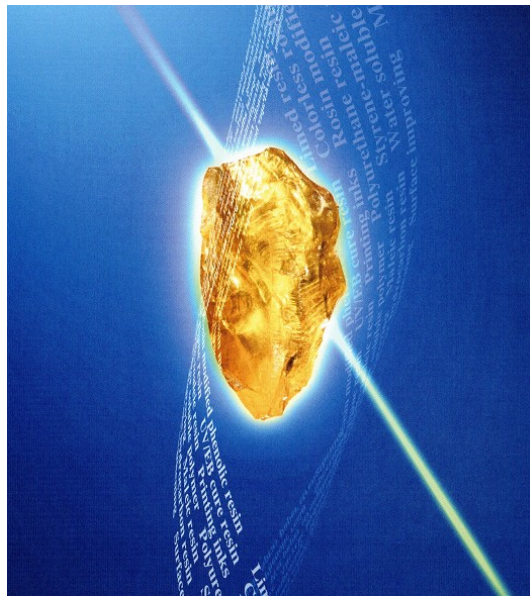


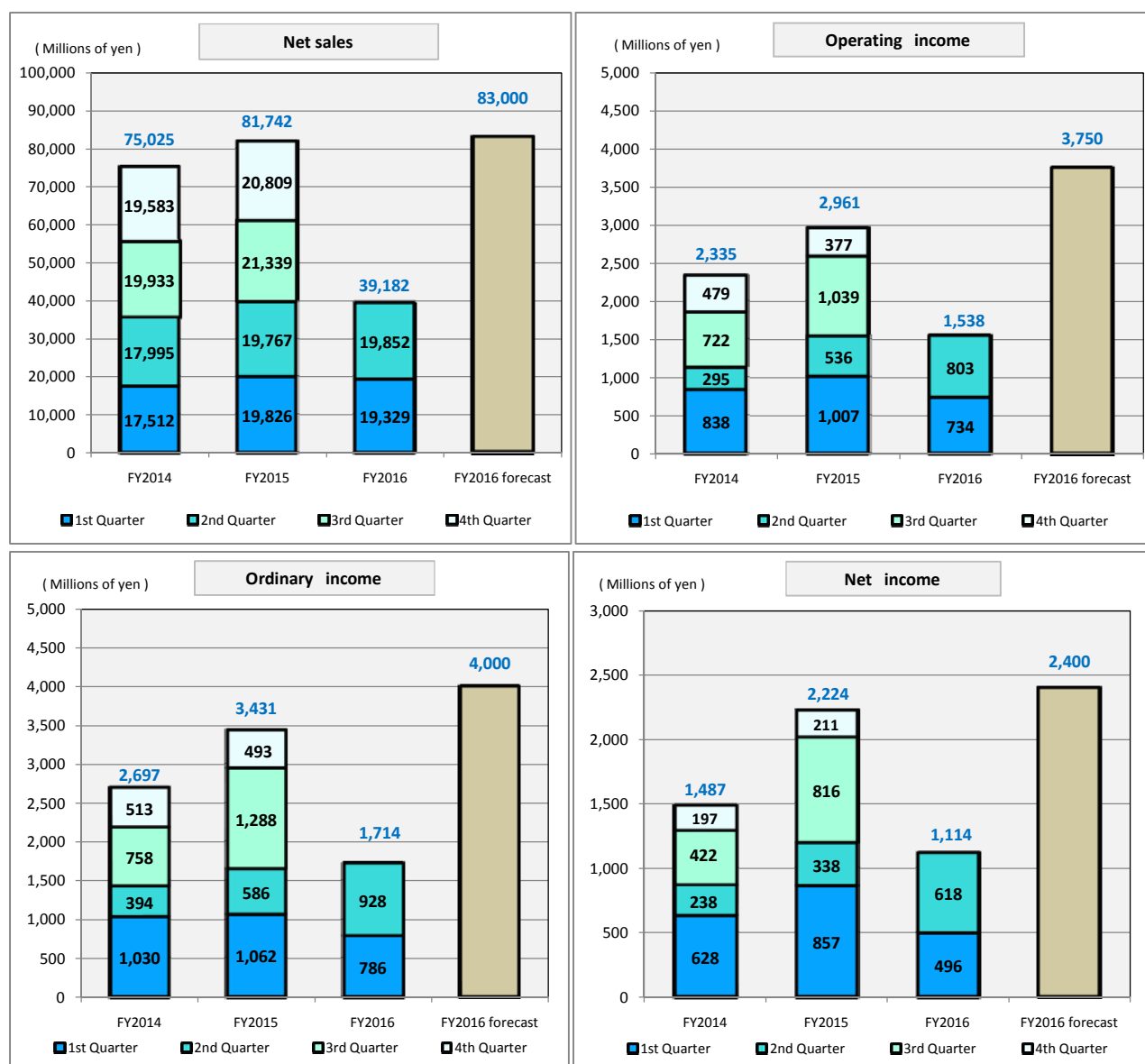
# DATA BOOK 2016

November 4th, 2015

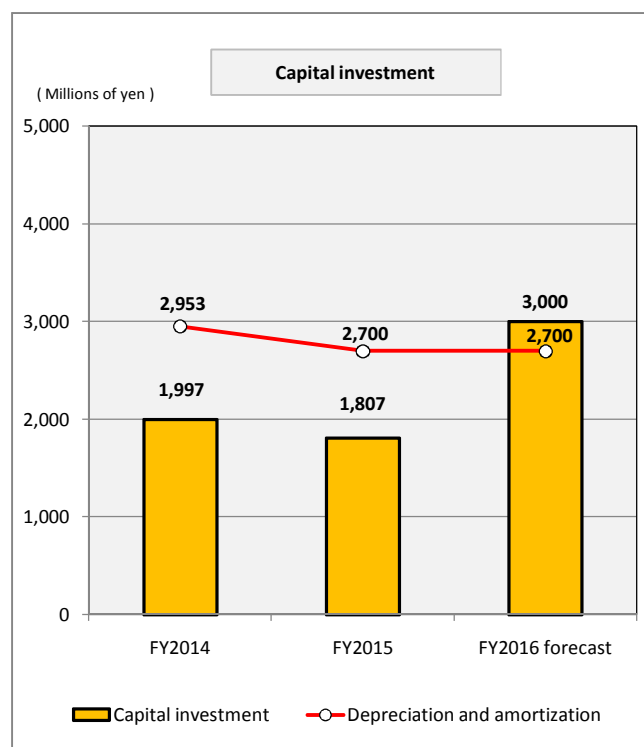
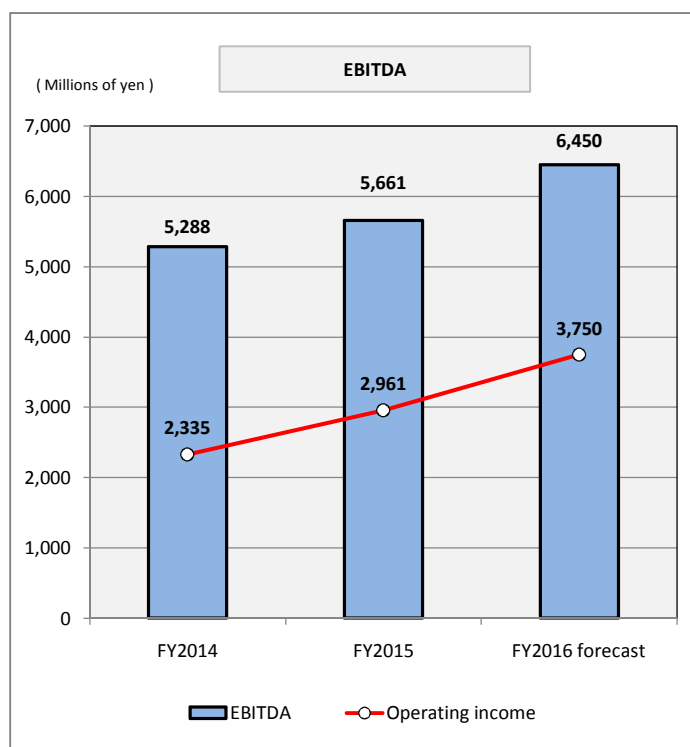
2nd Quarter ended September 30, 2015



