

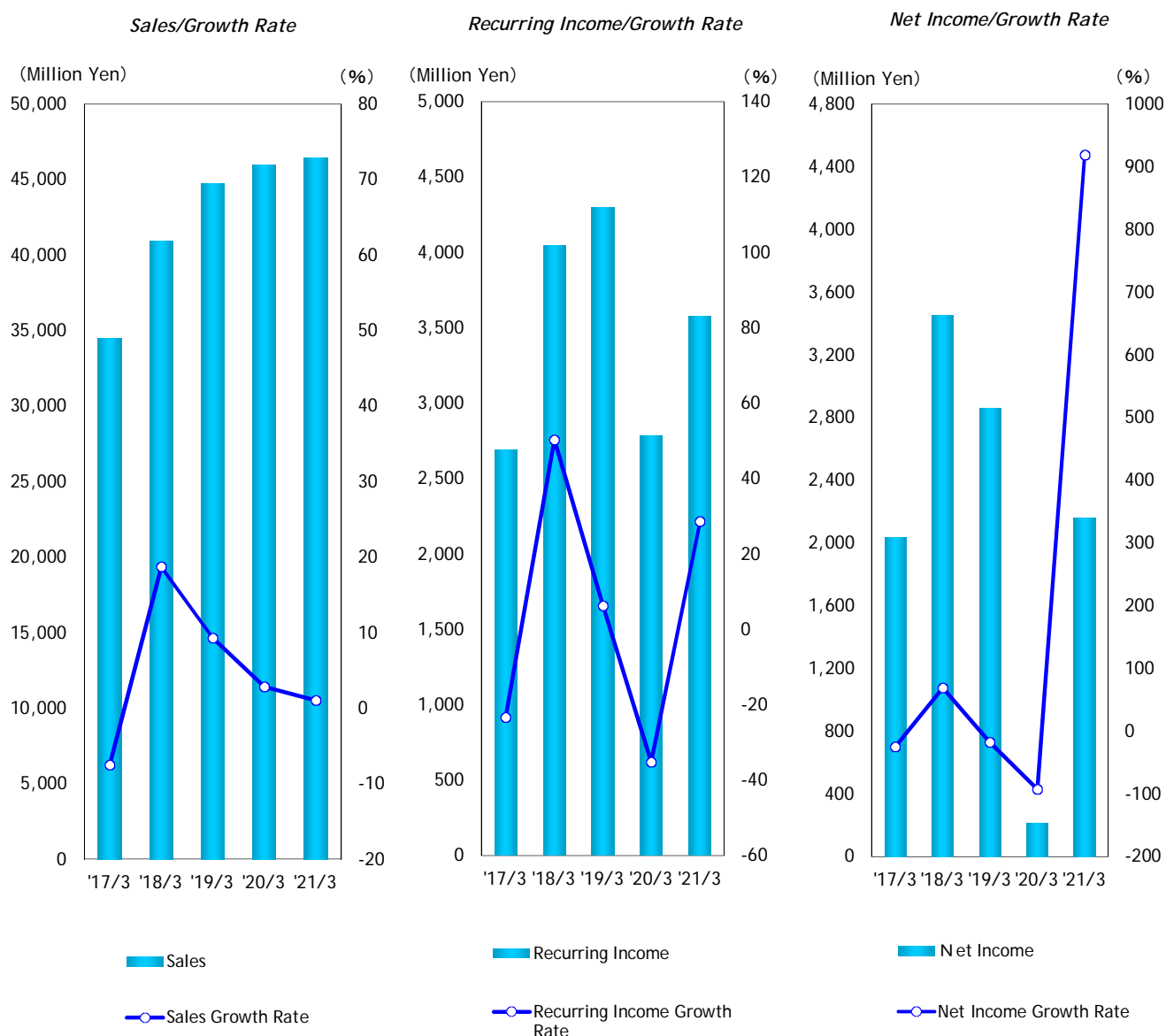
2020Annual Report

*Arisawa*

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## Consolidated Performance

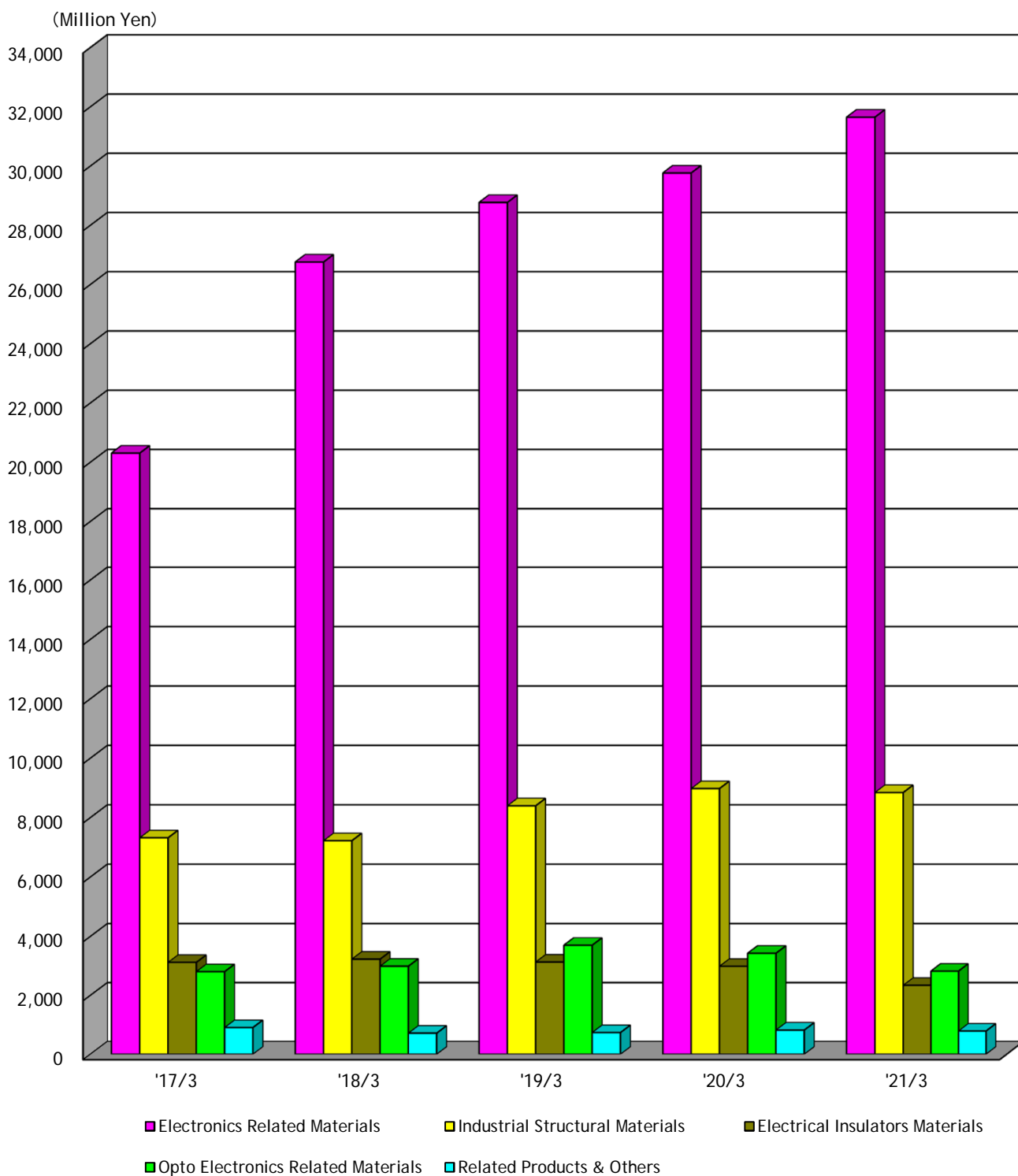


Fiscal Year Ended	'17/3	'18/3	'19/3	'20/3	'21/3
Sales(Million Yen)	34,451	40,909	44,728	45,970	46,439
Sales Growth Rate(%)	-7.5	18.7	9.3	2.8	1.0
Operating Income(Million Yen)	1,790	3,627	3,119	2,762	3,118
Operating Profit Growth Rate(%)	-39.5	102.6	-14.0	-11.5	12.9
