

DATA BOOK

FY2025 (3rd Quarter ended December 31,2024)

V-ACTION for sustainability

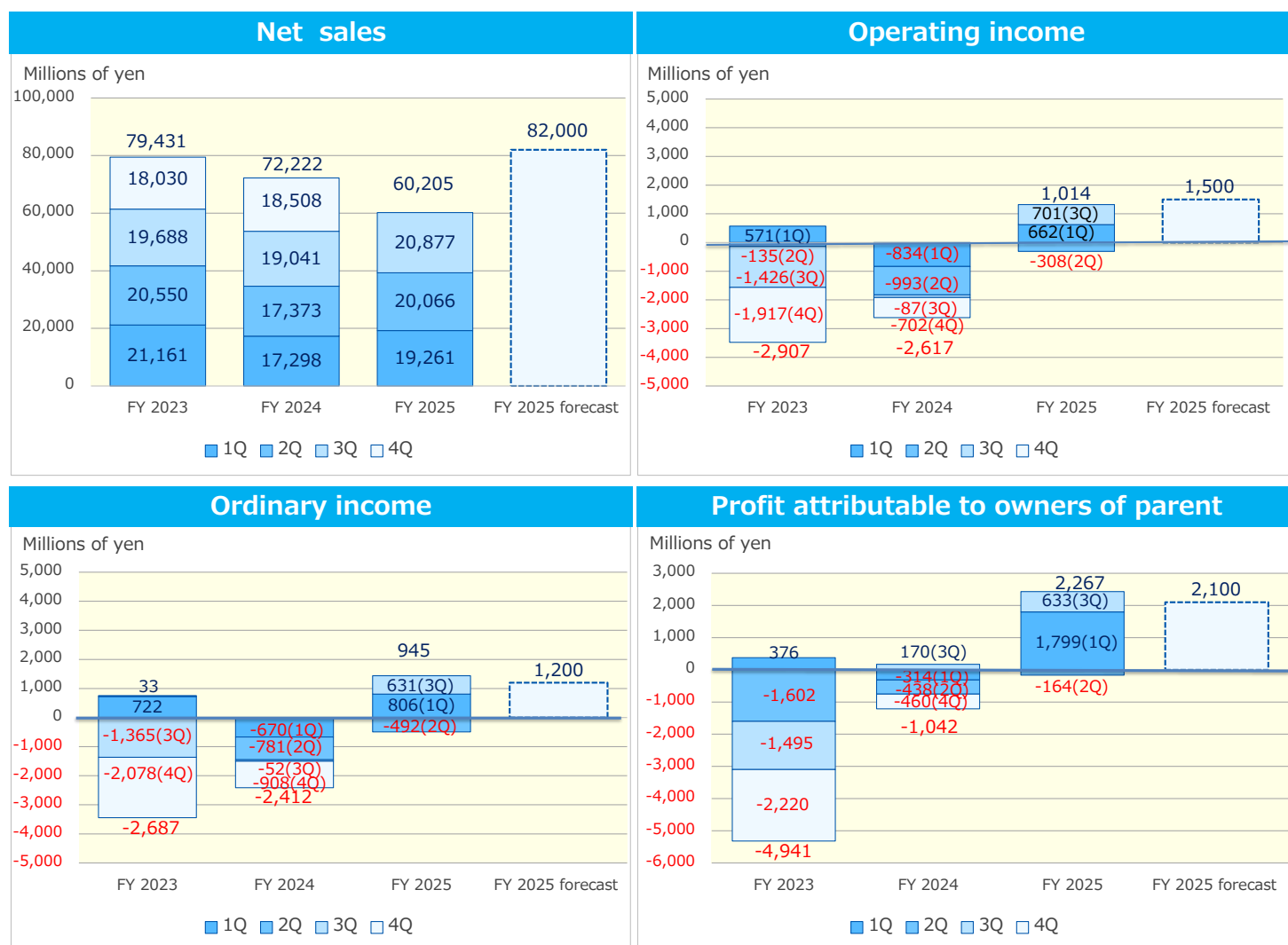


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February 5th,2025
ARAKAWA CHEMICAL INDUSTRIES, LTD.

