

Arisawa Mfg. Co., Ltd.

FY2020 Overview in First Half

Contents

- **FY2020 Review by consolidated basis**
- FY2020 Forecast by consolidated basis
- Appendix

■ FY2020 1H Consolidated Performance

(unit: Million Yen)	2019/3 1H result	2020/3 1H result	vs. Prev. year	2021/3 1H result	vs. Prev. year
Sales	22,707	22,599	-0.5%	22,203	-1.8%
Operating Income	1,732	1,321	-23.7%	1,375	4.1%
Operating Margin	7.6%	5.8%	-1.8%	6.2%	0.4%
Ordinary Income	2,590	1,440	-44.4%	1,347	-6.4%
Net Income	1,775	-894	-150.4%	853	--
Earnings per share (Yen)	49.16	-24.81	-150.4%	25.67	--
Dividend (Yen)	0	0	--	0	--
Exchange rate (Yen / \$)					
average for the period	108.67	110.06		108.23	
at end of period	113.57	107.92		105.80	

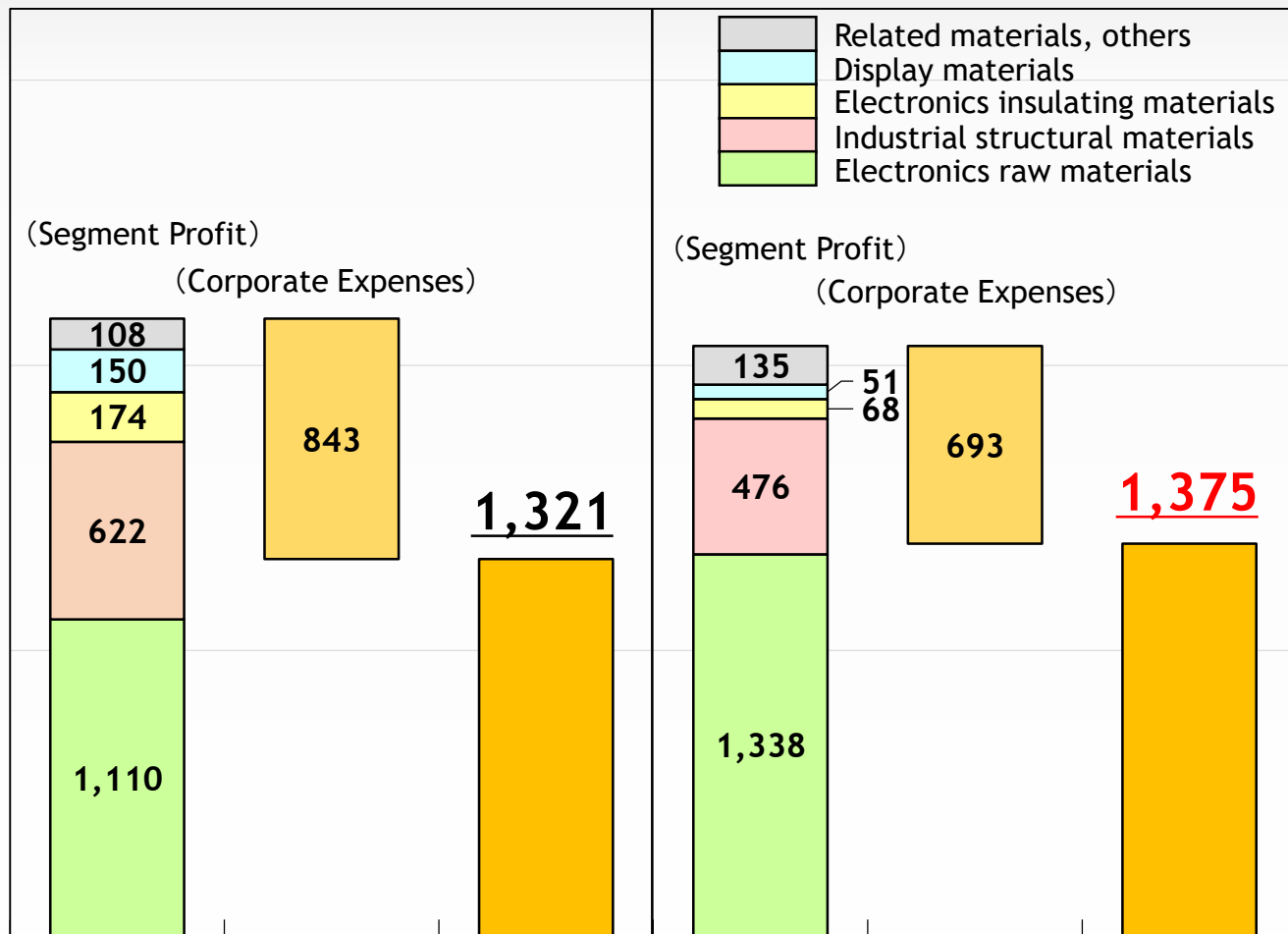
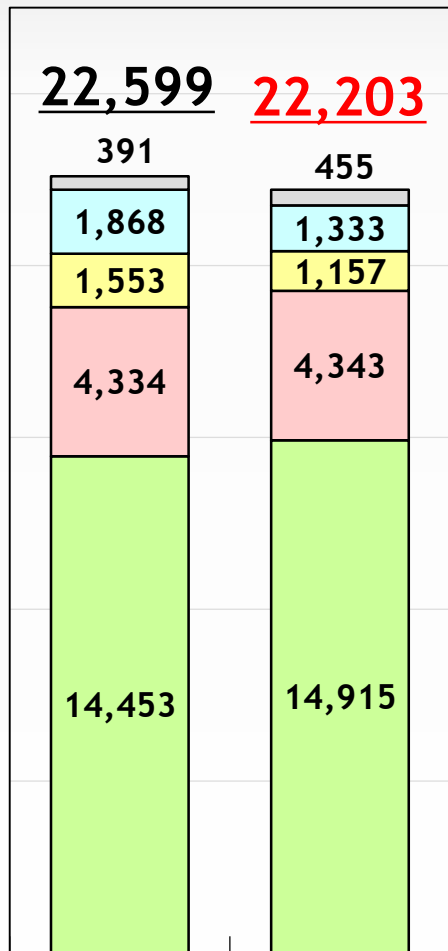
■ Highlights of FY2020 1H Consolidated Performance

- Sales decreased by 1.8% compared with Prev. year due to the decrease in Electrical insulating materials and Display materials.
- Operating Income increased by 4.1% compared with Prev. year due to the improvement of profitability in Electronics raw materials, especially in Rigid Flex Printed Circuit Boards.
- Electronics raw materials increased the sales by 3.2% compared with Prev. year due to the increase in FPC materials and Rigid Flex Printed Circuit Boards.
- Industrial structural materials increased the sales by 0.2% compared with Prev. year, in spite of the decrease in Honey-comb panel for aircraft and FW for water treatment, In-car materials increased.
- Ordinary Income decreased by 6.4% compared with Prev. year due to the increase in the exchange loss.
- As for Net Income, it was in the red last year due to the tax expense for selling shares of Polatechno.

