

DATA BOOK 2015

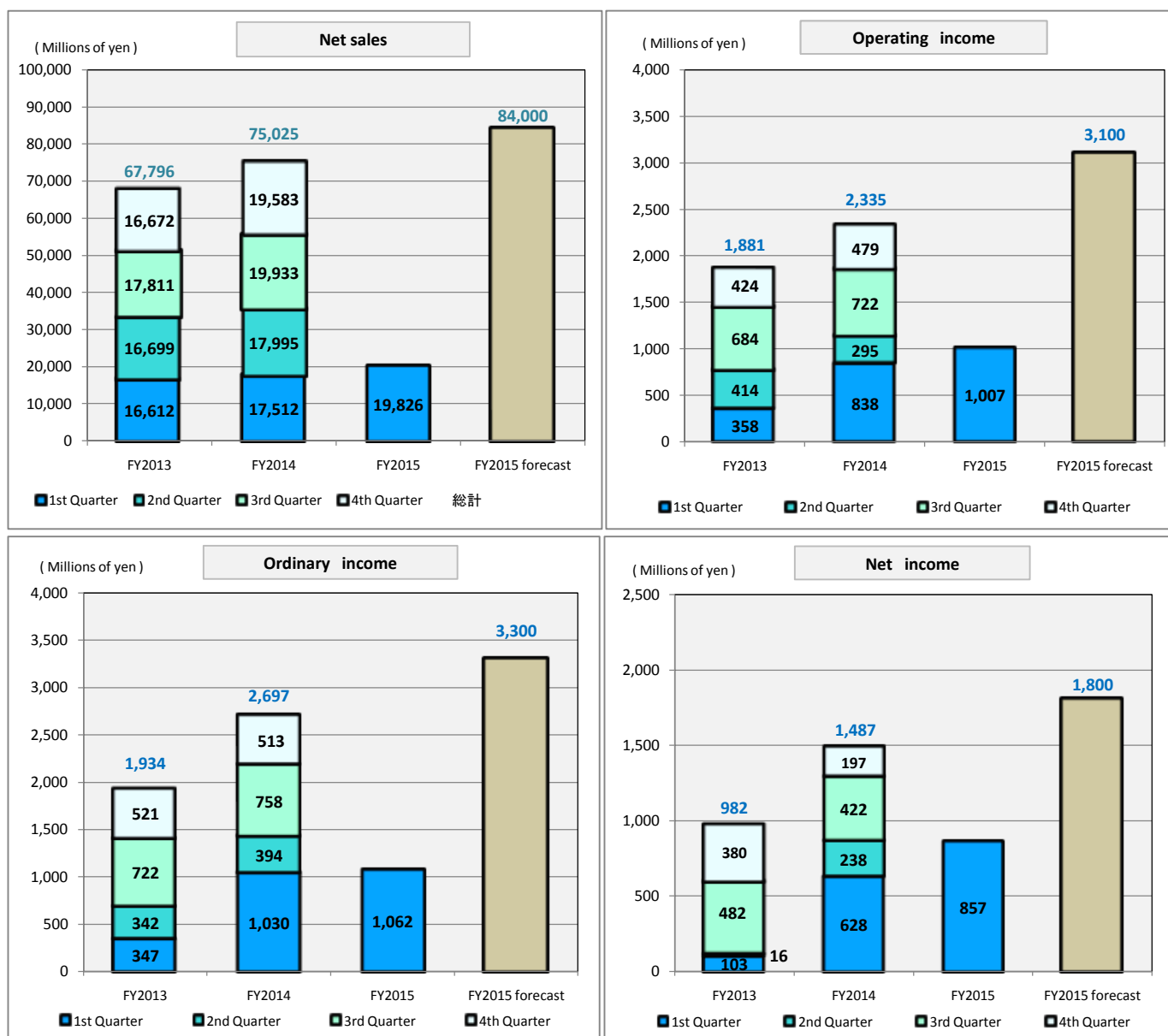
August 4th, 2014

1st Quarter ended June 30, 2014



ARAKAWA CHEMICAL INDUSTRIES, LTD.

