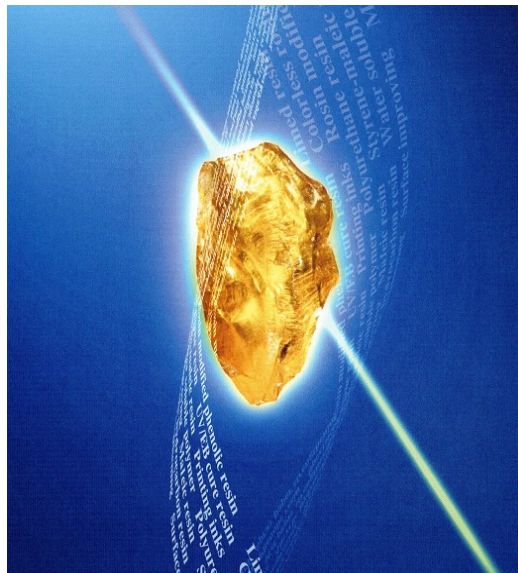


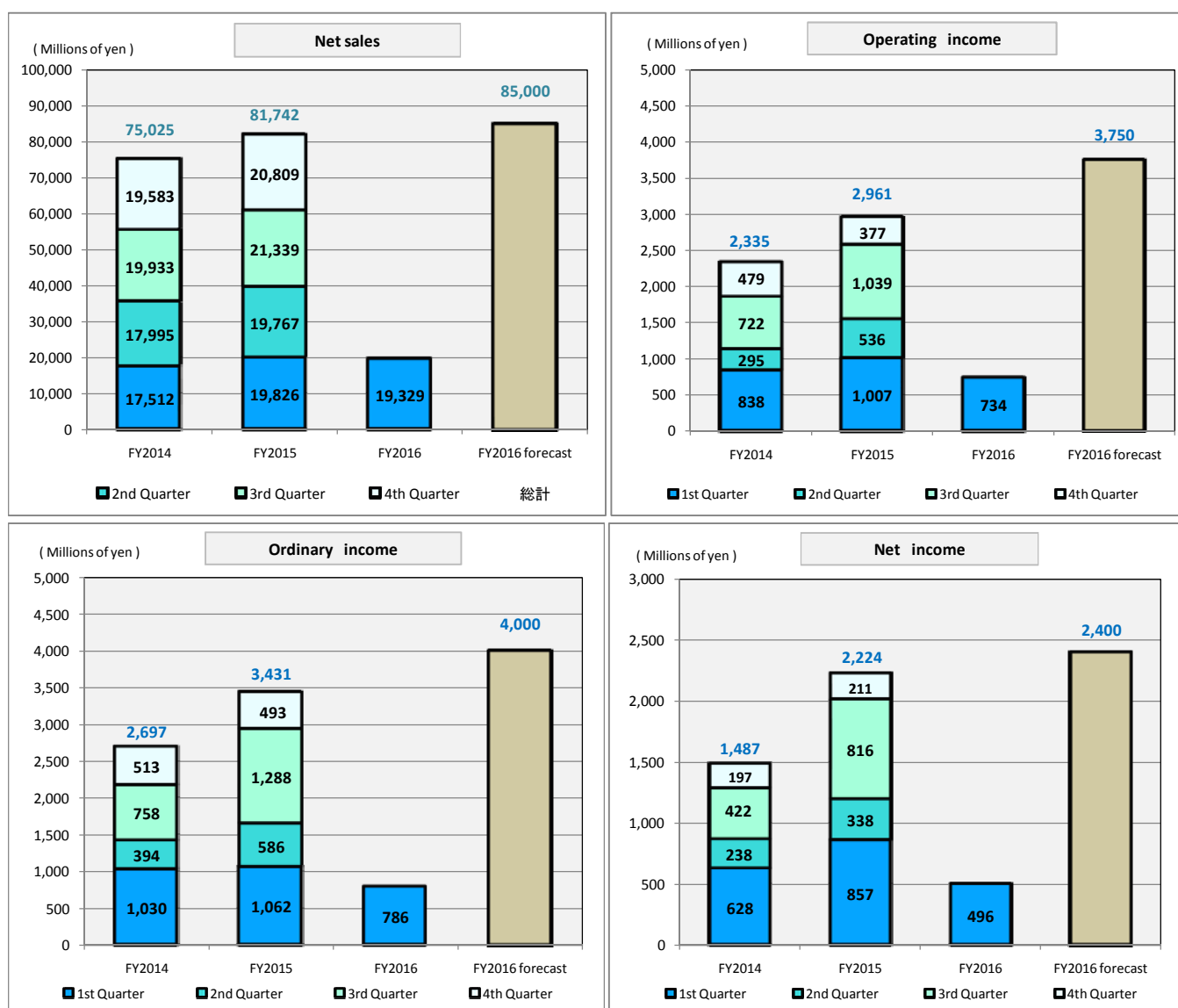
# DATA BOOK 2016

August 4th, 2015

1st Quarter ended June 30, 2015