FY2020 1H Segment Comparison (vs. FY2019 1H)

Sales (Million Yen)

Operating Income (Million Yen)

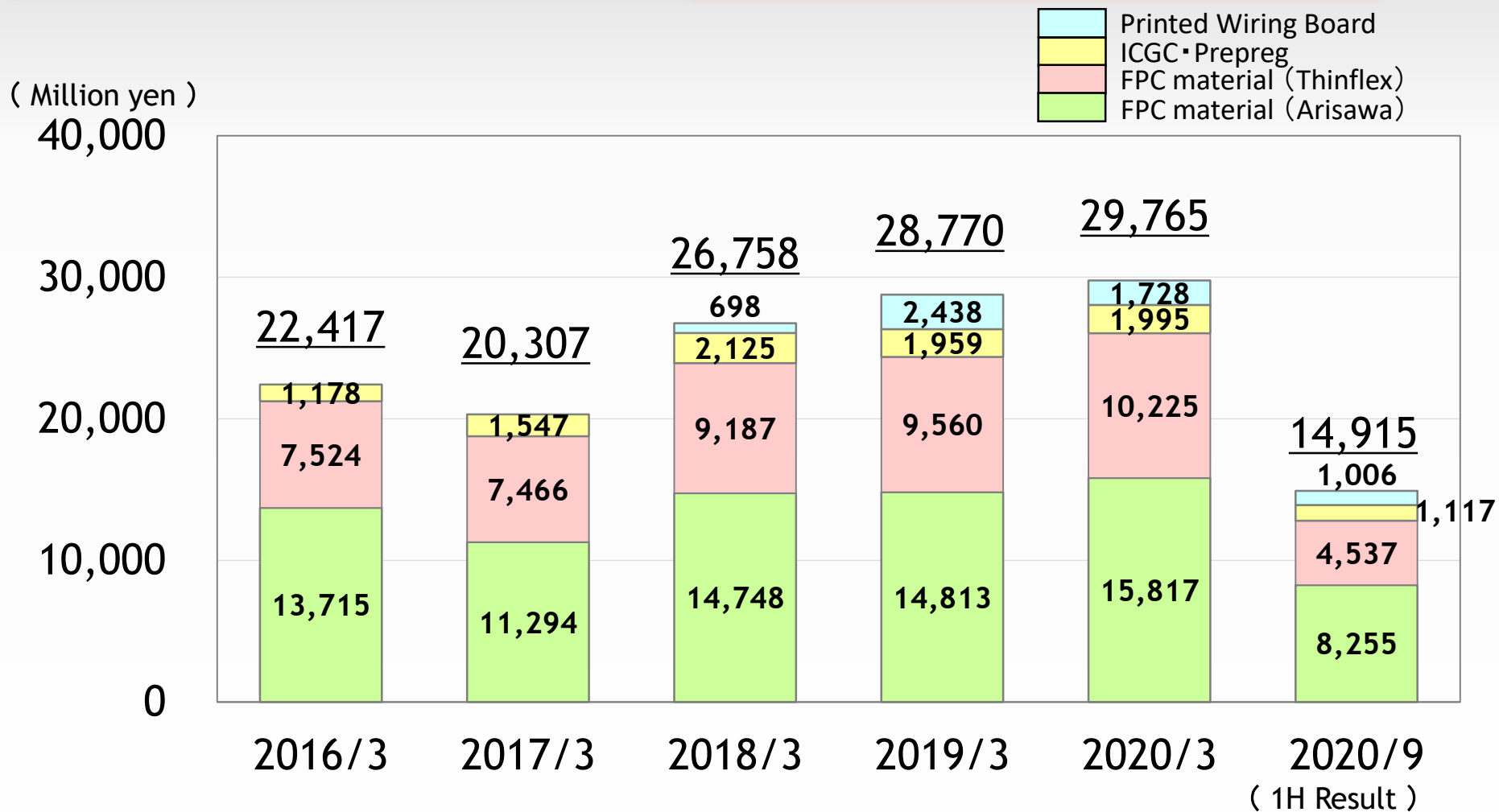


2020/3 2021/3

2020/3

2021/3

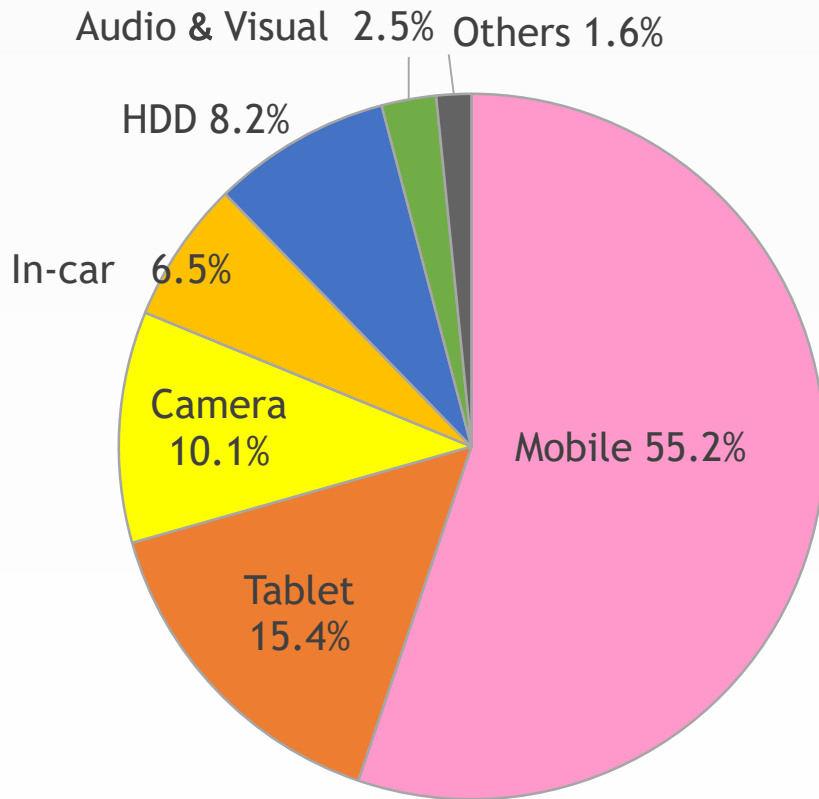
■ Electronics raw materials Sales history



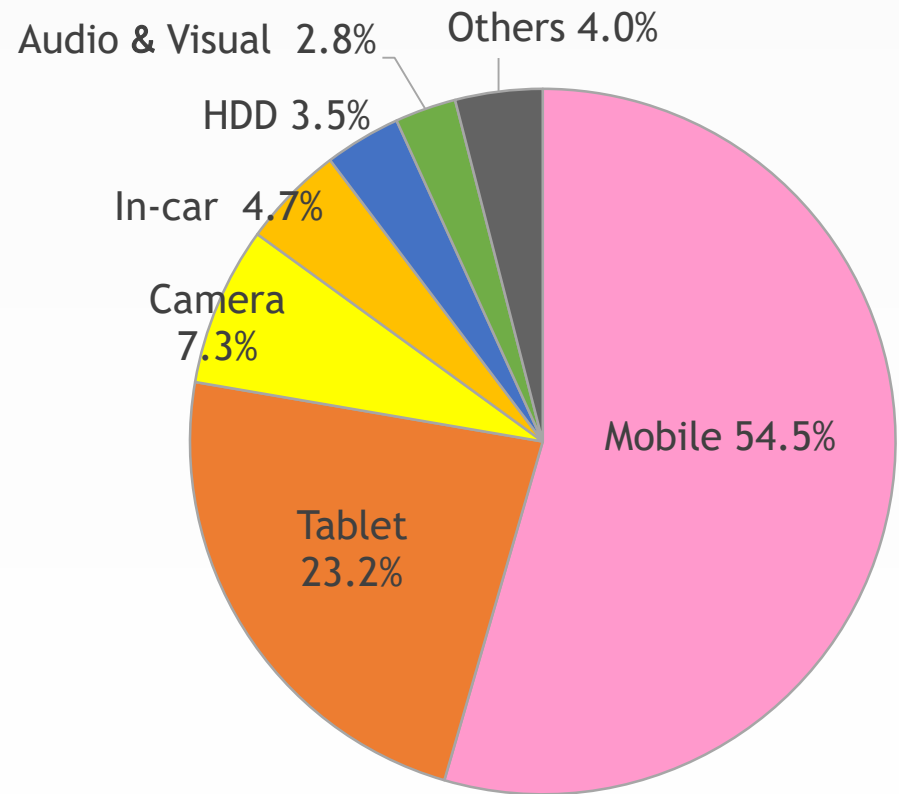
- New product development focused on mobile, In-car and semiconductor fields.
- Enhancement of competitiveness and the increase in the share through cooperation with the consolidated subsidiaries.

