

# DATA BOOK

**FY2025** (2nd Quarter ended Sep 30,2024)

***V-ACTION for sustainability***

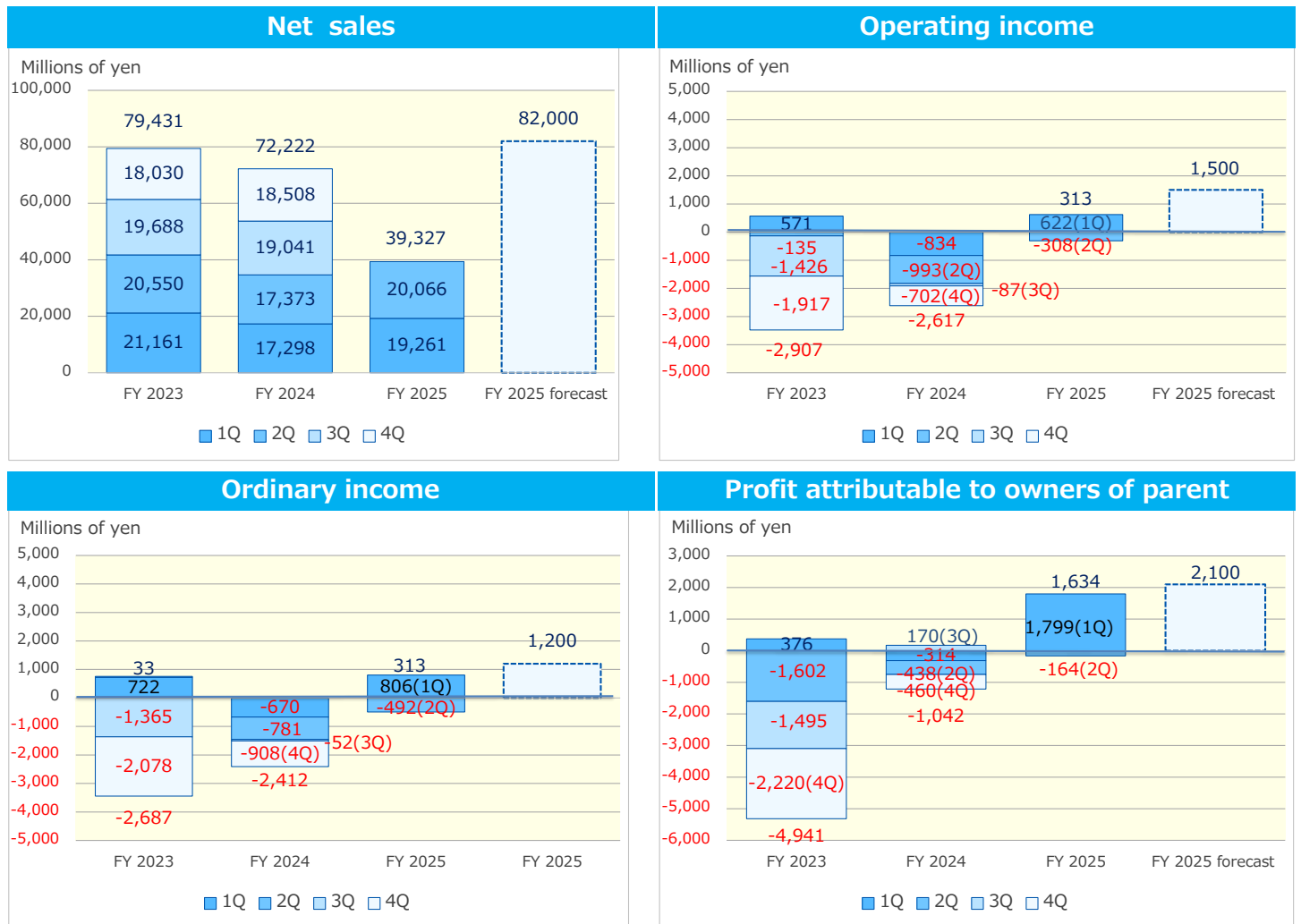


## INDEX

Achievement Transition	1
Segment Information	2
Overseas Sales	4
Balance Sheets	5
Statements of Income	7
Statements of Cash Flows	8

