DATA BOOK

FY2026 (1st Quarter ended June 30,2025)

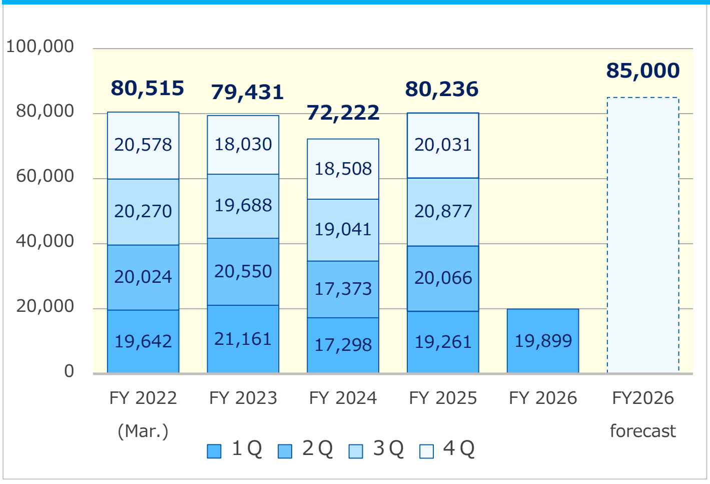
INDEX

August 4th,2025

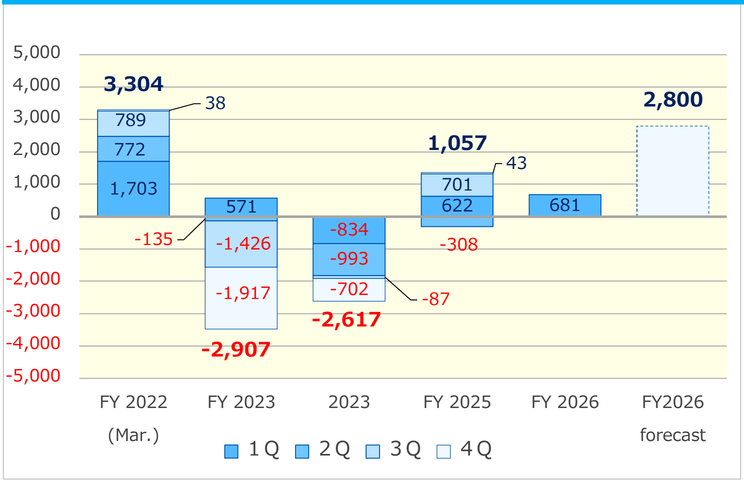
ARAKAWA CHEMICAL INDUSTRIES, LTD.

Achievement Transition (Consolidated)

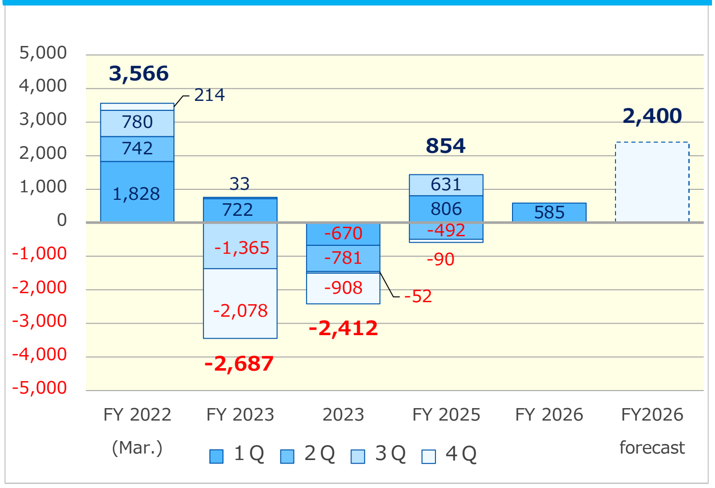
Net sales (Millions of yen)



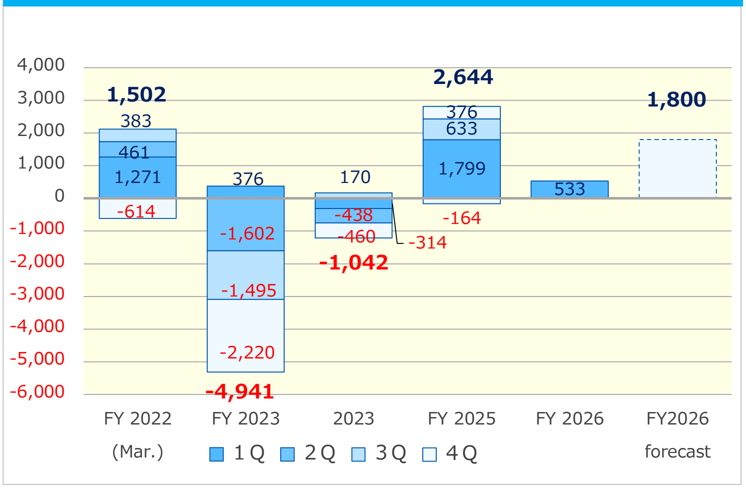
Operating income (Millions of yen)