**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

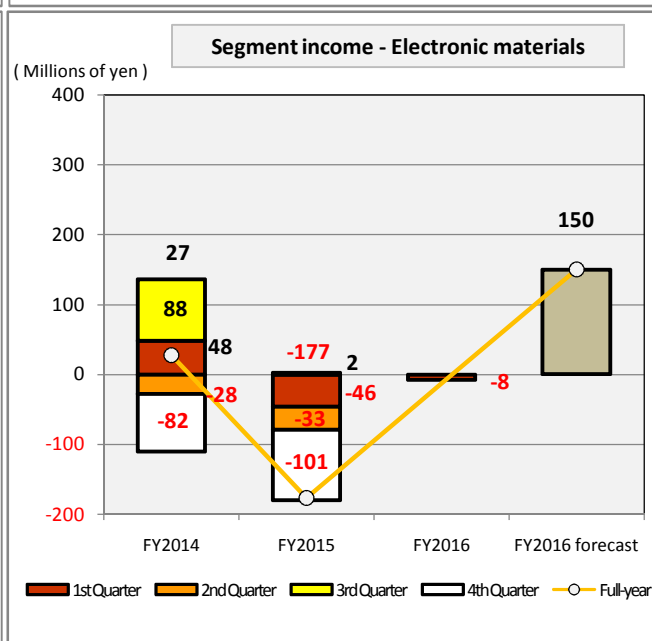
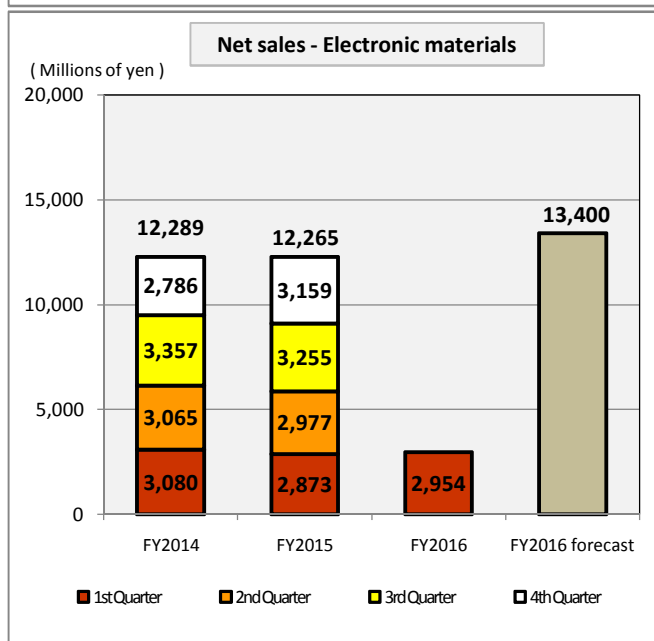
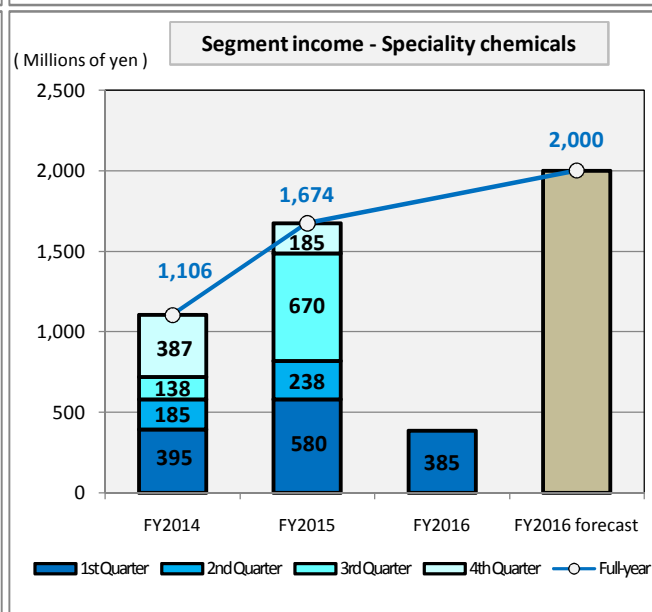
