

# DATA BOOK

**FY2023** (3rd Quarter ended December 31,2022)

***V-ACTION for sustainability***

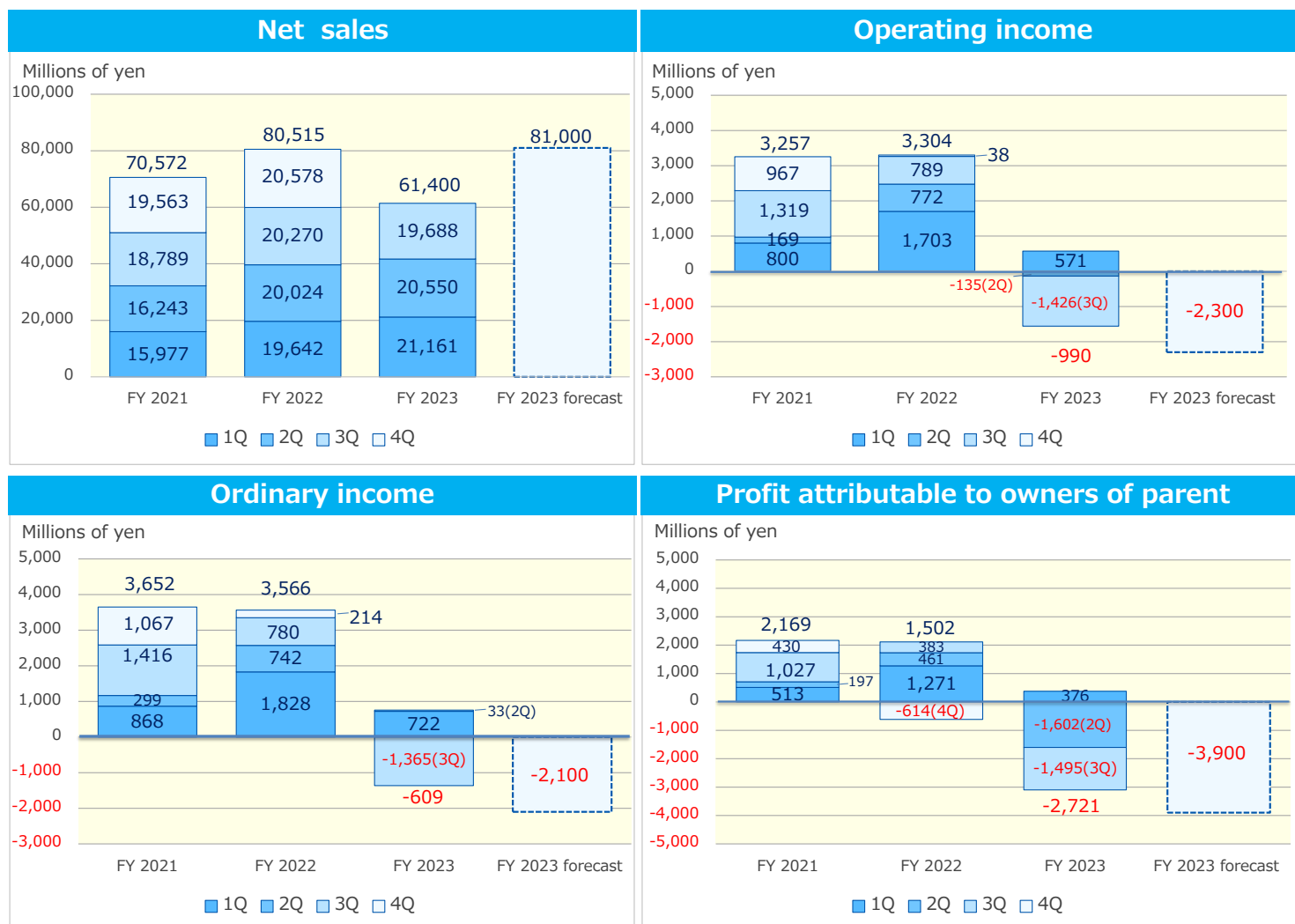


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**February 2nd,2023**  
**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