Our FPC's major applications

FY2019 1H



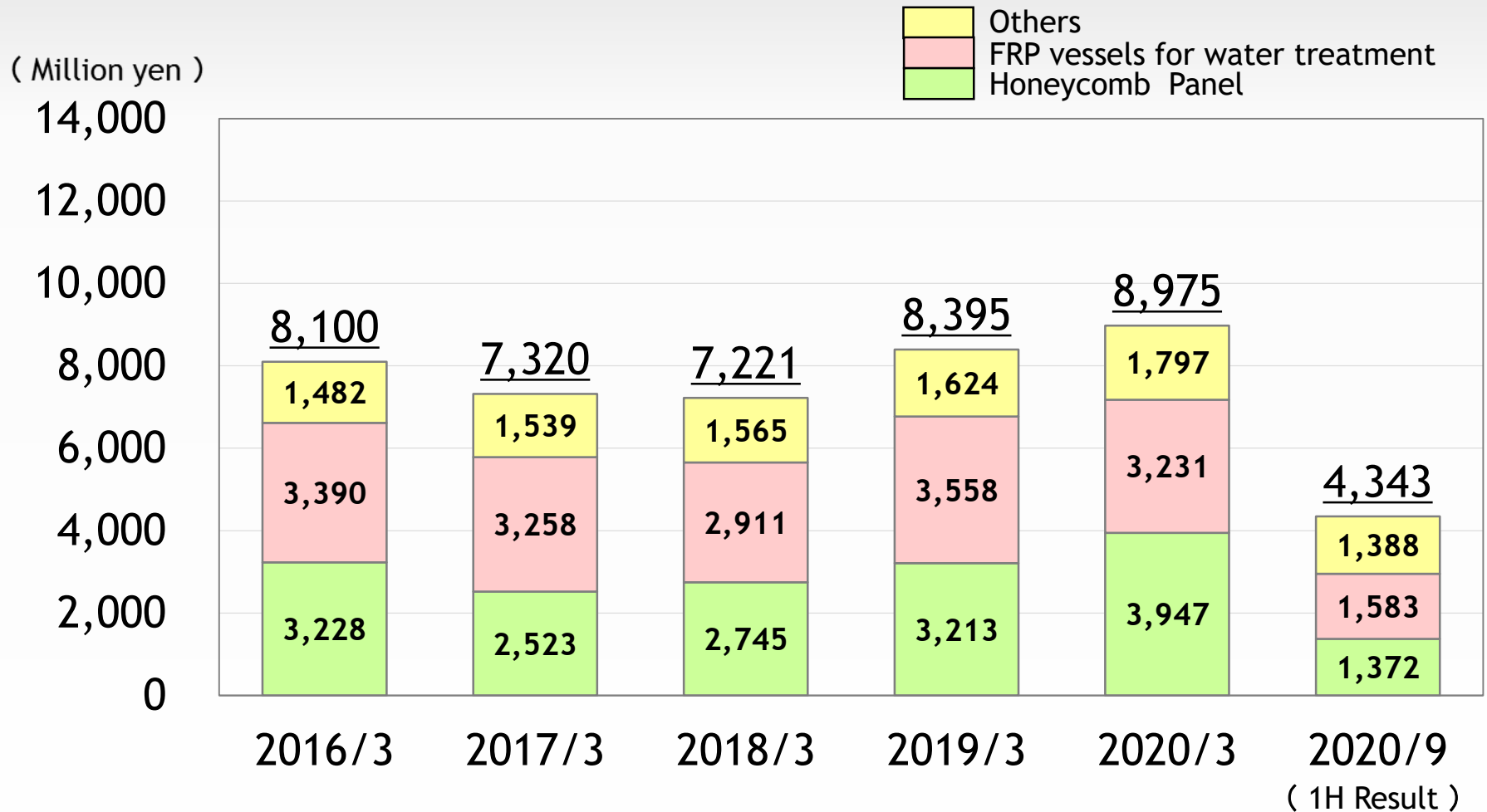
FY2020 1H



in volume terms

Source : Arisawa Mfg. estimates

Industrial structural materials Sales history



- Increase in the share with new product development focused on transportation infrastructure and water treatment.
- Decrease in Honey-comb panel due to slowdown for aircraft industry.

Contents

- FY2020 Review by consolidated basis
- FY2020 Forecast by consolidated basis**
- Appendix

FY2020 Sales and Profit Forecast (vs. FCT)

FCT = Forecast

(unit: Million Yen)	FY2019 result	FY2020 FCT(30 Jul)	FY2020 FCT(29 Oct)	vs. Prev. year	vs. Upper FCT
Sales	45,970	42,300 ~ 46,100	45,300	-1.5%	-1.7%
Operating Income	2,762	1,450 ~ 2,100	2,400	-13.1%	14.3%
Operating Margin	6.0%	3.4% ~ 4.6%	5.3%	-0.7%	0.7%
Ordinary Income	2,783	1,650 ~ 2,300	2,600	-6.6%	13.0%
Net Income	212	900 ~ 1,350	1,500	604.9%	11.1%
Earnings per share (Yen)	6.14	27.07 ~ 40.61	45.09*	634.4%	11.0%
Dividend (Yen)	30.00	28.00 ~ 32.00	34.00	13.3%	6.3%
Exchange rate (Yen / \$) average for the period at end of period	109.03 108.83	106.61 105.00	106.91** 105.00**		