* Achievement Transition(Consolidated)

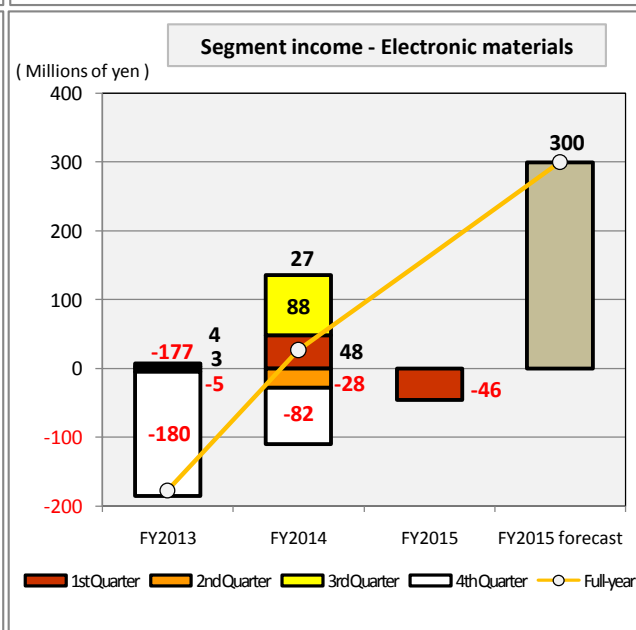
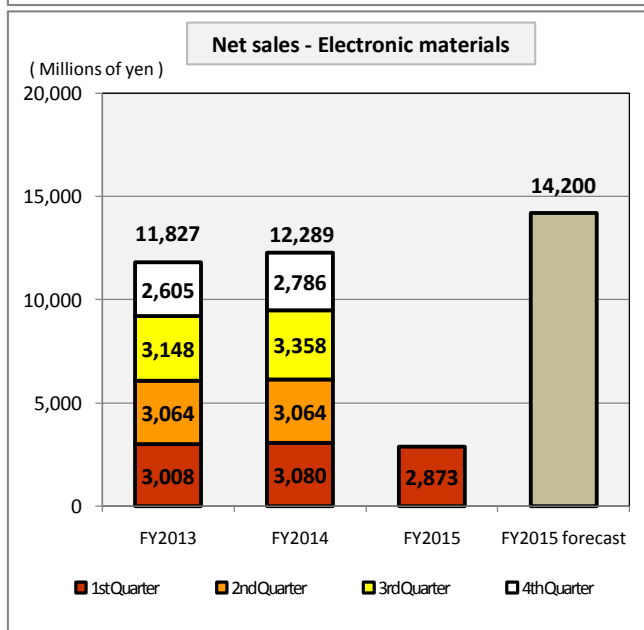
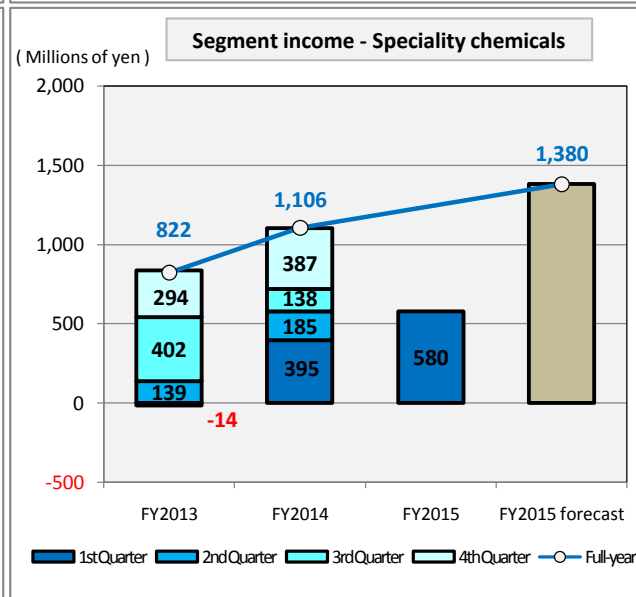