**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

**\* Achievement Transition(Consolidated)**

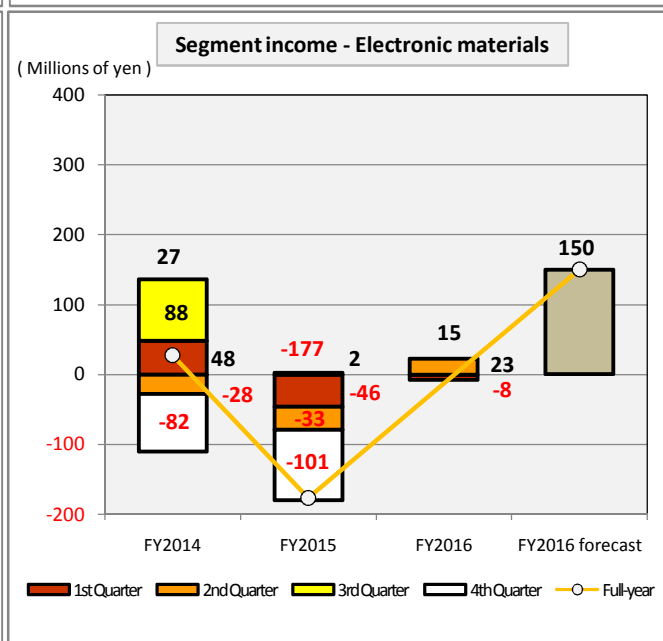
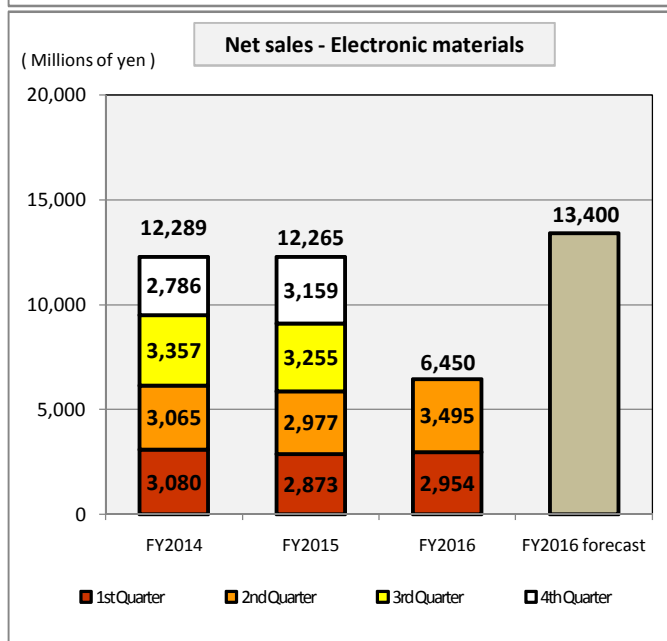
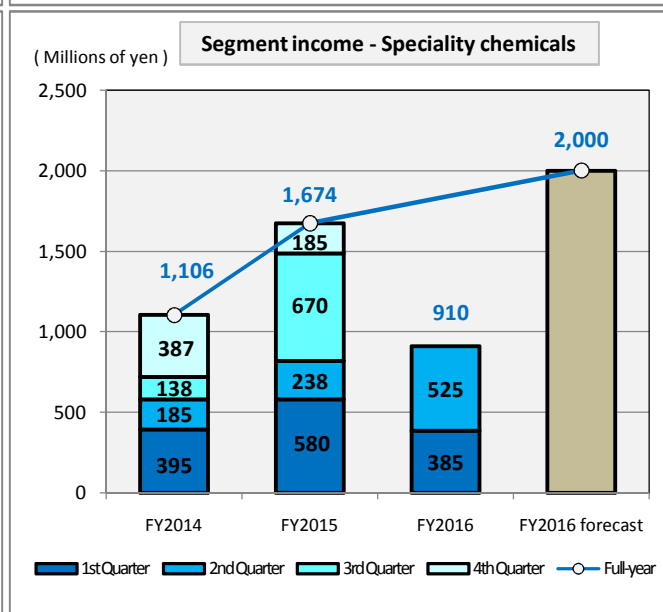
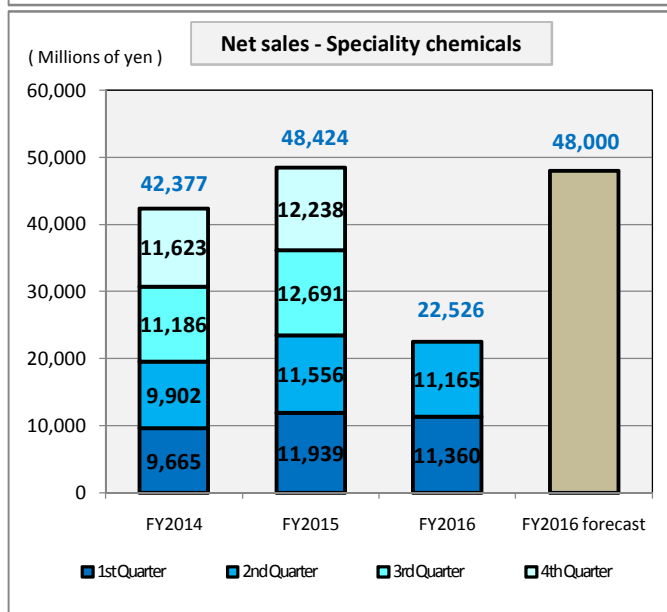
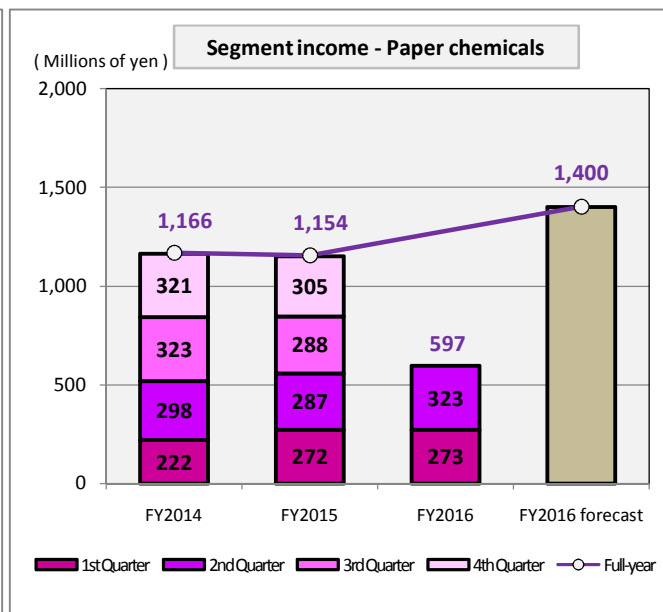
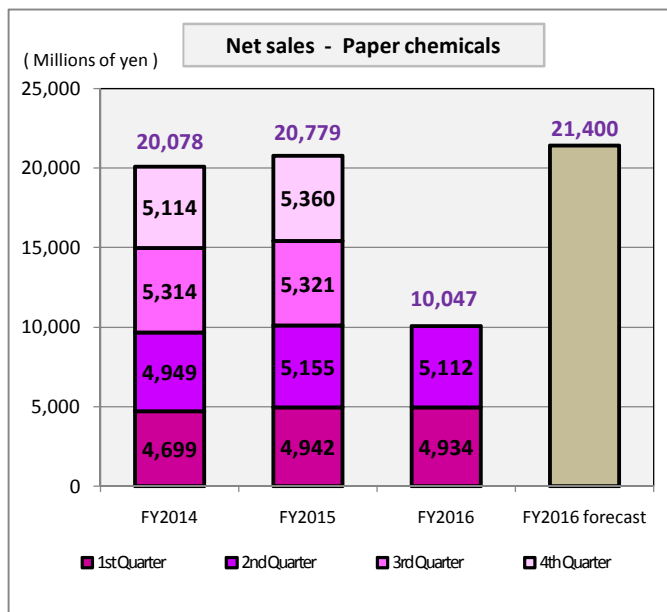
Consolidated	FY2014(2Q) ( '13/4-'13/9)		FY2015(2Q) ( '14/4-'14/9)		FY2016(2Q) ( '15/4-'15/9)		FY2014 ( '13/4-'14/3)		FY2015 ( '14/4-'15/3)		FY2016 forecast ( '15/4-'16/3)	
	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change	Millions of yen	%Change
Net sales	35,508	6.6	39,593	11.5	39,182	△ 1.0	75,025	10.7	81,742	9.0	83,000	1.5
Operating income	1,133	46.7	1,543	36.2	1,538	△ 0.3	2,335	24.1	2,961	26.8	3,750	26.6
Ordinary income	1,424	106.3	1,649	15.8	1,714	4.0	2,697	39.4	3,431	27.2	4,000	16.6
Net income	867	623.3	1,195	37.9	1,114	△ 6.8	1,487	51.3	2,224	49.5	2,400	7.9