Performance (Consolidated)



Consolidated	FY 2023 (3Q)		FY 2024 (3Q)		FY 2025 (3Q)		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	61,400	2.4	53,713	△ 12.5	60,205	12.1	79,431	△ 1.3	72,222	△ 9.1	82,000	13.5
Operating income	△ 990	-	△ 1,914	-	1,014	-	△ 2,907	-	△ 2,617	-	1,500	-
Ordinary income	△ 609	-	△ 1,503	-	945	-	△ 2,687	-	△ 2,412	-	1,200	-
Profit attributable to owners of parent	△ 2,721	-	△ 582	-	2,267	-	△ 4,941	-	△ 1,042	-	2,100	-

Capital expenditure, etc.

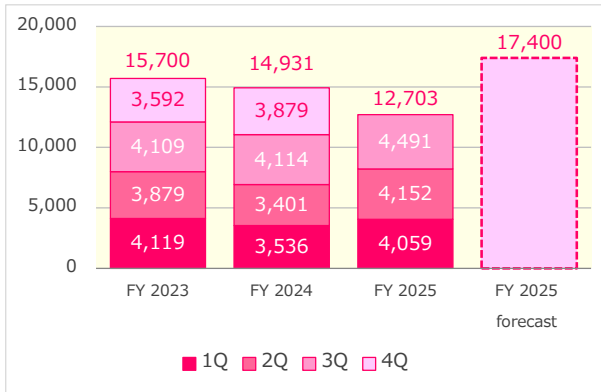
Consolidated	FY 2023 (3Q)		FY 2024 (3Q)		FY 2025 (3Q)		FY 2023		FY 2024		FY 2025 forecast	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital investment	2,954	△ 500	3,260	306	2,045	△ 1,215	4,025	△ 2,541	6,057	2,031	5,600	△ 457
Depreciation	2,958	776	4,242	1,283	4,157	△ 85	4,477	1,357	5,808	1,330	5,700	△ 108
R&D expenses	2,256	△ 18	2,183	△ 72	2,252	68	3,024	△ 75	2,965	△ 59	3,300	334
Interest-bearing debt	38,440	13,696	41,769	3,329	41,178	△ 591	35,052	8,371	42,388	7,335	40,500	△ 1,888
EBITDA	1,968	△ 3,556	2,327	359	5,172	2,844	1,569	△ 4,931	3,190	1,621	7,200	4,009

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

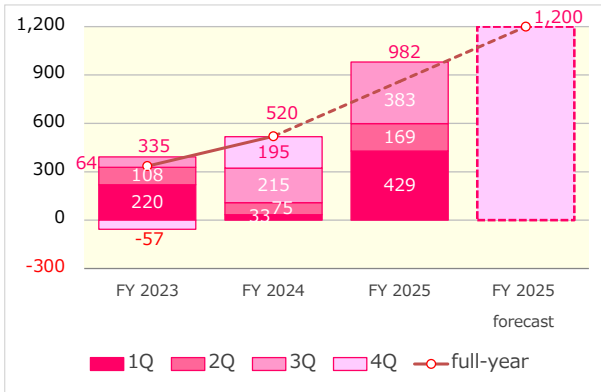
Segment Information (Consolidated)

Functional Coating Chemicals

Net sales (Millions of yen)

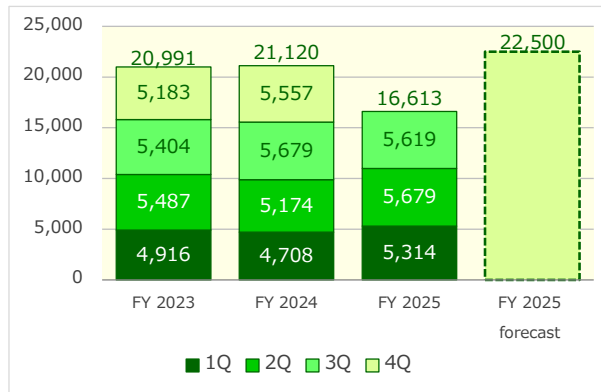


Segment income (Millions of yen)

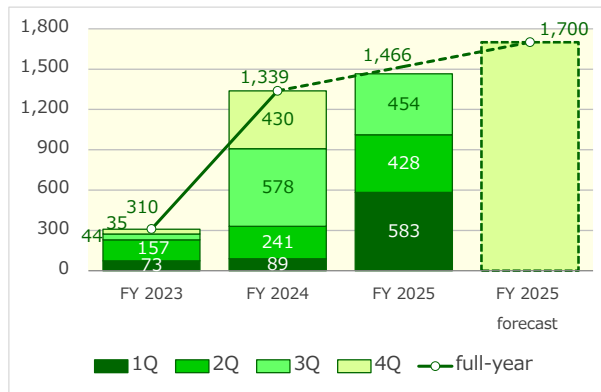


Paper Chemicals & Environmental Business

Net sales (Millions of yen)