## Performance (Consolidated)



Consolidated	FY 2021 (3Q)		FY 2022 (3Q)		FY 2023 (3Q)		FY 2021		FY 2022		FY 2023 forecast	
	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	51,009	△ 7.4	59,937	17.5	61,400	2.4	70,572	△ 3.3	80,515	14.1	81,000	0.6
Operating income	2,289	10.4	3,265	42.6	△ 990	-	3,257	26.5	3,304	1.4	△ 2,300	-
Ordinary income	2,584	8.3	3,351	29.7	△ 609	-	3,652	24.8	3,566	△ 2.3	△ 2,100	-
Profit attributable to owners of parent	1,738	15.5	2,117	21.8	△ 2,721	-	2,169	25.3	1,502	△ 30.7	△ 3,900	-

## Capital expenditure, etc.

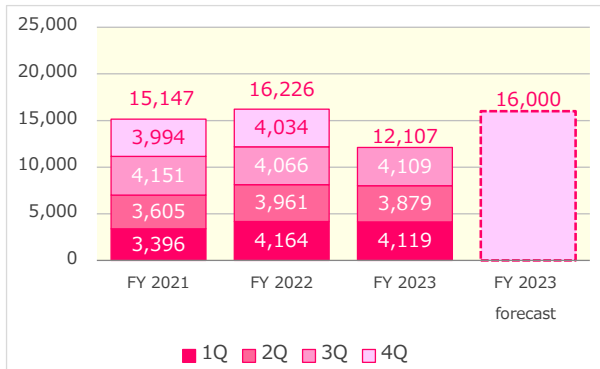
Consolidated	FY 2021 (3Q)		FY 2022 (3Q)		FY 2023 (3Q)		FY 2021		FY 2022		FY 2023 forecast	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital investment	1,935	△ 67	3,455	1,519	2,954	△ 500	18,559	14,626	6,567	△ 11,991	6,560	△ 7
Depreciation	2,226	47	2,182	△ 43	2,958	776	2,980	93	3,120	139	4,760	1,639
R&D expenses	2,359	117	2,274	△ 84	2,256	△ 18	3,247	205	3,100	△ 147	3,480	379
Interest-bearing debt	21,772	2,415	24,743	2,970	38,440	13,696	21,789	2,743	26,680	4,891	39,000	12,319
EBITDA	4,662	198	5,524	861	1,968	△ 3,556	6,423	680	6,500	77	2,460	△ 4,040

[ EBITDA ] Operating profit before amortization = Operating profit + Depreciation expense + Amortization of goodwill

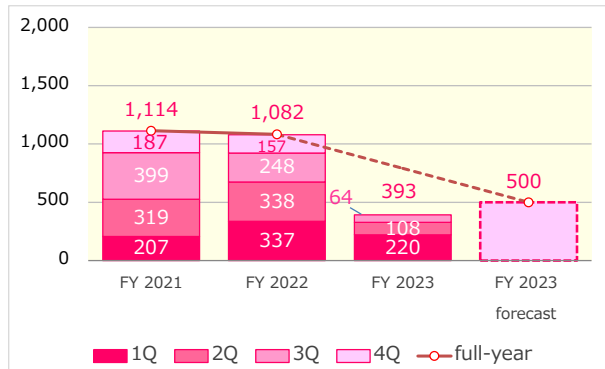
## Segment Information (Consolidated)

### Functional Coating Chemicals

Net sales (Millions of yen)

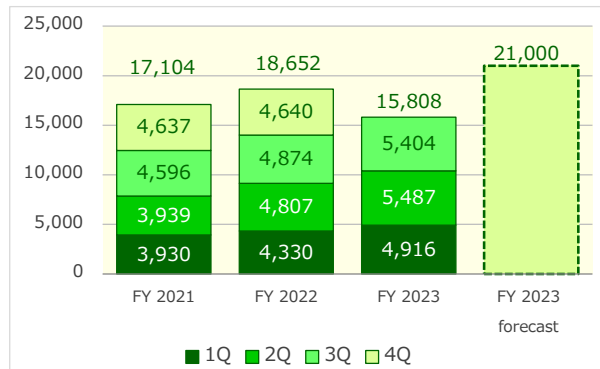


Segment income (Millions of yen)

