

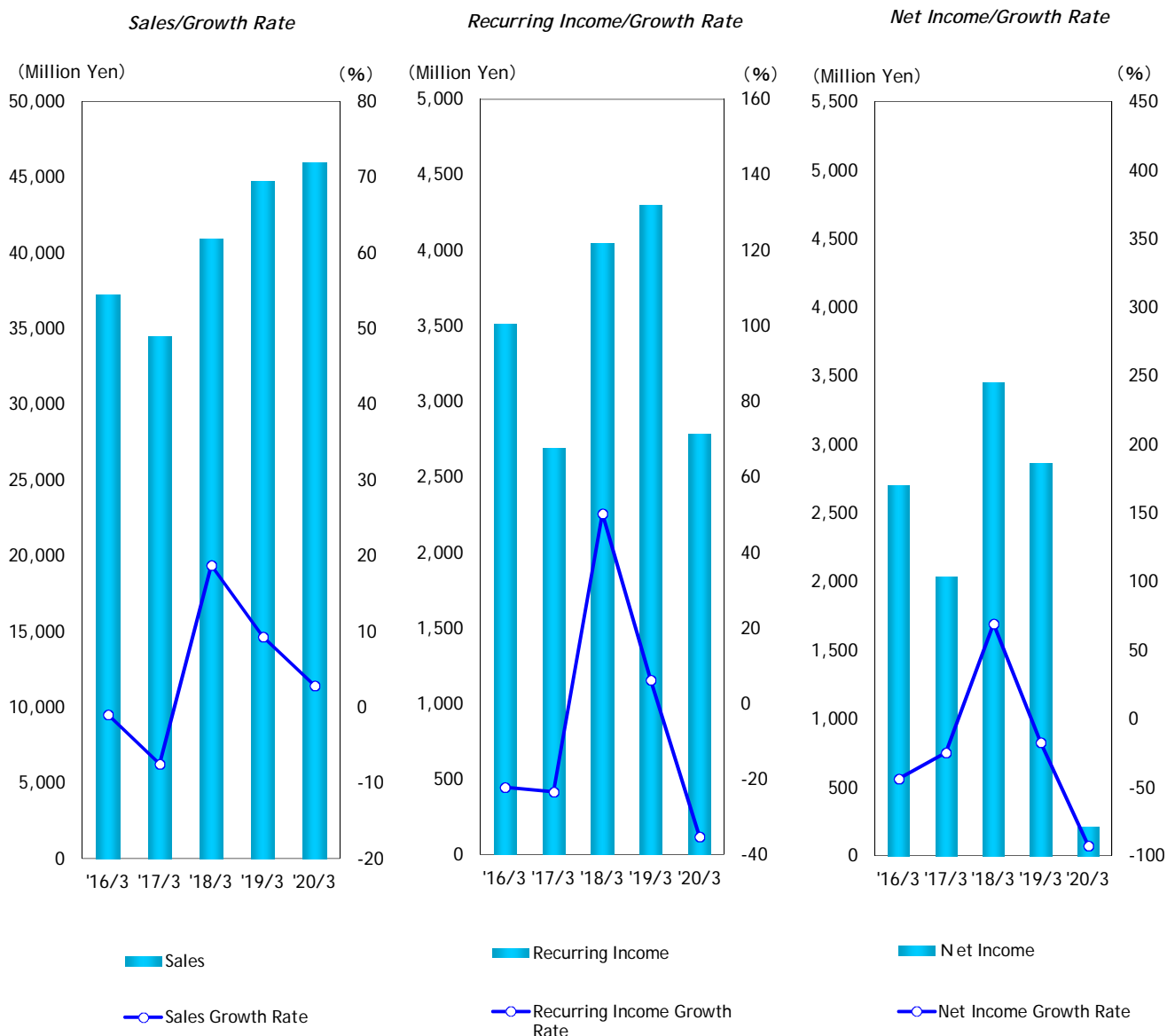
2019 Annual Report

Arisawa

CONTENTS

Consolidated Performance.....	1
Consolidated Sales Breakdown by Segments.....	2
Consolidated Shareholders' Equity/Return on Shareholders' Equity.....	3
Per Share Data.....	4
Consolidated Capital Expenditure.....	5
Consolidated Balance Sheet.....	6
Consolidated Income Statement.....	7
Consolidated Cash Flows Statement.....	8