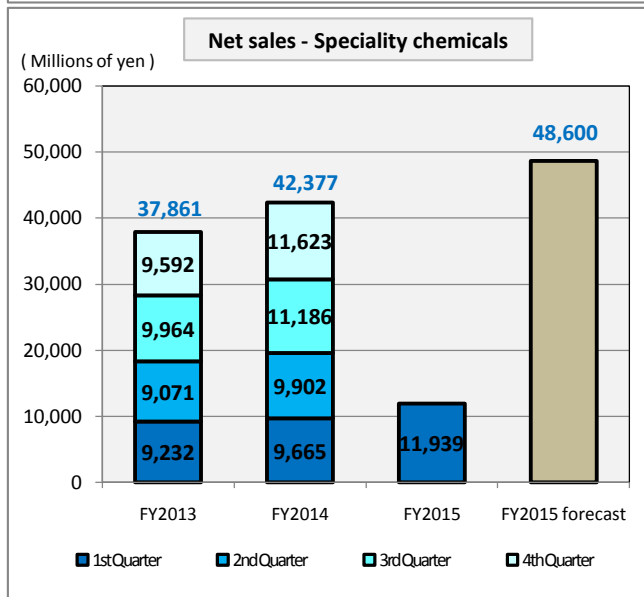
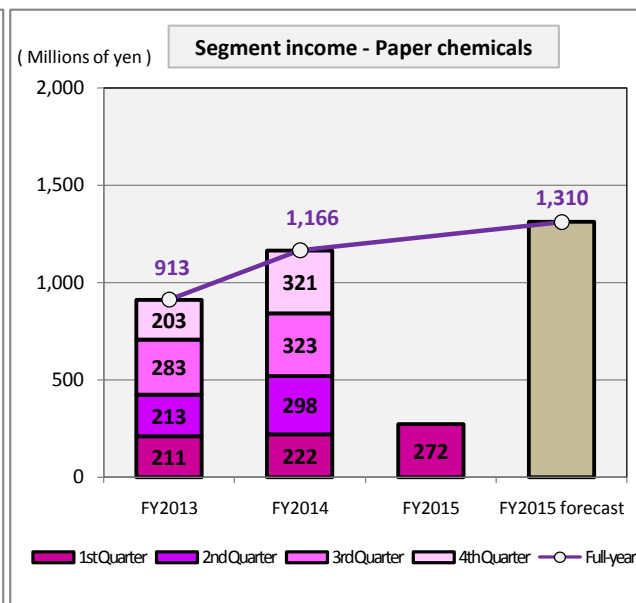
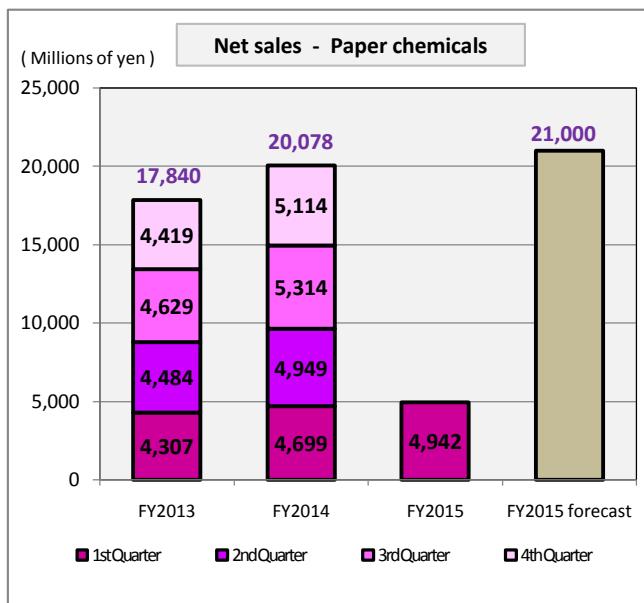