**November 5th,2024**  
**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

## Performance (Consolidated)



Consolidated	FY 2023 (2Q)		FY 2024 (2Q)		FY 2025 (2Q)		FY 2023		FY 2024		FY 2025 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	41,712	5.2	34,672	△ 16.9	39,327	13.4	79,431	△ 1.3	72,222	△ 9.1	82,000	13.5
Operating income	436	△ 82.4	△ 1827	-	313	-	△ 2,907	-	△ 2,617	-	1,500	-
Ordinary income	756	△ 70.6	△ 1451	-	313	-	△ 2,687	-	△ 2,412	-	1,200	-
Profit attributable to owners of parent	△ 1225	-	△ 753	-	1,634	-	△ 4,941	-	△ 1,042	-	2,100	-

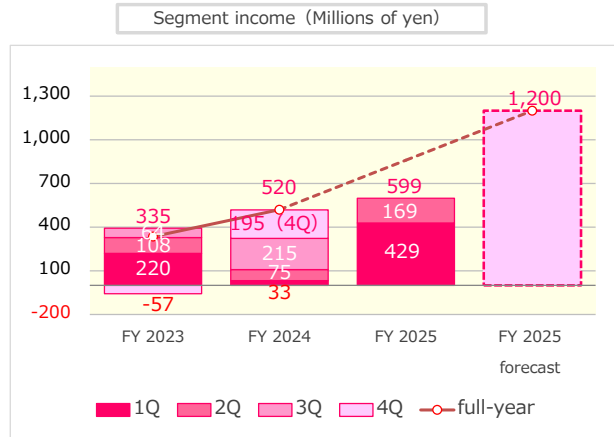
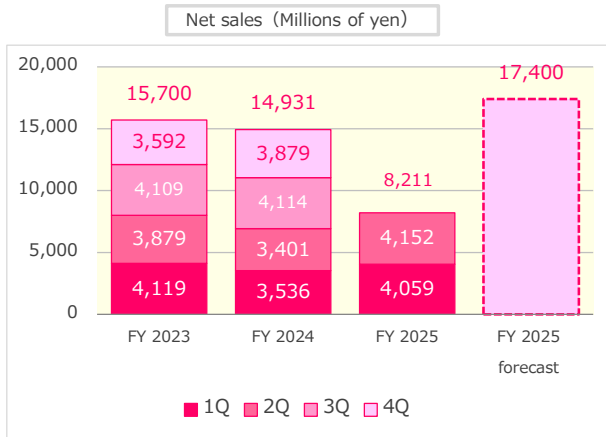
## Capital expenditure, etc.

Consolidated	FY 2023 (2Q)		FY 2024 (2Q)		FY 2025 (2Q)		FY 2023		FY 2024		FY 2025 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	1,682	266	1,323	△ 358	1,296	△ 27	4,025	△ 2,541	6,057	2,031	5,600	△ 457
Depreciation	1,698	313	2,779	1,080	2,709	△ 70	4,477	1,357	5,808	1,330	5,700	△ 108
R&D expenses	1,503	△ 7	1,447	△ 55	1,500	52	3,024	△ 75	2,965	△ 59	3,300	334
Interest-bearing debt	31,169	8,823	40,635	9,466	39,856	△ 779	35,052	8,371	42,388	7,335	40,500	△ 1,888
EBITDA	2,135	△ 1,802	952	△ 1,183	3,023	2,071	1,569	△ 4,931	3,190	1,621	7,200	4,009

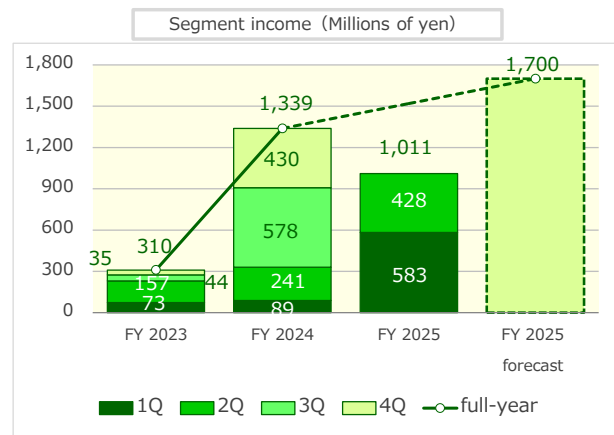
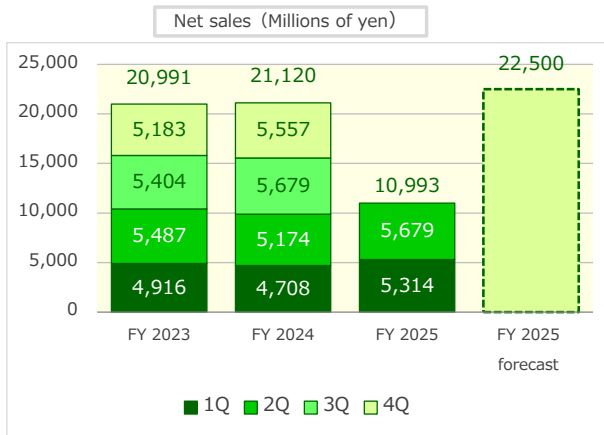
[ EBITDA ] Operating profit before amortization = Operating profit + Depreciation expense + Amortization of goodwill