Consolidated Performance

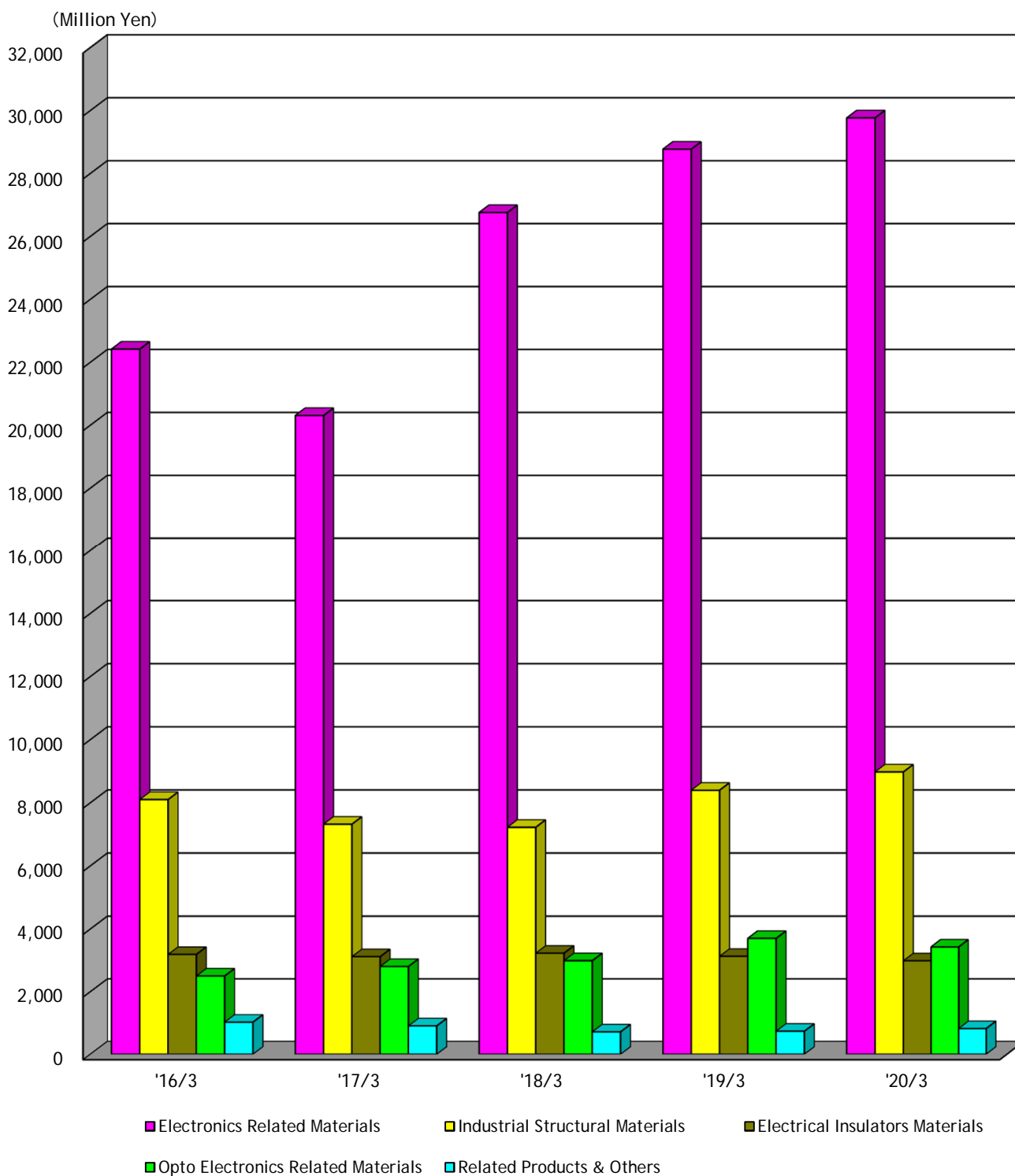


Fiscal Year Ended	'16/3	'17/3	'18/3	'19/3	'20/3
Sales(Million Yen)	37,228	34,451	40,909	44,728	45,970
Sales Growth Rate(%)	-1.0	-7.5	18.7	9.3	2.8
Operating Income(Million Yen)	2,957	1,790	3,627	3,119	2,762
Operating Profit Growth Rate(%)	0.7	-39.5	102.6	-14.0	-11.5
Recurring Income(Million Yen)	3,510	2,690	4,044	4,297	2,783
Recurring Income Growth Rate(%)	-22.1	-23.4	50.3	6.3	-35.2
Net Income(Million Yen)	2,702	2,037	3,453	2,861	212
Net Income Growth Rate(%)	-43.9	-24.6	69.5	-17.2	-92.6
Gross Profit(%)	19.0	17.1	20.0	18.2	16.9