* Calculated by the number of shares as of 30 Sep

** Expected Exchange rate as of 29 Oct

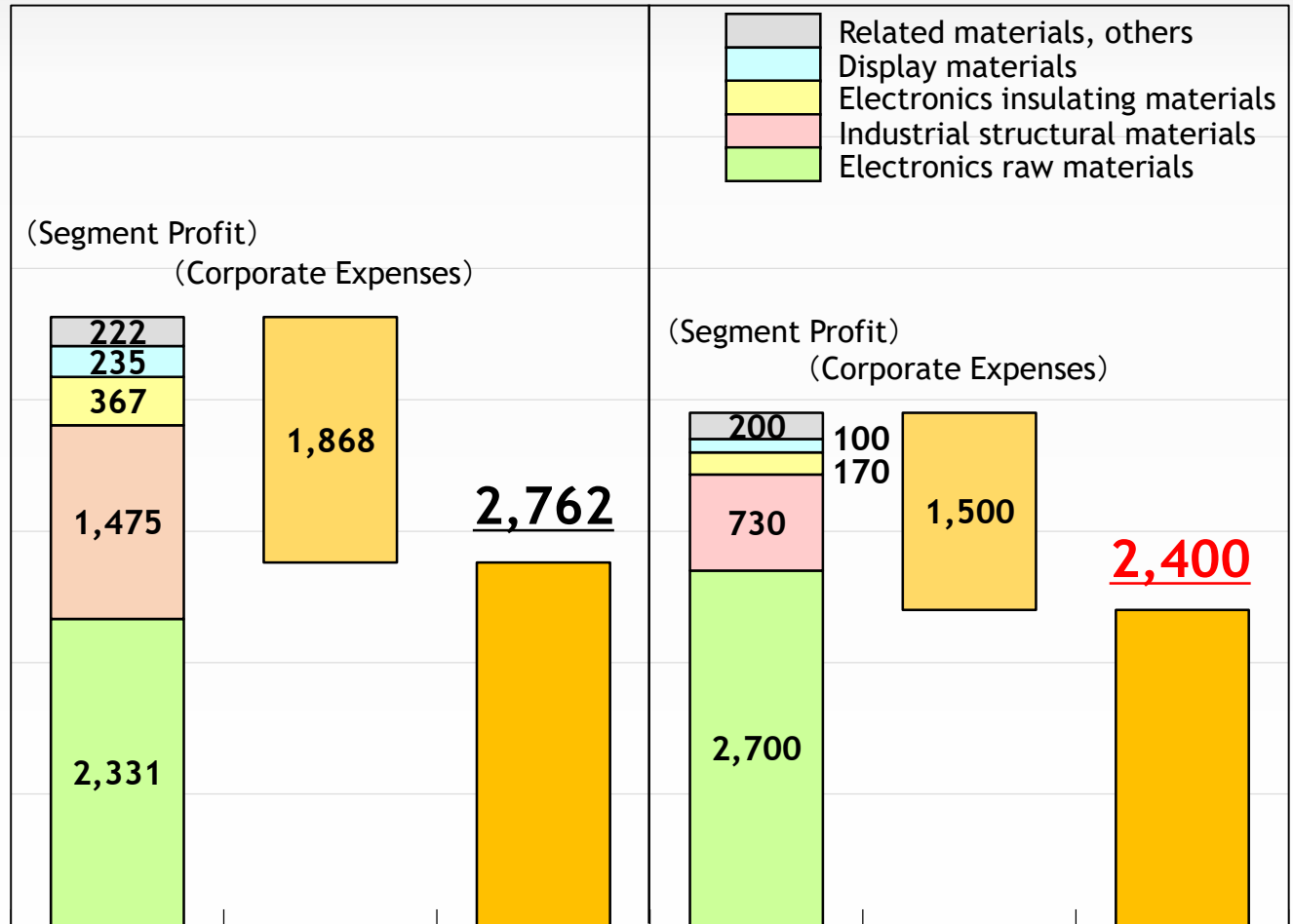
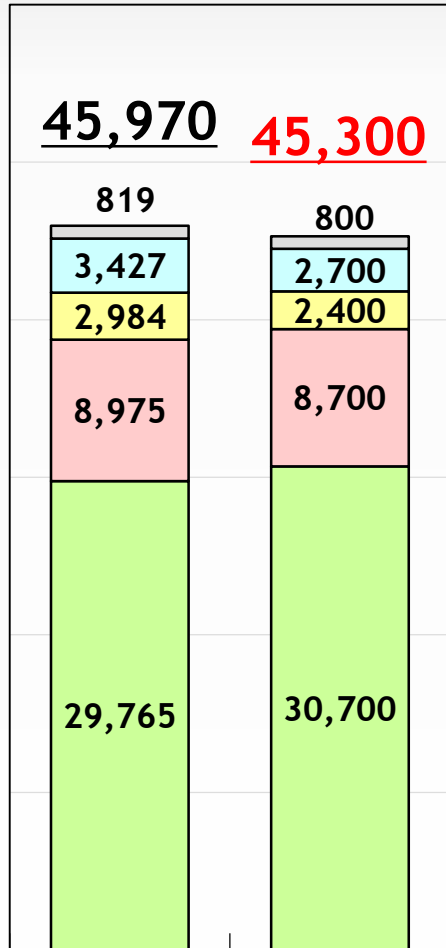
■ Highlights of FY2020 Consolidated Performance

- Sales is expected to decrease by 1.5% compared with Prev.year due to decrease in Industrial structural materials, Electronics insulating materials and Display materials.
- Operating Income is expected to decrease by 13.1% compared with Prev.year due to decrease in the sales of Industrial structural materials especially materials for aircraft , however, it is expected to surpass the upper range of the last forecast.
- Electronics raw materials is expected to increase by 3.1% compared with Prev.year due to steady increase in FPC materials, Rigid Flex Printed Circuit Boards, Pre-preg and ICGC.
- Industrial structural materials is expected to decrease by 3.1% compared with Prev.year because although there is sales for new in-car products, Honey-comb panel for aircraft decreases largely.
- Ordinary Income is expected to decrease by 6.6% compared with Prev.year.
- Net Income is expected to increase largely since the large amount of the tax expense for selling shares was recognized last year.

FY2019 Segment Comparison (vs. FY2018)

Sales (Million Yen)

Operating Income (Million Yen)



2020/3 2021/3
(Forecast)

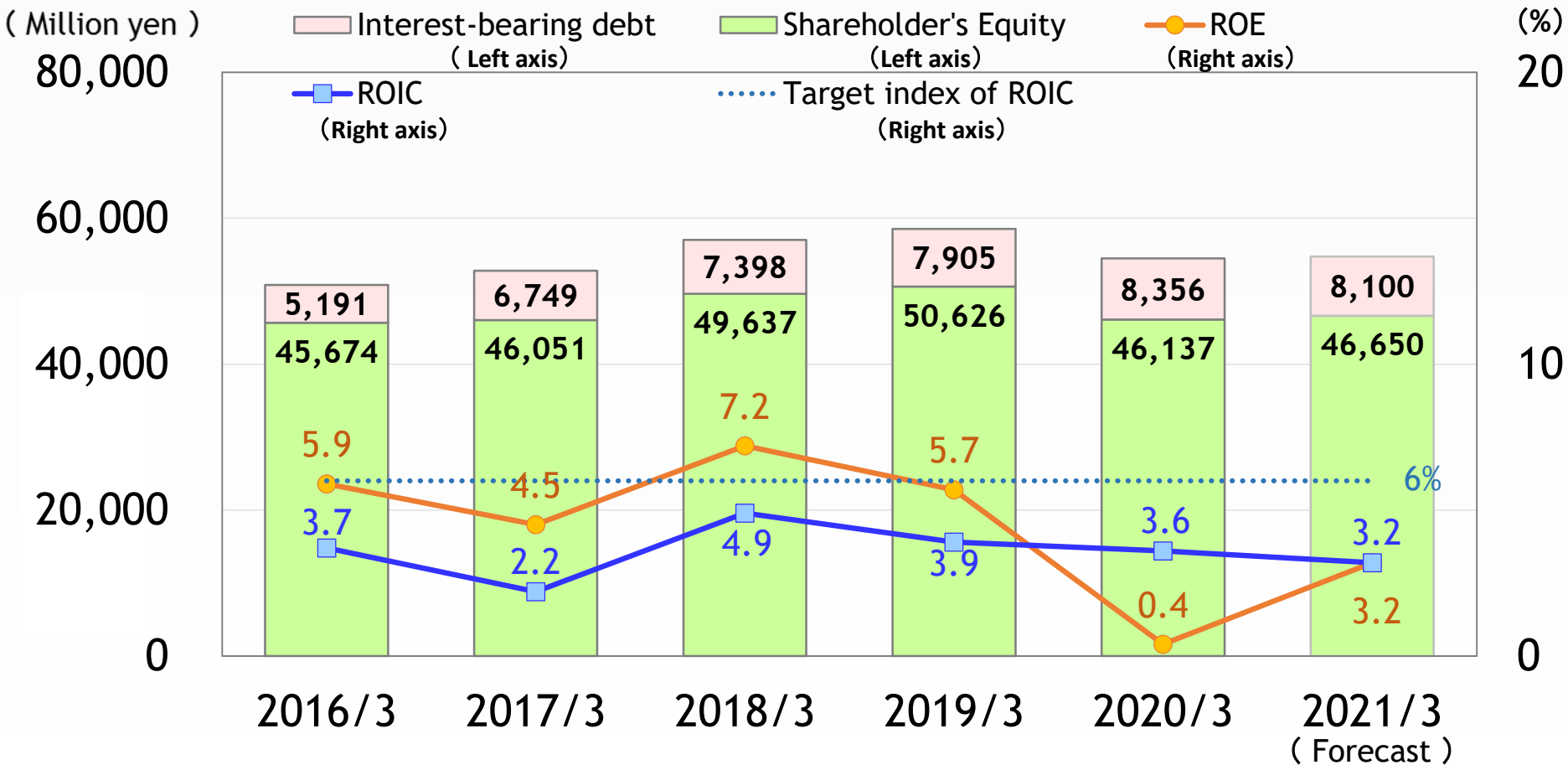
2020/3

2021/3
(Forecast)

