) | FY2013 (‘12/4-‘13/3) | FY2014 (‘13/4-‘14/3) |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assets | | | | | |
| ◇ Current assets | 40,585 | 47,427 | 48,321 | 50,636 | 54,406 |
| Cash and deposits | 6,857 | 6,443 | 5,678 | 6,993 | 6,668 |
| Notes and accounts receivable-trade | 21,719 | 25,554 | 27,482 | 27,122 | 28,167 |
| Inventories | 10,673 | 13,656 | 13,327 | 14,986 | 17,478 |
| Deferred tax assets | 705 | 695 | 508 | 778 | 579 |
| Other | 745 | 1,187 | 1,439 | 886 | 1,670 |
| Allowance for doubtful accounts | △ 116 | △ 110 | △ 115 | △ 131 | △ 157 |
| ◇ Noncurrent assets | 23,462 | 29,013 | 28,786 | 27,735 | 27,936 |
| • Property, plant and equipment | 18,657 | 23,846 | 23,010 | 21,381 | 21,072 |
| Buildings and structures | 6,647 | 6,929 | 8,700 | 8,123 | 7,933 |
| Machinery, equipment and vehicles | 4,475 | 7,581 | 9,151 | 7,907 | 7,828 |
| Land | 5,424 | 5,328 | 4,700 | 4,710 | 4,724 |
| Construction in progress | 1,497 | 3,428 | 50 | 286 | 266 |
| Other | 612 | 578 | 408 | 353 | 318 |
| • Intangible assets | 411 | 729 | 795 | 777 | 674 |
| • Investments and other assets | 4,393 | 4,438 | 4,981 | 5,577 | 6,189 |
| Investment securities | 3,719 | 3,861 | 4,074 | 4,783 | 5,480 |
| Deferred tax assets | 169 | 286 | 563 | 217 | 193 |
| Other | 526 | 313 | 350 | 580 | 523 |
| Allowance for doubtful accounts | △ 22 | △ 23 | △ 7 | △ 4 | △ 8 |
| Total assets | 64,048 | 76,441 | 77,108 | 78,372 | 82,342 |
| Liabilities | | | | | |
| ◇ Current liabilities | 23,297 | 28,824 | 28,822 | 33,825 | 29,047 |
| Notes and accounts payable-trade | 10,122 | 11,999 | 11,782 | 12,478 | 12,867 |
| Short-term loans payable | 7,673 | 11,549 | 12,131 | 11,581 | 11,525 |
| Current portion of bonds | — | — | — | 5,000 | — |
| Income taxes payable | 1,179 | 226 | 197 | 288 | 272 |
| Accrued consumption taxes | 127 | 41 | 36 | 329 | 36 |
| Provision for bonuses | 1,050 | 864 | 810 | 870 | 989 |
| Provision for loss on disaster | — | 270 | — | — | — |
| Notes payable-facilities | 93 | 214 | 90 | 43 | 212 |
| Other | 3,051 | 3,657 | 3,773 | 3,232 | 3,143 |
| ◇ Noncurrent liabilities | 3,870 | 10,210 | 10,375 | 4,437 | 9,660 |
| Bonds payable | — | 5,000 | 5,000 | — | 5,000 |
| Long-term loans payable | 1,436 | 2,847 | 3,080 | 1,825 | 2,079 |
| Deferred tax liabilities | 129 | — | 64 | 470 | 968 |
| Provision for retirement benefits/ Net defined benefit liability | 2,064 | 2,078 | 1,920 | 1,783 | 1,015 |
| Other | 239 | 284 | 309 | 357 | 597 |
| Total liabilities | 27,167 | 39,034 | 39,197 | 38,262 | 38,708 |
| Net assets | | | | | |
| ◇ Shareholders' equity | 35,541 | 36,647 | 37,532 | 38,052 | 39,066 |
| Capital stock | 3,128 | 3,128 | 3,128 | 3,128 | 3,128 |
| Capital surplus | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 |
| Retained earnings | 29,073 | 30,180 | 31,065 | 31,585 | 32,599 |
| Treasury stock | △ 11 | △ 11 | △ 11 | △ 11 | △ 11 |
| ◇ Accumulated other comprehensive income | 221 | △ 366 | △ 703 | 836 | 3,342 |
| Valuation difference on available-for-sale securities | 653 | 528 | 578 | 1,089 | 1,370 |
| Foreign currency translation adjustment | △ 431 | △ 895 | △ 1,281 | △ 253 | 1,714 |
| Remeasurements of defined benefit plans | — | — | — | — | 256 |
| ◇ Subscription rights to shares | — | — | — | — | 27 |
| ◇ Minority interests | 1,117 | 1,126 | 1,081 | 1,220 | 1,199 |
| Total net assets | 36,880 | 37,407 | 37,910 | 40,109 | 43,634 |
| Total liabilities and net assets | 64,048 | 76,441 | 77,108 | 78,372 | 82,342 |