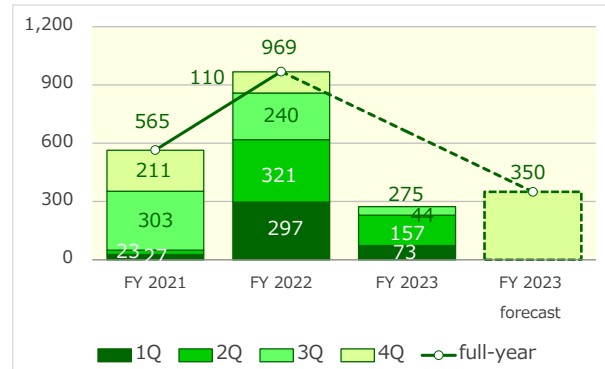


### Paper Chemicals & Environmental Business

Net sales (Millions of yen)

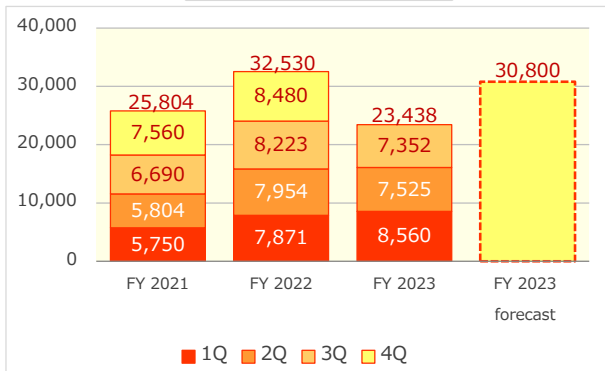


Segment income (Millions of yen)

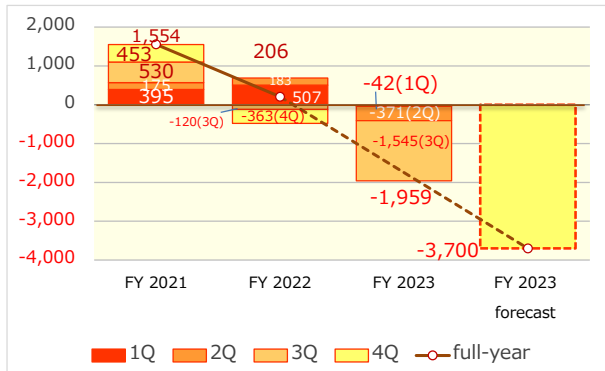


### Adhesive & Biomass Materials

Net sales (Millions of yen)

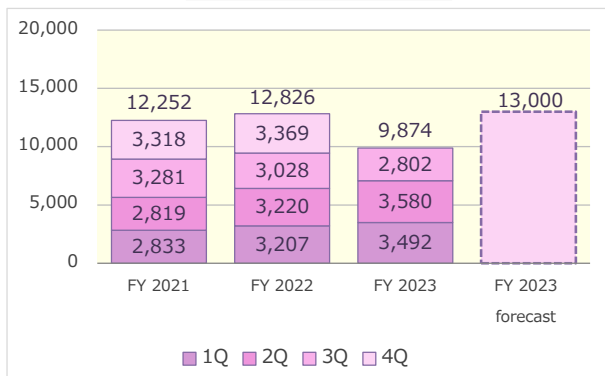


Segment income (Millions of yen)

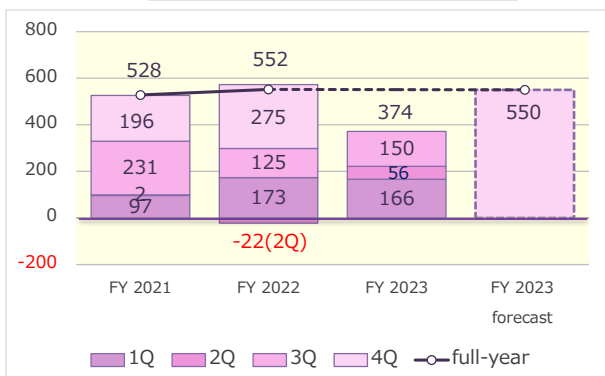


### Fine Chemicals & Electronics

Net sales (Millions of yen)



Segment income (Millions of yen)