Recurring Income(Million Yen)	2,690	4,044	4,297	2,783	3,578
Recurring Income Growth Rate(%)	-23.4	50.3	6.3	-35.2	28.6
Net Income(Million Yen)	2,037	3,453	2,861	212	2,160
Net Income Growth Rate(%)	-24.6	69.5	-17.2	-92.6	918.9
Gross Profit(%)	17.1	20.0	18.2	16.9	17.1
SG & A Ratio(%)	11.9	11.1	11.2	10.8	10.4

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



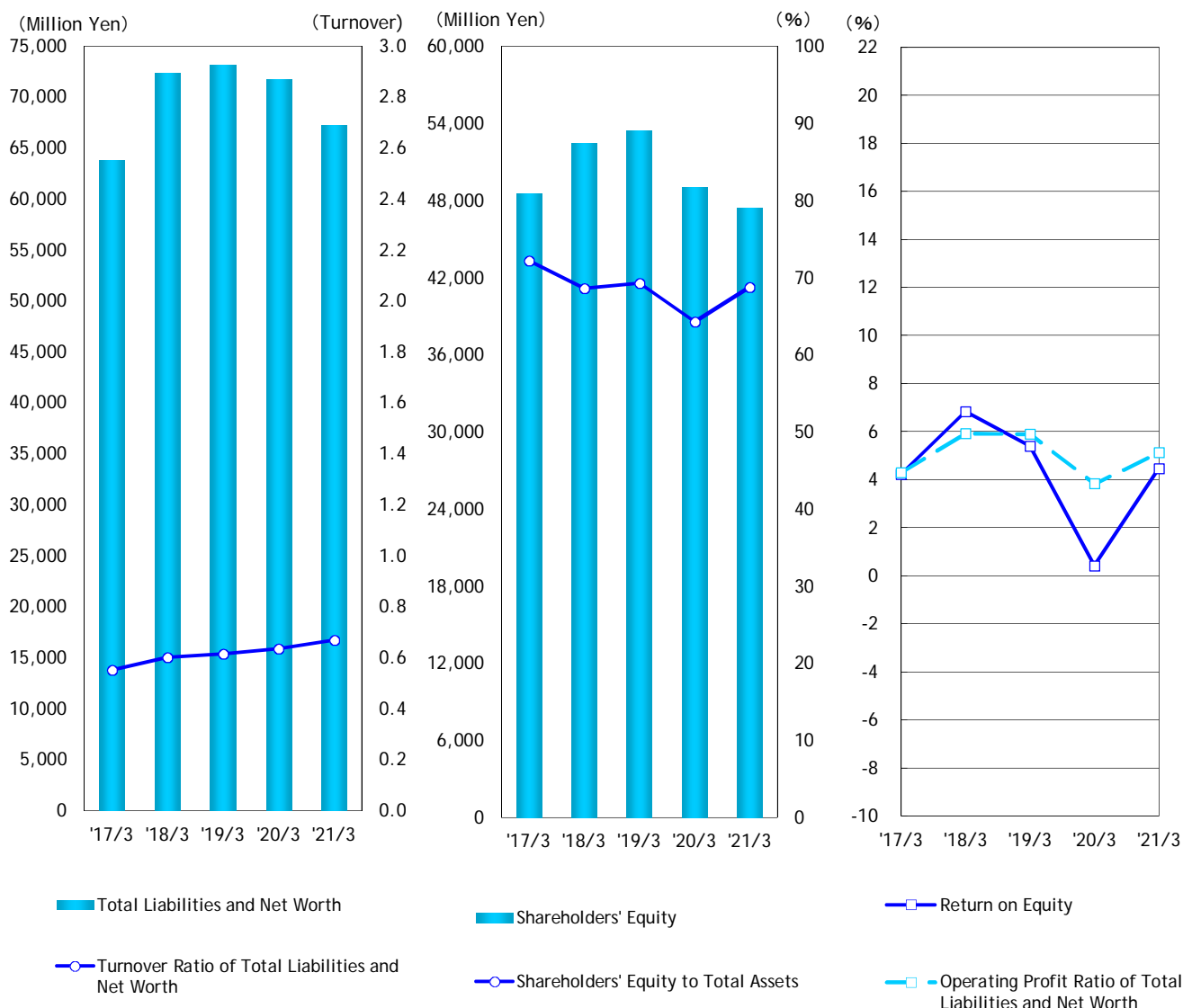
Fiscal Year Ended	'17/3	'18/3	'19/3	'20/3	'21/3
Electronics Related Materials	20,307	26,758	28,770	29,765	31,650
Industrial Structural Materials	7,319	7,221	8,395	8,975	8,843
Electrical Insulators Materials	3,117	3,228	3,128	2,984	2,340
Opto Electronics Related Materials	2,803	2,988	3,700	3,427	2,820
Related Products & Others	905	714	735	819	786
<b>Total</b>	<b>34,451</b>	<b>40,909</b>	<b>44,728</b>	<b>45,970</b>	<b>46,439</b>