Statements of Income (Consolidated)

(Unit : Millions of yen)

| | FY2010 (‘09/4-‘10/3) | FY2011 (‘10/4-‘11/3) | FY2012 (‘11/4-‘12/3) | FY2013 (‘12/4-‘13/3) | FY2014 (‘13/4-‘14/3) |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| ◇ Net sales | 56,861 | 66,454 | 70,781 | 67,796 | 75,025 |
| ◇ Cost of sales | 43,499 | 52,992 | 58,203 | 54,879 | 61,028 |
| Gross profit | 13,361 | 13,462 | 12,577 | 12,917 | 13,997 |
| Selling, general and administrative expenses | 10,511 | 10,684 | 10,798 | 11,036 | 11,662 |
| Operating income | 2,849 | 2,777 | 1,779 | 1,881 | 2,335 |
| ◇ Non-operating income | 573 | 550 | 436 | 640 | 747 |
| Interest income | 8 | 42 | 6 | 8 | 11 |
| Dividends income | 78 | 90 | 116 | 113 | 119 |
| Technical support fee | 118 | 133 | 2 | — | — |
| Real estate rent | 104 | 109 | 115 | 116 | 116 |
| Foreign exchange gains | 23 | — | — | 144 | 291 |
| Equity in earnings of affiliates | 69 | 66 | — | — | — |
| Other | 170 | 108 | 194 | 257 | 208 |
| ◇ Non-operating expenses | 198 | 352 | 357 | 587 | 386 |
| Interest expenses | 170 | 216 | 298 | 272 | 262 |
| Equity in losses of affiliates | — | — | — | 1 | 20 |
| Foreign exchange losses | — | 57 | 4 | — | — |
| Expenses for suspension of operation | — | — | — | 251 | — |
| Other | 28 | 78 | 53 | 60 | 103 |
| Ordinary income | 3,224 | 2,976 | 1,858 | 1,934 | 2,697 |
| ◇ Extraordinary income | 42 | 166 | 322 | 17 | 91 |
| Gain on sales of noncurrent assets | 0 | 98 | 102 | 1 | 75 |
| Gain on sales of investment securities | — | — | 0 | — | — |
| Reversal of allowance for doubtful accounts | — | 13 | — | — | — |
| Reversal of provision for loss on disaster | — | — | 140 | — | — |
| Other | 42 | 53 | 78 | 15 | 15 |
| ◇ Extraordinary loss | 619 | 657 | 221 | 136 | 113 |
| Loss on sales and retirement of noncurrent assets | 101 | 255 | 50 | 27 | 113 |
| Impairment loss | 510 | — | — | — | — |
| Loss on disaster | — | 328 | 93 | — | — |
| Loss on valuation of noncurrent assets | 6 | 6 | 3 | — | — |
| Loss on sales of investment securities | — | 0 | 0 | — | — |
| Loss on valuation of investment securities | 0 | — | 22 | 108 | — |
| Other | — | 67 | 50 | — | — |
| Income before income taxes | 2,647 | 2,484 | 1,959 | 1,815 | 2,674 |
| Income taxes-current | 1,412 | 903 | 439 | 547 | 678 |
| Income taxes-deferred | △ 287 | △ 147 | 17 | 191 | 348 |
| Minority interests in income | 128 | 107 | 133 | 93 | 160 |
| Net income | 1,395 | 1,619 | 1,368 | 982 | 1,487 |

Statements of Cash Flows (Consolidated)

(Unit : Millions of yen)