## Segment Information (Consolidated)

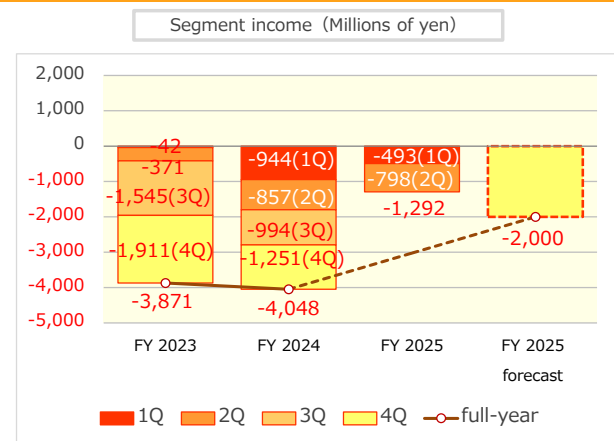
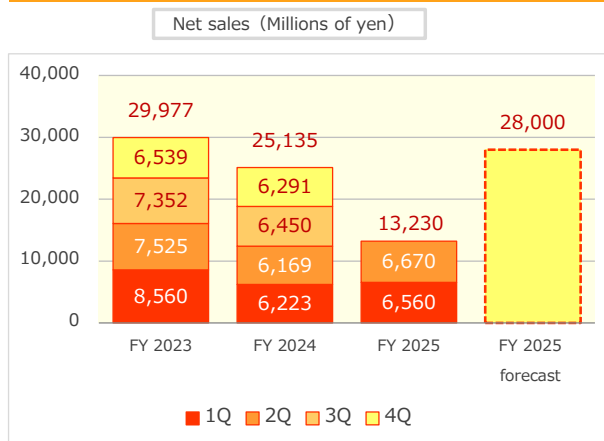
### Functional Coating Chemicals



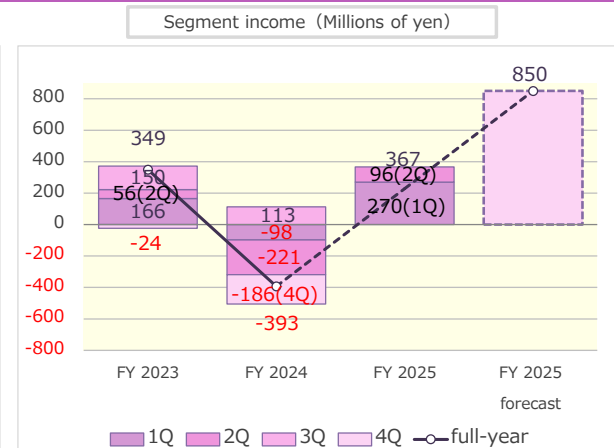
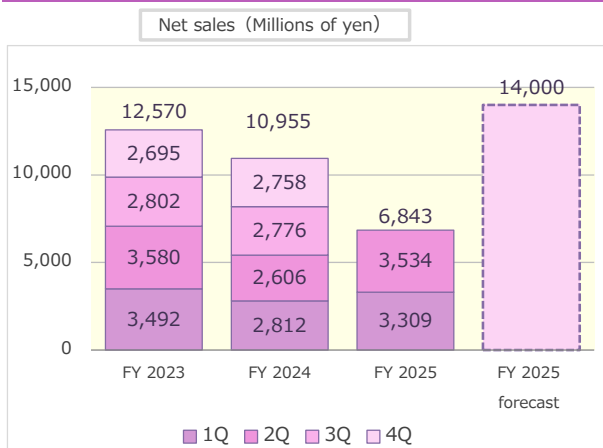
### Paper Chemicals & Environmental Business