## Segment Information (Consolidated)

Consolidated		FY 2021 (3Q)		FY 2022 (3Q)		FY 2023 (3Q)		FY 2021		FY 2022		FY 2023 forecast	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Functional Coating Chemicals	Net sales ※1	11,153	△ 4.5	12,192	9.3	<b>12,107</b>	△ 0.7	15,147	△ 2.3	16,226	7.1	16,000	△ 1.4
	Segment income	927	92.0	924	△ 0.3	<b>393</b>	△ 57.5	1,114	75.0	1,082	△ 2.9	500	△ 53.8
	Segment income/sales	8.3%		7.6%		<b>3.2%</b>		7.4%		6.7%		3.1%	
Paper Chemicals & Environmental Business	Net sales ※1	12,466	△ 14.0	14,012	12.4	<b>15,808</b>	<b>12.8</b>	17,104	△ 9.6	18,652	9.1	21,000	12.6
	Segment income	354	△ 7.0	859	142.7	<b>275</b>	△ 67.9	565	63.1	969	71.4	350	△ 63.9
	Segment income/sales	2.8%		6.1%		<b>1.7%</b>		3.3%		5.2%		1.7%	
Adhesive & Biomass Materials	Net sales ※1	18,244	△ 8.8	24,049	31.8	<b>23,438</b>	△ 2.5	25,804	△ 2.3	32,530	26.1	30,800	△ 5.3
	Segment income	1,100	△ 9.0	570	△ 48.2	△ 1,959	–	1,554	12.2	206	△ 86.7	△ 3,700	–
	Segment income/sales	6.0%		2.4%		△ 8.4%		6.0%		0.6%		△ 12.0%	
Fine Chemicals & Electronics	Net sales ※1	8,933	2.7	9,456	5.9	<b>9,874</b>	<b>4.4</b>	12,252	3.4	12,826	4.7	13,000	1.4
	Segment income	331	0.9	276	△ 16.5	<b>374</b>	<b>35.3</b>	528	36.9	552	4.6	550	△ 0.4
	Segment income/sales	3.7%		2.9%		<b>3.8%</b>		4.3%		4.3%		4.2%	
Others	Net sales ※1	211	△ 6.5	226	7.4	<b>171</b>	△ 24.5	263	△ 5.2	279	6.2	200	△ 28.4
	Segment income	19	△ 24.0	36	85.0	<b>29</b>	△ 19.9	26	△ 16.2	45	72.8	40	△ 11.8
	Segment income/sales	9.4%		16.2%		<b>17.2%</b>		10.0%		16.2%		20.0%	
Subtotal	Net sales ※1	51,009	△ 7.4	59,937	17.5	<b>61,400</b>	<b>2.4</b>	70,572	△ 3.3	80,515	14.1	81,000	0.6
	Segment income	2,733	12.5	2,667	△ 2.4	△ 887	–	3,789	36.0	2,855	△ 24.6	△ 2,260	–
	Segment income/sales	5.4%		4.4%		△ 1.4%		5.4%		3.5%		△ 2.8%	
Consolidated total	*Development Investment ※2	△ 279	–	△ 326	–	△ 301	–	△ 377	–	△ 437	–	△ 410	–
	Segment income	2,454	11.1	2,340	△ 4.6	△ 1,188	–	3,411	36.9	2,418	△ 29.1	△ 2,670	–
	Segment income/sales	4.8%		3.9%		△ 1.9%		4.8%		3.0%		△ 3.3%	

※1 The sales of business segmentation do not include intersegment sales.

The Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending march 31, 2022.

※2 Applied research and development expense that will be the source of growth in the medium to long term.

[Functional Coating Chemicals] UV/EB curable resin, Resins for paint and printing ink, etc.