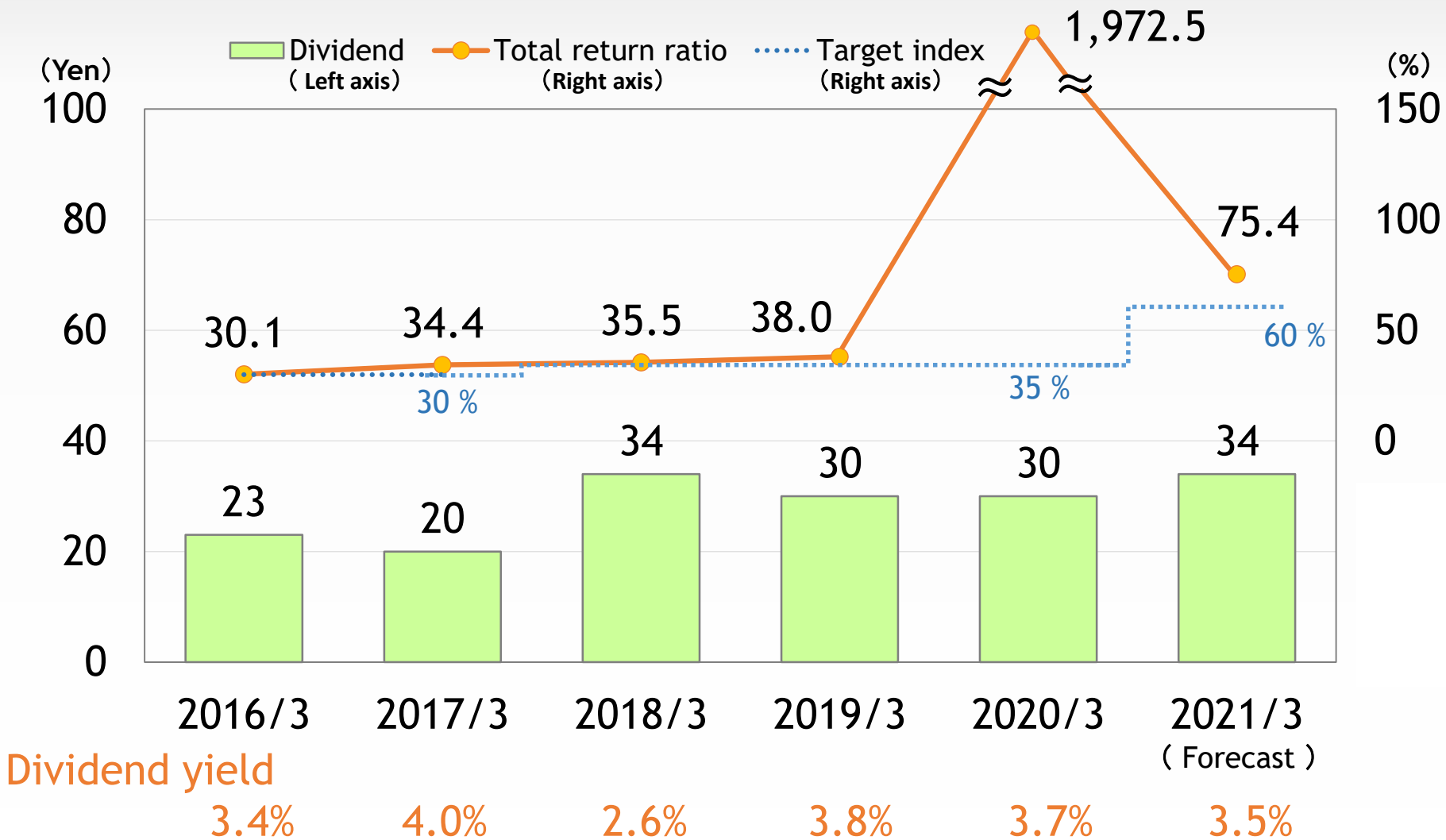
ROE・ROIC history

ROE= Net Income / Shareholder's Equity

ROIC= NOPLAT (Net Operating Profit Less Adjusted Tax) /
Shareholder's equity + Interest-bearing debt



Dividend and Total return ratio history



Contents

- FY2020 Review by consolidated basis
- FY2020 Forecast by consolidated basis
- Appendix**

FY2020 1H Consolidated Performance (vs. FCT)

FCT = Forecast

(unit: Million Yen)	2020/3 1H result	2021/3 1H FCT(30 Jul)	2021/3 1H result	vs. Prev. year	vs. FCT
Sales	22,599	21,900	22,203	-1.8%	1.4%
Operating Income	1,321	1,200	1,375	4.1%	14.6%
Operating Margin	5.8%	5.5%	6.2%	0.4%	0.7%
Ordinary Income	1,440	1,200	1,347	-6.4%	12.3%
Net Income	-894	650	853	--	31.2%
Earnings per share (Yen)	-24.81	19.55	25.67	--	31.3%
Dividend (Yen)	0	0	0	--	--
Exchange rate (Yen / \$) average for the period at end of period	110.06 107.92	108.23* 105.00*	108.23 105.80		