**\* Management Index Transition**

Consolidated	FY2014(2Q) (‘13/4-‘13/9)		FY2015(2Q) (‘14/4-‘14/9)		FY2016(2Q) (‘15/4-‘15/9)		FY2014 (‘13/4-‘14/3)		FY2015 (‘14/4-‘15/3)		FY2016 forecast (‘15/4-‘16/3)	
	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	1,054	526	737	△ 316	832	95	1,997	906	1,807	△ 189	3,000	1,192
Depreciation and amortization	1,423	△ 226	1,280	△ 143	1,288	8	2,953	△ 405	2,700	△ 252	2,700	0
R & D expenses	1,386	39	1,316	△ 70	1,406	90	2,790	44	2,703	△ 87	2,800	96
Interest-bearing debt	17,515	△ 1,179	17,612	97	19,059	1,446	18,605	197	17,275	△ 1,329	17,500	224
EBITDA	2,559	252	2,823	264	2,827	3	5,288	267	5,661	373	6,450	788

\* EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization

**\* Segment Information(Consolidated)**



**\* Segment Information(Consolidated)**

Consolidated		FY2014(2Q) ('13/4-'13/9)		FY2015(2Q) ('14/4-'14/9)		FY2016(2Q) ('15/4-'15/9)		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
Paper chemicals	Net sales	9,649	9.8	10,097	4.6	10,047	△ 0.5	20,078	12.5	20,779	3.5	21,400	3.0
	Segment income	521	22.6	560	7.4	597	6.6	1,166	27.8	1,154	△ 1.1	1,400	21.3
	Segment income/sales	5.4%		5.5%		5.9%		5.8%		5.6%		6.5%	
Speciality chemicals	Net sales	19,567	6.9	23,495	20.1	22,526	△ 4.1	42,377	11.9	48,424	14.3	48,000	△ 0.9
	Segment income	580	363.2	818	41.0	910	11.3	1,106	34.5	1,674	51.3	2,000	19.4
	Segment income/sales	3.0%		3.5%		4.0%		2.6%		3.5%		4.2%	
Electronic materials	Net sales	6,145	1.2	5,850	△ 4.8	6,450	10.3	12,289	3.9	12,265	△ 0.2	13,400	9.2
	Segment income	20	—	△ 79	—	15	—	27	—	△ 177	—	150	—
	Segment income/sales	0.3%		△ 1.4%		0.2%		0.2%		△ 1.4%		1.1%	
Others	Net sales	145	1.1	150	3.0	157	5.0	279	4.3	272	△ 2.5	200	△ 26.6
	Segment income	4	176.4	9	126.1	10	5.7	9	—	12	23.3	10	△ 17.2
	Segment income/sales	0.0%		6.5%		6.6%		3.5%		4.4%		5.0%	
Consolidate d total	Net sales	35,508	6.6	39,593	11.5	39,182	△ 1.0	75,025	10.7	81,742	9.0	83,000	1.5
	Segment income	1,126	105.0	1,309	16.2	1,533	17.2	2,310	48.2	2,663	15.3	3,560	33.7
	Segment income/sales	3.2%		3.3%		3.9%		3.1%		3.3%		4.3%	