| | FY2010 (‘09/4-‘10/3) | FY2011 (‘10/4-‘11/3) | FY2012 (‘11/4-‘12/3) | FY2013 (‘12/4-‘13/3) | FY2014 (‘13/4-‘14/3) |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| I . Net cash provided by (used in) operating | | | | | |
| Income before income taxes | 2,647 | 2,484 | 1,959 | 1,815 | 2,674 |
| Depreciation and amortization | 2,185 | 2,409 | 3,167 | 3,358 | 2,953 |
| Impairment loss | 510 | — | — | — | — |
| Amortization of goodwill | 18 | — | 44 | 46 | 58 |
| Increase (decrease) in allowance for doubtful accounts | 7 | △ 8 | △ 8 | 7 | 17 |
| Increase (decrease) in provision for bonuses | 1,050 | △ 185 | △ 53 | 57 | 112 |
| Increase (decrease) in provision for retirement benefits | 23 | △ 14 | △ 155 | △ 146 | △ 780 |
| Increase (decrease) in provision for loss on disaster | — | — | △ 270 | — | — |
| Loss on disaster | — | 328 | 93 | — | — |
| Loss (gain) on valuation of investment securities | 0 | — | 22 | 108 | — |
| Loss (gain) on sales of investment securities | — | 0 | 0 | — | — |
| Interest and dividends income | △ 87 | △ 133 | △ 123 | △ 121 | △ 131 |
| Interest expenses | 170 | 216 | 298 | 272 | 262 |
| Decrease (increase) in notes and accounts receivable-trade | △ 3,720 | △ 2,890 | △ 2,100 | 1,028 | 405 |
| Increase (decrease) in notes and accounts payable-trade | 2,113 | 1,010 | △ 65 | 327 | △ 379 |
| Other, net | 279 | △ 3,079 | 19 | 62 | △ 1,738 |
| Sub-total | 5,200 | 139 | 2,829 | 6,816 | 3,453 |
| Interest and dividends income received | 134 | 156 | 129 | 122 | 133 |
| Interest expenses paid | △ 161 | △ 219 | △ 291 | △ 284 | △ 235 |
| Income taxes (paid) refund | △ 204 | △ 1,848 | △ 414 | △ 183 | △ 679 |
| Other, net | — | △ 37 | △ 138 | — | — |
| Net cash provided by (used in) operating activities | 4,969 | △ 1,810 | 2,115 | 6,471 | 2,671 |
| II . Net cash provided by (used in) investment activities | | | | | |
| Purchase of noncurrent assets | △ 3,725 | △ 4,242 | △ 3,612 | △ 2,308 | △ 1,913 |
| Purchase of investment securities | △ 19 | △ 362 | △ 225 | △ 24 | △ 24 |
| Proceeds from sales of investment securities | — | 2 | 5 | — | — |
| Purchase of investments in (capital of) subsidiaries | △ 122 | △ 815 | △ 124 | △ 247 | △ 139 |
| Other, net | 416 | △ 2,428 | 691 | 95 | 151 |
| Net cash provided by (used in) investment activities | △ 3,451 | △ 7,846 | △ 3,265 | △ 2,484 | △ 1,926 |
| III . Net cash provided by (used in) financing activities | | | | | |
| Net increase (decrease) in short-term loans payable | △ 978 | 2,906 | 1,167 | △ 976 | △ 1,121 |
| Proceeds from long-term loans payable | 273 | 3,410 | 2,000 | 100 | 2,000 |
| Repayment of long-term loans payable | △ 428 | △ 1,382 | △ 2,137 | △ 1,458 | △ 1,500 |
| Proceeds from issuance of bonds | — | 4,965 | — | — | 4,971 |
| Redemption of bonds | — | — | — | — | △ 5,000 |
| Cash dividends paid | △ 443 | △ 513 | △ 483 | △ 463 | △ 473 |
| Cash dividends paid to minority shareholders | △ 64 | △ 34 | △ 82 | △ 120 | △ 441 |
| Other, net | △ 0 | △ 0 | △ 0 | △ 0 | 26 |
| Net cash provided by (used in) financing activities | △ 1,642 | 9,352 | 464 | △ 2,919 | △ 1,538 |
| IV . Effect of exchange rate change on cash and cash equivalent | | | | | |
| | 57 | △ 107 | △ 69 | 255 | 468 |
| V . Net increase (decrease) in cash and cash equivalents | | | | | |
| | △ 67 | △ 411 | △ 755 | 1,323 | △ 325 |
| VI . Cash and cash equivalents, beginning of term | | | | | |
| | 6,812 | 6,745 | 6,333 | 5,577 | 6,901 |
| VII . Cash and cash equivalents, end of term | | | | | |
| | 6,745 | 6,333 | 5,577 | 6,901 | 6,576 |

Balance Sheets (Non-Consolidated)