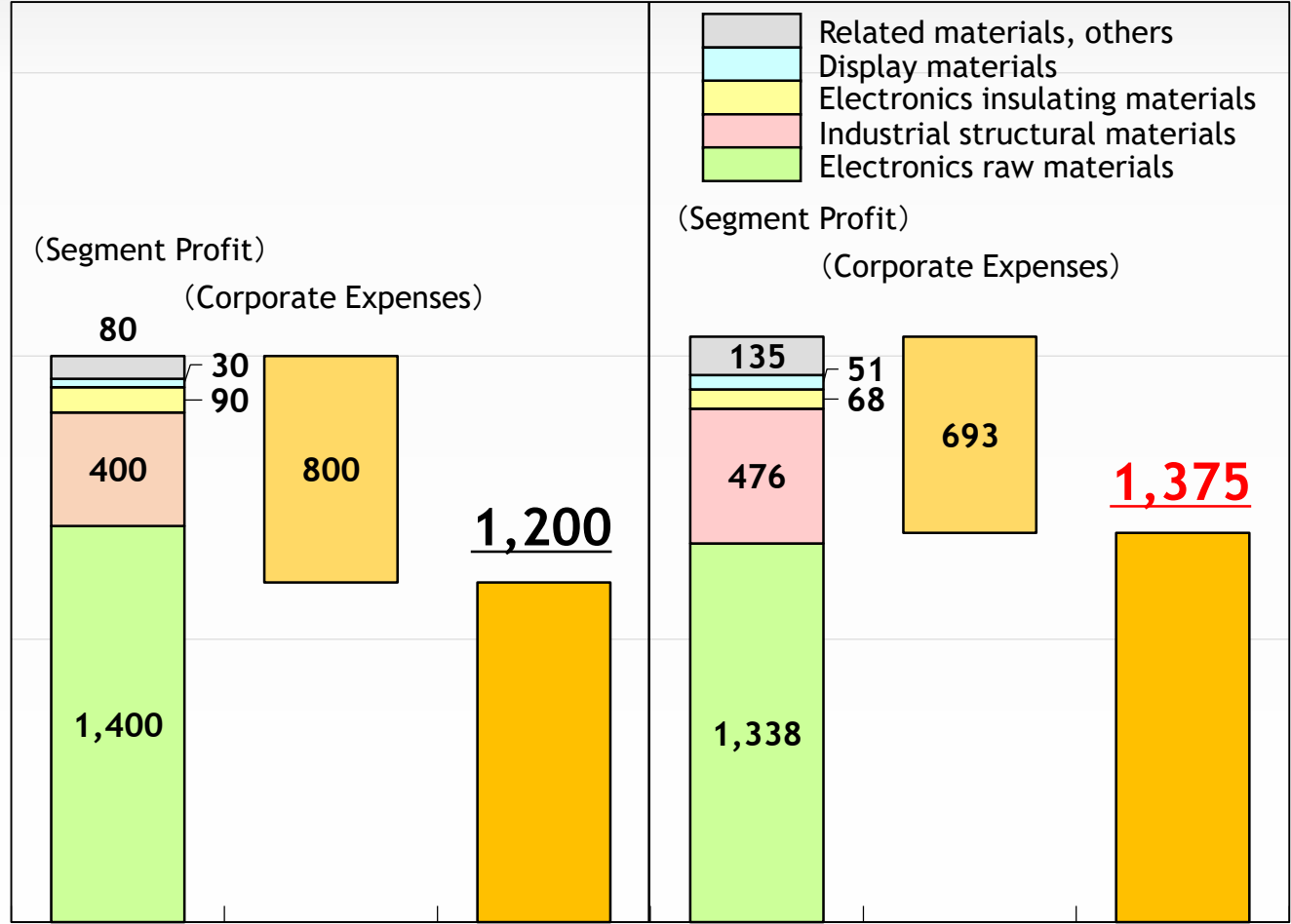
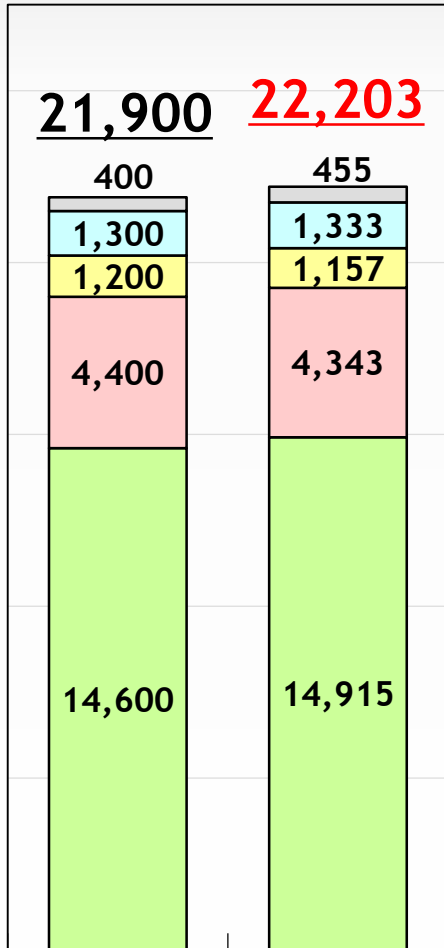
* Expected Exchange rate as of 30 Jul

FY2020 1H Segment Comparison (vs. FCT)

FCT = Forecast as of 30 Jul

Sales (Million Yen)

Operating Income (Million Yen)



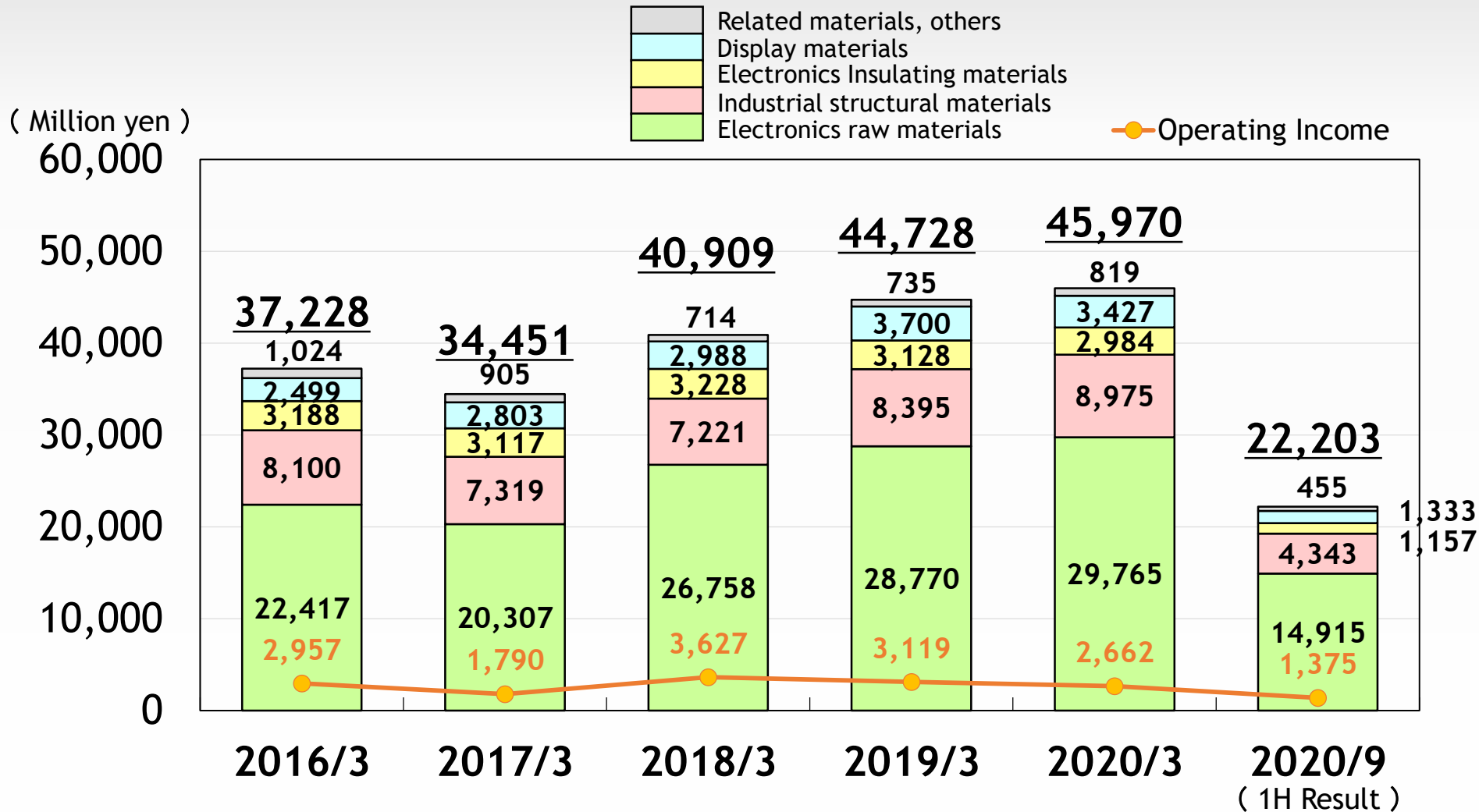
FCT

Result

FCT

Result

Segment Comparison history (Sales, Income)