## 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	'17/3	'18/3	'19/3	'20/3	'21/3
Total Liabilities and Net Worth(Million Yen)	63,808	72,382	73,096	71,709	67,257
Turnover Ratio of Total Liabilities and Net Worth	0.55	0.60	0.61	0.63	0.67
Operating Profit Ratio of Total Liabilities and Net Worth(%)	4.3	5.9	5.9	3.8	5.1
Shareholders' Equity(Million Yen)	48,551	52,493	53,462	49,018	47,444
Shareholders' Equity to Total Assets(%)	72.2	68.6	69.3	64.3	68.8
Return on Equity(%)	4.2	6.8	5.4	0.4	4.5

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

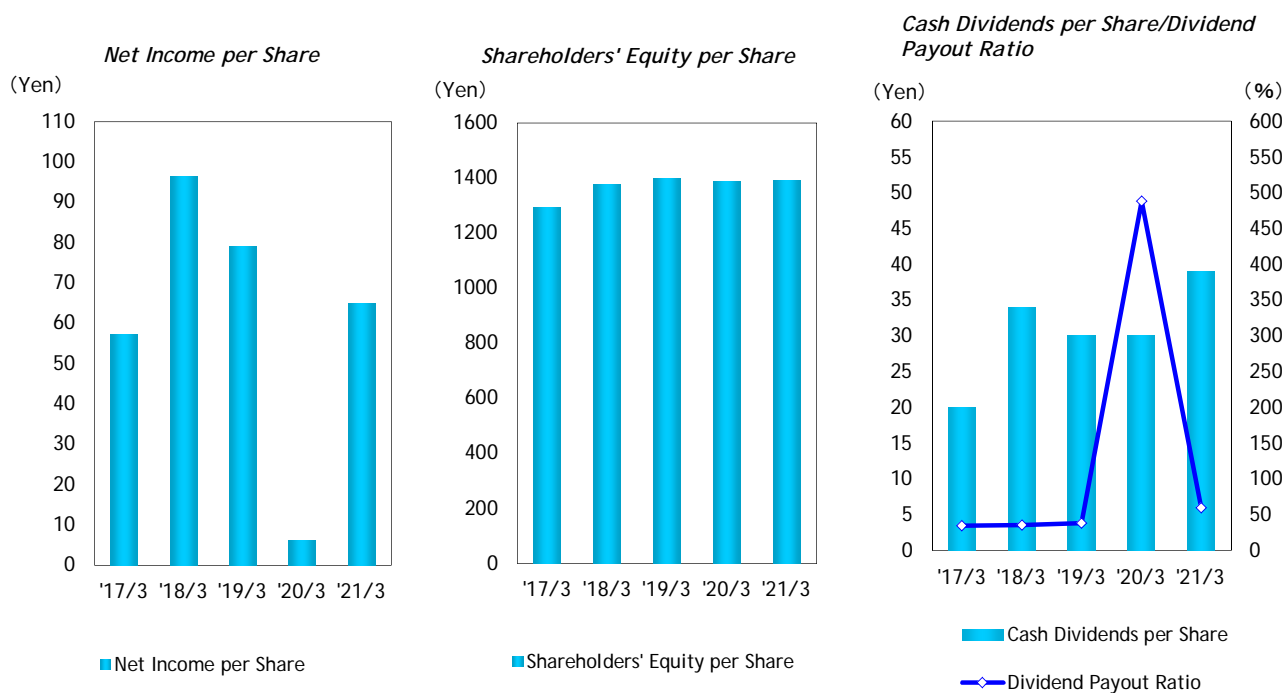
Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average)X100