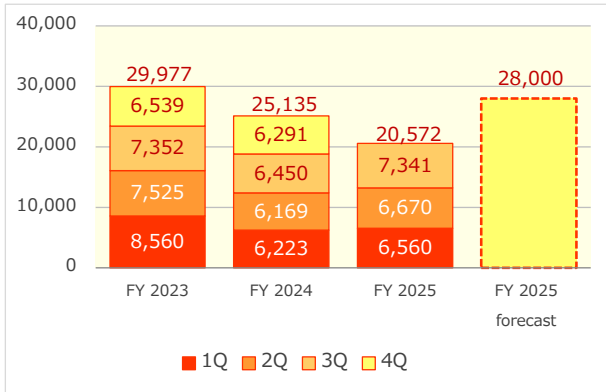


Segment income (Millions of yen)

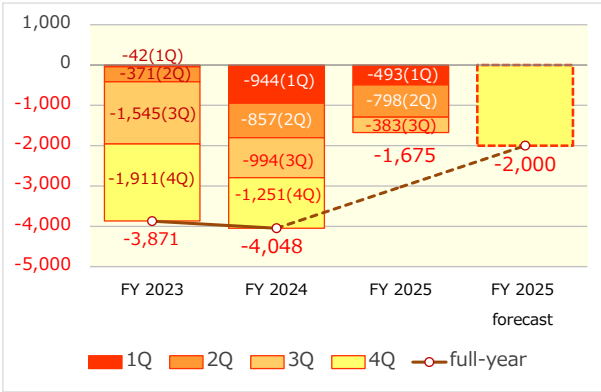


Adhesive & Biomass Materials

Net sales (Millions of yen)

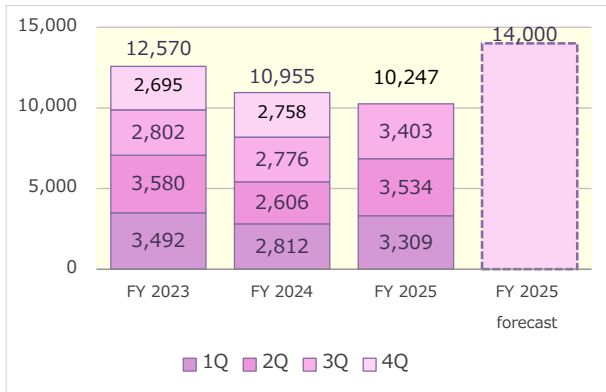


Segment income (Millions of yen)

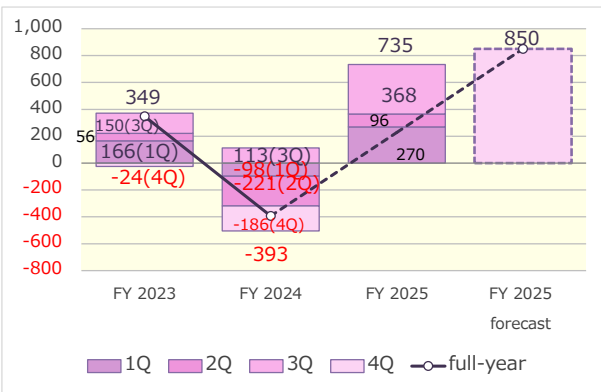


Fine Chemicals & Electronics

Net sales (Millions of yen)



Segment income (Millions of yen)



Segment Information (Consolidated)