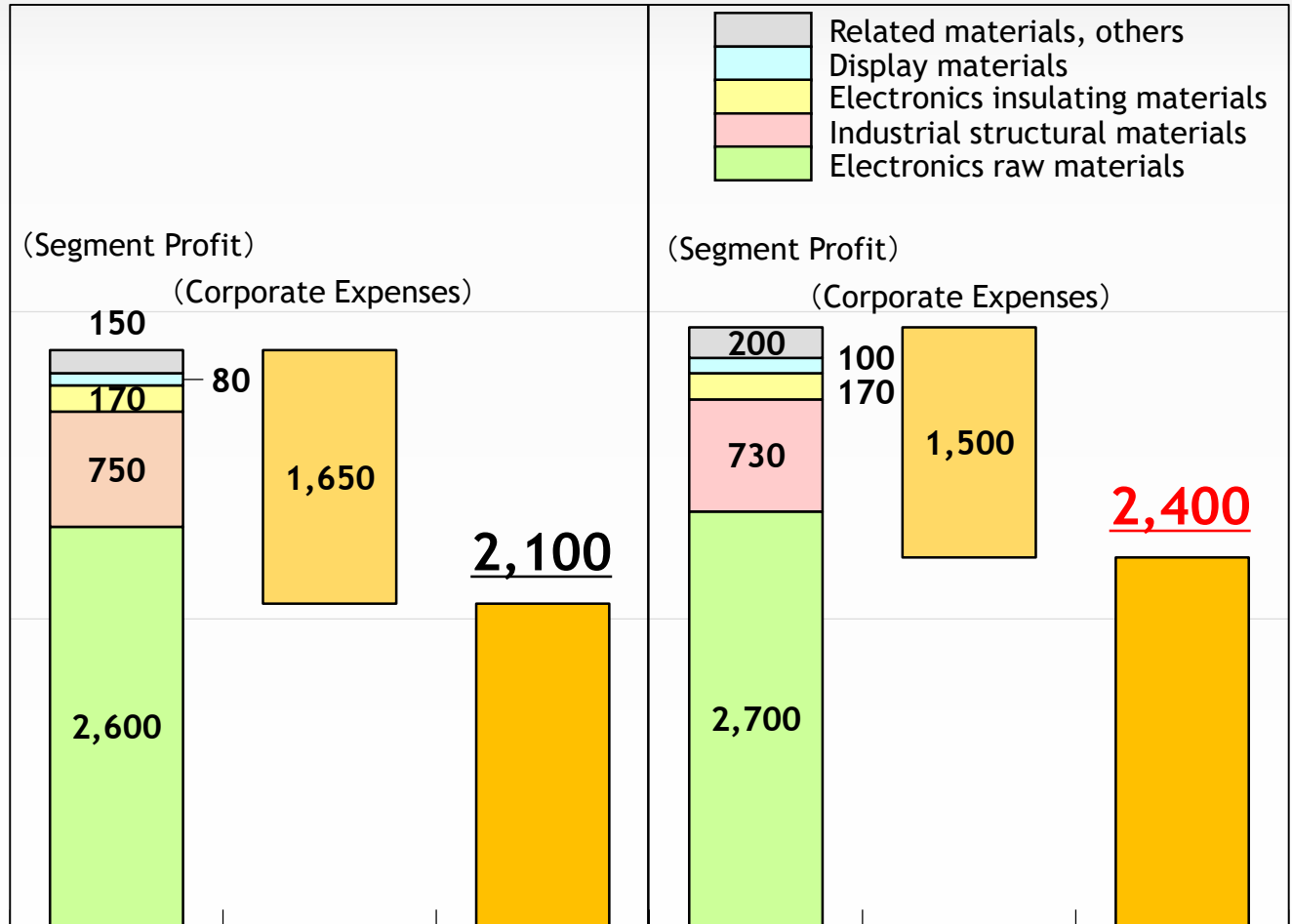
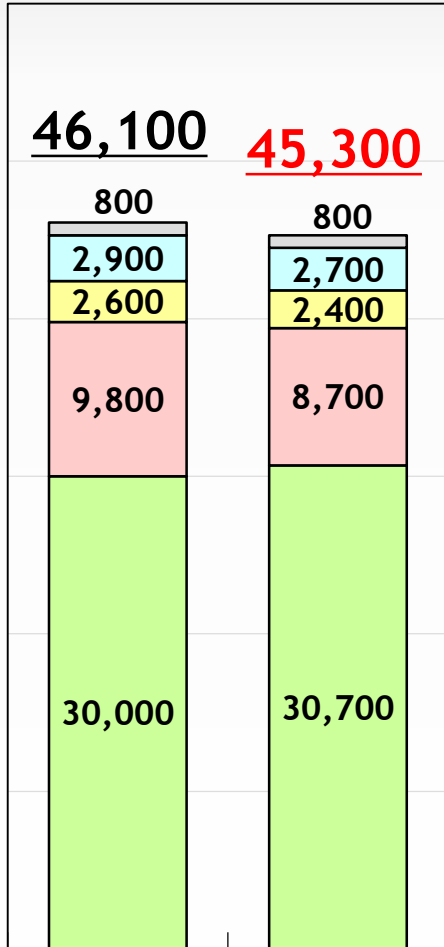
• Electronics raw materials and Industrial structural materials are the driving force for the growth.

FY2020 Segment Comparison (vs. Upper FCT as of 30 Jul)

FCT = Forecast

Sales (Million Yen)

Operating Income (Million Yen)



30 Jul (Forecast) 29 Oct (Forecast)

30 Jul (Forecast)

29 Oct (Forecast)

FY2020 1H Consolidated Comparison

(unit: Million Yen)

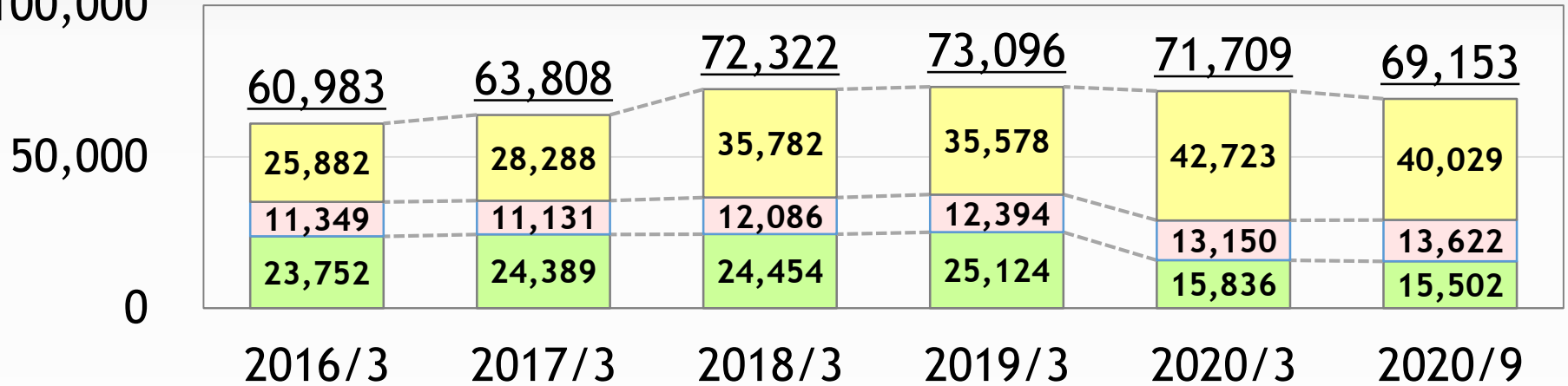
	Sales			Operating Income			Net Income		
	2020 / 3 1H Result	2021 / 3 1H Result	+/-	2020 / 3 1H Result	2021 / 3 1H Result	+/-	2020 / 3 1H Result	2021 / 3 1H Result	+/-
Parent									
Arisawa Mfg.	15,780	16,173	393	882	631	(251)	899	712	(187)
Consolidated									
Thinflex	4,631	4,525	(106)	307	317	10	143	114	(29)
Satosan	901	1,007	106	(202)	(6)	196	(208)	(21)	187
Arisawa Fiber Glass	1,081	1,137	56	63	90	27	47	62	15
Protec	1,758	1,474	(284)	262	182	(80)	197	132	(65)
Arisawa Sogyo	934	968	34	130	189	59	103	144	41
Arisawa Jushi Kogyo	118	114	(4)	(13)	(21)	(8)	(10)	(17)	(7)
ColorLink Japan	859	563	(296)	(58)	(72)	(14)	(65)	(70)	(5)
(Adjustment)	(3,463)	(3,758)		(50)	65		(1,983)	(165)	
Equity method income							(17)	(40)	(23)
Total	22,599	22,203	(396)	1,321	1,375	54	(894)	853	1,732