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

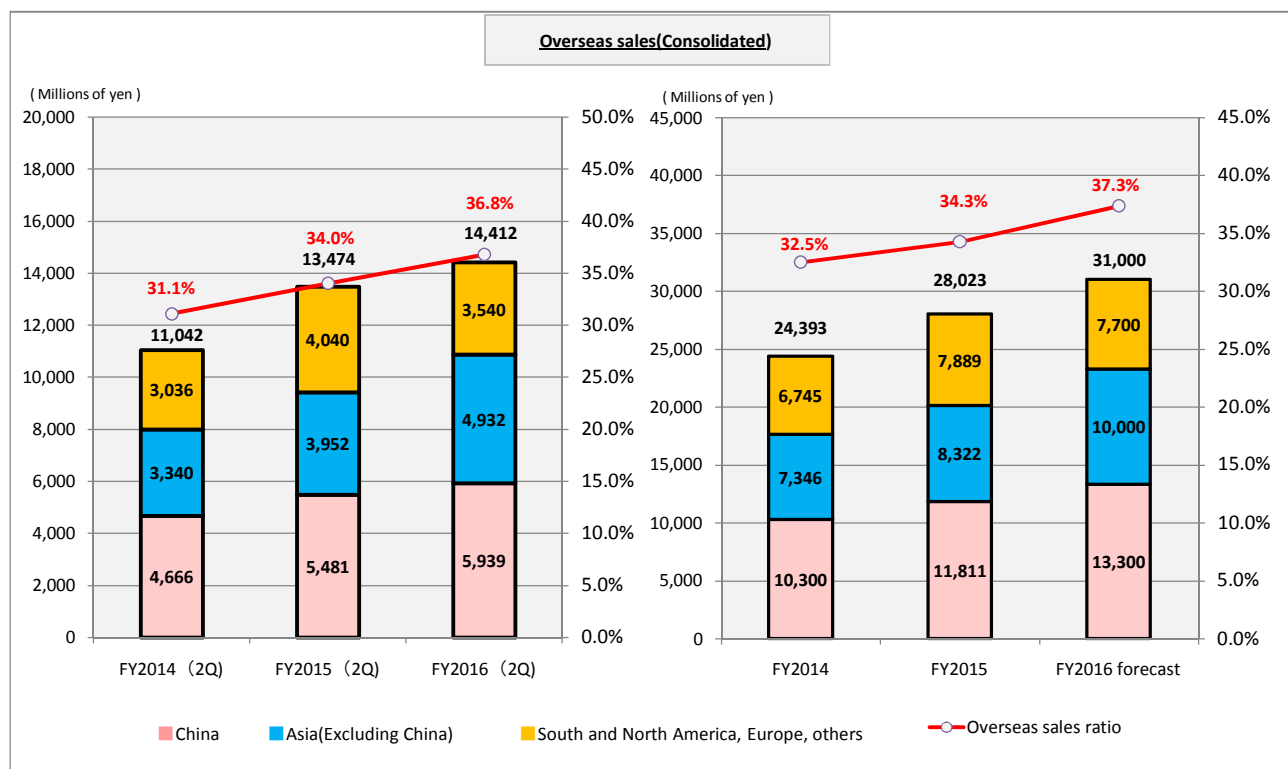
\* Paper chemicals.....Size agent, Paper strengthening agent, Ratex, etc.