Consolidated		FY 2023 (3Q)		FY 2024 (3Q)		FY 2025 (3Q)		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	12,107	△ 0.7	11,051	△ 8.7	12,703	14.9	15,700	△ 3.2	14,931	△ 4.9	17,400	16.5
	Segment income	393	△ 57.5	325	△ 17.4	982	202.4	335	△ 69.0	520	55.2	1,200	130.4
	Segment income/sales	3.2%		2.9%		7.7%		2.1%		3.5%		6.9%	
Paper Chemicals & Environmental Business	Net sales ※1	15,808	12.8	15,562	△ 1.6	16,613	6.8	20,991	12.5	21,120	0.6	22,500	6.5
	Segment income	275	△ 67.9	908	229.8	1,466	61.3	310	△ 67.9	1,339	330.9	1,700	26.9
	Segment income/sales	1.7%		5.8%		8.8%		1.5%		6.3%		7.6%	
Adhesive & Biomass Materials	Net sales ※1	23,438	△ 2.5	18,843	△ 19.6	20,572	9.2	29,977	△ 7.8	25,135	△ 16.2	28,000	11.4
	Segment income	△ 1,959	-	△ 2,796	-	△ 1,675	-	△ 3,871	-	△ 4,048	-	△ 2,000	-
	Segment income/sales	△ 8.4%		△ 14.8%		△ 8.1%		△ 12.9%		△ 16.1%		△ 7.1%	
Fine Chemicals & Electronics	Net sales ※1	9,874	4.4	8,196	△ 17.0	10,247	25.0	12,570	△ 2.0	10,955	△ 12.8	14,000	27.8
	Segment income	374	35.3	△ 206	-	735	-	349	△ 36.7	△ 393	-	850	-
	Segment income/sales	3.8%		△ 2.5%		7.2%		2.8%		△ 3.6%		6.1%	
Others	Net sales ※1	171	△ 24.5	58	△ 65.7	69	17.6	191	△ 31.4	80	△ 57.9	100	23.9
	Segment income	29	△ 19.9	27	△ 8.0	41	53.3	42	△ 7.3	38	△ 7.3	50	28.3
	Segment income/sales	17.2%		46.1%		60.1%		22.0%		48.3%		50.0%	
Subtotal	Net sales ※1	61,400	2.4	53,713	△ 12.5	60,205	12.1	79,431	△ 1.3	72,222	△ 9.1	82,000	13.5
	Segment income	△ 887	-	△ 1,742	-	1,550	-	△ 2,832	-	△ 2,542	-	1,800	-
	Segment income/sales	△ 1.4%		△ 3.2%		2.6%		△ 3.6%		△ 3.5%		2.2%	
Consolidated total	*Development Investment ※2	△ 301	-	△ 294	-	△ 284	-	△ 406	-	△ 408	-	△ 400	-
	Segment income	△ 1,188	-	△ 2,036	-	1,266	-	△ 3,239	-	△ 2,950	-	1,400	-
	Segment income/sales	△ 1.9%		△ 3.8%		2.1%		△ 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.

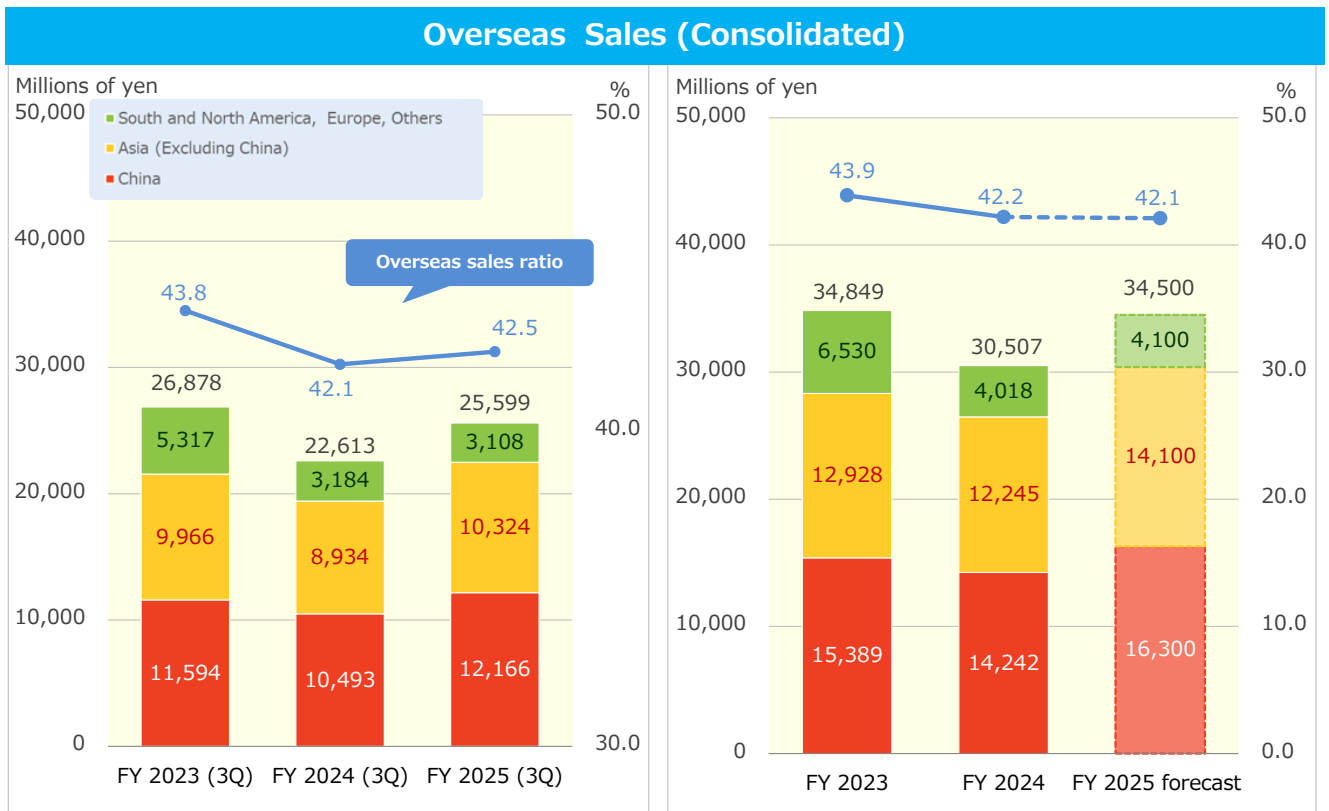
[Paper chemicals & Environmental Business] Paper strengthening agent, Sizing agent, New water-based polymer, etc.