Consolidated balance sheets (Summary) history

Assets

(Million yen)
100,000

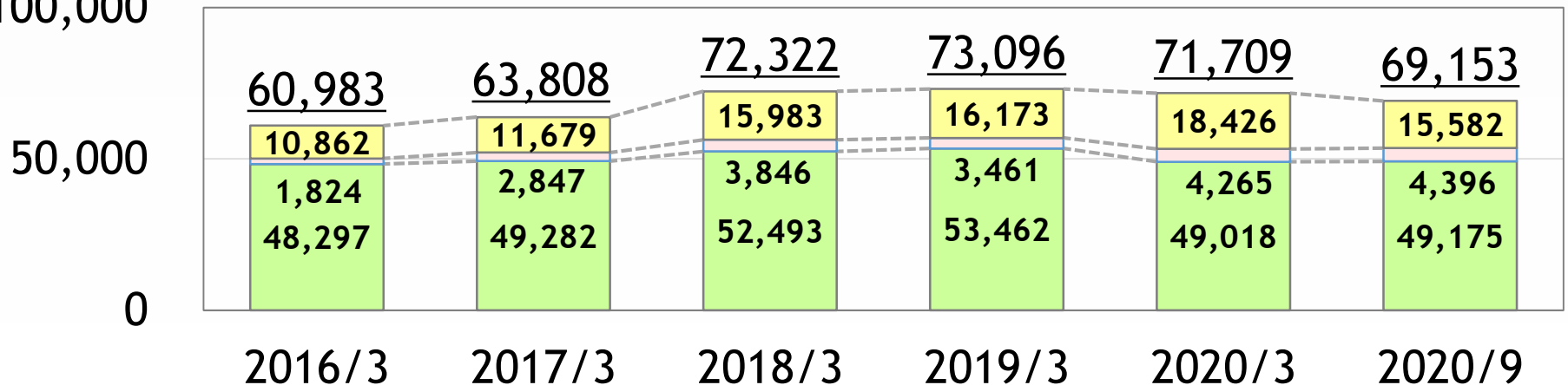
Investment and other assets Non-current assets Current assets



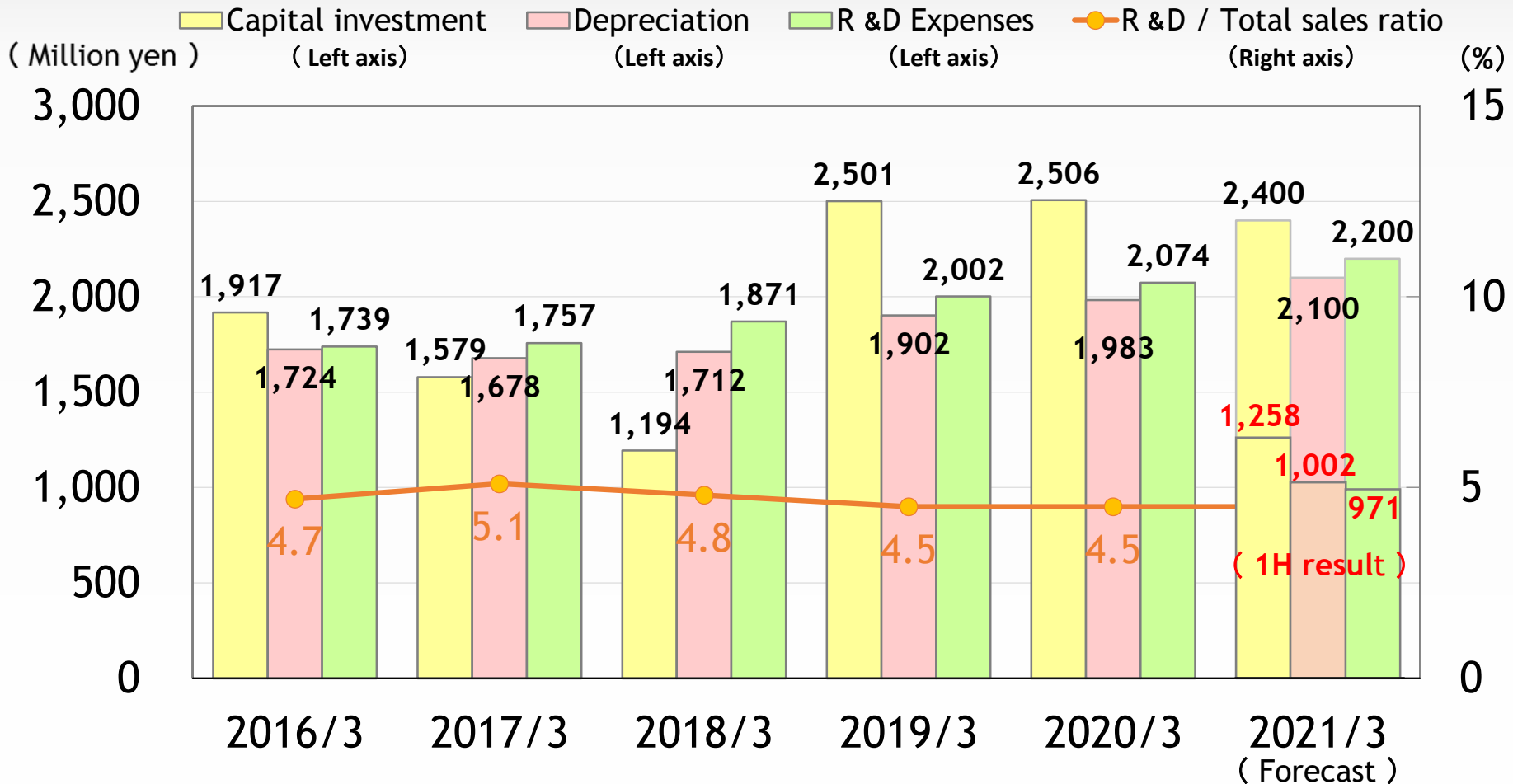
Liabilities and net assets

(Million yen)
100,000

Net assets Non-current liabilities Current liabilities



Capital investment, Depreciation and R & D Expenses history



The information and opinions in this presentation were prepared by Arisawa Manufacturing Company, Ltd. (hereinafter called “Arisawa”) in preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to Arisawa or which was otherwise reviewed by Arisawa.

This presentation is for discussion purposes only and is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Arisawa. Neither this presentation nor any of its contents may be used for any other purpose without the prior written consent of Arisawa.