SG & A Ratio(%)	11.1	11.9	11.1	11.2	10.8

Note: Amounts less than one million yen are omitted

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Parent's Sales Breakdown by Segments



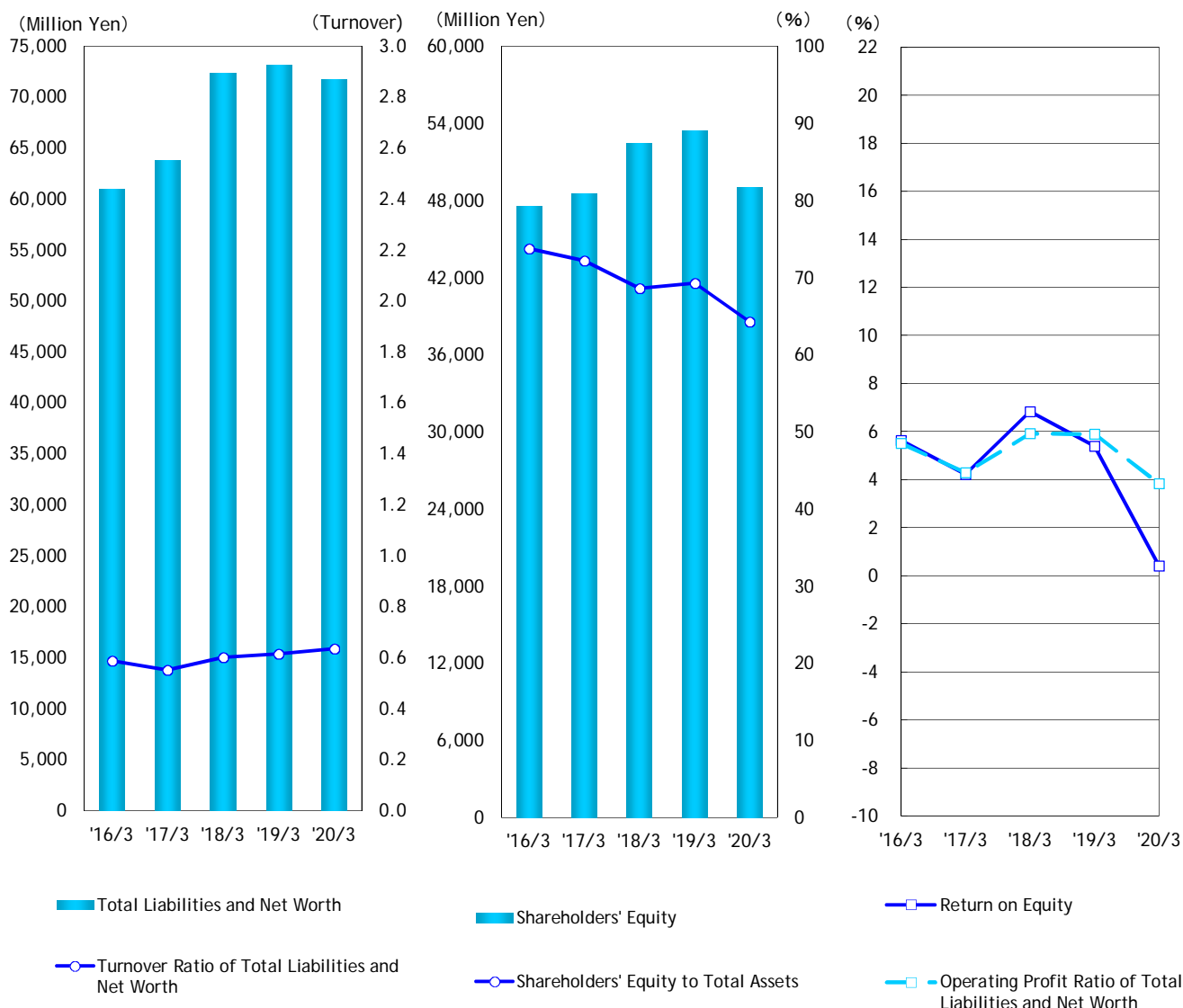
Fiscal Year Ended	'16/3	'17/3	'18/3	'19/3	'20/3
Electronics Related Materials	22,417	20,307	26,758	28,770	29,765
Industrial Structural Materials	8,100	7,319	7,221	8,395	8,975
Electrical Insulators Materials	3,188	3,117	3,228	3,128	2,984
Opto Electronics Related Materials	2,499	2,803	2,988	3,700	3,427
Related Products & Others	1,024	905	714	735	819
Total	37,228	34,451	40,909	44,728	45,970