[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.

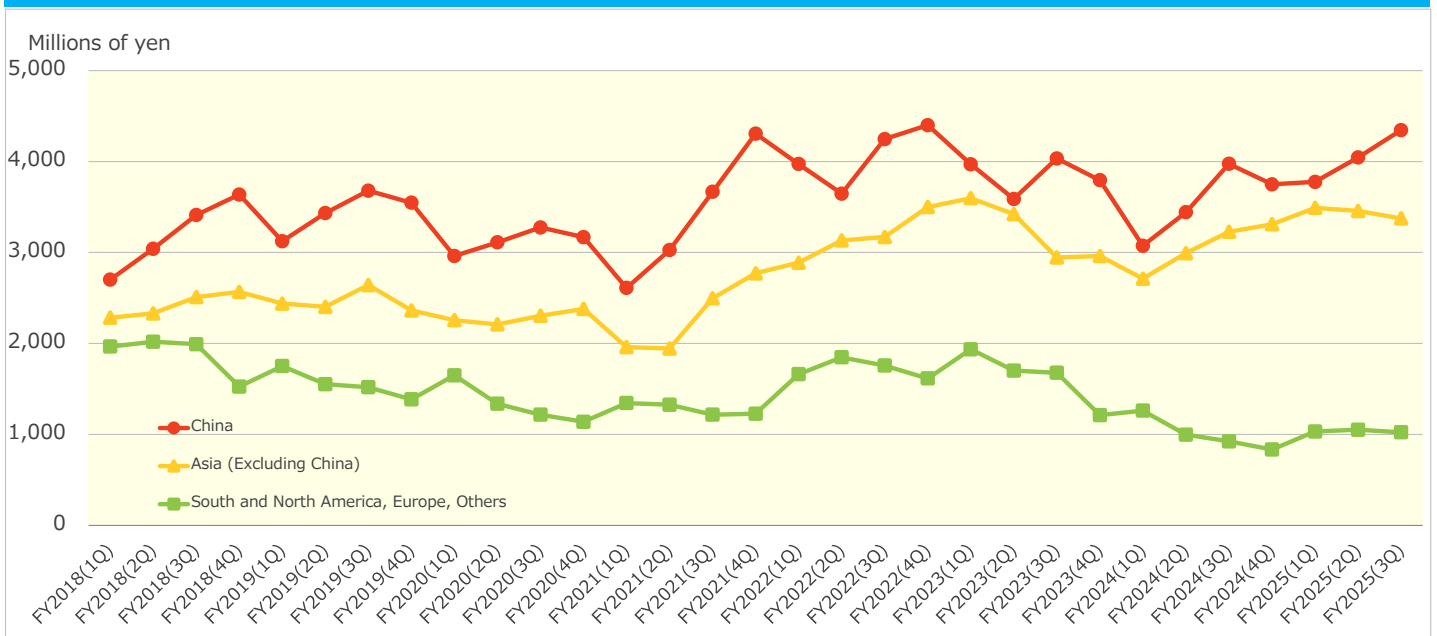
[Others] Insurance business, Real estate management, etc.