(Unit : Millions of yen)

| Assets | FY2010 (‘09/4-‘10/3) | FY2011 (‘10/4-‘11/3) | FY2012 (‘11/4-‘12/3) | FY2013 (‘12/4-‘13/3) | FY2014 (‘13/4-‘14/3) |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| ◇ Current assets | 32,194 | 34,631 | 37,087 | 36,846 | 36,285 |
| Cash and deposits | 3,842 | 2,856 | 3,037 | 3,796 | 3,523 |
| Notes and accounts receivable-trade | 18,612 | 19,766 | 22,134 | 20,762 | 19,415 |
| Inventories | 7,497 | 8,695 | 8,942 | 9,174 | 10,194 |
| Other | 2,331 | 3,402 | 3,062 | 3,203 | 3,242 |
| Allowance for doubtful accounts | △ 90 | △ 90 | △ 90 | △ 90 | △ 90 |
| ◇ Noncurrent assets | 23,053 | 30,896 | 30,278 | 28,985 | 28,248 |
| • Property, plant and equipment | 12,647 | 15,267 | 15,170 | 13,512 | 12,634 |
| Buildings and structures | 3,963 | 4,453 | 5,903 | 5,433 | 5,135 |
| Machinery, equipment and vehicles | 2,189 | 2,891 | 4,972 | 3,846 | 3,094 |
| Land | 4,699 | 4,605 | 3,983 | 3,983 | 3,987 |
| Other | 1,794 | 3,316 | 310 | 248 | 415 |
| • Intangible assets | 213 | 276 | 261 | 206 | 155 |
| • Investments and other assets | 10,192 | 15,352 | 14,846 | 15,267 | 15,458 |
| Investment securities | 3,607 | 3,763 | 3,978 | 4,690 | 5,142 |
| Stocks of subsidiaries and affiliates | 3,817 | 3,817 | 3,850 | 3,850 | 4,192 |
| Investments in capital of subsidiaries and affiliates | 2,002 | 3,978 | 4,149 | 4,523 | 4,429 |
| Other | 773 | 3,802 | 2,875 | 2,204 | 1,697 |
| Allowance for doubtful accounts | △ 7 | △ 7 | △ 7 | △ 0 | △ 2 |
| Total assets | 55,247 | 65,527 | 67,365 | 65,832 | 64,533 |
| Liabilities | | | | | |
| ◇ Current liabilities | 18,317 | 21,504 | 22,818 | 26,512 | 18,469 |
| Notes and accounts payable-trade | 8,467 | 8,287 | 9,405 | 9,190 | 8,157 |
| Short-term loans payable | 4,500 | 7,153 | 8,153 | 7,253 | 5,400 |
| Current portion of long-term loans payable | 1,200 | 1,786 | 1,286 | 1,374 | 1,805 |
| Current portion of bonds | — | — | — | 5,000 | — |
| Accounts payable-other | 1,934 | 2,780 | 2,840 | 2,125 | 1,823 |
| Accrued expenses | 181 | 175 | 210 | 217 | 187 |
| Income taxes payable | 882 | 66 | 68 | 77 | 31 |
| Accrued consumption taxes | 122 | — | — | 313 | — |
| Deposits received | 45 | 100 | 73 | 74 | 34 |
| Provision for bonuses | 845 | 683 | 660 | 696 | 791 |
| Provision for loss on disaster | — | 270 | — | — | — |
| Notes payable-facilities | 77 | 62 | 55 | 30 | 174 |
| Other | 61 | 138 | 65 | 158 | 63 |
| ◇ Noncurrent liabilities | 3,091 | 9,539 | 9,654 | 3,620 | 9,215 |
| Bonds payable | — | 5,000 | 5,000 | — | 5,000 |
| Long-term loans payable | 1,130 | 2,600 | 2,833 | 1,687 | 2,079 |
| Deferred tax liabilities | — | — | — | 394 | 703 |
| Provision for retirement benefits | 1,741 | 1,702 | 1,549 | 1,344 | 1,027 |
| Other | 219 | 235 | 271 | 193 | 404 |
| Total liabilities | 21,408 | 31,043 | 32,472 | 30,132 | 27,684 |
| Net assets | | | | | |
| ◇ Shareholders' equity | 33,177 | 33,939 | 34,296 | 34,592 | 35,440 |
| Capital stock | 3,128 | 3,128 | 3,128 | 3,128 | 3,128 |
| Capital surplus | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 |
| Retained earnings | 26,709 | 27,472 | 27,829 | 28,125 | 28,973 |
| Treasury stock | △ 11 | △ 11 | △ 11 | △ 11 | △ 11 |
| ◇ Valuation and translation adjustments | 661 | 544 | 596 | 1,107 | 1,381 |
| Valuation difference on available-for-sale securities | 661 | 544 | 596 | 1,107 | 1,381 |
| Subscription rights to shares | — | — | — | — | 27 |
| Total net assets | 33,838 | 34,484 | 34,892 | 35,699 | 36,848 |
| Total liabilities and net assets | 55,247 | 65,527 | 67,365 | 65,832 | 64,533 |