### Adhesive & Biomass Materials



### Fine Chemicals & Electronics



## Segment Information (Consolidated)

Consolidated		FY 2023 (2Q)		FY 2024 (2Q)		FY 2025 (2Q)		FY 2023		FY 2024		FY 2025 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	7,998	△ 1.6	6,937	△ 13.3	8,211	18.4	15,700	△ 3.2	14,931	△ 4.9	17,400	16.5
	Segment income	329	△ 51.3	109	△ 66.8	599	448.8	335	△ 69.0	520	55.2	1,200	130.4
	Segment income/sales	4.1%		1.6%		7.3%		2.1%		3.5%		6.9%	
Paper Chemicals & Environmental Business	Net sales ※1	10,403	13.9	9,883	△ 5.0	10,993	11.2	20,991	12.5	21,120	0.6	22,500	6.5
	Segment income	230	△ 62.7	330	43.2	1,011	206.2	310	△ 67.9	1,339	330.9	1,700	26.9
	Segment income/sales	2.2%		3.3%		9.2%		1.5%		6.3%		7.6%	
Adhesive & Biomass Materials	Net sales ※1	16,086	1.6	12,393	△ 23.0	13,230	6.8	29,977	△ 7.8	25,135	△ 16.2	28,000	11.4
	Segment income	△ 414	-	△ 1,802	-	△ 1,292	-	△ 3,871	-	△ 4,048	-	△ 2,000	-
	Segment income/sales	△2.6%		△14.5%		△9.8%		△12.9%		△16.1%		△7.1%	
Fine Chemicals & Electronics	Net sales ※1	7,072	10.0	5,419	△ 23.4	6,843	26.3	12,570	△ 2.0	10,955	△ 12.8	14,000	27.8
	Segment income	223	47.7	△ 319	-	367	-	349	△ 36.7	△ 393	-	850	-
	Segment income/sales	3.2%		△5.9%		5.4%		2.8%		△3.6%		6.1%	
Others	Net sales ※1	151	1.4	38	△ 74.7	47	24.8	191	△ 31.4	80	△ 57.9	100	23.9
	Segment income	18	△ 21.2	16	△ 10.4	28	68.8	42	△ 7.3	38	△ 7.3	50	28.3
	Segment income/sales	12.3%		43.6%		59.0%		22.0%		48.3%		50.0%	
Subtotal	Net sales ※1	41,712	5.2	34,672	△ 16.9	39,327	13.4	79,431	△ 1.3	72,222	△ 9.1	82,000	13.5
	Segment income	388	△ 82.0	△ 1,666	-	714	-	△ 2,832	-	△ 2,542	-	1,800	-
	Segment income/sales	0.9%		△4.8%		1.8%		△3.6%		△3.5%		2.2%	
Consolidated total	Development Investment ※2	△ 198	-	△ 193	-	△ 188	-	△ 406	-	△ 408	-	△ 400	-
	Segment income	189	△ 90.2	△ 1,859	-	525	-	△ 3,239	-	△ 2,950	-	1,400	-
	Segment income/sales	0.5%		△5.4%		1.3%		△4.1%		△4.1%		1.7%	

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

※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.

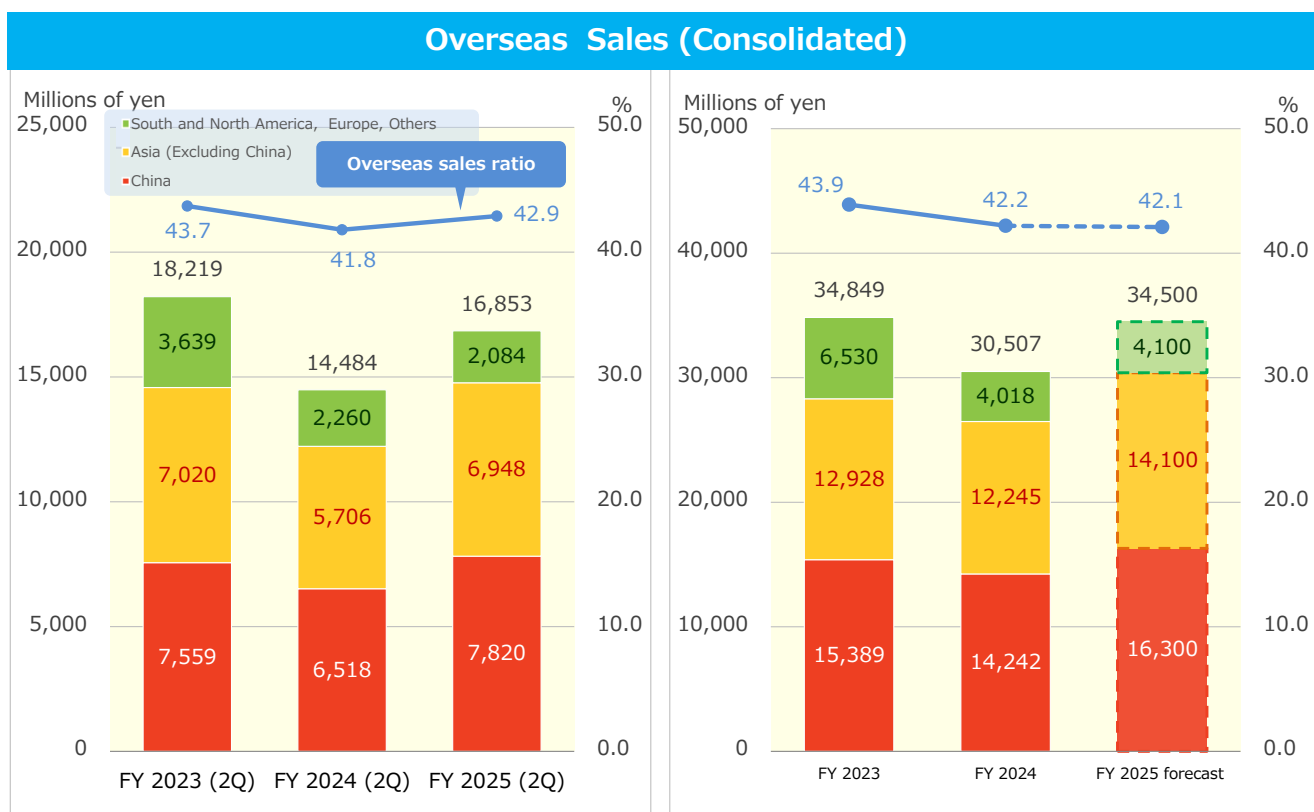
[Paper chemicals & Environmental Business] Paper strengthening agent, Sizing agent, New water-based polymer, etc.