Overseas Sales (Consolidated)



Consolidated	FY 2023 (3Q)		FY 2024 (3Q)		FY 2025 (3Q)		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
Overseas sales	26,878	2.1	22,613	△ 15.9	25,599	13.2	34,849	△ 2.8	30,507	△ 12.5	34,500	13.1
Overseas sales in Asia	21,560	2.4	19,428	△ 9.9	22,491	15.8	28,318	△ 2.2	26,488	△ 6.5	30,400	14.8
Overseas sales in China	11,594	△ 2.3	10,493	△ 9.5	12,166	15.9	15,389	△ 5.4	14,242	△ 7.5	16,300	14.4
Overseas sales ratio	43.8%		42.1%		42.5%		43.9%		42.2%		42.1%	

Overseas sales by region (Consolidated)



Balance Sheets (Consolidated)

(Unit : Millions of yen)

Item	FY2024 (As of December 31, 2023)		FY2025 (As of December 31, 2024)		FY2024 (As of March 31, 2024)		Increase /Decrease (A) - (B)
	Amount	Composition ratio	Amount (A)	Composition ratio	Amount (B)	Composition ratio	
(Assets)		%		%		%	
I Current assets							
1. Cash and deposits	12,375		9,900		11,578		△ 1,677
2. Notes and accounts receivable - trade	25,829		28,429		25,683		2,746
3. Electronically recorded monetary claims - operating	2,477		2,664		2,504		160
4. Merchandise and finished goods	13,064		11,857		12,423		△ 566
5. Work in process	1,516		1,327		1,603		△ 276
6. Raw materials and supplies	9,302		9,675		9,267		408
7. Other	1,337		1,476		1,215		261
8. Allowance for doubtful accounts	△ 111		△ 114		△ 116		2
Total current assets	65,791	52.7	65,218	52.1	64,159	51.2	1,058
II Non-current assets							
1. Property, plant and equipment							
(1) Buildings and structures, net	17,063		17,219		17,723		△ 504
(2) Machinery, equipment and vehicles, net	13,662		12,859		14,126		△ 1,267
(3) Land	5,001		5,002		4,996		5
(4) Construction in progress	3,750		2,913		1,969		944
(5) Other, net	1,183		998		1,136		△ 137
Total property, plant and equipment	40,662	32.5	38,992	31.1	39,952	31.9	△ 959
2. Intangible assets							
(1) Other	1,609		1,363		1,529		△ 166
Total intangible assets	1,609	1.3	1,363	1.1	1,529	1.2	△ 166
3. Investments and other assets							
(1) Investment securities	10,281		11,162		11,200		△ 38
(2) Retirement benefit asset	4,098		6,337		6,087		249
(3) Deferred tax assets	282		282		286		△ 4
(4) Other	345		366		354		11
(5) Allowance for doubtful accounts	△ 81		△ 81		△ 79		△ 2
Total investments and other assets	14,926	12.0	18,065	14.4	17,850	14.2	215
Total non-current assets	57,197	45.8	58,422	46.6	59,332	47.3	△ 910
III Deferred assets							
1. Business commencement expenses	1,948		1,629		1,927		△ 297
Total deferred assets	1,948	1.5	1,629	1.3	1,927	1.5	△ 297
Total assets	124,937	100.0	125,269	100.0	125,418	100.0	△ 148

(Unit: Millions of yen)