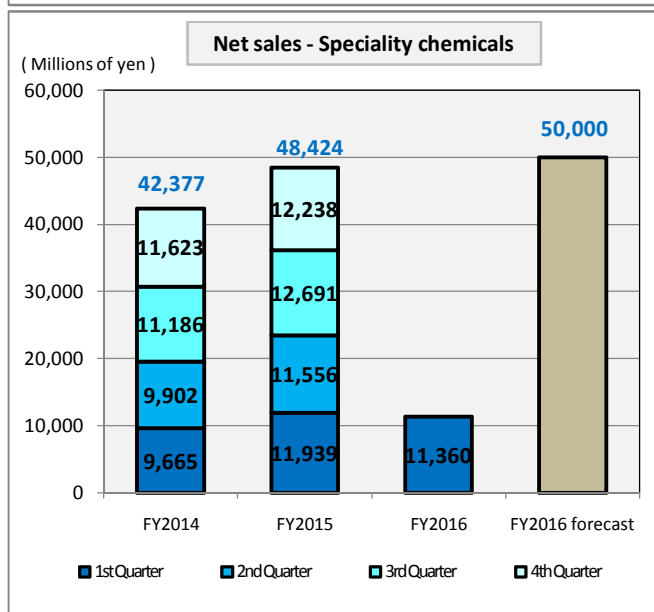
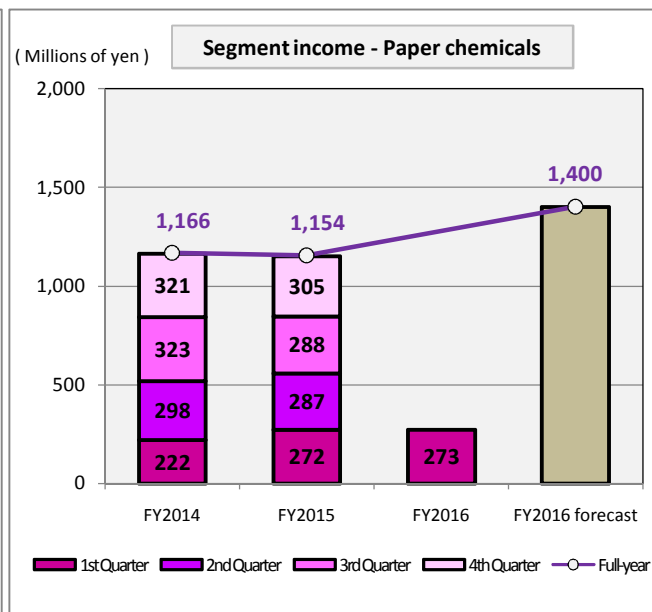
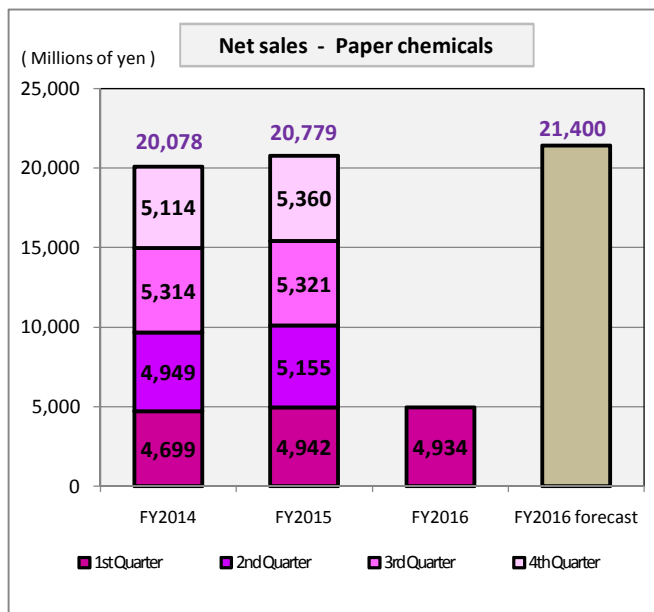
**\* Achievement Transition(Consolidated)**