Statements of Income (Non-Consolidated)

| | (Unit : Millions of yen) | | | | |
|--|--------------------------|---------------|---------------|---------------|---------------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
| | ('09/4-'10/3) | ('10/4-'11/3) | ('11/4-'12/3) | ('12/4-'13/3) | ('13/4-'14/3) |
| ◇ Net sales | 47,205 | 52,010 | 51,899 | 49,338 | 52,509 |
| ◇ Cost of sales | 37,151 | 42,401 | 43,644 | 40,933 | 44,290 |
| Gross profit | 10,054 | 9,609 | 8,255 | 8,404 | 8,219 |
| Selling, general and administrative expenses | 8,402 | 8,428 | 7,995 | 7,871 | 8,112 |
| Operating income | 1,652 | 1,180 | 260 | 533 | 106 |
| ◇ Non-operating income | 934 | 1,083 | 1,286 | 1,180 | 1,837 |
| Interest income | 20 | 58 | 96 | 80 | 75 |
| Dividends income | 344 | 495 | 609 | 619 | 1,299 |
| Technical support fee | 229 | 276 | 160 | — | — |
| Real estate rent | 149 | 160 | 170 | 170 | 170 |
| Foreign exchange gains | 48 | 38 | 105 | 132 | 152 |
| Other | 142 | 54 | 144 | 176 | 140 |
| ◇ Non-operating expenses | 90 | 176 | 213 | 444 | 198 |
| Interest expenses | 64 | 113 | 170 | 144 | 120 |
| Bond issuance cost | — | 34 | — | — | 28 |
| Expenses for suspension of operation | — | — | — | 251 | — |
| Other | 25 | 28 | 43 | 48 | 49 |
| Ordinary income | 2,495 | 2,088 | 1,333 | 1,269 | 1,745 |
| ◇ Extraordinary income | 27 | 96 | 212 | 0 | 73 |
| Gain on sales of noncurrent assets | 89 | 96 | 71 | 0 | 73 |
| Reversal of allowance for doubtful accounts | 0 | 0 | — | — | — |
| Reversal of provision for loss on disaster | — | — | 140 | — | — |
| Other | 26 | — | — | — | — |
| ◇ Extraordinary loss | 835 | 630 | 210 | 125 | 88 |
| Loss on sales and retirement of noncurrent assets | 86 | 39 | 32 | 16 | 88 |
| Impairment loss | 360 | — | — | — | — |
| Loss on disaster | — | 328 | 93 | — | — |
| Loss on valuation of noncurrent assets | 5 | 6 | 3 | — | — |
| Loss on valuation of investment securities | — | — | 22 | 108 | — |
| Loss on valuation of investments in capital of subsidiaries and affiliates | 383 | 209 | — | — | — |
| Other | — | 47 | 58 | — | — |
| Income before income taxes | 1,687 | 1,554 | 1,335 | 1,143 | 1,730 |
| Income taxes—current | 970 | 500 | 90 | 170 | 100 |
| Income taxes—deferred | △394 | △221 | 404 | 214 | 309 |
| Net income | 1,112 | 1,275 | 840 | 759 | 1,320 |

※The statements concerning future performance that are presented in this document are based on information available to issuing date of this report, and therefore the actual results may differ from these forecasted figures due to various unknown factors.

Balance Sheets(Consolidated)

DATA BOOK 2014

(Unit: Millions of yen)