Consolidated	FY2013(1Q) ('12/4-'12/6)		FY2014(1Q) ('13/4-'13/6)		FY2015(1Q) ('14/4-'14/6)		FY2013 ('12/4-'13/3)		FY2014 ('13/4-'14/3)		FY2015 forecast ('14/4-'15/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Net sales	16,612	△ 8.5	17,512	5.4	19,826	13.2	67,796	△ 4.2	75,025	10.7	84,000	12.0
Operating income	358	△ 56.9	838	133.9	1,007	20.2	1,881	5.6	2,335	24.1	3,100	32.8
Ordinary income	347	△ 60.3	1,030	196.4	1,062	3.1	1,934	4.1	2,697	39.4	3,300	22.4
Net income	103	△ 77.2	628	507.7	857	36.3	982	△ 28.2	1,487	51.3	1,800	21.0

* Management Index(Consolidated)

Consolidated	FY2013(1Q) ('12/4-'12/6)		FY2014(1Q) ('13/4-'13/6)		FY2015(1Q) ('14/4-'14/6)		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	Millions of yen	%Change
Capital investment	312	△ 1,222	279	△ 32	221	△ 58	1,090	△ 5,561	1,997	906	3,000	1,002
Depreciation and amortization	818	92	695	△ 122	644	△ 51	3,358	190	2,953	△ 405	2,700	△ 253
R & D expenses	691	△ 12	743	51	675	△ 68	2,746	△ 141	2,790	44	2,900	109
Interest-bearing debt	19,467	767	17,262	△ 2,204	18,378	1,115	18,407	△ 1,803	18,605	197	17,700	△ 905

*** Segment Information(Consolidated)**



*** Segment Information(Consolidated)**

Consolidated		FY2013(1Q) ('12/4-'12/6)		FY2014(1Q) ('13/4-'13/6)		FY2015(1Q) ('14/4-'14/6)		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	Millions of yen	%Change
Paper chemicals	Net sales	4,307	△ 13.6	4,699	9.1	4,942	5.2	17,840	△ 6.2	20,078	12.5	21,000	4.6
	Segment income	211	△ 4.3	222	5.5	272	22.4	913	1.5	1,166	27.8	1,310	12.3
	Segment income/sales	4.9%		4.7%		5.5%		5.1%		5.8%		6.2%	
Speciality chemicals	Net sales	9,232	△ 8.2	9,665	4.7	11,939	23.5	37,861	△ 5.6	42,377	11.9	48,600	14.7
	Segment income	△ 14	—	395	—	580	46.9	822	△ 17.9	1,106	34.5	1,380	24.7
	Segment income/sales	△ 0.2%		4.1%		4.9%		2.2%		2.6%		2.8%	
Electronic materials	Net sales	3,008	△ 0.5	3,080	2.4	2,873	△ 6.7	11,827	4.2	12,289	3.9	14,200	15.5
	Segment income(loss)	△ 5	—	48	—	△ 46	—	△ 177	—	27	—	300	—
	Segment income/sales	△ 0.2%		1.6%		△ 1.6%		△ 1.5%		0.2%		2.1%	
Others	Net sales	64	△ 19.1	66	3.5	72	8.3	267	△ 11.2	279	4.3	200	△ 28.4
	Segment income	△ 2	—	△ 2	—	5	—	0	△ 94.7	9	—	10	2.0
	Segment income/sales	△ 3.8%		△ 3.1%		7.8%		0.3%		3.5%		5.0%	
Consolidated total	Net sales	16,612	△ 8.5	17,512	5.4	19,826	13.2	67,796	△ 4.2	75,025	10.7	84,000	12.0
	Segment income	189	△ 78.3	664	251.0	812	22.3	1,559	3.3	2,310	48.2	3,000	29.9
	Segment income/sales	1.1%		3.8%		4.1%		2.3%		3.1%		3.6%	