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

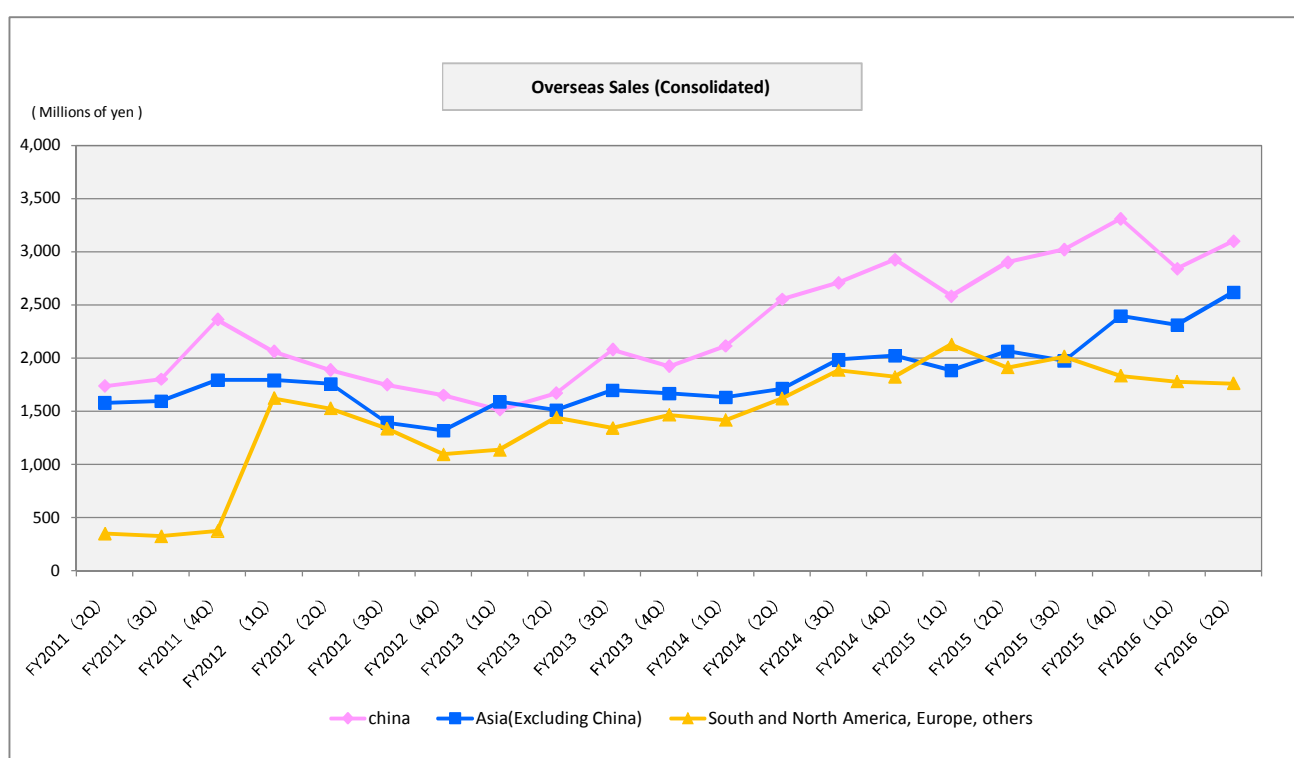
\* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Polishing agent for hard disk substrates, Flux cleaning solvent, Flux cleaning system, etc.

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

**\* Overseas Sales(Consolidated)**



Consolidated	FY2014(2Q) ( '13/4-'13/9)		FY2015(2Q) ( '14/4-'14/9)		FY2016(2Q) ( '15/4-'15/9)		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	11,042	24.8	13,474	22.0	14,412	7.0	24,393	28.2	28,023	14.9	31,000	10.6
Overseas sales in Asia	8,006	27.6	9,433	17.8	10,871	15.2	17,647	29.4	20,133	14.1	23,300	15.7
Overseas sales in China	4,666	46.7	5,481	17.5	5,939	8.3	10,300	43.4	11,811	14.7	13,300	12.6
Overseas sales ratio	31.1%		34.0%		36.8%		32.5%		34.3%		37.3%	



## Balance Sheets(Consolidated)

(Unit: Millions of yen)

Item	FY2015(2Q)		FY2016(2Q)		FY2015		Increase /Decrease (A) - (B)
	(As of September 30, 2014)		(As of September 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	7,670		10,526		8,228		2,298
2. Notes and accounts receivable-trade	27,969		27,757		29,649		△ 1,892
3. Securities	-		232		-		232
4. Merchandise and finished goods	8,009		7,968		8,440		△ 471
5. Work in process	1,048		1,319		1,070		249
6. Raw materials and supplies	7,405		7,041		7,476		△ 435
7. Deferred tax assets	542		510		549		△ 38
8. Other	951		881		745		135
Allowance for doubtful accounts	△ 156		△ 146		△ 142		△ 3
Total current assets	53,441	65.9	56,092	65.9	56,018	65.7	74
<b>II Noncurrent assets</b>							
1. Property, plant and equipment							
(1) Buildings and structures	7,652		7,948		7,793		154
(2) Machinery, equipment and vehicles	7,244		6,918		7,352		△ 434
(3) Land	4,781		5,219		4,797		422
(4) Construction in progress	336		789		553		236
(5) Other	294		409		331		78
Total property, plant and equipment	20,309	25.1	21,285	25.0	20,827	24.4	458
2. Intangible assets							
(1) Goodwill	98		645		71		573
(2) Other	485		477		500		△ 22
Total intangible assets	583	0.7	1,122	1.3	571	0.7	551
3. Investments and other assets							
(1) Investment securities	6,017		5,877		7,125		△ 1,247
(2) Deferred tax assets	178		194		187		6
(3) Other	518		570		530		40
Allowance for doubtful accounts	△ 11		△ 15		△ 14		△ 0
Total investments and other assets	6,702	8.3	6,627	7.8	7,828	9.2	△ 1,200
Total noncurrent assets	27,596	34.1	29,036	34.1	29,227	34.3	△ 190
Total assets	81,037	100.0	85,128	100.0	85,245	100.0	△ 116