| Item | FY2013 | | FY2014 | | Increase /Decrease |
|--|----------------------|---------------------------|----------------------|---------------------------|-----------------------|
| | As of March 31, 2013 | | As of March 31, 2014 | | |
| | Amount | Com- position ratio | Amount | Com- position ratio | |
| (Assets) | | % | | % | |
| I Current assets | | | | | |
| 1. Cash and deposits | 6,993 | | 6,668 | | △ 325 |
| 2. Notes and accounts receivable-trade | 27,121 | | 28,167 | | 1,045 |
| 3. Merchandise and finished goods | 7,216 | | 8,530 | | 1,314 |
| 4. Work in process | 907 | | 1,069 | | 161 |
| 5. Raw materials and supplies | 6,862 | | 7,878 | | 1,016 |
| 6. Deferred tax assets | 778 | | 579 | | △ 199 |
| 7. Other | 886 | | 1,670 | | 784 |
| Allowance for doubtful accounts | △131 | | △ 157 | | △ 26 |
| Total current assets | 50,636 | 64.6 | 54,406 | 66.1 | 3,770 |
| II Noncurrent assets | | | | | |
| 1. Property, plant and equipment | | | | | |
| (1) Buildings and structures | 8,123 | | 7,933 | | △ 189 |
| (2) Machinery, equipment and vehicles | 7,907 | | 7,828 | | △ 78 |
| (3) Land | 4,710 | | 4,724 | | 14 |
| (4) Construction in progress | 286 | | 266 | | △ 20 |
| (5) Other | 353 | | 318 | | △ 34 |
| Total property, plant and equipment | 21,381 | 27.3 | 21,072 | 25.6 | △ 308 |
| 2. Intangible assets | | | | | |
| (1) Goodwill | 162 | | 134 | | △ 27 |
| (2) Other | 615 | | 540 | | △ 74 |
| Total intangible assets | 777 | 1.0 | 674 | 0.8 | △ 102 |
| 3. Investments and other assets | | | | | |
| (1) Investment securities | 4,783 | | 5,480 | | 696 |
| (2) Deferred tax assets | 217 | | 193 | | △ 24 |
| (3) Other | 580 | | 523 | | △ 56 |
| Allowance for doubtful accounts | △4 | | △ 8 | | △ 4 |
| Total investments and other assets | 5,577 | 7.1 | 6,189 | 7.5 | 611 |
| Total noncurrent assets | 27,735 | 35.4 | 27,936 | 33.9 | 200 |
| Total assets | 78,372 | 100.0 | 82,342 | 100.0 | 3,970 |

(Unit: Millions of yen)

| Item | FY2013 | | FY2014 | | Increase /Decrease |
|--|----------------------|---------------------------|----------------------|---------------------------|--------------------|
| | As of March 31, 2013 | | As of March 31, 2014 | | |
| | Amount | Com- position ratio | Amount | Com- position ratio | |
| (Liabilities) | | % | | % | |
| I Current liabilities | | | | | |
| 1. Notes and accounts payable-trade | 12,478 | | 12,867 | | 388 |
| 2. Short-term loans payable | 11,581 | | 11,525 | | △ 56 |
| 3. Current portion of bonds | 5,000 | | - | | △ 5,000 |
| 4. Income taxes payable | 288 | | 272 | | △ 15 |
| 5. Accrued consumption taxes | 329 | | 36 | | △ 293 |
| 6. Provision for bonuses | 870 | | 989 | | 119 |
| 7. Provision for directors' bonuses | 38 | | 40 | | 2 |
| 8. Provision for repairs | 113 | | - | | △ 113 |
| 9. Notes payable-facilities | 43 | | 212 | | 169 |
| 10. Other | 3,081 | | 3,103 | | 22 |
| Total current liabilities | 33,825 | 43.1 | 29,047 | 35.3 | △ 4,777 |
| II Noncurrent liabilities | | | | | |
| 1. Bonds payable | - | | 5,000 | | 5,000 |
| 2. Long-term loans payable | 1,825 | | 2,079 | | 253 |
| 3. Deferred tax liabilities | 470 | | 968 | | 497 |
| 4. Provision for retirement benefits | 1,783 | | - | | △ 1,783 |
| 5. Net defined benefit liability | - | | 1,015 | | 1,015 |
| 6. Provision for repairs | - | | 37 | | 37 |
| 7. Asset retirement obligations | 86 | | 88 | | 1 |
| 8. Other | 270 | | 470 | | 200 |
| Total noncurrent liabilities | 4,437 | 5.7 | 9,660 | 11.7 | 5,223 |
| Total liabilities | 38,262 | 48.8 | 38,708 | 47.0 | 445 |
| (Net assets) | | | | | |
| I Shareholders' equity | | | | | |
| 1. Capital stock | 3,128 | | 3,128 | | - |
| 2. Capital surplus | 3,350 | | 3,350 | | - |
| 3. Retained earnings | 31,585 | | 32,599 | | 1,014 |
| 4. Treasury stock | △ 11 | | △ 11 | | △ 0 |
| Total shareholders' equity | 38,052 | 48.6 | 39,066 | 47.5 | 1,014 |
| II Accumulated other comprehensive income | | | | | |
| 1. Valuation difference on available-for-sale securities | 1,089 | | 1,370 | | 280 |
| 2. Foreign currency translation adjustment | △ 253 | | 1,714 | | 1,967 |
| 3. Remeasurements of defined benefit plans | - | 0.0 | 256 | 0.3 | 256 |
| Total accumulated other comprehensive income | 836 | 1.1 | 3,342 | 4.1 | 2,505 |
| III Subscription rights to shares | - | 0.0 | 27 | 0.1 | 27 |
| IV Minority interests | 1,220 | 1.5 | 1,199 | 1.4 | △ 21 |
| Total net assets | 40,109 | 51.2 | 43,634 | 53.0 | 3,525 |
| Total liabilities and net assets | 78,372 | 100.0 | 82,342 | 100.0 | 3,970 |