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

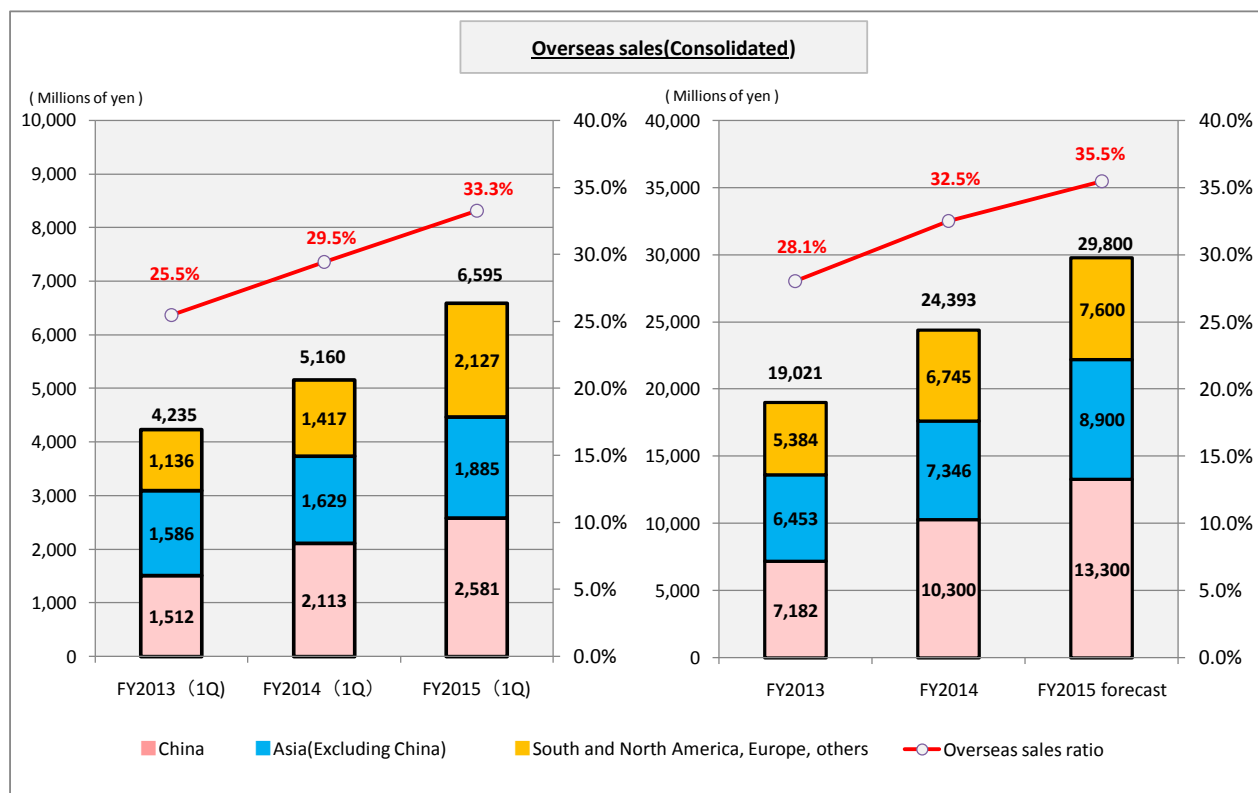
* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

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

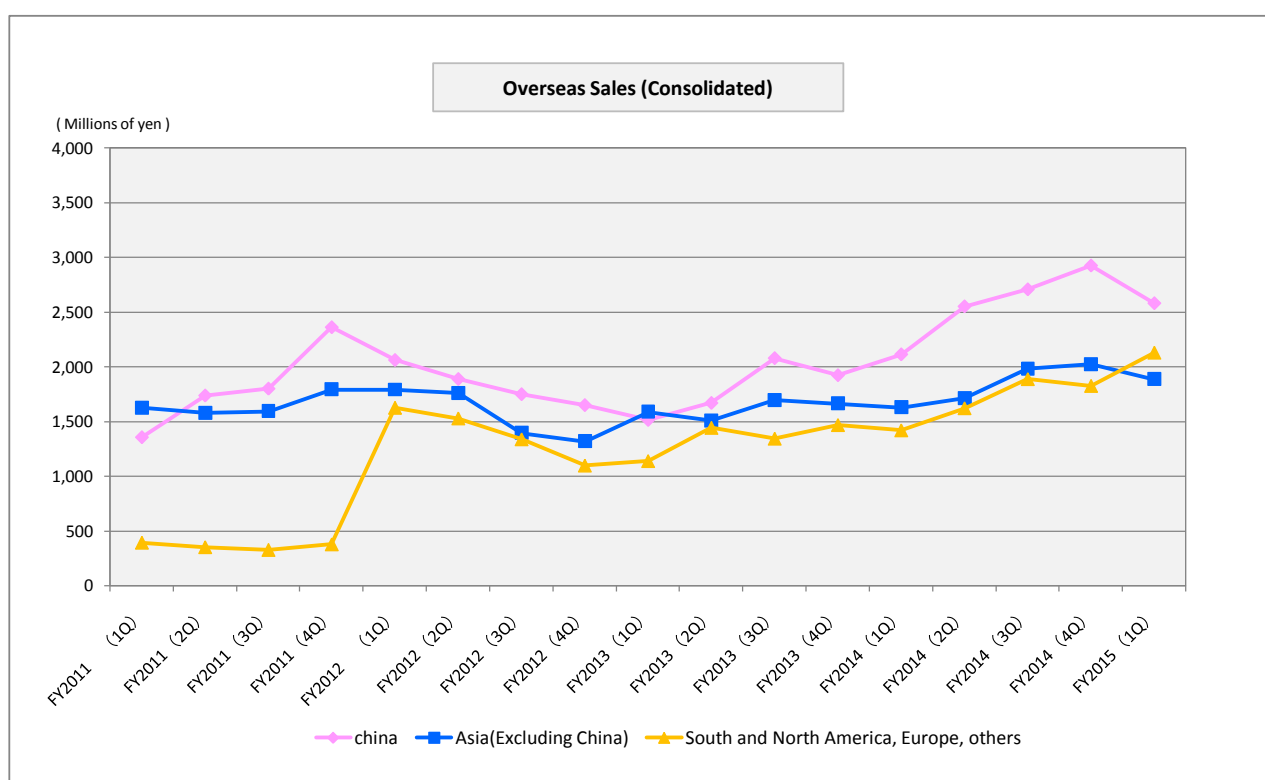
* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Flux cleaning solvent, Flux cleaning system, etc.