Item	FY2024 (As of December 31, 2023)		FY2025 (As of December 31, 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	9,876		10,117		9,478		639
2. Electronically recorded obligations - operating	1,313		1,463		1,403		59
3. Short-term borrowings	16,804		18,976		18,512		464
4. Current portion of bonds payable	5,000		-		5,000	△	5,000
5. Income taxes payable	323		553		434		118
6. Accrued consumption taxes	247		183		100		82
7. Provision for bonuses	629		660		1,190	△	529
8. Provision for bonuses for directors (and other officers)	-		20		-		20
9. Provision for repairs	705		757		732		24
10. Provision for loss on business liquidation	606		72		110	△	37
11. Asset retirement obligations	-		174		-		174
12. Notes payable - facilities	268		189		297	△	107
13. Other	6,642		6,795		6,146		649
Total current liabilities	42,418	33.9	39,965	31.9	43,406	34.6	△ 3,441
II Non-current liabilities							
1. Bonds payable	5,000		10,000		5,000		5,000
2. Long-term borrowings	14,965		12,201		13,875	△	1,674
3. Deferred tax liabilities	2,996		4,157		3,847		309
4. Retirement benefit liability	316		310		299		10
5. Asset retirement obligations	2,394		1,751		1,919	△	168
6. Other	185		132		151	△	18
Total non-current liabilities	25,858	20.7	28,553	22.8	25,093	20.0	3,459
Total liabilities	68,277	54.6	68,518	54.7	68,500	54.6	18
(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	39,387		40,243		38,927		1,315
4. Treasury shares	△ 1,211		△ 1,211		△ 1,211		-
Total shareholders' equity	45,083	36.1	45,939	36.7	44,623	35.6	1,315
II Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	4,658		5,216		5,173		42
2. Foreign currency translation adjustment	3,903		3,604		3,530		74
3. Remeasurements of defined benefit plans	1,544		2,571		2,807	△	235
Total accumulated other comprehensive income	10,106	8.1	11,392	9.1	11,511	9.2	△ 118
III Non-controlling interests	1,470	1.2	△ 580	△ 0.5	783	0.6	△ 1,364
Total net assets	56,660	45.4	56,751	45.3	56,918	45.4	△ 167
Total liabilities and net assets	124,937	100.0	125,269	100.0	125,418	100.0	△ 148

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2024 '23/4-'23/12		FY2025 '24/4-'24/12		Increase /Decrease		FY2024 '23/4-'24/3	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change	Amount	Ratio
		%		%		%		%
I Net sales	53,713	100.0	60,205	100.0	6,492	12.1	72,222	100.0
II Cost of sales	45,048	83.9	47,765	79.3	2,716	6.0	60,540	83.8
Gross profit	8,664	16.1	12,440	20.7	3,775	43.6	11,681	16.2
III Selling, general and administrative expenses	10,579	19.7	11,425	19.0	845	8.0	14,299	19.8
Operating profit (loss)	△ 1,914	△ 3.6	1,014	1.7	2,929	-	△ 2,617	△ 3.6
IV Non-operating income								
Interest income	68		75		6		97	
Dividend income	195		201		6		226	
Rental income from real estate	35		42		6		49	
Foreign exchange gains	254		124		△ 130		172	
Other	189		145		△ 43		274	
Total non-operating income	743	1.4	589	1.0	△ 154	△ 20.8	821	1.1
V Non-operating expenses								
Interest expenses	236		281		44		331	
Bond issuance costs	-		24		24		-	
Loss on investments in investment partnerships	17		17		△ 0		67	
Amortization of business commencement expenses	8		297		289		43	
Other	70		39		△ 31		173	
Total non-operating expenses	332	0.6	659	1.1	326	98.1	615	0.8
Ordinary profit (loss)	△ 1,503	△ 2.8	945	1.6	2,448	-	△ 2,412	△ 3.3
VI Extraordinary income								
Gain on sale of non-current assets	5		984		978		5	
Gain on sale of investment securities	196		478		282		511	
Compensation income	431		-		△ 431		431	
Gain on reversal of asset retirement obligations	-		-		-		514	
Total extraordinary income	633	1.1	1,462	2.4	828	130.9	1,463	2.0
VII Extraordinary losses								
Loss on sale and retirement of non-current assets	343		72		△ 270		462	
Loss on valuation of non-current assets	-		-		-		7	
Total extraordinary losses	343	0.6	72	0.1	△ 270	△ 78.8	470	0.7
Profit(Loss) before income taxes	△ 1,213	△ 2.3	2,334	3.9	3,548	-	△ 1,418	△ 2.0
Income taxes - current	598		961		362		996	
Income taxes - deferred	△ 115		401		516		△ 57	
Income taxes	483	1.5	1,362	2.3	879	181.9	938	△ 0.1
Profit(Loss)	△ 1,697	△ 3.2	971	1.6	2,669	-	△ 2,356	△ 3.2
Profit(Loss) attributable to non-controlling interests	△ 1,115	△ 2.1	△ 1,296	△ 2.2	△ 181	-	△ 1,314	△ 1.8
Profit(Loss) attributable to owners of parent	△ 582	△ 1.1	2,267	3.8	2,850	-	△ 1,042	△ 1.4

<Reference> Statements of Comprehensive Income (Consolidated)