Shareholders' Equity to Total Assets = Shareholders' Equity (Term End)/Total Liabilities and Net Worth (Term End)X100

Return on Equity = Net Income/Shareholders' Equity (Mid-term Average)X100

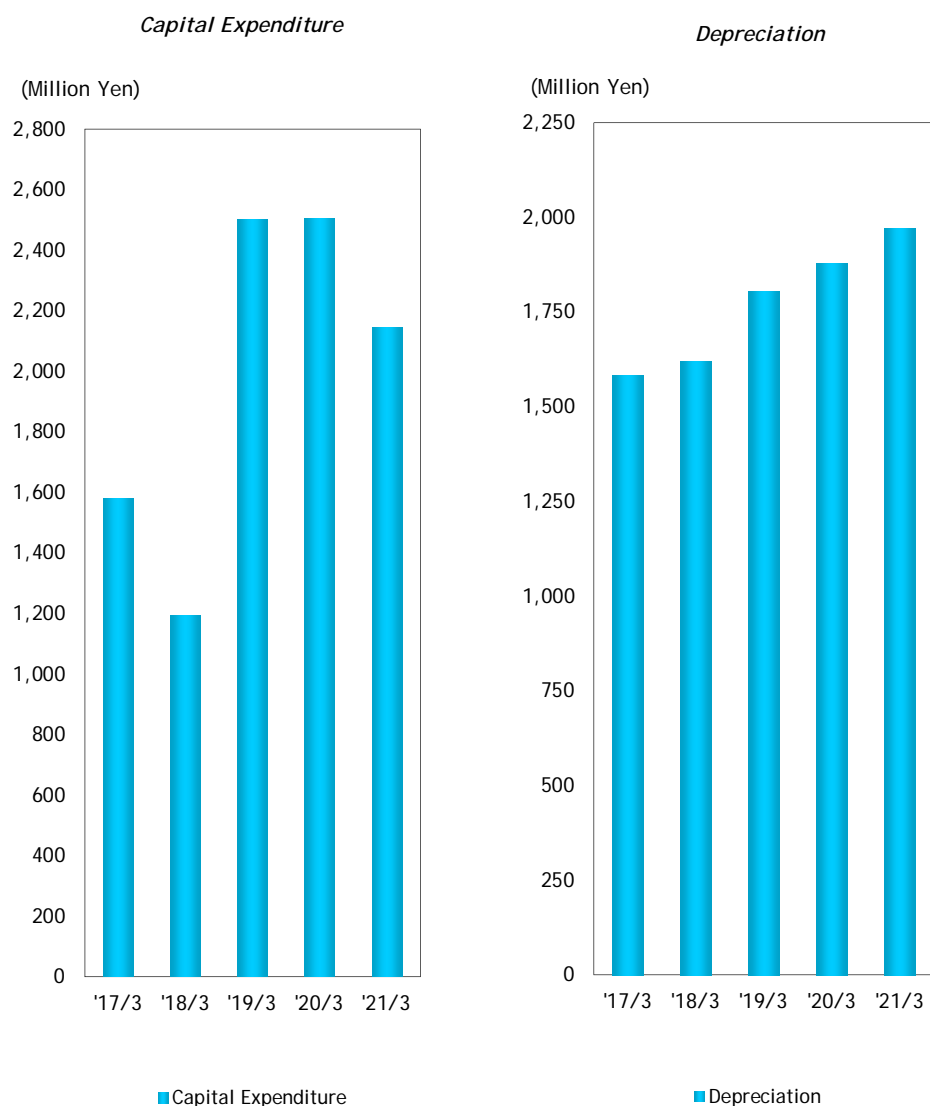
The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