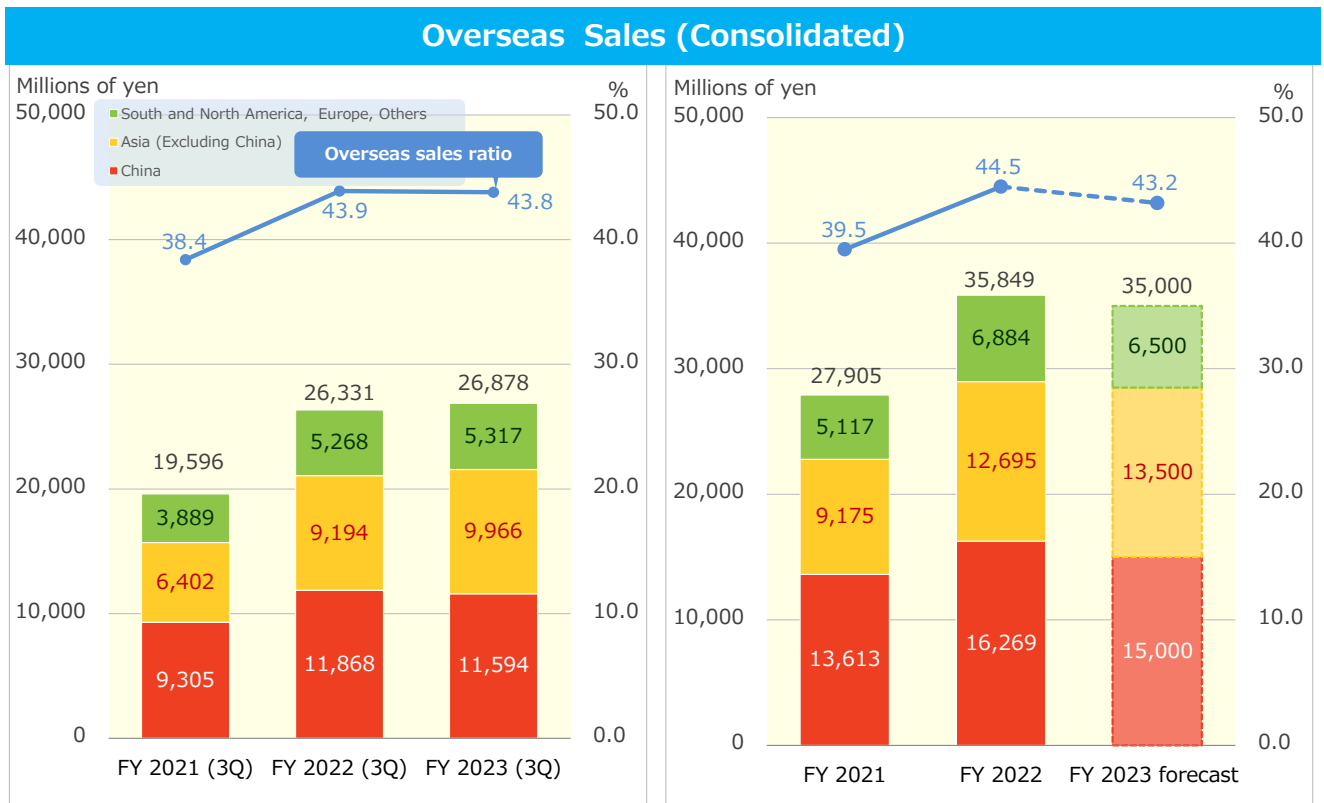
[Paper chemicals & Environmental Business] Paper strengthening agent, Sizing agent, New water-based polymer, etc.

[Adhesive & Biomass Materials] Hydrogenated hydrocarbon resin, Adhesive resin, Colorless rosin derivative, Synthetic rubber polymerization emulsifier, etc.