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

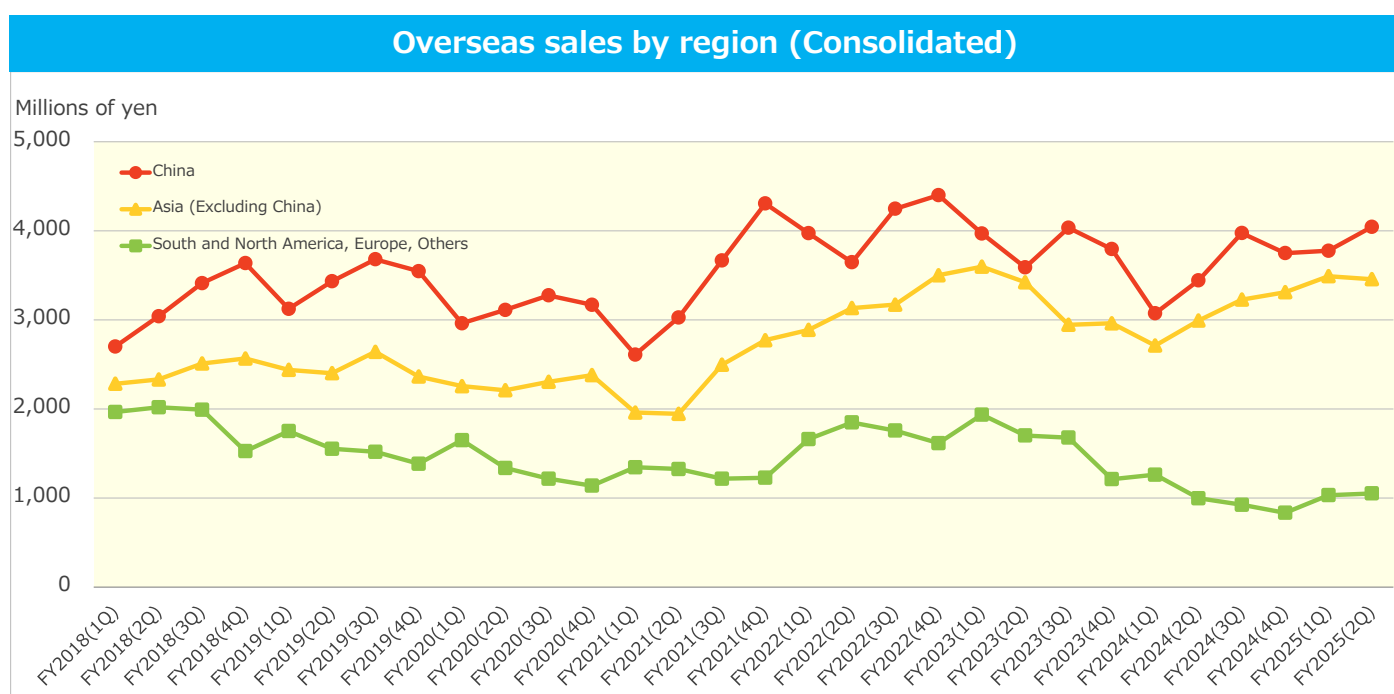
[Fine Chemicals & Electronics] Precise parts cleaning agent and Cleaning system and its peripheral equipment, Thermoplastic Polyimide Solution, Fine chemical Products, Compounded Products for electronic material, Polishing agent for hard disk substrates, etc.