Consolidated	FY2014(1Q) (‘13/4-‘13/6)		FY2015(1Q) (‘14/4-‘14/6)		FY2016(1Q) (‘15/4-‘15/6)		FY2014 (‘13/4-‘14/3)		FY2015 (‘14/4-‘15/3)		FY2016 forecast (‘15/4-‘16/3)	
	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	17,512	5.4	19,826	13.2	19,329	△ 2.5	75,025	10.7	81,742	9.0	85,000	4.0
Operating income	838	133.9	1,007	20.2	734	△ 27.0	2,335	24.1	2,961	26.8	3,750	26.6
Ordinary income	1,030	196.4	1,062	3.1	786	△ 26.0	2,697	39.4	3,431	27.2	4,000	16.6
Net income	628	507.7	857	36.3	496	△ 42.1	1,487	51.3	2,224	49.5	2,400	7.9

**\* Management Index(Consolidated)**

Consolidated	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	279	△ 32	221	△ 58	341	120	1,997	906	1,807	△ 189	3,000	1,192
Depreciation and amortization	695	△ 122	644	△ 51	619	△ 24	2,953	△ 405	2,700	△ 252	2,700	0
R & D expenses	743	51	675	△ 68	685	10	2,790	44	2,703	△ 87	2,800	96
Interest-bearing debt	17,262	△ 2,204	18,378	1,115	19,339	961	18,605	197	17,275	△ 1,329	16,300	△ 975

**\* Segment Information(Consolidated)**



**\* Segment Information(Consolidated)**

Consolidated		FY2014(1Q) ( <sup>13</sup> /4- <sup>13</sup> /6)		FY2015(1Q) ( <sup>14</sup> /4- <sup>14</sup> /6)		FY2016(1Q) ( <sup>15</sup> /4- <sup>15</sup> /6)		FY2014 ( <sup>13</sup> /4- <sup>14</sup> /3)		FY2015 ( <sup>14</sup> /4- <sup>15</sup> /3)		FY2016 forecast ( <sup>15</sup> /4- <sup>16</sup> /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	4,699	9.1	4,942	5.2	4,934	△ 0.1	20,078	12.5	20,779	3.5	21,400	3.0
	Segment income	222	5.5	272	22.4	273	0.3	1,166	27.8	1,154	△ 1.1	1,400	21.3
	Segment income/sales	4.7%		5.5%		5.5%		5.8%		5.6%		6.5%	
Speciality chemicals	Net sales	9,665	4.7	11,939	23.5	11,360	△ 4.8	42,377	11.9	48,424	14.3	50,000	3.3
	Segment income	395	—	580	—	385	△ 33.6	1,106	34.5	1,674	51.3	2,000	19.4
	Segment income/sales	4.1%		4.9%		3.4%		2.6%		3.5%		4.0%	
Electronic materials	Net sales	3,080	2.4	2,873	△ 6.7	2,954	2.8	12,289	3.9	12,265	△ 0.2	13,400	9.2
	Segment income(loss)	48	—	△ 46	—	△ 8	—	27	—	△ 177	—	150	—
	Segment income/sales	1.6%		△ 1.6%		△ 0.3%		0.2%		△ 1.4%		1.1%	
Others	Net sales	66	3.5	72	8.3	79	9.8	279	4.3	272	△ 2.5	200	△ 26.6
	Segment income(loss)	△ 2	—	5	—	6	10.4	9	—	12	—	10	△ 17.2
	Segment income/sales	△ 3.1%		7.8%		7.8%		3.5%		4.4%		5.0%	
Consolidated total	Net sales	17,512	5.4	19,826	13.2	19,329	△ 2.5	75,025	10.7	81,742	9.0	85,000	4.0
	Segment income	664	251.0	812	22.3	657	△ 19.1	2,310	48.2	2,663	15.3	3,560	33.7
	Segment income/sales	3.8%		4.1%		3.4%		3.1%		3.3%		4.2%	

