



Closing Announcement of Fiscal Year Ended March 31, 2021 [Japanese Standards] (Consolidated)

May 6, 2021

Name of Listed Company: Arisawa Mfg. Co., Ltd.	Listed on the Tokyo Stock Exchange
Code No.: 5208	(URL http://www.arisawa.co.jp/)
Representative: Representative Director and CEO:	Yuta Arisawa
Contact Person: Operating Officer, Corporate Planning Department:	Takeshi Masuda TEL: 025-524-7101
Scheduled Date of Holding Ordinary General Meeting of Shareholders:	Scheduled Date of Commencement of Dividend Payment:
June 25, 2021	June 28, 2021
Scheduled Date of Submitting Financial Report:	June 28, 2021
Whether supplementary explanation materials for the closing are prepared:	None
Whether explanation meeting is held for the closing:	Yes for analysts

(Indicated by rounding off an amount less than 1 million yen)

1. Consolidated Results for Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results

(% indication shows the increase or decrease rate from the previous year)

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of the parent	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year Ended March 31, 2021	46,439	1.0	3,118	12.9	3,578	28.6	2,160	915.4
Fiscal Year Ended March 31, 2020	45,970	2.8	2,762	△11.5	2,783	△35.2	212	△92.6

(Note) Comprehensive income: Fiscal Year Ended March 31, 2021: 3,808 million yen (---%)
Fiscal Year Ended March 31, 2020: △117 million yen (---%)

	Net profit per share	Fully diluted net profit per share	ROE	Ordinary profit ratio of total assets	Operating profit ratio of sales
	(Yen, Sen)	(Yen, Sen)	%	%	%
Fiscal Year Ended March 31, 2021	64.94	64.84	4.7	5.1	6.7
Fiscal Year Ended March 31, 2020	6.14	6.12	0.4	3.8	6.0

(Reference) Equity method investment income: Fiscal Year Ended March 31, 2021: △46 million yen
Fiscal Year Ended March 31, 2020: △52 million yen

(2) Consolidated Financial Condition

	Total assets	Net asset	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
Fiscal Year Ended March 31, 2021	67,257	47,444	68.8	1,388.50
Fiscal Year Ended March 31, 2020	71,709	49,018	64.3	1,387.76

(Reference) Net worth: Fiscal Year Ended March 31, 2021: 46,284 million yen
Fiscal Year Ended March 31, 2020: 46,137 million yen

(3) Status of Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	(million yen)	(million yen)	(million yen)	(million yen)
Fiscal Year Ended March 31, 2021	610	1,567	△5,703	11,488
Fiscal Year Ended March 31, 2020	4,823	6,580	△4,431	14,725

2. Status of Dividends

	Annual dividends					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of year	Annual			
	(Yen, Sen)	(Yen, Sen)	(Yen, Sen)	(Yen, Sen)	(Yen, Sen)	(million yen)	%	%
Fiscal Year Ended March 31, 2020	---	0.00	---	30.00	30.00	997	488.6	2.2
Fiscal Year Ended March 31, 2021	---	0.00	---	39.00	39.00	1,300	60.1	2.8
Fiscal Year Ending March 31, 2022 (Forecast)	---	---	---	---	---		---	

Dividends for the fiscal year ending March 31, 2022 have yet to be determined.

3. Expected Consolidated Results for Fiscal Year Ending March 31, 2022

(From April 1, 2021 to March 31, 2022)

(% indication shows the increase or decrease rate from the previous year for full-year and from the same quarter in the previous year for each quarter)

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of the parent		Net profit per share
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%	(Yen, Sen)
2 nd quarter (cumulative)	21,800	---	1,400	---	1,400	---	850	---	25.50
	44,400	---	2,800	---	3,000	---	1,800	---	54.00

(Note) "Accounting Standards for Revenue Recognition," etc., has been applied from the beginning of the fiscal year ending March 31, 2022 and the forecast is based on the Standards, etc. Therefore, the rate of increase or decrease from the actual results for the fiscal year ended March 31, 2021 before the application of the Standards is not stated.

* Notes

(1) Changes in material subsidiaries during the year (changes in specified subsidiaries accompanying changes in scope of consolidation): None

New: --- (Company Name:)

Exclusion: --- (Company Name:)

(2) Changes in accounting policy, changes in accounting estimates and restatement

1) Changes in accounting policy in connection with the amendment of accounting standards, etc.: None

2) Changes in accounting policy other than 1) above: None

3) Changes in accounting estimate: None

4) Restatement: None

(3) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock):

Fiscal Year Ended March 31, 2021: 34,470,524 shares,

Fiscal Year Ended March 31, 2020: 36,381,524 shares

2) Number of treasury stock at the end of the period:

Fiscal Year Ended March 31, 2021: 1,136,189 shares,

Fiscal Year Ended March 31, 2020: 3,135,830 shares

3) Average number of shares during the year

Fiscal Year Ended March 31, 2021: 33,271,733 shares,

Fiscal Year Ended March 31, 2020: 34,682,121 shares

(Reference) Overview of Individual Business Results

Individual Results for Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(1) Individual Operating Results (% indication shows the increase or decrease rate from the previous year)

	Sales		Operating profit		Ordinary profit		Net profit	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year Ended March 31, 2021	31,668	0.1	1,215	△25.3	1,932	△18.3	1,396	△79.4
Fiscal Year Ended March 31, 2020	31,635	8.1	1,627	6.1	2,365	△9.1	6,792	248.8

	Net profit per share	Fully diluted net profit per share
	(Yen, Sen)	(Yen, Sen)
Fiscal Year Ended March 31, 2021	41.98	41.91
Fiscal Year Ended March 31, 2020	195.86	195.28

(2) Individual Financial Condition

	Total assets	Net asset	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
Fiscal Year Ended March 31, 2021	49,859	40,484	80.8	1,208.98
Fiscal Year Ended March 31, 2020	51,595	38,931	75.1	1,166.03

(Reference) Net worth: Fiscal Year Ended March 31, 2021: 40,300 million yen

Fiscal Year Ended March 31, 2020: 38,765 million yen

* The closing announcement is not subject to an audit by a certified public accountant or an audit corporation.