Ordinary income (Millions of yen)



Profit attributable to owners of parent (Millions of yen)



Consolidated	FY 2024 (1Q)		FY 2025 (1Q)		FY 2026 (1Q)		FY2024		FY2025		FY 2026 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	17,298	△ 18.3	19,261	11.3	**19,899**	**3.3**	72,222	△ 9.1	80,236	11.1	85,000	5.9
Operating income	△ 834	–	622	–	**681**	**9.6**	△ 2,617	–	1,057	–	2,800	164.7
Ordinary income	△ 670	–	806	–	**585**	**△ 27.4**	△ 2,412	–	854	–	2,400	180.7
Profit attributable to owners of parent	△ 314	–	1,799	–	**533**	**△ 70.4**	△ 1,042	–	2,644	–	1,800	△ 31.9

Capital expenditure, etc.

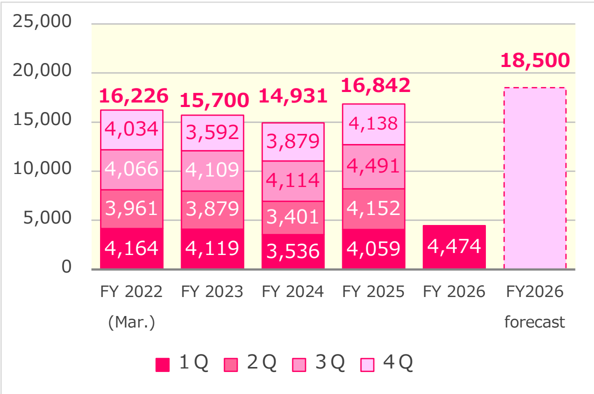
Consolidated	FY 2024 (1Q)		FY 2025 (1Q)		FY 2026 (1Q)		FY2024		FY2025		FY 2026 forecast	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital expenditure	497	△ 439	384	△ 113	**441**	**57**	6,057	2,031	5,429	△ 627	4,000	△ 1,429
Depreciation	1,370	555	1,294	△ 76	**1,318**	**24**	5,808	1,330	5,720	△ 87	5,500	△ 220
R&D expenses	731	△ 20	759	28	**757**	**△ 1**	2,965	△ 59	3,058	93	3,300	241
Interest-bearing debt	36,846	7,443	41,130	4,284	**40,952**	**△ 177**	42,388	7,335	39,381	△ 3,007	40,500	1,118
EBITDA	536	△ 851	1,916	1,379	**2,000**	**84**	3,190	1,621	6,778	3,587	8,300	1,521

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

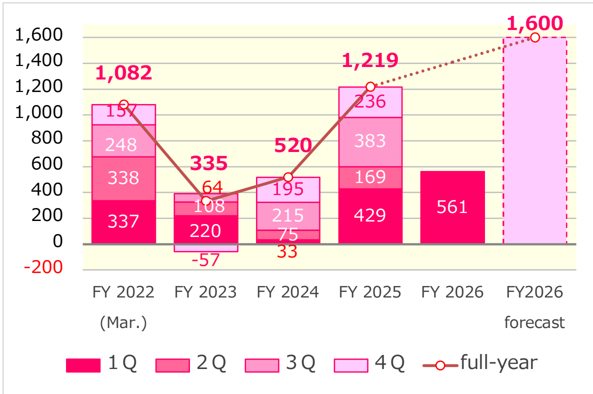
Segment Information (Consolidated)