Statements of Income(Consolidated)

DATA BOOK 2014

(Unit: Millions of yen)

| Item | FY2013 ' 12/4-' 13/3 | | FY2014 ' 13/4-' 14/3 | | Increase /Decrease | |
|---|-------------------------|-------|-------------------------|-------|-----------------------|----------------|
| | Amount | Ratio | Amount | Ratio | Amount | Rate of change |
| I Net sales | 67,796 | 100.0 | 75,025 | 100.0 | 7,229 | 10.7 |
| II Cost of sales | 54,879 | 80.9 | 61,028 | 81.3 | 6,149 | 11.2 |
| Gross profit | 12,917 | 19.1 | 13,997 | 18.7 | 1,080 | 8.4 |
| III Selling, general and administrative expenses | 11,036 | 16.3 | 11,662 | 15.6 | 626 | 5.7 |
| Operating income | 1,881 | 2.8 | 2,335 | 3.1 | 453 | 24.1 |
| IV Non-operating income | | | | | | |
| Interest income | 8 | | 11 | | 3 | |
| Dividends income | 113 | | 119 | | 5 | |
| Real estate rent | 116 | | 116 | | △ 0 | |
| Foreign exchange gains | 144 | | 291 | | 147 | |
| Compensation income for suspension of operation | 98 | | — | | △ 98 | |
| Other | 159 | | 208 | | 49 | |
| Total non-operating income | 642 | 0.9 | 747 | 1.0 | 107 | 16.8 |
| V Non-operating expenses | | | | | | |
| Interest expenses | 272 | | 262 | | △ 10 | |
| Equity in losses of affiliates | 1 | | 20 | | 19 | |
| Foreign exchange losses | — | | 28 | | 28 | |
| Expenses for suspension of operation | 251 | | — | | △ 251 | |
| Other | 60 | | 74 | | 14 | |
| Total non-operating expenses | 587 | 0.8 | 386 | 0.5 | △ 201 | △ 34.3 |
| Ordinary income | 1,934 | 2.9 | 2,697 | 3.6 | 762 | 39.4 |
| VI Extraordinary income | | | | | | |
| Gain on sales of noncurrent assets | 1 | | 75 | | 74 | |
| State subsidy | 15 | | 15 | | — | |
| Total extraordinary income | 17 | 0.0 | 91 | 0.1 | 74 | 427.3 |
| VII Extraordinary loss | | | | | | |
| Loss on sales and retirement of noncurrent assets | 27 | | 113 | | 86 | |
| Loss on valuation of investment securities | 108 | | — | | △ 108 | |
| Total extraordinary loss | 136 | 0.2 | 113 | 0.1 | △ 22 | △ 16.6 |
| Income before income taxes | 1,815 | 2.7 | 2,674 | 3.6 | 859 | 47.3 |
| Income taxes-current | 547 | 0.8 | 678 | 0.9 | 130 | 23.9 |
| Income taxes-deferred | 191 | 0.3 | 348 | 0.5 | 157 | 82.3 |
| Income before minority interests | 1,076 | 1.6 | 1,647 | 2.2 | 570 | 53.0 |
| Minority interests in income | 93 | 0.1 | 160 | 0.2 | 66 | 70.5 |
| Net income | 982 | 1.5 | 1,487 | 2.0 | 504 | 51.3 |

<Reference> Statements of Comprehensive Income(Consolidated)

(Unit: Millions of yen)

| | | | | | | |
|---|-------|--|-------|--|-------|------|
| Income before minority interests | 1,076 | | 1,647 | | 570 | 53.0 |
| Other comprehensive income | | | | | | |
| Valuation difference on available-for-sale securities | 511 | | 280 | | △ 230 | |
| Foreign currency translation adjustment | 1,190 | | 2,199 | | 1,008 | |
| Share of other comprehensive income of associates accounted for using equity method | 3 | | 15 | | 11 | |
| Total other comprehensive income | 1,705 | | 2,495 | | 790 | |
| Comprehensive income | 2,782 | | 4,142 | | 1,360 | 48.9 |