Consolidated Shareholders' Equity/Return on Shareholders' Equity

*Total Liabilities and Net Worth/
Turnover Ratio of Total Liabilities
and Net Worth*

*Shareholders' Equity/
Shareholders' Equity to Total Assets*

*Return on Equity/Operating Profit Ratio
of Total Liabilities and Net Worth*



Fiscal Year Ended	'16/3	'17/3	'18/3	'19/3	'20/3
Total Liabilities and Net Worth(Million Yen)	60,983	63,808	72,382	73,096	71,709
Turnover Ratio of Total Liabilities and Net Worth	0.59	0.55	0.60	0.61	0.63
Operating Profit Ratio of Total Liabilities and Net Worth(%)	5.5	4.3	5.9	5.9	3.8
Shareholders' Equity(Million Yen)	47,602	48,551	52,493	53,462	49,018
Shareholders' Equity to Total Assets(%)	73.8	72.2	68.6	69.3	64.3
Return on Equity(%)	5.6	4.2	6.8	5.4	0.4

Note: Turnover Ratio of Total Liabilities and Net Worth = Net Sales/Total Liabilities and Net Worth (Mid-term Average)

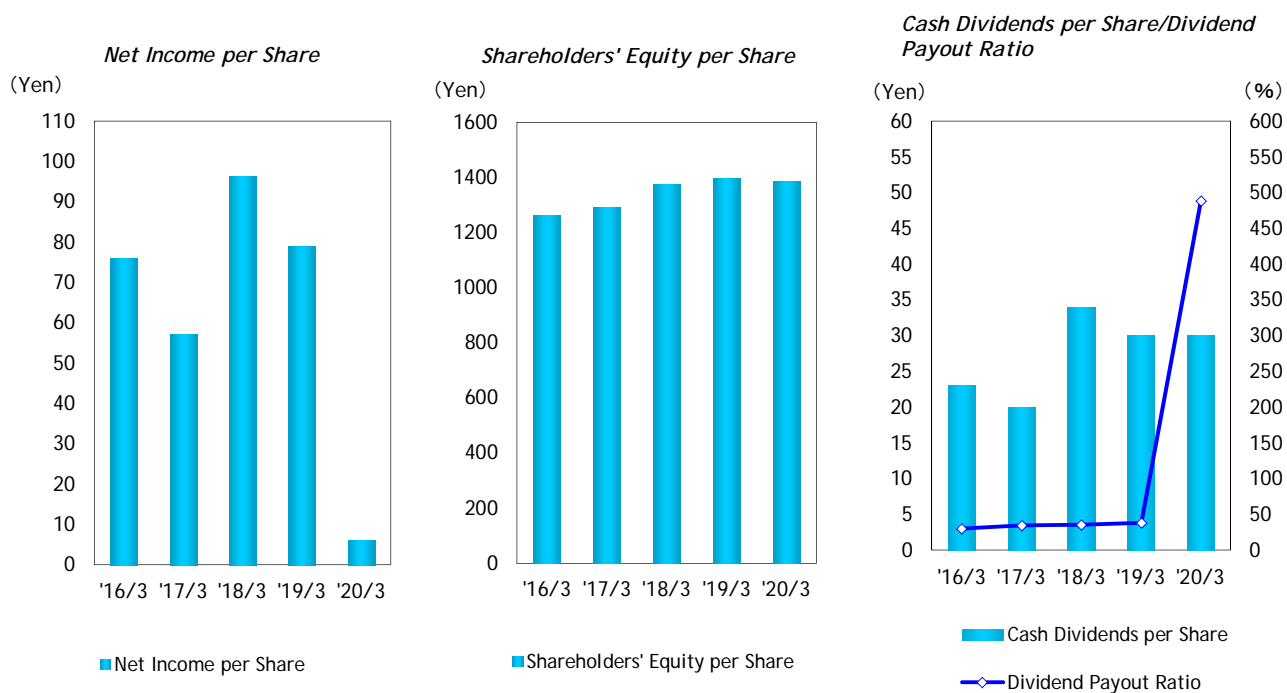
Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average) X 100

Shareholders' Equity to Total Assets = Shareholders' Equity (Term End) / Total Liabilities and Net Worth (Term End) X 100

Return on Equity = Net Income / Shareholders' Equity (Mid-term Average) X 100

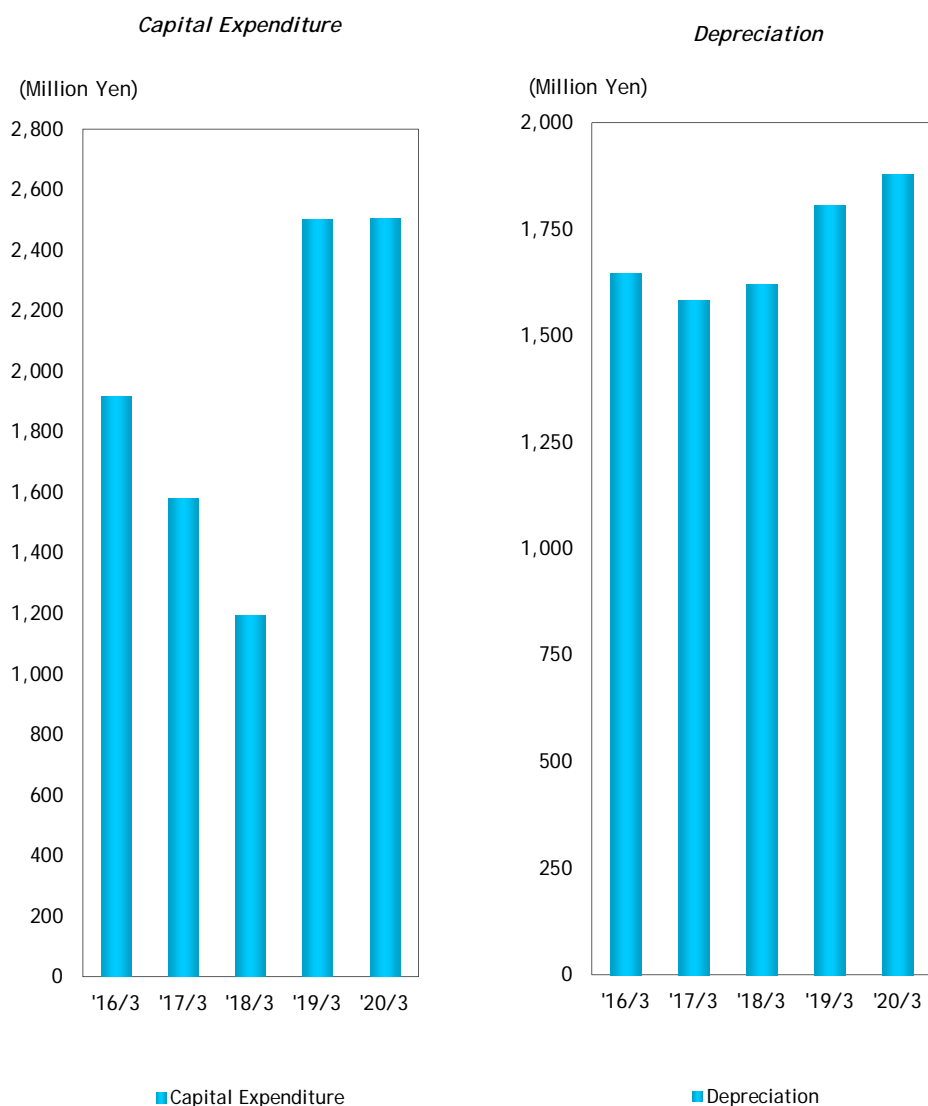
The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Consolidated Per Share Data