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

## Overseas Sales (Consolidated)



Consolidated	FY 2023 (2Q)		FY 2024 (2Q)		FY 2025 (2Q)		FY 2023		FY 2024		FY 2025 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>	18,219	6.2	14,484	△ 20.5	<b>16,853</b>	<b>16.4</b>	34,849	△ 2.8	30,507	△ 12.5	34,500	13.1
Overseas sales in Asia	14,579	6.9	12,224	△ 16.2	<b>14,769</b>	<b>20.8</b>	28,318	△ 2.2	26,488	△ 6.5	30,400	14.8
Overseas sales in China	7,559	△ 0.8	6,518	△ 13.8	<b>7,820</b>	<b>20.0</b>	15,389	△ 5.4	14,242	△ 7.5	16,300	14.4
<b>Overseas sales ratio</b>	43.7%		41.8%		<b>42.9%</b>		43.9%		42.2%		42.1%	



## Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2024 (As of September 30, 2023)		FY2025 (As of September 30, 2024)		FY2024 (As of March 31, 2024)		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	11,449		11,432		11,578		△ 145
2. Notes and accounts receivable - trade	24,278		25,184		25,683		△ 498
3. Electronically recorded monetary claims - operating	2,368		2,111		2,504		△ 392
4. Merchandise and finished goods	12,679		11,636		12,423		△ 787
5. Work in process	1,722		1,312		1,603		△ 291
6. Raw materials and supplies	9,826		9,127		9,267		△ 139
7. Other	1,555		1,220		1,215		5
8. Allowance for doubtful accounts	△ 109		△ 125		△ 116		△ 8
Total current assets	63,771	52.0	61,901	50.6	64,159	51.2	△ 2,258
<b>II Non-current assets</b>							
1. Property, plant and equipment							
(1) Buildings and structures, net	16,520		17,551		17,723		△ 172
(2) Machinery, equipment and vehicles, net	13,958		13,557		14,126		△ 569
(3) Land	5,001		5,001		4,996		4
(4) Construction in progress	4,561		2,049		1,969		80
(5) Other, net	1,040		1,068		1,136		△ 67
Total property, plant and equipment	41,082	33.5	39,228	32.1	39,952	31.9	△ 723
2. Intangible assets							
(1) Other	1,636		1,488		1,529		△ 41
Total intangible assets	1,636	1.3	1,488	1.2	1,529	1.2	△ 41
3. Investments and other assets							
(1) Investment securities	9,662		11,012		11,200		△ 188
(2) Retirement benefit asset	4,031		6,258		6,087		170
(3) Deferred tax assets	335		325		286		38
(4) Other	349		384		354		30
(5) Allowance for doubtful accounts	△ 79		△ 87		△ 79		△ 8
Total investments and other assets	14,298	11.7	17,892	14.7	17,850	14.2	42
Total non-current assets	57,017	46.5	58,609	48.0	59,332	47.3	△ 722
<b>III Deferred assets</b>							
1. Business commencement expenses	1,930		1,731		1,927		△ 195
Total deferred assets	1,930	1.5	1,731	1.4	1,927	1.5	△ 195
Total assets	122,720	100.0	122,242	100.0	125,418	100.0	△ 3,176

(Unit: Millions of yen)