Functional Coating Chemicals

Net sales（Millions of yen）

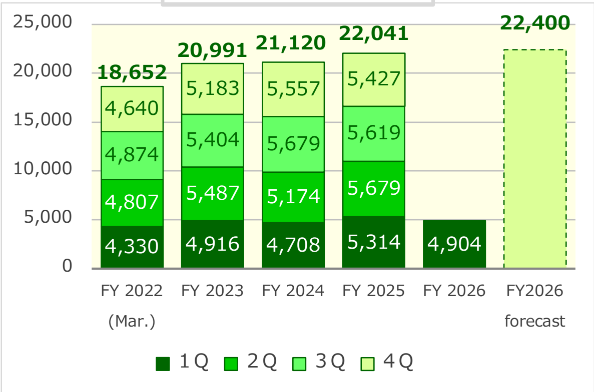


Segment income（Millions of yen）

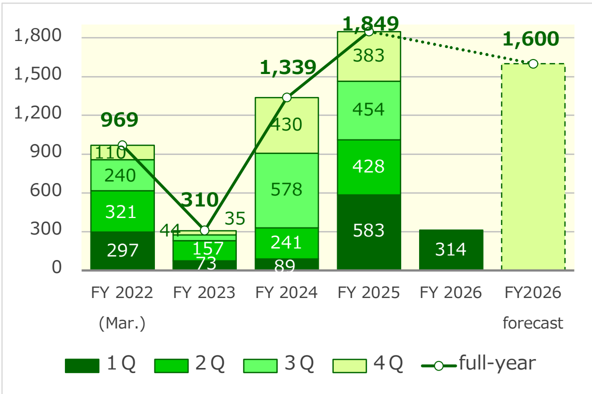


Paper Chemicals & Environmental Business

Net sales（Millions of yen）

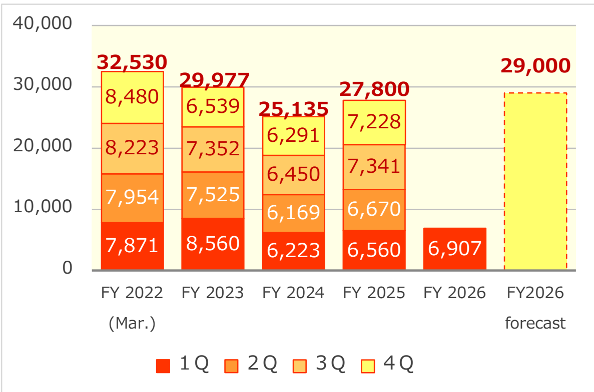


Segment income（Millions of yen）

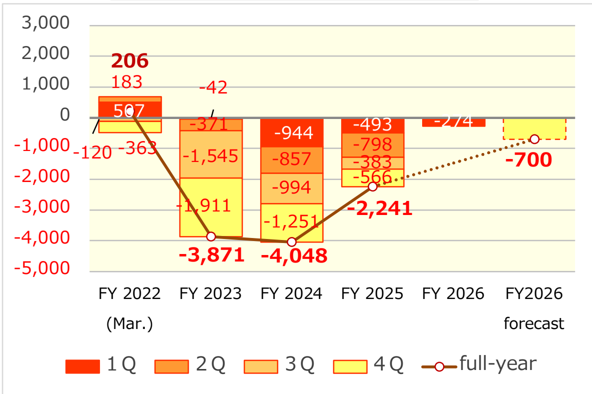


Adhesive & Biomass Materials

Net sales（Millions of yen）

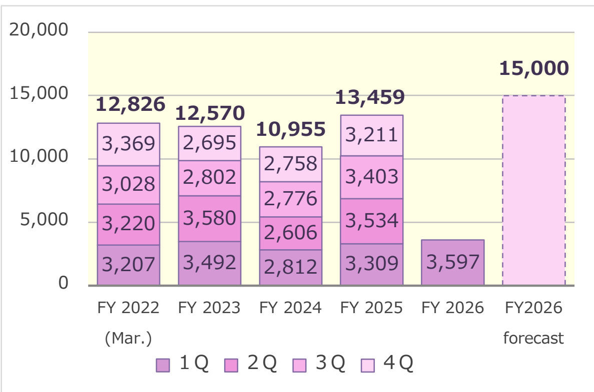


Segment income（Millions of yen）

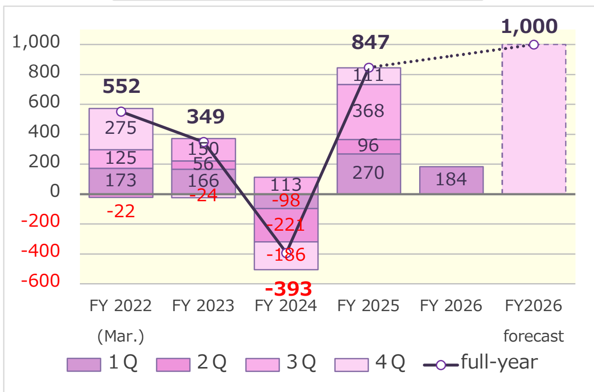


Fine Chemicals & Electronics

Net sales（Millions of yen）



Segment income（Millions of yen）



Segment Information (Consolidated)