Fiscal Year Ended	'16/3	'17/3	'18/3	'19/3	'20/3
Net Income per Share(Yen)	76.02	57.20	96.35	79.15	6.14
Shareholders' Equity per Share(Yen)	1263.29	1290.93	1378.16	1397.78	1387.76
Cash Dividends per Share(Yen)	23	20	34	30	30
Dividend Payout Ratio(%)	30.3	35.0	35.3	37.9	488.6

Consolidated Capital Expenditure



Fiscal Year Ended	'16/3	'17/3	'18/3	'19/3	'20/3
Capital Expenditure(Million Yen)	1,917	1,580	1,194	2,501	2,506
Depreciation(Million Yen)	1,646	1,583	1,621	1,805	1,879
Inventory Turnover Period(Days)	68.9	68.6	65.9	73.8	69.9
Interest Coverage	46.6	70.5	25.8	34.2	76.3

Note: Inventory Turnover Period(Days)=(Average Inventory/Net Sales)X365

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Consolidated Balance Sheet

(Million Yen)

Fiscal Year Ended		'16/3	'17/3	'18/3	'19/3	'20/3	
Assets	Current Assets	25,883	28,288	35,782	35,578	42,723	
	Cash and Time Deposits	5,696	7,668	9,124	8,194	14,714	
	Notes and Accounts Receivable, Trade	11,607	12,619	15,947	16,127	17,697	
	Securities	525	798	1,180	1,401	1,558	
	Inventories	6,952	5,999	8,765	9,333	8,279	
	Other Current Assets	1,341	1,331	1,328	1,191	1,060	
	Allowance for Doubtful Receivables	-238	-127	-562	-668	-585	
	Fixed Assets	35,100	35,520	36,600	37,518	28,986	
	(Tangible Fixed Assets)	11,281	11,065	11,636	11,998	12,925	
	Buildings and Structures	5,711	5,817	5,777	5,582	5,873	
	Machinery, Equipment and Automotive Equipment	3,287	3,349	3,496	3,915	3,962	
	Tools, Furnitures, Fixtures	0	0	0	0	0	
	Land	1,450	1,450	1,836	1,950	1,878	
	Construction in Progress	435	58	96	122	291	
	Other Fixed Assets	398	391	431	429	921	
	(Intangible Fixed Assets)	68	65	451	395	225	
	(Investments and Other Assets)	23,751	24,390	24,513	25,125	15,836	
	Investments in Securities	23,136	23,864	23,366	23,143	14,207	
	Long-Term Loans	211	211	219	218	214	
	Deferred Tax Assets	132	123	492	536	861	
	Other Investments	466	374	613	1,372	692	
	Allowance for Doubtful Receivables	-194	-182	-177	-144	-138	
	Total Assets	60,983	63,808	72,382	73,096	71,709	
負債の部 Liabilities	Current Liabilities	10,862	11,679	15,983	16,173	18,426	
	Notes and Accounts Payable, Trade	5,245	5,168	6,794	6,105	6,916	
	Short-Term Loan Payables	2,553	2,909	4,242	5,394	4,866	
	Accrued Income Taxes	98	363	931	301	3,428	
	Deferred Tax Liabilities	7	25	0	0	0	
	Reserve for Bonuses	463	447	598	510	571	
	Other Current Liabilities	2,496	2,767	3,418	3,863	2,645	