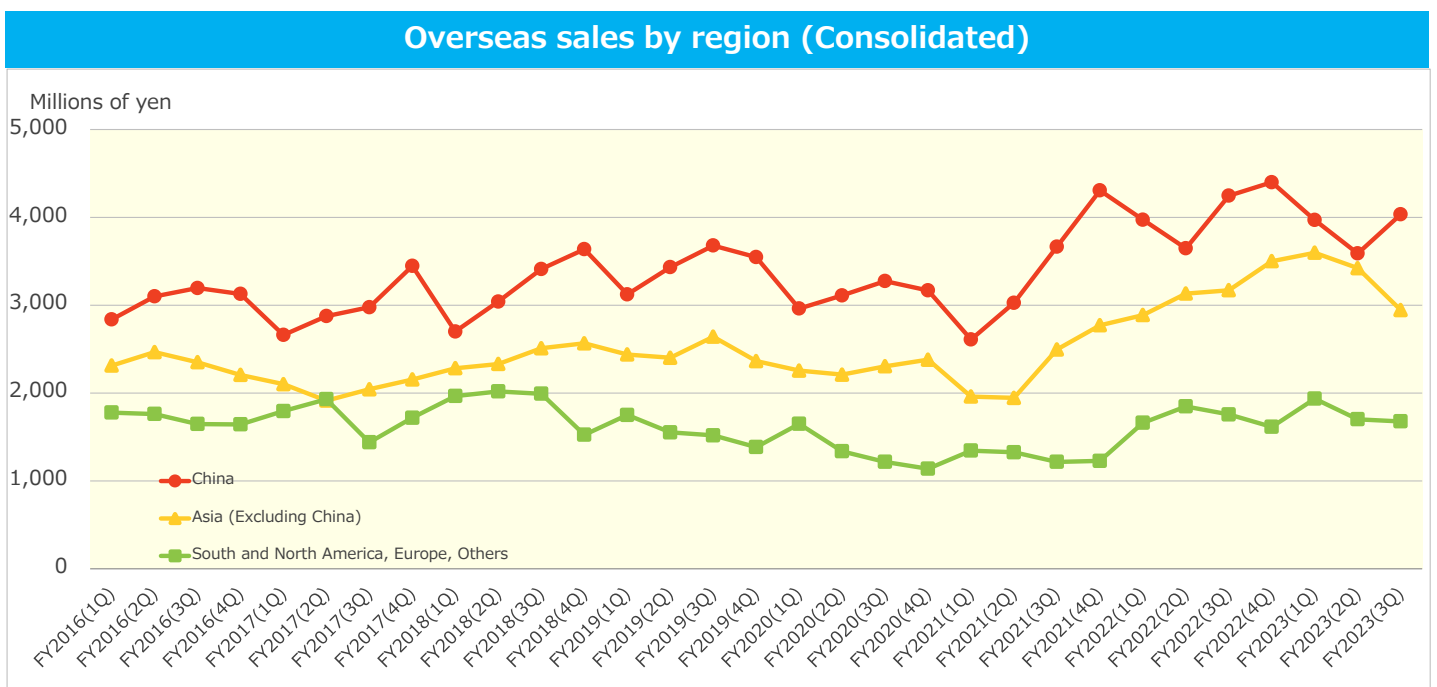
[Fine Chemicals & Electronics] Precise parts cleaning agent and Cleaning system and its peripheral equipment, Thermoplastic Polyimide Solution, Fine chemical Products, Compounded Products for electronic material, Polishing agent for hard disk substrates, etc.

[Others] Insurance business, Real estate management, etc.

## Overseas Sales (Consolidated)



Consolidated	FY 2021 (3Q)		FY 2022 (3Q)		FY 2023 (3Q)		FY 2021		FY 2022		FY 2023 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
<b>Overseas sales</b>	19,596	△ 3.6	26,331	34.4	<b>26,878</b>	<b>2.1</b>	27,905	3.3	35,849	28.5	35,000	△ 2.4
Overseas sales in Asia	15,707	△ 2.6	21,062	34.1	<b>21,560</b>	<b>2.4</b>	22,788	5.1	28,965	27.1	28,500	△ 1.6
Overseas sales in China	9,305	△ 0.5	11,868	27.6	<b>11,594</b>	△ <b>2.3</b>	13,613	8.7	16,269	19.5	15,000	△ 7.8
<b>Overseas sales ratio</b>	38.4%		43.9%		<b>43.8%</b>		39.5%		44.5%		43.2%	



## Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2022 (As of December 31, 2021)		FY2023 (As of December 31, 2022)		FY2022 (As of March 31, 2022)		Increase /Decrease  (A) - (B)
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
		%		%		%	
(Assets)		%		%		%	
<b>I Current assets</b>							
1. Cash and deposits	8,896		13,862		10,374		3,488
2. Notes and accounts receivable - trade	27,817		28,522		25,713		2,809
3. Electronically recorded monetary claims - operating	2,237		2,181		1,953		227
4. Merchandise and finished goods	9,276		11,701		10,826		874
5. Work in process	1,441		1,771		1,196		574
6. Raw materials and supplies	9,406		10,539		10,136		403
7. Other	2,027		1,533		2,392		△ 858
8. Allowance for doubtful accounts	△ 128		△ 120		△ 115		△ 4
Total current assets	60,974	53.1	69,992	56.2	62,477	53.1	7,514
<b>II Non-current assets</b>							
1. Property, plant and equipment							
(1) Buildings and structures	15,649		16,870		16,823		46
(2) Machinery, equipment and vehicles	15,204		15,428		16,385		△ 956
(3) Land	4,990		5,097		4,994		103
(4) Construction in progress	2,862		1,328		1,038		290
(5) Other	1,000		1,098		1,035		62
Total property, plant and equipment	39,707	34.6	39,822	32.0	40,277	34.2	△ 454
2. Intangible assets							
(1) Other	1,901		1,774		1,851		△ 77
Total intangible assets	1,901	1.7	1,774	1.4	1,851	1.6	△ 77
3. Investments and other assets							
(1) Investment securities	8,066		7,633		8,342		△ 709
(2) Retirement benefit asset	2,453		2,939		2,907		32
(3) Deferred tax assets	265		231		267		△ 35
(4) Other	346		388		365		22
(5) Allowance for doubtful accounts	△ 110		△ 142		△ 115		△ 27
Total investments and other assets	11,021	9.6	11,049	8.9	11,766	10.0	△ 717
Total non-current assets	52,630	45.9	52,646	42.3	53,895	45.8	△ 1,248
<b>III Deferred Assets</b>							
1. Business commencement expenses	1,171		1,889		1,366		523
Total deferred assets	1,171	1.0	1,889	1.5	1,366	1.1	523
Total assets	114,775	100.0	124,528	100.0	117,739	100.0	6,788

(Unit: Millions of yen)

Item	FY2022 (As of December 31, 2021)		FY2023 (As of December 31, 2022)		FY2022 (As of March 31, 2022)		Increase /Decrease (A) - (B)
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
(Liabilities)		%		%		%	
<b>I Current liabilities</b>							
1. Notes and accounts payable - trade	10,665		11,274		10,965		308
2. Electronically recorded obligations - operating	1,476		1,519		1,257		261
3. Short-term borrowings	11,013		23,000		12,965		10,034
4. Income taxes payable	291		243		526		△ 283
5. Accrued consumption taxes	75		47		54		△ 6
6. Provision for bonuses	702		662		1,375		△ 713
7. Provision for bonuses for directors (and other officers)	48		10		58		△ 48
8. Provision for repairs	529		622		255		366
9. Notes payable - facilities	177		112		76		36
10. Other	8,832		6,897		8,938		△ 2,041
<b>Total current liabilities</b>	<b>33,812</b>	<b>29.5</b>	<b>44,389</b>	<b>35.6</b>	<b>36,474</b>	<b>31.0</b>	<b>7,915</b>
<b>II Non-current liabilities</b>							
1. Bonds payable	10,000		10,000		10,000		-
2. Long-term borrowings	3,730		5,440		3,715		1,725
3. Deferred tax liabilities	2,333		2,009		2,313		△ 304
4. Retirement benefit liability	318		317		300		16
5. Asset retirement obligations	1,793		2,183		2,120		62
6. Other	253		217		236		△ 18
<b>Total non-current liabilities</b>	<b>18,430</b>	<b>16.0</b>	<b>20,167</b>	<b>16.2</b>	<b>18,686</b>	<b>15.9</b>	<b>1,481</b>
<b>Total liabilities</b>	<b>52,242</b>	<b>45.5</b>	<b>64,557</b>	<b>51.8</b>	<b>55,160</b>	<b>46.9</b>	<b>9,396</b>
(Net assets)							
<b>I Shareholders' equity</b>							
1. Share capital	3,343		3,343		3,343		-
2. Capital surplus	3,564		3,564		3,564		-
3. Retained earnings	47,430		43,138		46,816		△ 3,677
4. Treasury shares	△ 1,211		△ 1,211		△ 1,211		△ 0
<b>Total shareholders' equity</b>	<b>53,126</b>	<b>46.3</b>	<b>48,834</b>	<b>39.2</b>	<b>52,512</b>	<b>44.5</b>	<b>△ 3,677</b>
<b>II Accumulated other comprehensive income</b>							
1. Valuation difference on available-for-sale securities	3,191		2,705		3,334		△ 628
2. Foreign currency translation adjustment	1,621		3,976		2,112		1,864
3. Remeasurements of defined benefit plans	948		1,105		1,225		△ 119
<b>Total accumulated other comprehensive income</b>	<b>5,761</b>	<b>5.0</b>	<b>7,787</b>	<b>6.3</b>	<b>6,671</b>	<b>5.7</b>	<b>1,115</b>
<b>III Non-controlling interests</b>	<b>3,645</b>	<b>3.2</b>	<b>3,347</b>	<b>2.7</b>	<b>3,394</b>	<b>2.9</b>	<b>△ 46</b>
<b>Total net assets</b>	<b>62,533</b>	<b>54.5</b>	<b>59,970</b>	<b>48.2</b>	<b>62,578</b>	<b>53.1</b>	<b>△ 2,607</b>
<b>Total liabilities and net assets</b>	<b>114,775</b>	<b>100.0</b>	<b>124,528</b>	<b>100.0</b>	<b>117,739</b>	<b>100.0</b>	<b>6,788</b>