Consolidated		FY 2024 (1Q)		FY 2025 (1Q)		FY 2026 (1Q)		FY 2024		FY 2025		FY 2026 forecast	
		Miliions of yen	% Change	Miliions of yen	% Change	Miliions of yen	% Change	Miliions of yen	% Change	Miliions of yen	% Change	Miliions of yen	% Change
Functional Coating Chemicals	Net sales ※1	3,536	△ 14.2	4,059	14.8	**4,474**	**10.2**	14,931	△ 4.9	16,842	12.8	18,500	9.8
	Segment income	33	△ 84.7	429	–	**561**	**30.7**	520	55.2	1,219	134.2	1,600	31.2
	Segment income/sales	1.0%		10.6%		**12.5%**		3.5%		7.2%		8.6%	
Paper Chemicals & Environmental Business	Net sales ※1	4,708	△ 4.2	5,314	12.9	**4,904**	**△ 7.7**	21,120	0.6	22,041	4.4	22,400	1.6
	Segment income	89	21.0	583	555.0	**314**	**△ 46.1**	1,339	330.9	1,849	38.1	1,600	△ 13.5
	Segment income/sales	1.9%		11.0%		**6.4%**		6.3%		8.4%		7.1%	
Adhesive & Biomass Materials	Net sales ※1	6,223	△ 27.3	6,560	5.4	**6,907**	**5.3**	25,135	△ 16.2	27,800	10.6	29,000	4.3
	Segment income	△ 944	–	△ 493	–	**△ 274**	**–**	△ 4,048	–	△ 2,241	–	△ 700	–
	Segment income/sales	△15.2%		△7.5%		**△4.0%**		△16.1%		△8.1%		△2.4%	
Fine Chemicals & Electronics	Net sales ※1	2,812	△ 19.5	3,309	17.6	**3,597**	**8.7**	10,955	△ 12.8	13,459	22.9	15,000	11.4
	Segment income	△ 98	–	270	–	**184**	**△ 32.0**	△ 393	–	847	–	1,000	18.0
	Segment income/sales	△3.5%		8.2%		**5.1%**		△3.6%		6.3%		6.7%	
Others	Net sales ※1	17	△ 76.1	18	6.6	**15**	**△ 14.4**	80	△ 57.9	93	15.9	100	6.9
	Segment income	7	△ 22.1	8	15.7	**6**	**△ 17.9**	38	△ 7.3	56	46.1	40	△ 29.7
	Segment income/sales	40.9%		44.4%		**42.6%**		48.3%		60.8%		40.0%	
Subtotal	Net sales ※1	17,298	△ 18.3	19,261	11.3	**19,899**	**3.3**	72,222	△ 9.1	80,236	11.1	85,000	5.9
	Segment income	△ 913	–	798	–	**791**	**△ 0.9**	△ 2,542	–	1,732	–	3,540	104.4
	Segment income/sales	△5.3%		4.1%		**4.0%**		△3.5%		2.2%		4.2%	
Consolidated total	Development Investment ※2	△ 96	–	△ 93	–	**△ 119**	**–**	△ 408	–	△ 384	–	△ 490	–
	Segment income	△ 1,009	–	704	–	**672**	**△ 4.6**	△ 2,950	–	1,347	–	3,050	126.3
	Segment income/sales	△5.8%		3.7%		**3.4%**		△4.1%		1.7%		3.6%	

※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.

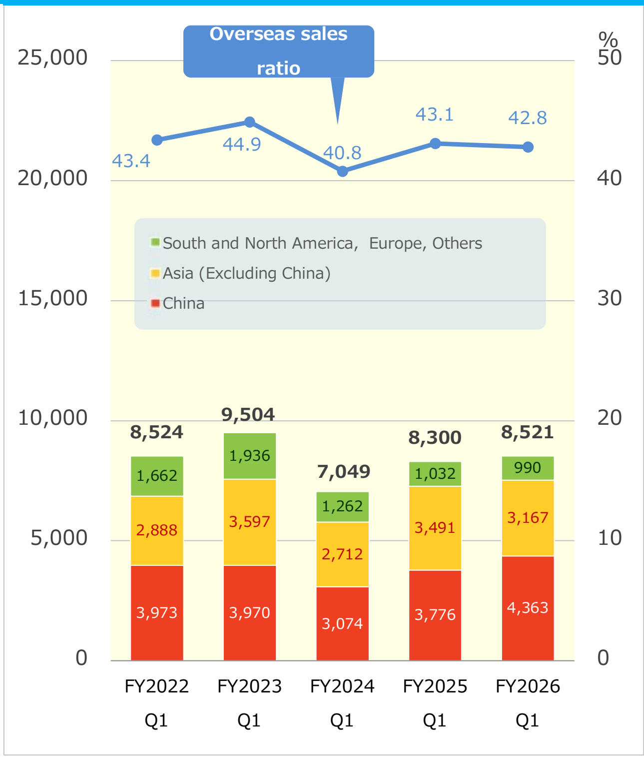
[Adhesive & Biomass Materials] Hydrogenated hydrocarbon resin,Adhesive resin,Colorless rosin derivative,Synthetic rubber polymerization emulsifier,etc.