Item	FY2024 (As of September 30, 2023)		FY2025 (As of September 30, 2024)		FY2024 (As of March 31, 2024)		Increase /Decrease (A) - (B)
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
		%		%		%	
(Liabilities)		%		%		%	
I Current liabilities							
1. Notes and accounts payable - trade	8,491		8,103		9,478		△ 1,374
2. Electronically recorded obligations - operating	1,214		1,132		1,403		△ 270
3. Short-term borrowings	25,472		17,405		18,512		△ 1,106
4. Current portion of bonds payable	-		5,000		5,000		-
5. Income taxes payable	376		644		434		210
6. Accrued consumption taxes	190		211		100		111
7. Provision for bonuses	1,049		1,181		1,190		△ 8
8. Provision for bonuses for directors (and other officers)	-		10		-		10
9. Provision for repairs	429		469		732		△ 263
10. Provision for loss on business liquidation	951		78		110		△ 31
11. Asset retirement obligations	-		174		-		174
12. Notes payable - facilities	151		151		297		△ 145
13. Other	7,245		5,496		6,146		△ 649
Total current liabilities	45,573	37.1	40,060	32.8	43,406	34.6	△ 3,346
II Non-current liabilities							
1. Bonds payable	10,000		5,000		5,000		-
2. Long-term borrowings	5,162		12,450		13,875		△ 1,424
3. Deferred tax liabilities	2,743		3,925		3,847		77
4. Retirement benefit liability	315		299		299		0
5. Asset retirement obligations	2,232		1,756		1,919		△ 163
6. Other	142		125		151		△ 25
Total non-current liabilities	20,596	16.8	23,557	19.2	25,093	20.0	△ 1,535
Total liabilities	66,170	53.9	63,618	52.0	68,500	54.6	△ 4,881
(Net assets)							
I Shareholders' equity							
1. Share capital	3,343		3,343		3,343		-
2. Capital surplus	3,564		3,564		3,564		-
3. Retained earnings	39,693		40,086		38,927		1,158
4. Treasury shares	△ 1,211		△ 1,211		△ 1,211		-
Total shareholders' equity	45,389	37.0	45,782	37.5	44,623	35.6	1,158
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	4,199		5,072		5,173		△ 101
2. Foreign currency translation adjustment	3,671		5,070		3,530		1,539
3. Remeasurements of defined benefit plans	1,598		2,648		2,807		△ 159
Total accumulated other comprehensive income	9,470	7.7	12,790	10.5	11,511	9.2	1,279
III Non-controlling interests	1,690	1.4	51	0.0	783	0.6	△ 732
Total net assets	56,550	46.1	58,623	48.0	56,918	45.4	1,705
Total liabilities and net assets	122,720	100.0	122,242	100.0	125,418	100.0	△ 3,176

## Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2024 '23/4-'23/9		FY2025 '24/4-'24/9		Increase /Decrease		FY2024 '23/4-'24/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio
I Net sales	34,672	100.0	39,327	100.0	4,655	13.4	72,222	100.0
II Cost of sales	29,527	85.2	31,568	80.3	2,040	6.9	60,540	83.8
Gross profit	5,144	14.8	7,759	19.7	2,614	50.8	11,681	16.2
III Selling, general and administrative expenses	6,972	20.1	7,445	18.9	473	6.8	14,299	19.8
Operating profit (loss)	△ 1,827	△ 5.3	313	0.8	2,141	-	△ 2,617	△ 3.6
IV Non-operating income								
Interest income	46		55		9		97	
Dividend income	115		114		△ 0		226	
Rental income from real estate	21		27		6		49	
Foreign exchange gains	249		137		△ 111		172	
Other	153		91		△ 62		274	
Total non-operating income	586	1.7	427	1.1	△ 158	△ 27.1	821	1.1
V Non-operating expenses								
Interest expenses	145		189		44		331	
Loss on investments in investment partnerships	17		17		△ 0		67	
Amortization of business commencement expenses	5		198		192		43	
Other	42		22		△ 20		173	
Total non-operating expenses	210	0.6	427	1.1	217	103.4	615	0.8
Ordinary profit (loss)	△ 1,451	△ 4.2	313	0.8	1,765	-	△ 2,412	△ 3.3
VI Extraordinary income								
Gain on sale of non-current assets	4		984		979		5	
Gain on sale of investment securities	49		314		265		511	
Compensation income	-		-		-		431	
Gain on reversal of asset retirement obligations	-		-		-		514	
Total extraordinary income	54	0.2	1,299	3.3	1,245	-	1,463	2.0
VII Extraordinary losses								
Loss on sale and retirement of non-current assets	121		45		△ 75		462	
Loss on valuation of non-current assets	-		-		-		7	
Total extraordinary losses	121	0.4	45	0.1	△ 75	△ 62.1	470	0.7
Profit(Loss) before income taxes	△ 1,519	△ 4.4	1,566	4.0	3,085	-	△ 1,418	△ 2.0
Income taxes - current	374		673		298		996	
Income taxes - deferred	△ 243		156		400		△ 57	
Income taxes	131	0.4	830	2.1	698	530.5	938	△ 0.1
Profit(Loss)	△ 1,650	△ 4.8	736	1.9	2,387	-	△ 2,356	△ 3.2
Profit(Loss) attributable to non-controlling interests	△ 897	△ 2.6	△ 898	△ 2.3	△ 0	-	△ 1,314	△ 1.8
Profit(Loss) attributable to owners of parent	△ 753	△ 2.2	1,634	4.2	2,387	-	△ 1,042	△ 1.4