* OthersInsurance business, Real estate agent, etc.

*** Overseas Sales(Consolidated)**



Consolidated	FY2013(1Q) (‘12/4-‘12/6)		FY2014(1Q) (‘13/4-‘13/6)		FY2015(1Q) (‘14/4-‘14/6)		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	Millions of yen	%Change
Overseas sales	4,235	△ 22.6	5,160	21.8	6,595	27.8	19,021	△ 0.9	24,393	28.2	29,800	22.2
Overseas sales in Asia	3,099	△ 19.5	3,742	20.8	4,467	19.4	13,636	0.2	17,647	29.4	22,200	25.8
Overseas sales in China	1,512	△ 26.6	2,113	39.7	2,581	22.1	7,182	△ 2.2	10,300	43.4	13,300	29.1
Overseas sales ratio	25.5%		29.5%		33.3%		28.1%		32.5%		35.5%	



Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2014(1Q)		FY2015(1Q)		FY2014		Increase /Decrease (A) - (B)
	(As of June 30, 2013)		(As of June 30, 2014)		(As of March 31, 2014)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	6,530		7,860		6,668		1,192
2. Notes and accounts receivable-trade	27,147		27,758		28,167	△	408
3. Merchandise and finished goods	6,917		7,922		8,530	△	608
4. Work in process	1,153		1,205		1,069		136
5. Raw materials and supplies	6,003		7,293		7,878	△	585
6. Deferred tax assets	569		448		579	△	130
7. Other	847		935		1,670	△	734
Allowance for doubtful accounts	△ 141		△ 156		△ 157		1
Total current assets	49,027	63.6	53,268	65.7	54,406	66.1	△ 1,138
II Noncurrent assets							
1. Property, plant and equipment							
(1) Buildings and structures	8,079		7,735		7,933	△	197
(2) Machinery, equipment and vehicles	7,893		7,414		7,828	△	414
(3) Land	4,720		4,723		4,724	△	0
(4) Construction in progress	380		428		266		161
(5) Other	347		304		318	△	13
Total property, plant and equipment	21,421	27.8	20,606	25.4	21,072	25.6	△ 465
2. Intangible assets							
(1) Goodwill	155		116		134	△	18
(2) Other	616		514		540	△	25
Total intangible assets	772	1.0	630	0.8	674	0.8	△ 44
3. Investments and other assets							
(1) Investment securities	5,127		5,916		5,480		436
(2) Deferred tax assets	211		188		193	△	4
(3) Other	583		519		523	△	4
Allowance for doubtful accounts	△ 4		△ 7		△ 8		0
Total investments and other assets	5,918	7.6	6,617	8.1	6,189	7.5	428
Total noncurrent assets	28,112	36.4	27,855	34.3	27,936	33.9	△ 80
Total assets	77,139	100.0	81,123	100.0	82,342	100.0	△ 1,219

(Unit : Millions of yen)