(Unit: Millions of yen)

Item	FY2015 (2Q)		FY2016 (2Q)		FY2015		Increase /Decrease (A) - (B)
	(As of September 30, 2014)		(As of September 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	11,781		10,698		11,807		△ 1,109
2. Short-term loans payable	10,441		10,554		9,592		961
3. Income taxes payable	331		497		451		45
4. Accrued consumption taxes	124		126		243		△ 116
5. Deferred tax liabilities	-		72		70		2
6. Provision for bonuses	943		1,026		1,035		△ 9
7. Provision for directors' bonuses	21		22		46		△ 24
8. Provision for repairs	85		13		94		△ 80
9. Notes payable-facilities	46		73		134		△ 61
10. Other	2,922		3,112		3,451		△ 339
Total current liabilities	26,698	32.9	26,195	30.8	26,926	31.6	△ 730
<b>II Noncurrent liabilities</b>							
1. Bonds payable	5,000		5,000		5,000		-
2. Long-term loans payable	2,171		3,504		2,683		821
3. Deferred tax liabilities	1,146		1,091		1,393		△ 302
4. Net defined benefit liability	-		12		-		12
5. Provision for repairs	858		639		813		△ 174
6. Asset retirement obligations	89		91		90		0
7. Other	443		435		493		△ 57
Total noncurrent liabilities	9,708	12.0	10,774	12.6	10,474	12.3	300
Total liabilities	36,406	44.9	36,969	43.4	37,400	43.9	△ 430
(Net assets)							
<b>I Shareholders' equity</b>							
1. Capital stock	3,184		3,284		3,192		91
2. Capital surplus	3,405		3,505		3,414		91
3. Retained earnings	33,533		35,133		34,298		835
4. Treasury stock	△ 11		△ 12		△ 11		△ 0
Total shareholders' equity	40,111	49.5	41,911	49.3	40,893	48.0	1,017
<b>II Accumulated other comprehensive income</b>							
1. Valuation difference on available-for-sale	1,721		1,814		2,572		△ 758
2. Foreign currency translation adjustment	1,147		2,536		2,620		△ 84
3. Remeasurements of defined benefit plans	244		157		165		△ 7
Total accumulated other comprehensive income	3,113	3.8	4,508	5.3	5,358	6.3	△ 850
<b>III Subscription rights to shares</b>	23	0.0	17	0.0	23	0.0	△ 5
<b>IV Minority interests</b>	1,382	1.8	1,722	2.0	1,570	1.8	152
Total net assets	44,630	55.1	48,159	56.6	47,845	56.1	313
Total liabilities and net assets	81,037	100.0	85,128	100.0	85,245	100.0	△ 116



## Statements of Income(Consolidated)

(Unit: Millions of yen)

Item	FY2015 (2Q)		FY2016 (2Q)			Increase /Decrease		FY2015	
	'14/4-'14/9		'15/4-'15/9					'14/4-'15/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change	Amount	Ratio	
I Net sales	39,593	100.0	39,182	100.0	△ 411	△ 1.0	81,742	100.0	
II Cost of sales	32,238	81.4	31,415	80.2	△ 822	△ 2.6	66,777	81.7	
Gross profit	7,355	18.6	7,767	19.8	411	5.6	14,965	18.3	
III Selling, general and administrative expenses	5,812	14.7	6,228	15.9	416	7.2	12,004	14.7	
Operating income	1,543	3.9	1,538	3.9	△ 5	△ 0.3	2,961	3.6	
IV Non-operating income									
Interest income	11		17				33		
Dividends income	64		85				126		
Real estate rent	60		61				119		
Foreign exchange gains	6		76				246		
Other	130	273	227	468	195	71.5	324	849	
V Non-operating expenses									
Interest expenses	129		122				261		
Equity in losses of affiliates	17		27				49		
Commission fee	-		89				-		
Other	20	167	53	292	124	74.7	69	379	
Ordinary income		1,649		1,714	65	4.0		3,431	
VI Extraordinary income									
Gain on sales of noncurrent assets	20		0				21		
Gain on sales of investment securities	-		127				-		
Compensation income	440		-				474		
State subsidy	-	461	-	127	333	72.4	15	511	
VII Extraordinary loss									
Loss on sales and retirement of noncurrent assets	11		12				54		
Loss on valuation of non-current assets	-	11	-	12	1	12.7	4	58	
Income before income taxes		2,099		1,829	269	12.9		3,884	
Income taxes-current	535		492				1,164		
Income taxes-deferred	132	667	117	610	57	8.6	139	1,303	
Net income		1,432		1,219	212	14.9		2,580	
Profit Attributable to noncontrolling interests		236		104	131	55.8		356	
Profit Attributable to owners of parent		1,195		1,114	80	6.8		2,224	