	Long-Term Liabilities	2,519	3,578	3,906	3,461	4,265	
	Long-Term Debt	1,042	1,836	1,642	1,265	2,568	
	Deferred Tax Liabilities	859	1,009	1,012	1,074	237	
	Severance and Retirement Benefits	422	558	604	627	739	
	Other Long-Term Liabilities	196	175	648	495	721	
		Total Liabilities	13,381	15,257	19,889	19,634	22,691
資本の部 Shareholders' Equity	Common Stock	7,294	7,317	7,458	7,542	7,594	
	Additional Paid-in Capital	6,406	6,429	6,570	6,654	6,706	
	Earned Surplus	29,522	30,740	33,493	35,130	34,257	
	Treasury Stock	-3	-4	-4	-5	-3,205	
	Net Unrealized holding gains on Securities available for Sales	647	943	1,214	745	449	
	Cumulative Translation Adjustments	1,205	808	1,082	708	479	
	Cost from Issue of New Bonds	117	143	128	144	166	
	Minority Interest	2,506	2,356	2,729	2,692	2,715	
	Others	-92	-181	-177	-148	-143	
		Total Shareholders' Equity	47,602	48,551	52,493	53,462	49,018
		Total Liabilities, Minority Interest and Shareholders' Equity	60,983	63,808	72,382	73,096	71,709

(注)財務諸表等の一部改正に伴い、改正後の表示区分に組替えてあります。

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

(注)記載金額は、百万円未満を切り捨てて表示してあります。

Note: Amounts Less than one million yen are omitted

Consolidated Income Statement

(Million Yen)

Fiscal Year Ended	'16/3	'17/3	'18/3	'19/3	'20/3
Net Sales	37,228	34,451	40,909	44,728	45,970
Cost of Sales	30,147	28,557	32,730	36,607	38,224
Gross Profit	7,081	5,894	8,179	8,121	7,746
Selling, General and Administrative Expenses	4,124	4,104	4,552	5,002	4,984
Operating Income	2,957	1,790	3,627	3,119	2,762
Non-Operating Income	1,198	1,254	1,203	1,509	732
Interest and Dividend Income	365	335	311	336	327
Other Non-Operating Income	833	919	892	1,173	405
Non-Operating Expenses	645	354	786	331	711
Interest Expenses	98	48	76	82	97
Other Non-Operating Expenses	547	306	710	249	614
Ordinary Income	3,510	2,690	4,044	4,297	2,783
Extraordinary Income	882	153	852	113	1,311
Extraordinary Losses	465	36	151	194	972
Income Before Income Taxes	3,927	2,807	4,745	4,216	3,122
Corporation Tax . Inhabitant Tax and Business Taxes	697	654	1,199	863	3,699
Provision for Income Taxes—Deferred	300	-62	-205	204	-1,020
Minority Stockholder Income	228	178	298	288	231
Net Income	2,702	2,037	3,453	2,861	212

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Note: Amounts Less than one million yen are omitted

Consolidated Cash Flows Statement

(Million Yen)