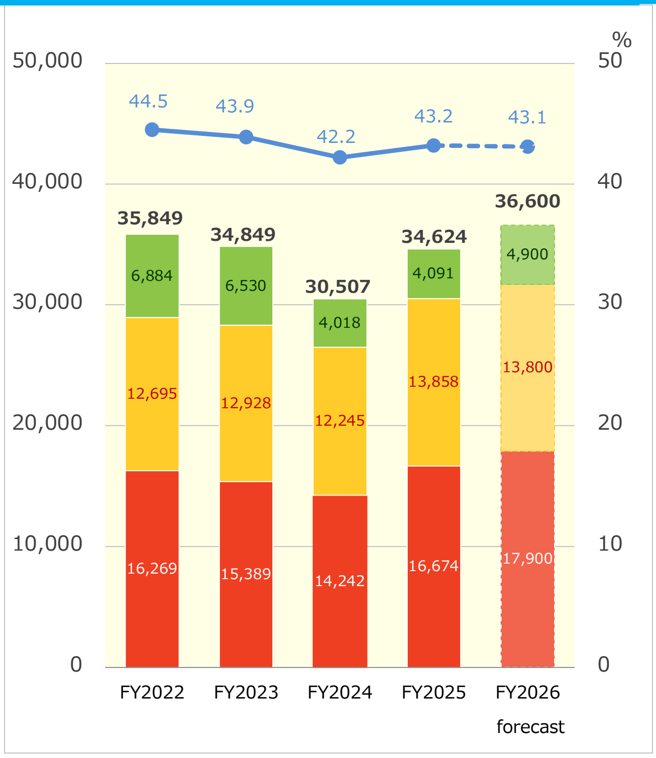
[Fine Chemicals & Electronics] Precise parts cleaning agent and Cleaning system and its peripheral equipment,Thermoplastic Polyimide Solution,Fine chemical Products,Compounded Products for electronic material,Polishing agent for hard disk substrates,etc.

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

Overseas Sales (Consolidated)

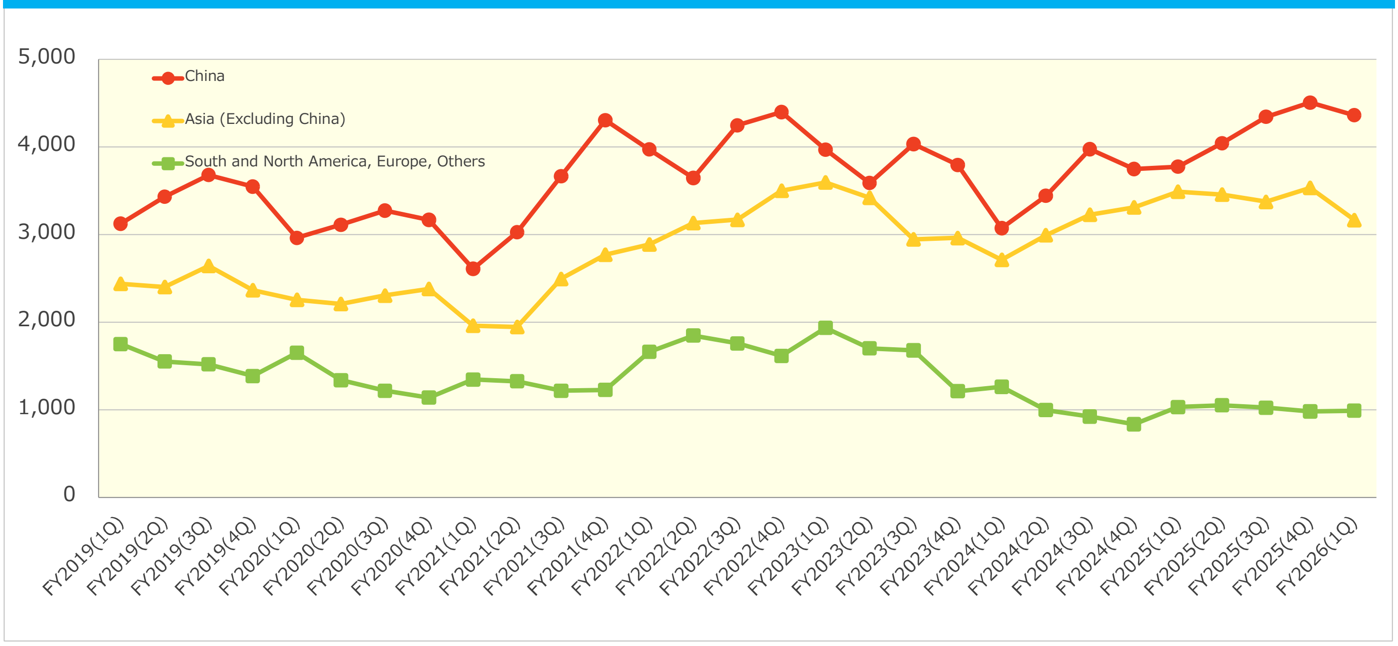
Overseas Sales (Consolidated) (Millions of yen)