## Consolidated Per Share Data



Fiscal Year Ended	'17/3	'18/3	'19/3	'20/3	'21/3
Net Income per Share(Yen)	57.20	96.35	79.15	6.14	64.94
Shareholders' Equity per Share(Yen)	1290.93	1378.16	1397.78	1387.76	1388.50
Cash Dividends per Share(Yen)	20	34	30	30	39
Dividend Payout Ratio(%)	35.0	35.3	37.9	488.6	60.1

## Consolidated Capital Expenditure



Fiscal Year Ended	'17/3	'18/3	'19/3	'20/3	'21/3
Capital Expenditure(Million Yen)	1,580	1,194	2,501	2,506	2,145
Depreciation(Million Yen)	1,583	1,621	1,805	1,879	1,972
Inventory Turnover Period(Days)	68.6	65.9	73.8	69.9	68.3
Interest Coverage	70.5	25.8	34.2	76.5	3.7

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		'17/3	'18/3	'19/3	'20/3	'21/3
<b>Assets</b>	<b>Current Assets</b>	28,288	35,782	35,578	42,723	42,355
	Cash and Time Deposits	7,668	9,124	8,194	14,714	13,216
	Notes and Accounts Receivable, Trade	12,619	15,947	16,127	17,697	16,766
	Securities	798	1,180	1,401	1,558	1,242
	Inventories	5,999	8,765	9,333	8,279	9,098
	Other Current Assets	1,331	1,328	1,191	1,060	2,195
	Allowance for Doubtful Receivables	-127	-562	-668	-585	-162
	<b>Fixed Assets</b>	35,520	36,600	37,518	28,986	24,902
	<b>(Tangible Fixed Assets)</b>	11,065	11,636	11,998	12,925	13,218
	Buildings and Structures	5,817	5,777	5,582	5,873	6,145
	Machinery, Equipment and Automotive Equipment	3,349	3,496	3,915	3,962	3,873
	Tools, Furnitures, Fixtures	0	0	0	0	0
	Land	1,450	1,836	1,950	1,878	1,889
	Construction in Progress	58	96	122	291	294
	Other Fixed Assets	391	431	429	921	1,017
	<b>(Intangible Fixed Assets)</b>	65	451	395	225	245
	<b>(Investments and Other Assets)</b>	24,390	24,513	25,125	15,836	11,439
	Investments in Securities	23,864	23,366	23,143	14,207	10,666
	Long-Term Loans	211	219	218	214	67
	Deferred Tax Assets	123	492	536	861	208
	Other Investments	374	613	1,372	692	513
	Allowance for Doubtful Receivables	-182	-177	-144	-138	-15
	<b>Total Assets</b>	<b>63,808</b>	<b>72,382</b>	<b>73,096</b>	<b>71,709</b>	<b>67,257</b>
<b>負債の部 Liabilities</b>	<b>Current Liabilities</b>	11,679	15,983	16,173	18,426	14,118
	Notes and Accounts Payable, Trade	5,168	6,794	6,105	6,916	6,657
	Short-Term Loan Payables	2,909	4,242	5,394	4,866	3,606
	Accrued Income Taxes	363	931	301	3,428	278
	Deferred Tax Liabilities	25	0	0	0	0
	Reserve for Bonuses	447	598	510	571	536
	Other Current Liabilities	2,767	3,418	3,863	2,645	3,041