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

Profit(Loss)	△ 1,650		736		2,387	-	△ 2,356	
Other comprehensive income								
Valuation difference on available-for-sale securities	1,265		△ 101		△ 1,366		2,239	
Foreign currency translation adjustment	1,014		1,706		691		844	
Remeasurements of defined benefit plans, net of tax	△ 112		△ 160		△ 47		1,094	
Total other comprehensive income	2,167		1,444		△ 722		4,179	
Comprehensive income	516		2,181		1,664	321.9	1,822	



## Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2024	FY2025	Increase /Decrease	FY2024
	'23/4-'23/9	'24/4-'24/9		'23/4-'24/3
	Amount	Amount		Amount
<b>I Cash flows from operating activities</b>				
Profit (loss) before income taxes	△ 1,519	1,566	3,085	△ 1,418
Depreciation	2,779	2,709	△ 70	5,808
Amortization of business commencement expenses	5	198	192	43
Increase (decrease) in allowance for doubtful accounts	△ 4	2	7	2
Increase (decrease) in provision for bonuses	5	△ 25	△ 31	144
Increase (decrease) in provision for bonuses for directors (and other officers)	-	10	10	-
Increase (decrease) in retirement benefit liability	15	△ 0	△ 16	△ 0
Decrease (increase) in retirement benefit asset	△ 133	△ 167	△ 33	△ 2,190
Increase (decrease) in provision for loss on business liquidation	△ 340	△ 40	300	△ 1,169
Loss (gain) on sale and retirement of non-current assets	116	△ 938	△ 1,054	456
Loss on valuation of non-current assets	-	-	-	7
Loss (gain) on sale of investment securities	△ 49	△ 314	△ 265	△ 511
Loss (gain) on investments in investment partnerships	17	17	△ 0	67
Compensation income	-	-	-	△ 431
Gain on reversal of asset retirement obligations	-	-	-	△ 514
Interest and dividend income	△ 161	△ 170	△ 8	△ 324
Interest expenses	145	189	44	331
Decrease (increase) in trade receivables	△ 726	1,615	2,341	△ 2,281
Decrease (increase) in inventories	510	1,715	1,204	1,386
Increase (decrease) in trade payables	△ 1,569	△ 1,884	△ 314	△ 435
Increase (decrease) in accrued consumption taxes	330	307	△ 23	71
Other	△ 675	△ 956	△ 280	3,021
Subtotal	△ 1,255	3,833	5,088	2,062
Interest and dividends received	160	176	16	324
Interest paid	△ 126	△ 177	△ 50	△ 358
Income taxes refund (paid)	△ 297	△ 434	△ 136	△ 871
Net cash provided by (used in) operating activities	△ 1,518	3,398	4,917	1,157
<b>II Cash flows from investing activities</b>				
Decrease (increase) in time deposits	38	393	355	△ 428
Purchase of property, plant and equipment	△ 3,295	△ 1,806	1,488	△ 6,768
Proceeds from sale of property, plant and equipment	5	769	764	14
Purchase of investment securities	△ 19	△ 19	0	△ 38
Proceeds from sale of investment securities	51	355	304	655
Purchase of intangible assets	△ 29	△ 58	△ 28	△ 89
Purchase of shares of subsidiaries and associates	-	-	-	△ 305
Payments for deferred assets	△ 28	-	28	△ 64
Decrease (increase) in investments and other assets	0	△ 8	△ 8	△ 1
Other	△ 1	△ 34	△ 33	△ 113
Net cash provided by (used in) investing activities	△ 3,277	△ 407	2,870	△ 7,140
<b>III Cash flows from financing activities</b>				
Net increase (decrease) in short-term borrowings	5,499	△ 1,126	△ 6,626	309
Proceeds from long-term borrowings	391	-	△ 391	12,162
Repayments of long-term borrowings	△ 695	△ 1,652	△ 957	△ 5,503
Purchase of treasury shares	-	-	-	△ 0
Dividends paid	△ 476	△ 476	0	△ 952
Dividends paid to non-controlling interests	-	-	-	△ 460
Other	△ 41	△ 8	33	△ 71
Net cash provided by (used in) financing activities	4,677	△ 3,264	△ 7,941	5,484
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	318	361	42	376
<b>V Net increase (decrease) in cash and cash equivalents</b>	200	88	△ 111	△ 121
<b>VI Cash and cash equivalents at beginning of period</b>	9,286	9,164	△ 121	9,286
<b>VII Cash and cash equivalents at end of period</b>	9,487	9,253	△ 233	9,164