Consolidated	FY 2024 (1Q)		FY 2025 (1Q)		FY 2026 (1Q)		FY2024		FY2025		FY 2026 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	7,049	△ 25.8	8,300	17.7	**8,521**	**2.7**	30,507	△ 12.5	34,624	13.5	36,600	5.7
Overseas sales in Asia	5,787	△ 23.5	7,268	25.6	**7,531**	**3.6**	26,488	△ 6.5	30,533	15.3	31,700	3.8
Overseas sales in China	3,074	△ 22.6	3,776	22.8	**4,363**	**15.5**	14,242	△ 7.5	16,674	17.1	17,900	7.3
Overseas sales ratio	40.8%		43.1%		**42.8%**		42.2%		43.2%		43.1%	

Overseas sales by region (Consolidated) (Millions of yen)



Balance Sheets(Consolidated)

(Unit：Millions of yen)

Item	FY2025 (As of June 30, 2024) Amount	FY2025 (As of June 30, 2024) Composition ratio	FY2026 (As of June 30, 2025) Amount(A)	FY2026 (As of June 30, 2025) Composition ratio	FY2025 (As of March 31, 2025) Amount(B)	FY2025 (As of March 31, 2025) Composition ratio	Increase /Decrease (A)－(B)
(Assets)		%		%		%	
Ⅰ Current assets							
1. Cash and deposits	9,821		9,104		9,431		△ 326
2. Notes and accounts receivable - trade	26,775		24,893		25,884		△ 991
3. Electronically recorded monetary claims - operating	2,397		2,181		2,258		△ 76
4. Merchandise and finished goods	12,365		12,540		12,619		△ 79
5. Work in process	1,447		1,624		1,468		156
6. Raw materials and supplies	9,015		9,457		9,730		△ 273
7. Other	961		1,441		997		443
8. Allowance for doubtful accounts	△ 117		△ 116		△ 126		9
Total current assets	62,667	50.6	61,127	50.8	62,264	50.9	△ 1,137
Ⅱ Non-current assets							
1. Property,plant and equipment							
(1) Buildings and structures, net	17,623		18,194		18,604		△ 409
(2) Machinery, equipment and vehicles, net	13,652		12,772		13,487		△ 714
(3) Land	4,995		5,001		5,008		△ 6
(4) Construction in progress	2,062		976		846		130
(5) Other, net	1,086		1,046		1,092		△ 46
Total property,plant and equipment	39,420	31.8	37,993	31.5	39,039	31.9	△ 1,046
2. Intangible assets							
(1) Other	1,485		1,266		1,374		△ 107
Total intangible assets	1,485	1.2	1,266	1.0	1,374	1.1	△ 107
3. Investments and other assets							
(1) Investment securities	11,811		10,609		10,105		504
(2) Retirement benefit asset	6,172		7,487		7,392		95
(3) Deferred tax assets	255		213		288		△ 74
(4) Other	366		384		386		△ 2
(5) Allowance for doubtful accounts	△ 82		△ 81		△ 86		4
Total investments and other assets	18,523	14.9	18,612	15.5	18,086	14.8	526
Total non-current assets	59,429	47.9	57,872	48.0	58,500	47.8	△ 627
Ⅲ Deferred assets							
1. Business commencement expenses	1,829		1,431		1,532		△ 100
Total deferred assets	1,829	1.5	1,431	1.2	1,532	1.3	△ 100
Total assets	123,926	100.0	120,431	100.0	122,297	100.0	△ 1,866

(Unit：Millions of yen)