Statements of Cash Flows (Consolidated)

DATA BOOK 2014

(Unit: Millions of yen)

| Item | FY2013 | FY2014 | Increase /Decrease |
|---|----------------|----------------|--------------------|
| | ' 12/4-' 13/3 | 13/4-' 14/3 | |
| | Amount | Amount | |
| I Net cash provided by (used in) operating | | | |
| Income before income taxes | 1,815 | 2,674 | 859 |
| Depreciation and amortization | 3,358 | 2,953 | △ 405 |
| Amortization of goodwill | 46 | 58 | 11 |
| Increase (decrease) in allowance for doubtful accounts | 7 | 17 | 10 |
| Increase (decrease) in provision for bonuses | 57 | 112 | 55 |
| Increase (decrease) in provision for directors' bonuses | 0 | 2 | 1 |
| Increase (decrease) in provision for retirement benefits | △ 146 | △ 1,796 | △ 1,649 |
| Increase (decrease) in net defined benefit liability | — | 1,015 | 1,015 |
| Loss (gain) on valuation of investment securities | 108 | — | △ 108 |
| Loss (gain) on sales and retirement of noncurrent assets | 26 | 38 | 12 |
| Interest and dividends income | △ 121 | △ 131 | △ 9 |
| Interest expenses | 272 | 262 | △ 10 |
| Equity in (earnings) losses of affiliates | 1 | 20 | 19 |
| Decrease (increase) in notes and accounts receivable-trade | 1,028 | 405 | △ 623 |
| Decrease (increase) in inventories | △ 1,108 | △ 1,331 | △ 222 |
| Increase (decrease) in notes and accounts payable-trade | 327 | △ 379 | △ 707 |
| Increase (decrease) in accrued consumption taxes | 292 | △ 294 | △ 586 |
| Other, net | 850 | △ 174 | △ 1,024 |
| Subtotal | 6,816 | 3,453 | △ 3,362 |
| Interest and dividends income received | 122 | 133 | 11 |
| Interest expenses paid | △ 284 | △ 235 | 48 |
| Income taxes (paid) refund | △ 183 | △ 679 | △ 496 |
| Net cash provided by (used in) operating activities | 6,471 | 2,671 | △ 3,799 |
| II Net cash provided by (used in) investing activities | | | |
| Decrease (increase) in time deposits | 9 | — | △ 9 |
| Purchase of property, plant and equipment | △ 2,180 | △ 1,900 | 280 |
| Proceeds from sales of property, plant and equipment | 129 | 239 | 110 |
| Purchase of investment securities | △ 24 | △ 24 | △ 0 |
| Purchase of intangible assets | △ 127 | △ 13 | 114 |
| Purchase of stocks of affiliates | — | △ 139 | △ 139 |
| Purchase of investments in capital of subsidiaries | △ 247 | — | 247 |
| Purchase of goodwill | △ 30 | — | 30 |
| Decrease (increase) in other investments | △ 12 | △ 53 | △ 41 |
| Other, net | △ 0 | △ 34 | △ 33 |
| Net cash provided by (used in) investing activities | △ 2,484 | △ 1,926 | 557 |
| III Net cash provided by (used in) financing activities | | | |
| Net increase (decrease) in short-term loans payable | △ 976 | △ 1,121 | △ 144 |
| Proceeds from long-term loans payable | 100 | 2,000 | 1,900 |
| Repayment of long-term loans payable | △ 1,458 | △ 1,500 | △ 42 |
| Proceeds from issuance of bonds | — | 4,971 | 4,971 |
| Redemption of bonds | — | △ 5,000 | △ 5,000 |
| Proceeds from issuance of stock acquisition rights | — | 27 | 27 |
| Purchase of treasury stock | △ 0 | △ 0 | △ 0 |
| Cash dividends paid | △ 463 | △ 473 | △ 10 |
| Cash dividends paid to minority shareholders | △ 120 | △ 441 | △ 321 |
| Net cash provided by (used in) financing activities | △ 2,919 | △ 1,538 | 1,380 |
| IV Effect of exchange rate change on cash and cash equivalents | 255 | 468 | 212 |
| V Net increase (decrease) in cash and cash equivalents | 1,323 | △ 325 | △ 1,649 |
| VI Cash and cash equivalents at beginning of period | 5,577 | 6,901 | 1,323 |
| VII Cash and cash equivalents at end of period | 6,901 | 6,576 | △ 325 |