## Statements of Income(Consolidated)

(Unit : Millions of yen)

Item	FY2022		FY2023		Increase /Decrease		FY2022	
	'21/4-'21/12		'22/4-'22/12				'21/4-'22/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio
I Net sales	59,937	100.0	61,400	100.0	1,462	2.4	80,515	100.0
II Cost of sales	45,873	76.5	51,453	83.8	5,580	12.2	62,544	77.7
Gross profit	14,064	23.5	9,946	16.2	△ 4,117	△ 29.3	17,971	22.3
III Selling, general and administrative expenses	10,798	18.1	10,936	17.8	138	1.3	14,667	18.3
Operating profit (loss)	3,265	5.4	△ 990	△ 1.6	△ 4,255	-	3,304	4.1
IV Non-operating income								
Interest income	21		20		△ 1		30	
Dividend income	189		211		22		227	
Rental income from real estate	72		77		4		96	
Foreign exchange gains	193		577		384		329	
Insurance claim income	101		-		△ 101		101	
Other	138		115		△ 22		182	
Total non-operating income	716	1.3	1,002	1.6	286	39.9	967	1.2
V Non-operating expenses								
Interest expenses	118		154		35		158	
Bond issuance costs	27		-		△ 27		27	
Provision for repairs	400		384		△ 15		404	
Other	83		82		△ 1		113	
Total non-operating expenses	629	1.1	621	1.0	△ 8	△ 1.4	704	0.9
Ordinary profit (loss)	3,351	5.6	△ 609	△ 1.0	△ 3,961	-	3,566	4.4
VI Extraordinary income								
Gain on sale of non-current assets	4		2		△ 1		4	
Gain on sale of investment securities	0		122		121		3	
Total extraordinary income	5	0.0	124	0.2	119	-	7	0.0
VII Extraordinary losses								
Loss on sale and retirement of non-current assets	86		171		84		283	
Impairment losses	-		1,635		1,635		346	
Loss on valuation of non-current assets	3		-		△ 3		3	
Loss on valuation of investment securities	0		0		0		0	
Loss on liquidation of business	-		51		51		-	
Total extraordinary losses	90	0.2	1,858	3.0	1,767	-	633	0.7
Profit(Loss) before income taxes	3,266	5.4	△ 2,342	△ 3.8	△ 5,609	-	2,941	3.7
Income taxes - current	642	1.1	554	0.9	△ 87	△ 13.7	1,022	1.3
Income taxes - deferred	318	0.5	63	0.1	△ 255	△ 80.1	110	0.2
Profit(Loss)	2,305	3.8	△ 2,960	△ 4.8	△ 5,266	-	1,808	2.2
Profit(Loss) attributable to non-controlling interests	188	0.3	△ 239	△ 0.4	△ 427	-	305	0.3
Profit(Loss) attributable to owners of parent	2,117	3.5	△ 2,721	△ 4.4	△ 4,838	-	1,502	1.9

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

Profit(Loss)	2,305		△ 2,960		△ 5,266	-	1,808	
Other comprehensive income								
Valuation difference on available-for-sale securities	△ 384		△ 628		△ 243		△ 241	
Foreign currency translation adjustment	1,132		2,059		926		1,681	
Remeasurements of defined benefit plans, net of tax	△ 97		△ 121		△ 24		177	
Total other comprehensive income	650		1,309		658		1,617	
Comprehensive income	2,955		△ 1,651		△ 4,607	-	3,425	