Item	FY2025 (As of June 30, 2024) Amount	Composition ratio	FY2026 (As of June 30, 2025) Amount (A)	Composition ratio	FY2025 (As of March 31, 2025) Amount (B)	Composition ratio	Increase /Decrease (A) − (B)
(Liabilities)		%		%		%	
Ⅰ Current liabilities							
1. Notes and accounts payable - trade	7,702		8,272		9,200		△ 928
2. Electronically recorded obligations - operating	1,370		1,149		1,172		△ 23
3. Short-term borrowings	17,935		20,604		18,319		2,285
4. Current portion of bonds payable	5,000		−		−		−
5. Income taxes payable	662		430		774		△ 344
6. Accrued consumption taxes	147		106		52		54
7. Provision for bonuses	623		656		1,370		△ 714
8. Provision for bonuses for directors (and other officers)	10		9		27		△ 18
9. Provision for repairs	441		521		820		△ 299
10. Provision for loss on business liquidation	82		55		56		△ 0
11. Asset retirement obligations	158		26		26		−
12. Notes payable - facilities	199		84		104		△ 20
13. Other	6,015		5,482		5,682		△ 200
Total current liabilities	40,349	32.6	37,397	31.1	37,608	30.8	△ 211
Ⅱ Non-current liabilities							
1. Bonds payable	5,000		10,000		10,000		−
2. Long-term borrowings	13,195		10,348		11,061		△ 713
3. Deferred tax liabilities	4,304		4,453		4,161		291
4. Retirement benefit liability	304		262		259		2
5. Asset retirement obligations	1,770		1,829		1,832		△ 3
6. Other	147		120		135		△ 15
Total non-current liabilities	24,722	19.9	27,013	22.4	27,451	22.4	△ 437
Total liabilities	65,071	52.5	64,411	53.5	65,060	53.2	△ 648
(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	40,250		40,656		40,619		37
4. Treasury shares	△ 1,211		△ 1,211		△ 1,211		−
Total shareholders' equity	45,946	37.1	46,352	38.5	46,315	37.9	37
Ⅱ Accumulated other comprehensive income							
1. Valuation difference on available-for-sale securities	5,619		4,720		4,384		335
2. Foreign currency translation adjustment	4,134		3,701		4,671		△ 969
3. Remeasurements of defined benefit plans	2,727		3,009		3,103		△ 94
Total accumulated other comprehensive income	12,482	10.1	11,431	9.5	12,159	9.9	△ 728
Ⅲ Non-controlling interests	425	0.3	△ 1,764	△ 1.5	△ 1,237	△ 1.0	△ 526
Total net assets	58,854	47.5	56,020	46.5	57,237	46.8	△ 1,217
Total liabilities and net assets	123,926	100.0	120,431	100.0	122,297	100.0	△ 1,866

Statements of Income(Consolidated)

(Unit：Millions of yen)

Item	FY2025 '24/4-'24/6 Amount	FY2025 '24/4-'24/6 Ratio	FY2026 '25/4-'25/6 Amount	FY2026 '25/4-'25/6 Ratio	Increase /Decrease Amount	Increase /Decrease Rate of Change	FY2025 '24/4-'25/3 Amount	FY2025 '24/4-'25/3 Ratio
		%		%		%		%
Ⅰ Net sales	19,261	100.0	19,899	100.0	637	3.3	80,236	100.0
Ⅱ Cost of sales	15,002	77.9	15,265	76.7	263	1.8	63,743	79.4
Gross profit	4,259	22.1	4,634	23.3	374	8.8	16,493	20.6
Ⅲ Selling, general and administrative expenses	3,637	18.9	3,952	19.9	315	8.7	15,436	19.2
Operating profit (loss)	622	3.2	681	3.4	59	9.6	1,057	1.3
Ⅳ Non-operating income								
Interest income	30		23		△ 7		102	
Dividend income	79		94		15		239	
Rental income from real estate	13		14		0		57	
Foreign exchange gains	228		－		△ 228		151	
Other	45		68		23		200	
Total non-operating income	397	2.1	201	1.0	△ 196	△ 49.4	752	1.0
Ⅴ Non-operating expenses								
Interest expenses	96		112		15		393	
Bond issuance costs	－		－		－		24	
Foreign exchange losses	－		52		52		－	
Loss on investments in investment partnerships	－		－		－		28	
Amortization of business commencement expenses	99		99		△ 0		396	
Other	17		32		15		112	
Total non-operating expenses	213	1.1	296	1.5	83	39.4	955	1.2
Ordinary profit (loss)	806	4.2	585	2.9	△ 220	△ 27.4	854	1.1
Ⅵ Extraordinary income								
Gain on sale of non-current assets	979		0		△ 979		984	
Gain on sale of investment securities	314		－		△ 314		1,268	
Total extraordinary income	1,293	6.7	0	0.0	△ 1,293	△ 100.0	2,252	2.8
Ⅶ Extraordinary losses								
Loss on sale and retirement of non-current assets	18		5		△ 13		239	
Total extraordinary losses	18	0.1	5	0.0	△ 13	△ 69.9	239	0.3
Profit(Loss) before income taxes	2,081	10.8	580	2.9	△ 1,501	△ 72.1	2,867	3.6
Income taxes - current	370		163		△ 206		1,418	
Income taxes - deferred	326		256		△ 70		386	
Income taxes	696	3.6	419	2.1	△ 276	△ 39.8	1,805	2.3
Profit(Loss)	1,384	7.2	160	0.8	△ 1,224	△ 88.4	1,062	1.3
Profit(Loss) attributable to non-controlling interests	△ 414	△ 2.1	△ 372	△ 1.9	42	－	△ 1,582	△ 2.0
Profit(Loss) attributable to owners of parent	1,799	9.3	533	2.7	△ 1,266	△ 70.4	2,644	3.3

<Reference> Statements of Comprehensive Income(Consolidated)