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

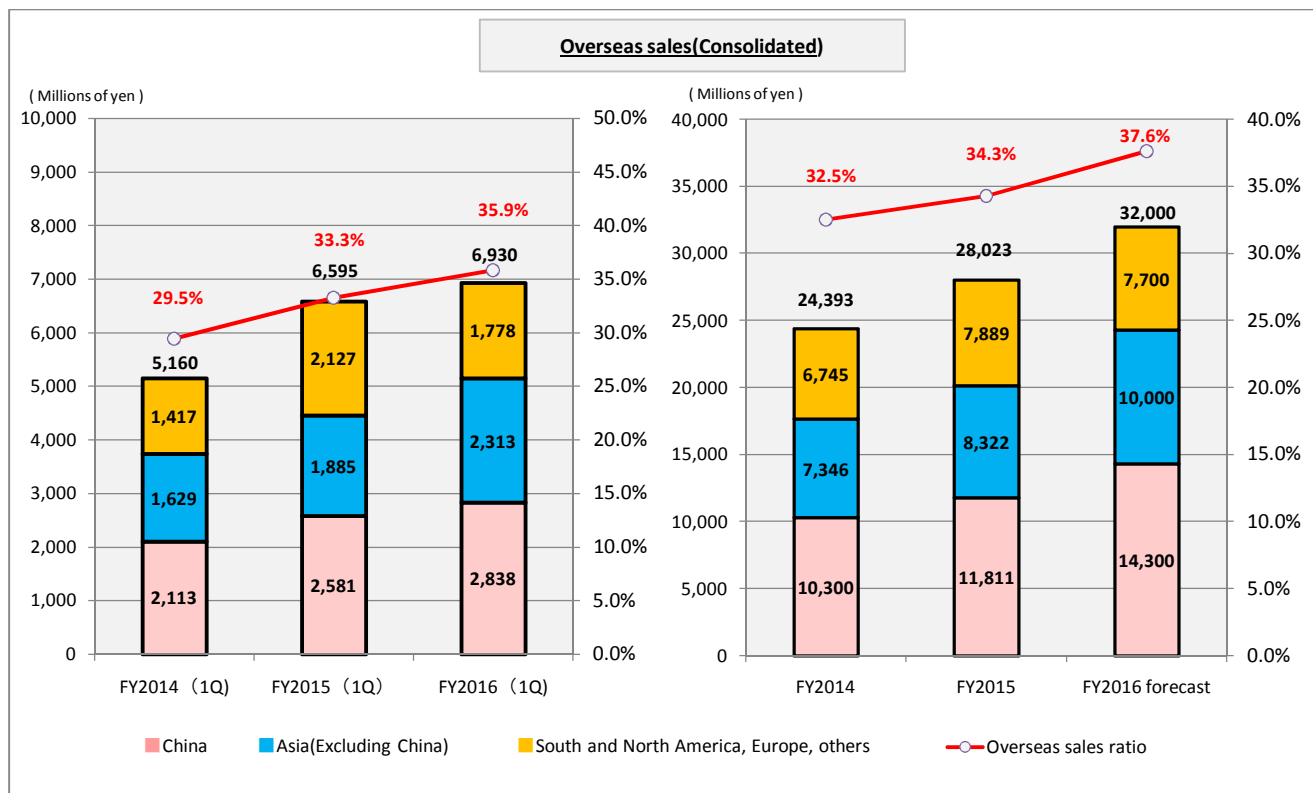
\* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