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

Income before minority interests		1,432		1,219	212	14.9		2,580
Other comprehensive income								
Valuation difference on available-for-sale securities		350		△ 758	△ 1,108			1,201
Foreign currency translation adjustment		△ 612		△ 0	612			1,043
Remeasurements of defined benefit plans		△ 12		△ 7	5			△ 91
Share of other comprehensive income of associates accounted for using equity method		△ 7		△ 22	△ 14			14
Total other comprehensive income		△ 281		△ 788	△ 506			2,167
Comprehensive income		1,150		431	719	62.5		4,747

## Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2015 (2Q)	FY2016 (2Q)	Increase /Decrease		FY2015
	' 14/4-' 14/9	' 15/4-' 15/9			' 14/4-' 15/3
	Amount(A)	Amount(B)	(B) - (A)		Amount
<b>I Net cash provided by (used in) operating</b>					
Income before income taxes	2,099	1,829	△	269	3,884
Depreciation and amortization	1,280	1,288		8	2,700
Amortization of goodwill	30	61		30	61
Increase (decrease) in allowance for doubtful accounts	5	0	△	4	△ 15
Increase (decrease) in provision for bonuses	△ 43	△ 15		28	41
Increase (decrease) in provision for directors' bonuses	△ 19	△ 24	△	5	6
Increase (decrease) in net defined benefit liability	△ 155	△ 182	△	27	△ 205
Loss (gain) on sales of investment securities	-	△ 127	△	127	-
Loss on valuation of non-current assets	-	-		-	4
Loss (gain) on sales and retirement of noncurrent assets	△ 9	12		22	33
Interest and dividends income	△ 75	△ 103	△	27	△ 160
Interest expenses	129	122	△	7	261
Equity in (earnings) losses of affiliates	17	27		10	49
Decrease (increase) in notes and accounts receivable-trade	△ 240	2,175		2,416	△ 767
Decrease (increase) in inventories	703	747		44	839
Increase (decrease) in notes and accounts payable-trade	△ 855	△ 1,402	△	546	△ 1,305
Increase (decrease) in accrued consumption taxes	88	△ 116	△	205	206
Other, net	408	△ 585	△	993	543
Subtotal	3,363	3,709		345	6,177
Interest and dividends income received	72	103		30	165
Interest expenses paid	△ 149	△ 113		35	△ 286
Income taxes (paid) refund	△ 427	△ 505	△	77	△ 961
<b>Net cash provided by (used in) operating activities</b>	<b>2,859</b>	<b>3,193</b>		<b>334</b>	<b>5,094</b>
<b>II Net cash provided by (used in) investing activities</b>					
Net decrease (increase) in time deposits	-	△ 6	△	6	-
Purchase of property, plant and equipment	△ 873	△ 1,162	△	288	△ 1,737
Proceeds from sales of property, plant and equipment	42	5	△	37	6
Purchase of investment securities	△ 12	△ 13	△	1	△ 25
Proceeds from sales of investment securities	-	244		244	-
Purchase of intangible assets	△ 19	△ 28	△	9	△ 44
Purchase of shares of subsidiaries and associates	-	△ 1,498	△	1,498	-
Decrease (increase) in other investments	0	△ 11	△	12	△ 1
Other, net	-	△ 9	△	9	△ 7
<b>Net cash provided by (used in) investing activities</b>	<b>△ 861</b>	<b>△ 2,481</b>	<b>△</b>	<b>1,619</b>	<b>△ 1,810</b>
<b>III Net cash provided by (used in) financing activities</b>					
Net increase (decrease) in short-term loans payable	△ 477	230		707	△ 2,145
Proceeds from long-term loans payable	494	2,200		1,705	2,660
Repayment of long-term loans payable	△ 734	△ 700		33	△ 1,995
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	107	177		69	124
Purchase of treasury stock	△ 0	△ 0	△	0	△ 0
Cash dividends paid	△ 261	△ 304	△	42	△ 525
Cash dividends paid to minority shareholders	-	-		-	△ 136
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	△ 4	△	4	-
<b>Net cash provided by (used in) financing activities</b>	<b>△ 870</b>	<b>1,598</b>	<b>△</b>	<b>2,468</b>	<b>△ 2,017</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>△ 124</b>	<b>69</b>		<b>193</b>	<b>293</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>1,002</b>	<b>2,379</b>		<b>1,377</b>	<b>1,560</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>6,576</b>	<b>8,136</b>		<b>1,560</b>	<b>6,576</b>
<b>VII Cash and cash equivalents at end of period</b>	<b>7,578</b>	<b>10,516</b>		<b>2,938</b>	<b>8,136</b>