Item	FY2025 '24/4-'24/6 Amount	FY2025 '24/4-'24/6 Ratio	FY2026 '25/4-'25/6 Amount	FY2026 '25/4-'25/6 Ratio	Increase /Decrease Amount	Increase /Decrease Rate of Change	FY2025 '24/4-'25/3 Amount	FY2025 '24/4-'25/3 Ratio
Profit(Loss)	1,384		160		△ 1,224	△ 88.4	1,062	
Other comprehensive income								
Valuation difference on available-for-sale securities	445		335		△ 109		△ 789	
Foreign currency translation adjustment	660		△ 1,124		△ 1,785		1,237	
Remeasurements of defined benefit plans, net of tax	△ 79		△ 93		△ 13		298	
Total other comprehensive income	1,027		△ 881		△ 1,908		746	
Comprehensive income	2,411		△ 721		△ 3,133	－	1,808	

Statements of Cash Flows (Consolidated)

(Unit：Millions of yen)

Item	FY2025 '24/4-'24/6 Amount	FY2026 '25/4-'25/6 Amount	Increase /Decrease	FY2025 '24/4-'25/3 Amount
Ⅰ Cash flows from operating activities				
Profit (loss) before income taxes	2,081	580	△ 1,501	2,867
Depreciation	1,294	1,318	24	5,720
Amortization of business commencement expenses	99	99	△ 0	396
Increase (decrease) in allowance for doubtful accounts	△ 0	△ 6	△ 5	5
Increase (decrease) in provision for bonuses	△ 574	△ 701	△ 127	164
Increase (decrease) in provision for bonuses for directors (and other officers)	10	△ 18	△ 28	27
Increase (decrease) in retirement benefit liability	5	3	△ 2	△ 40
Decrease (increase) in retirement benefit asset	△ 83	△ 100	△ 16	△ 1,301
Increase (decrease) in provision for loss on business liquidation	△ 31	－	31	△ 59
Loss (gain) on sale and retirement of non-current assets	△ 960	5	965	△ 743
Loss (gain) on sale of investment securities	△ 314	－	314	△ 1,268
Loss (gain) on investments in investment partnerships	－	－	－	28
Interest and dividend income	△ 109	△ 117	△ 7	△ 342
Interest expenses	96	112	15	393
Decrease (increase) in trade receivables	△ 690	570	1,261	627
Decrease (increase) in inventories	677	△ 84	△ 761	△ 124
Increase (decrease) in trade payables	△ 1,907	△ 791	1,115	△ 715
Increase (decrease) in accrued consumption taxes	214	142	△ 72	△ 15
Other	△ 121	△ 747	△ 625	566
Subtotal	△ 317	265	582	6,186
Interest and dividends received	111	122	11	342
Interest paid	△ 96	△ 131	△ 35	△ 372
Income taxes refund (paid)	△ 162	△ 500	△ 337	△ 1,036
Net cash provided by (used in) operating activities	△ 465	△ 244	221	5,119
Ⅱ Cash flows from investing activities				
Decrease (increase) in time deposits	676	812	136	△ 471
Purchase of property, plant and equipment	△ 689	△ 890	△ 200	△ 4,407
Proceeds from sale of property, plant and equipment	768	0	△ 768	773
Purchase of investment securities	△ 11	△ 12	△ 1	△ 303
Proceeds from sale of investment securities	355	－	△ 355	1,578
Purchase of intangible assets	△ 6	△ 9	△ 3	△ 110
Decrease (increase) in investments and other assets	3	△ 2	△ 6	△ 9
Other	△ 25	△ 22	3	△ 292
Net cash provided by (used in) investing activities	1,070	△ 124	△ 1,195	△ 3,243
Ⅲ Cash flows from financing activities				
Net increase (decrease) in short-term borrowings	△ 529	2,357	2,887	△ 243
Proceeds from long-term borrowings	－	－	－	405
Repayments of long-term borrowings	△ 875	△ 702	172	△ 3,337
Proceeds from issuance of bonds	－	－	－	4,975
Redemption of bonds	－	－	－	△ 5,000
Dividends paid	△ 476	△ 495	△ 19	△ 952
Dividends paid to non-controlling interests	－	－	－	△ 537
Other	△ 5	△ 3	2	△ 14
Net cash provided by (used in) financing activities	△ 1,886	1,156	3,042	△ 4,704
Ⅳ Effect of exchange rate change on cash and cash equivalents	136	△ 120	△ 257	97
Ⅴ Net increase (decrease) in cash and cash equivalents	△ 1,144	666	1,811	△ 2,730
Ⅵ Cash and cash equivalents at beginning of period	9,164	6,434	△ 2,730	9,164
Ⅶ Cash and cash equivalents at end of period	8,020	7,100	△ 919	6,434