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

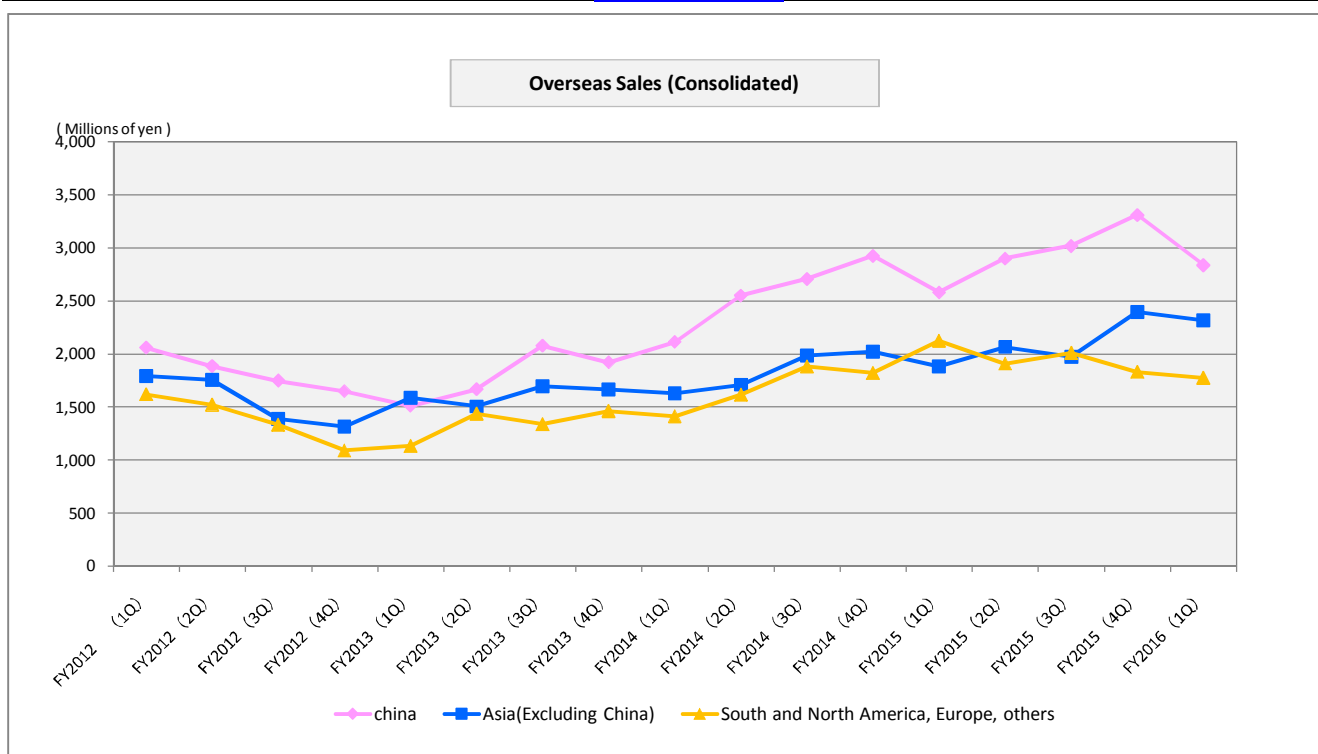
\* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Polishing agent for hard disk substrates, Flux cleaning solvent, Flux cleaning system, etc.