	<b>Long-Term Liabilities</b>	3,578	3,906	3,461	4,265	5,695
	Long-Term Debt	1,836	1,642	1,265	2,568	3,762
	Deferred Tax Liabilities	1,009	1,012	1,074	237	594
	Severance and Retirement Benefits	558	604	627	739	607
	Other Long-Term Liabilities	175	648	495	721	732
	<b>Total Liabilities</b>	<b>15,257</b>	<b>19,889</b>	<b>19,634</b>	<b>22,691</b>	<b>19,813</b>
<b>資本の部 Shareholders' Equity</b>	Common Stock	7,317	7,458	7,542	7,594	7,624
	Additional Paid-in Capital	6,429	6,570	6,654	6,706	4,403
	Earned Surplus	30,740	33,493	35,130	34,257	33,374
	Treasury Stock	-4	-4	-5	-3,205	-1,159
	Net Unrealized holding gains on Securities available for Sales	943	1,214	745	449	1,569
	Cumulative Translation Adjustments	808	1,082	708	479	486
	Cost from Issue of New Bonds	143	128	144	166	194
	Minority Interest	2,356	2,729	2,692	2,715	966
	Others	-181	-177	-148	-143	-13
	<b>Total Shareholders' Equity</b>	<b>48,551</b>	<b>52,493</b>	<b>53,462</b>	<b>49,018</b>	<b>47,444</b>
	<b>Total Liabilities, Minority Interest and Shareholders' Equity</b>	<b>63,808</b>	<b>72,382</b>	<b>73,096</b>	<b>71,709</b>	<b>67,257</b>

(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	'17/3	'18/3	'19/3	'20/3	'21/3
Net Sales	34,451	40,909	44,728	45,970	46,439
Cost of Sales	28,557	32,730	36,607	38,224	38,501
Gross Profit	5,894	8,179	8,121	7,746	7,938
Selling, General and Administrative Expenses	4,104	4,552	5,002	4,984	4,820
<b>Operating Income</b>	<b>1,790</b>	<b>3,627</b>	<b>3,119</b>	<b>2,762</b>	<b>3,118</b>
Non-Operating Income	1,254	1,203	1,509	745	925
Interest and Dividend Income	335	311	336	327	272
Other Non-Operating Income	919	892	1,173	418	653
Non-Operating Expenses	354	786	331	724	465
Interest Expenses	48	76	82	97	111
Other Non-Operating Expenses	306	710	249	627	354
<b>Ordinary Income</b>	<b>2,690</b>	<b>4,044</b>	<b>4,297</b>	<b>2,783</b>	<b>3,578</b>
Extraordinary Income	153	852	113	1,311	351
Extraordinary Losses	36	151	194	972	413
Income Before Income Taxes	2,807	4,745	4,216	3,122	3,516
Corporation Tax . Inhabitant Tax and Business Taxes	654	1,199	863	3,699	457
Provision for Income Taxes—Deferred	-62	-205	204	-1,020	461
Minority Stockholder Income	178	298	288	231	438
<b>Net Income</b>	<b>2,037</b>	<b>3,453</b>	<b>2,861</b>	<b>212</b>	<b>2,160</b>

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Note: Amounts Less than one million yen are omitted

## Consolidated Cash Flows Statement

(Million Yen)