Item	FY2014 (1Q)		FY2015 (1Q)		FY2014		Increase /Decrease (A) - (B)
	(As of June 30, 2013)		(As of June 30, 2014)		(As of March 31, 2014)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable-trade	11,638		11,858		12,867		△ 1,008
2. Short-term loans payable	10,550		11,486		11,525		△ 39
3. Current portion of bonds	5,000		-		-		-
4. Income taxes payable	170		392		272		119
5. Accrued consumption taxes	140		149		36		113
6. Provision for bonuses	485		484		989		△ 505
7. Provision for directors' bonuses	10		10		40		△ 30
8. Provision for repairs	10		10		-		10
9. Notes payable-facilities	105		140		212		△ 72
10. Other	3,096		2,925		3,103		△ 178
Total current liabilities	31,208	40.4	27,457	33.8	29,047	35.2	△ 1,590
II Noncurrent liabilities							
1. Bonds payable	-		5,000		5,000		-
2. Long-term loans payable	1,712		1,892		2,079		△ 187
3. Deferred tax liabilities	638		1,032		968		64
4. Provision for retirement benefits	1,707		-		-		-
5. Net defined benefit liability	-		939		1,015		△ 75
6. Provision for repairs	-		58		37		21
7. Asset retirement obligations	86		88		88		0
8. Other	299		454		470		△ 16
Total noncurrent liabilities	4,443	5.8	9,466	11.7	9,660	11.7	△ 194
Total liabilities	35,651	46.2	36,923	45.5	38,708	47.0	△ 1,785
(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	31,982		33,194		32,599		595
4. Treasury stock	△ 11		△ 11		△ 11		△ 0
Total shareholders' equity	38,449	49.8	39,661	48.9	39,066	47.4	595
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	1,303		1,657		1,370		286
2. Foreign currency translation adjustment	345		1,272		1,714		△ 441
3. Remeasurements of defined benefit plans	-		250		256		△ 6
Total accumulated other comprehensive income	1,649	2.1	3,180	3.9	3,342	4.1	△ 161
III Subscription rights to shares	27	0.0	27	0.0	27	0.0	-
IV Minority interests	1,362	1.9	1,331	1.7	1,199	1.4	131
Total net assets	41,487	53.8	44,200	54.5	43,634	53.0	565
Total liabilities and net assets	77,139	100.0	81,123	100.0	82,342	100.0	△ 1,219

Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2014(1Q)		FY2015(1Q)		Increase /Decrease		FY2014	
	' 13/4-' 13/6		' 14/4-' 14/6		Amount	Rate of change	' 13/4-' 14/3	
	Amount	Ratio	Amount	Ratio			Amount	Ratio
I Net sales	17,512	100.0	19,826	100.0	2,313	13.2	75,025	100.0
II Cost of sales	13,815	78.9	15,975	80.6	2,159	15.6	61,028	81.3
Gross profit	3,697	21.1	3,851	19.4	154	4.2	13,997	18.7
III Selling, general and administrative expenses	2,858	16.3	2,844	14.3	△ 14	△ 0.5	11,662	15.5
Operating income	838	4.8	1,007	5.1	169	20.2	2,335	3.1
IV Non-operating income								
Interest income	2		1				11	
Dividends income	44		51				119	
Real estate rent	29		30				116	
Foreign exchange gains	136		-				291	
Other	67	279	94	178	0.9	△ 101	208	747
V Non-operating expenses								
Interest expenses	62		62				262	
Equity in losses of affiliates	1		8				20	
Foreign exchange losses	-		41				-	
Bond issuance cost	-		-				28	
Other	23	87	10	122	0.6	35	74	386
Ordinary income	1,030	5.9	1,062	5.4	32	3.1	2,697	3.6
VI Extraordinary income								
Gain on sales of noncurrent assets	0		0				75	
Compensation income	-		445				-	
State subsidy	-	0	-	445	2.2	444	15	91
VII Extraordinary loss								
Loss on sales and retirement of noncurrent assets	2	2	1	1	0.0	△ 1	113	113
Income before income taxes	1,028	5.9	1,507	7.6	478	46.5	2,674	3.6
Income taxes-current	108		332				678	
Income taxes-deferred	259	367	134	466	2.4	99	348	1,026
Income before minority interests	661	3.8	1,040	5.2	378	57.3	1,647	2.2
Minority interests in income	32	0.2	183	0.9	150	463.2	160	0.2
Net income	628	3.6	857	4.3	228	36.3	1,487	2.1

<Reference> Statements of Comprehensive Income(Consolidated)

Income before minority interests	661		1,040		378	57.3	1,647	
Other comprehensive income								
Valuation difference on available-for-sale securities	214		286		72		280	
Foreign currency translation adjustment	689		△ 484		△ 1,174		15	
Remeasurements of defined benefit plans	-		△ 6		△ 6		-	
Share of other comprehensive income of associates accounted for using equity method	5		△ 7		△ 12		-	
Total other comprehensive income	908		△ 212		△ 1,120		2,495	
Comprehensive income	1,569		827		△ 741	△ 47.3	4,142	