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

**\* Overseas Sales(Consolidated)**



Consolidated	FY2014(1Q) ( '13/4-'13/6)		FY2015(1Q) ( '14/4-'14/6)		FY2016(1Q) ( '15/4-'15/6)		FY2014 ( '13/4-'14/3)		FY2015 ( '14/4-'15/3)		FY2016 forecast ( '15/4-'16/3)	
	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	5,160	21.8	6,595	27.8	6,930	5.1	24,393	28.2	28,023	14.9	32,000	14.2
Overseas sales in Asia	3,742	20.8	4,467	19.4	5,152	15.3	17,647	29.4	20,133	14.1	24,300	20.7
Overseas sales in China	2,113	39.7	2,581	22.1	2,838	10.0	10,300	43.4	11,811	14.7	14,300	21.1
Overseas sales ratio	29.5%		33.3%		35.9%		32.5%		34.3%		37.6%	



## Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2015(1Q)		FY2016(1Q)		FY2015		Increase /Decrease (A) - (B)
	(As of June 30, 2014)		(As of June 30, 2015)		(As of March 31, 2015)		
	Amount	Com- position ratio	Amount(A)	Com- position ratio	Amount(B)	Com- position ratio	
(Assets)		%		%		%	
<b>I Current assets</b>							
1. Cash and deposits	7,860		8,702		8,228		474
2. Notes and accounts receivable-trade	27,758		28,376		29,649	△	1,273
3. Securities	-		232		-		232
4. Merchandise and finished goods	7,922		7,960		8,440	△	480
5. Work in process	1,205		1,382		1,070		312
6. Raw materials and supplies	7,293		7,220		7,476	△	256
7. Deferred tax assets	448		352		549	△	196
8. Other	935		985		745		240
Allowance for doubtful accounts	△ 156		△ 146		△ 142	△	4
Total current assets	53,268	65.7	55,067	64.6	56,018	65.7	△ 951
<b>II Noncurrent assets</b>							
1. Property, plant and equipment							
(1) Buildings and structures	7,735		7,944		7,793		150
(2) Machinery, equipment and vehicles	7,414		6,979		7,352	△	372
(3) Land	4,723		5,163		4,797		365
(4) Construction in progress	428		680		553		127
(5) Other	304		413		331		82
Total property, plant and equipment	20,606	25.4	21,180	24.8	20,827	24.4	353
2. Intangible assets							
(1) Goodwill	116		690		71		618
(2) Other	514		475		500	△	24
Total intangible assets	630	0.8	1,165	1.4	571	0.7	594
3. Investments and other assets							
(1) Investment securities	5,916		7,062		7,125	△	62
(2) Deferred tax assets	188		216		187		28
(3) Other	519		568		530		37
Allowance for doubtful accounts	△ 7		△ 14		△ 14	△	0
Total investments and other assets	6,617	8.1	7,832	9.2	7,828	9.2	4
Total noncurrent assets	27,855	34.3	30,178	35.4	29,227	34.3	951
Total assets	81,123	100.0	85,246	100.0	85,245	100.0	0

(Unit: Millions of yen)

Item	FY2015 (1Q)		FY2016 (1Q)		FY2015		Increase /Decrease (A) - (B)
	(As of June 30, 2014)		(As of June 30, 2015)		(As of March 31, 2015)		
	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	11,858		10,589		11,807		△ 1,218
2. Short-term loans payable	11,486		11,836		9,592		2,243
3. Income taxes payable	392		394		451		△ 57
4. Accrued consumption taxes	149		146		243		△ 96
5. Deferred tax liabilities	-		68		70		△ 1
6. Provision for bonuses	484		517		1,035		△ 518
7. Provision for directors' bonuses	10		10		46		△ 36
8. Provision for repairs	10		12		94		△ 81
9. Notes payable-facilities	140		144		134		9
10. Other	2,925		3,559		3,451		108
Total current liabilities	27,457	33.8	27,278	32.0	26,926	31.6	352
<b>II Noncurrent liabilities</b>							
1. Bonds payable	5,000		5,000		5,000		-
2. Long-term loans payable	1,892		2,503		2,683		△ 179
3. Deferred tax liabilities	1,032		1,446		1,393		52
4. Net defined benefit liability	58		-		-		-
5. Provision for repairs	939		742		813		△ 71
6. Asset retirement obligations	88		90		90		0
7. Other	454		486		493		△ 6
Total noncurrent liabilities	9,466	11.7	10,269	12.0	10,474	12.3	△ 204
Total liabilities	36,923	45.5	37,547	44.0	37,400	43.9	147
(Net assets)							
<b>I Shareholders' equity</b>							
1. Capital stock	3,128		3,201		3,192		8
2. Capital surplus	3,350		3,422		3,414		8
3. Retained earnings	33,194		34,515		34,298		217
4. Treasury stock	△ 11		△ 11		△ 11		△ 0
Total shareholders' equity	39,661	48.9	41,127	48.2	40,893	48.0	234
<b>II Accumulated other comprehensive income</b>							
1. Valuation difference on available-for-sale securities	1,657		2,622		2,572		49
2. Foreign currency translation adjustment	1,272		2,162		2,620		△ 458
3. Remeasurements of defined benefit plans	250		162		165		△ 2
Total accumulated other comprehensive income	3,180	3.9	4,947	5.9	5,358	6.3	△ 411
<b>III Subscription rights to shares</b>	27	0.0	22	0.0	23	0.0	△ 0
<b>IV Minority interests</b>	1,331	1.7	1,600	1.9	1,570	1.8	30
Total net assets	44,200	54.5	47,698	56.0	47,845	56.1	△ 146
Total liabilities and net assets	81,123	100.0	85,246	100.0	85,245	100.0	0

## Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2015(1Q)		FY2016(1Q)		Increase /Decrease		FY2015	
	' 14/4-' 14/6		' 15/4-' 15/6				' 14/4-' 15/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio
I Net sales	19,826	100.0	19,329	100.0	△ 496	△ 2.5	81,742	100.0
II Cost of sales	15,975	80.6	15,614	80.8	△ 360	△ 2.3	66,777	81.7
Gross profit	3,851	19.4	3,715	19.2	△ 136	△ 3.5	14,965	18.3
III Selling, general and administrative expenses	2,844	14.3	2,980	15.4	135	4.8	12,004	14.7
Operating income	1,007	5.1	734	3.8	△ 272	△ 27.0	2,961	3.6
IV Non-operating income								
Interest income	1		8				33	
Dividends income	51		57				126	
Real estate rent	30		30				119	
Foreign exchange gains	-		51				246	
Other	94	178	92	240	62	34.9	324	849
V Non-operating expenses								
Interest expenses	62		59				261	
Equity in losses of affiliates	8		26				49	
Foreign exchange losses	41		-				-	
Commission fee	-		89				-	
Other	10	122	12	188	65	53.4	69	379
Ordinary income	1,062	5.4	786	4.1	△ 275	△ 26.0	3,431	4.2
VI Extraordinary income								
Gain on sales of noncurrent assets	0		-				21	
Gain on sales of investment securities	-		126				-	
Compensation income	445		-				474	
State subsidy	-	445	-	126	△ 318	△ 71.5	15	511
VII Extraordinary loss								
Loss on sales and retirement of noncurrent assets	1		0				54	
Loss on valuation of non-current assets	-	1	-	0	0	78.4	4	58
Income before income taxes	1,507	7.6	913	4.7	△ 593	△ 39.4	3,884	4.8
Income taxes-current	332		171				###	
Income taxes-deferred	134	466	218	389	△ 77	△ 16.5	139	1,303
Net income	1,040	5.2	523	2.7	△ 516	△ 49.6	2,580	3.2
Profit Attributable to noncontrolling interests	183	0.9	27	0.1	△ 155	△ 85.2	356	0.4
Profit Attributable to owners of parent	857	4.3	496	2.6	△ 360	△ 42.1	2,224	2.8

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

Income before minority interests	1,040		523		△ 516	△ 49.6	2,580	
Other comprehensive income								
Valuation difference on available-for-sale	286		49		△ 236		1,201	
Foreign currency translation adjustment	△ 484		△ 417		67		1,043	
Remeasurements of defined benefit plans	△ 6		△ 2		3		△ 91	
Share of other comprehensive income of associates accounted for using equity method	△ 7		△ 23		△ 16		14	
Total other comprehensive income	△ 212		△ 394		△ 181		2,167	
Comprehensive income	827		129		△ 698	△ 84.3	4,747	