Fiscal Year Ended	'17/3	'18/3	'19/3	'20/3	'21/3
<b>Cash Flows from Operating Activities</b>					
Income before Income Taxes	2,807	4,745	4,216	3,122	3,517
Depreciation	1,678	1,715	1,902	1,983	2,108
Equity in Earnings of Unconsolidated Subsidiaries and Affiliates	-400	-464	-558	52	46
Loss on Sale of Investments in Securities	-9	-703	-65	-1,291	-10
Gain on Sale of Properties	-	-3	-34	0	0
Loss on Disposal of Tangible Fixed Assets	9	7	20	7	6
Loss on Write-Down of Investments in Securities	1	64	45	294	-
Golf-course-membership depreciation loss	-	-	-	-	-
Exchange Loss(Gain)	28	-82	-21	11	-229
Increase in Reserve for Bonuses	-15	132	-88	60	-35
Decrease in Reserve for Retirement Allowances	-	-	-	-	-
Increase in Allowance for Doubtful Receivables	-70	353	110	104	36
Interest and Dividend Income	-429	-403	-437	-431	-360
Interest Expenses	48	76	82	97	111
(Increase) Decrease in Receivables	-1,038	-2,663	-518	-1,562	985
(Increase) Decrease in Inventories	886	-2,152	-682	1,034	-800
(Decrease) Increase in Purchase Liabilities	-33	1,376	-589	800	-284
(Decrease) Increase in Accrued Consumption Taxes	-86	-36	36	202	-164
(Increase) Decrease in Other Assets	-287	66	136	-333	-160
Increase in Other Liabilities	56	278	45	-115	353
Other	-129	66	239	882	66
<b>Subtotal</b>	<b>3,017</b>	<b>2,372</b>	<b>3,839</b>	<b>4,916</b>	<b>5,186</b>
Interest and Dividend Received	605	563	604	619	411
Interest Paid	-32	-84	-85	-63	-163
Income Taxes Paid	-170	-669	-1,465	-634	-4,823
<b>TOTAL</b>	<b>3,420</b>	<b>2,182</b>	<b>2,893</b>	<b>4,838</b>	<b>611</b>
<b>Cash Flows from Investing Activities</b>					
Payments for Received Time Deposits	-289	-	-100	-200	-1,771
Proceeds from Purchase Time Deposits	422	227	3	210	200
Payments for Purchase of Investments in Securities	-1,292	-1,701	-2,758	-2,772	-1,908
Proceeds from Sales of Property, Plant and Equipment	-	6	38	0	0
Payments for Purchase of Investments in Securities	-1,667	-1,419	-1,930	-1,032	-672
Proceeds from Sales of Investments in Securities	1,378	2,987	1,477	1,656	5,611
Payments for Loans	-211	-172	-55	-22	-29
Proceeds from Recovery of Loans	8	157	34	20	41
Other	-21	-556	-13	8,720	95
<b>TOTAL</b>	<b>-1,672</b>	<b>-471</b>	<b>-3,304</b>	<b>6,580</b>	<b>1,567</b>
<b>Cash Flows from Financing Activities</b>					
Decrease in Short-Term Loans	305	911	1,295	-549	-1,282
Borrowings of Long-Term Debt	2,350	690	918	1,909	1,682
Repayments of Long-Term Borrowings	-1,311	-914	-1,341	-1,223	-478
Proceeds from Issue of Bonds	35	226	137	87	50
Payments for Purchase of Treasury Stock and Proceeds from Sale	0	-1	0	-3,200	0
Cash Dividends	-817	-712	-1,221	-1,085	-995
Other	-143	-259	-364	-371	-4,680
<b>TOTAL</b>	<b>419</b>	<b>-59</b>	<b>-576</b>	<b>-4,432</b>	<b>-5,703</b>
Translation difference of Cash and Cash Equivalents	-54	262	-124	21	288
Changes in Cash and Cash Equivalents	2,113	1,914	-1,111	7,007	-3,238
Cash and Cash Equivalents at Beginning of Year	4,901	7,026	8,930	7,719	14,726
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	7,026	8,830	7,719	14,726	11,488

Note: Amounts Less than one million yen are omitted