Profit(Loss)	△ 1,697		971		2,669	-	△ 2,356	
Other comprehensive income								
Valuation difference on available-for-sale securities	1,724		42		△ 1,681		2,239	
Foreign currency translation adjustment	1,243		6		△ 1,237		844	
Remeasurements of defined benefit plans, net of tax	△ 167		△ 235		△ 68		1,094	
Total other comprehensive income	2,801		△ 186		△ 2,987		4,179	
Comprehensive income	1,103		785		△ 318	△ 28.9	1,822	

Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2024	FY2025	Increase /Decrease	FY2024
	'23/4-'23/12	'24/4-'24/12		'23/4-'24/3
	Amount	Amount		Amount
I Cash flows from operating activities				
Profit (loss) before income taxes	△ 1,213	2,334	3,548	△ 1,418
Depreciation	4,242	4,157	△ 85	5,808
Amortization of business commencement expenses	8	297	289	43
Increase (decrease) in allowance for doubtful accounts	△ 3	△ 2	0	2
Increase (decrease) in provision for bonuses	△ 417	△ 534	△ 117	144
Increase (decrease) in provision for bonuses for directors (and other officers)	-	20	20	-
Increase (decrease) in retirement benefit liability	17	10	△ 7	△ 0
Decrease (increase) in retirement benefit asset	△ 200	△ 250	△ 49	△ 2,190
Increase (decrease) in provision for loss on business liquidation	△ 680	△ 40	639	△ 1,169
Loss (gain) on sale and retirement of non-current assets	337	△ 911	△ 1,248	456
Loss on valuation of non-current assets	-	-	-	7
Loss (gain) on sale of investment securities	△ 196	△ 478	△ 282	△ 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	△ 263	△ 277	△ 13	△ 324
Interest expenses	236	281	44	331
Decrease (increase) in trade receivables	△ 2,247	△ 2,847	△ 599	△ 2,281
Decrease (increase) in inventories	891	521	△ 369	1,386
Increase (decrease) in trade payables	△ 164	681	845	△ 435
Increase (decrease) in accrued consumption taxes	246	207	△ 38	71
Other	512	△ 384	△ 897	3,021
Subtotal	1,123	2,802	1,678	2,062
Interest and dividends received	257	282	24	324
Interest paid	△ 232	△ 276	△ 43	△ 358
Income taxes refund (paid)	△ 591	△ 784	△ 192	△ 871
Net cash provided by (used in) operating activities	556	2,023	1,466	1,157
II Cash flows from investing activities				
Decrease (increase) in time deposits	△ 197	299	497	△ 428
Purchase of property, plant and equipment	△ 5,288	△ 2,383	2,904	△ 6,768
Proceeds from sale of property, plant and equipment	14	772	758	14
Purchase of investment securities	△ 32	△ 47	△ 14	△ 38
Proceeds from sale of investment securities	253	606	352	655
Purchase of intangible assets	△ 69	△ 68	1	△ 89
Purchase of shares of subsidiaries and associates	-	-	-	△ 305
Payments for deferred assets	△ 49	-	49	△ 64
Decrease (increase) in investments and other assets	0	△ 9	△ 10	△ 1
Other	△ 18	△ 174	△ 155	△ 113
Net cash provided by (used in) investing activities	△ 5,386	△ 1,005	4,381	△ 7,140
III Cash flows from financing activities				
Net increase (decrease) in short-term borrowings	△ 928	900	1,828	309
Proceeds from long-term borrowings	11,994	405	△ 11,588	12,162
Repayments of long-term borrowings	△ 4,735	△ 2,633	2,101	△ 5,503
Proceeds from issuance of bonds	-	4,975	4,975	-
Redemption of bonds	-	△ 5,000	△ 5,000	-
Purchase of treasury shares	-	-	-	△ 0
Dividends paid	△ 952	△ 952	0	△ 952
Dividends paid to non-controlling interests	-	-	-	△ 460
Other	△ 59	△ 11	47	△ 71
Net cash provided by (used in) financing activities	5,319	△ 2,315	△ 7,634	5,484
IV Effect of exchange rate change on cash and cash equivalents	404	△ 41	△ 446	376
V Net increase (decrease) in cash and cash equivalents	893	△ 1,338	△ 2,232	△ 121
VI Cash and cash equivalents at beginning of period	9,286	9,164	△ 121	9,286
VII Cash and cash equivalents at end of period	10,180	7,826	△ 2,354	9,164