Fiscal Year Ended	'16/3	'17/3	'18/3	'19/3	'20/3
Cash Flows from Operating Activities					
Income before Income Taxes	3,927	2,807	4,745	4,216	3,122
Depreciation	1,724	1,678	1,715	1,902	1,969
Equity in Earnings of Unconsolidated Subsidiaries and Affiliates	-444	-400	-464	-558	52
Loss on Sale of Investments in Securities	-756	-9	-703	-65	-1,291
Gain on Sale of Properties	1	-	-3	-34	0
Loss on Disposal of Tangible Fixed Assets	10	9	7	20	7
Loss on Write-Down of Investments in Securities	10	1	64	45	294
Golf-course-membership depreciation loss	-	-	-	-	-
Exchange Loss(Gain)	362	28	-82	-21	11
Increase in Reserve for Bonuses	-22	-15	132	-88	60
Decrease in Reserve for Retirement Allowances	-	-	-	-	-
Increase in Allowance for Doubtful Receivables	55	-70	353	110	104
Interest and Dividend Income	-478	-429	-403	-437	-431
Interest Expenses	98	48	76	82	97
(Increase) Decrease in Receivables	1,917	-1,038	-2,663	-518	-1,562
(Increase) Decrease in Inventories	71	886	-2,152	-682	1,034
(Decrease) Increase in Purchase Liabilities	-929	-33	1,376	-589	800
(Decrease) Increase in Accrued Consumption Taxes	51	-86	-36	36	202
(Increase) Decrease in Other Assets	435	-287	66	136	-333
Increase in Other Liabilities	-187	56	278	45	-115
Other	323	-129	66	239	882
Subtotal	6,168	3,017	2,372	3,839	4,902
Interest and Dividend Received	680	605	563	604	619
Interest Paid	-98	-32	-84	-85	-63
Income Taxes Paid	-2,202	-170	-669	-1,465	-634
TOTAL	4,548	3,420	2,182	2,893	4,824
Cash Flows from Investing Activities					
Payments for Received Time Deposits	-428	-289	-	-100	-200
Proceeds from Purchase Time Deposits	1,611	422	227	3	210
Payments for Purchase of Investments in Securities	-1,542	-1,292	-1,701	-2,758	-2,758
Proceeds from Sales of Property, Plant and Equipment	12	-	6	38	0
Payments for Purchase of Investments in Securities	-7,571	-1,667	-1,419	-1,930	-1,032
Proceeds from Sales of Investments in Securities	6,243	1,378	2,987	1,477	1,656
Payments for Loans	-139	-211	-172	-55	-22
Proceeds from Recovery of Loans	58	8	157	34	20
Other	-15	-21	-556	-13	8,720
TOTAL	-1,771	-1,672	-471	-3,304	6,594
Cash Flows from Financing Activities					
Decrease in Short-Term Loans	-1,525	305	911	1,295	-549
Borrowings of Long-Term Debt	1,169	2,350	690	918	1,909
Repayments of Long-Term Borrowings	-1,517	-1,311	-914	-1,341	-1,223
Proceeds from Issue of Bonds	49	35	226	137	87
Payments for Purchase of Treasury Stock and Proceeds from Sale	-1	0	-1	0	-3,200
Cash Dividends	-1,240	-817	-712	-1,221	-1,085
Other	-475	-143	-259	-364	-371
TOTAL	-3,540	419	-59	-576	-4,432
Translation difference of Cash and Cash Equivalents	-357	-54	262	-124	21
Changes in Cash and Cash Equivalents	-1,121	2,113	1,914	-1,111	7,007
Cash and Cash Equivalents at Beginning of Year	6,022	4,901	7,026	8,930	7,719
Cash of New Consolidated Subsidiaries and Cash and Cash Equivalents at Beginning of Year	-	-	-	-	-
Cash of Removing Consolidated Subsidiaries and Cash and Cash Equivalents at Mid-Term of Year	-	13	-	-	-
Changes in Cash and Cash Equivalents by changing the scope of consolidation	-	-	-110	-	-
Cash and Cash Equivalents at End of Year	4,901	7,026	8,830	7,719	14,726

Note: Amounts Less than one million yen are omitted