* Explanation about Appropriate Use of the Forecast of Business Results and other Matters to be Noted

Description regarding the future such as the forecast of business results stated in this material is based on information which the Company has currently obtained and certain assumptions that the Company determines to be reasonable, although actual results may significantly differ from the forecast depending on various factors.

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1. Summary of Business Results, etc.

(1) Summary of Business Results for the Current Year

The Japanese economy in the current consolidated fiscal year (hereinafter referred to as “Current Year”) suffered from very severe conditions due to economic stagnation as a result of the novel coronavirus (COVID-19) pandemic. In addition, the outlook remains uncertain due to concerns that the impact on the economy will be prolonged and the uncertainty surrounding the prospects of containing the COVID-19 pandemic.

Under such circumstances, as for the business results for the Current Year of the Company Group (the Company, consolidated subsidiaries and companies to which the equity method is applied), sales were ¥46,439 million (an increase of 1.0% as compared with the previous year), operating profit was ¥3,118 million (an increase of 12.9% as compared with the previous year), ordinary profit was ¥3,578 million (an increase of 28.6% as compared with the previous year) and net profit attributable to owners of the parent was ¥2,160 million (an increase of 915.4% as compared with the previous year).

Business results of each segment were as follows.

(Electronic materials)

Due to the steady progress in sales of flexible printed circuit board materials, sales were ¥31,650 million, an increase of ¥1,885 million as compared with the previous year (6.3% as compared with the previous year). Segment profit was, due to steady sales of flexible printed circuit board materials as well as improvement in business performance of Satosen Co., Ltd., ¥2,981 million, an increase of ¥649 million as compared with the previous year (27.9% as compared with the previous year).

(Industrial application structural materials)

Although sales of aircraft materials decreased as compared with the previous year, due to launch of sales of automotive materials, sales were ¥8,842 million, a decrease of ¥131 million as compared with the previous year (Δ 1.5% as compared with the previous year). Segment profit was, due to a decrease in sales of aircraft materials, ¥939 million, a decrease of ¥536 million as compared with the previous year (Δ 36.3% as compared with the previous year).

(Electric insulation materials)

Due to a decrease in infrastructure-related sales, sales were ¥2,340 million, a decrease of ¥643 million as compared with the previous year (Δ 21.6% as compared with the previous year). Segment profit was, due to a decrease in sales, ¥192 million, a decrease of ¥174 million as compared with the previous year (Δ 47.6% as compared with the previous year).

(Display materials)

Due to a decrease in sales of 3D-related materials, sales were ¥2,820 million, a decrease of ¥607 million as compared with the previous year (Δ 17.7% as compared with the previous year). Segment profit was, due to an improvement in revenues of ColorLink Japan, Ltd., etc., ¥221 million, a decrease of ¥13 million as compared with the previous year (Δ 5.9% as compared with the previous year).

(Other)

Sales were ¥786 million, a decrease of ¥32 million as compared with the previous year (Δ 4.0% as compared with the previous year).

(2) Summary of Financial Conditions for the Current Year

Total assets at the end of the current consolidated fiscal year were ¥67,257 million, a decrease of ¥4,452 million as compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease in investment securities of ¥3,541 million and other factors.

Total liabilities were ¥19,812 million, a decrease of ¥2,878 million as compared with the end of the previous

consolidated fiscal year. This was mainly due to a decrease in corporate income tax, etc., payable of ¥3,150 million and other factors.

Net assets were ¥47,444 million, a decrease of ¥1,573 million as compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease in capital surplus of ¥2,302 million in connection with additional acquisition of the shares of ThinFlex Corporation, a subsidiary in Taiwan and other factors.

(3) Summary of Cash Flow for the Current Year

Cash and cash equivalents (hereinafter referred to as “Funds”) at the end of the current consolidated fiscal year were ¥11,488 million, a decrease of ¥3,237 million as compared with the end of the previous consolidated fiscal year.

(Cash Flow from Operating Activities)

Funds earned from operating activities were ¥610 million (a decrease of 87.4% as compared with the previous year). Major factors for a decrease in funds were corporate income tax, etc., paid of ¥4,970 million, etc.

(Cash Flow from Investing Activities)

Funds earned from investing activities were ¥1,567 million (a decrease of ¥76.2% as compared with the previous year). This was due to revenue from the sale of stocks of affiliated companies of ¥9,215 million recorded in the same period in the previous year and other factors.

(Cash Flow from Financing Activities)

Funds used for financing activities were ¥5,703 million (an increase of 28.7% as compared with the previous year). This was mainly due to expenditure for acquisition of the shares of a subsidiary not accompanying a change in the scope of consolidation of ¥4,323 million, etc.

(Reference) Transitions of Cash Flow related Index

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net worth ratio (%)	69.3	64.3	68.8
Net worth ratio on a basis of market price (%)	39.3	37.2	49.6
Ratio of cash flow to interest bearing debt (year)	2.7	1.7	13.6
Interest coverage ratio (times)	34.2	76.5	3.7

(Note) Net worth ratio: Net worth / Total assets

Net worth ratio on a basis of market price: Total market value of shares / Total assets

Ratio of cash flow to interest bearing debt: Interest bearing debts / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest paid

1. Each index is based on financial figures on a consolidated basis.
2. Total market value of shares is calculated by final share price at the end of the period × total number of outstanding shares at the end of the period (after deducting treasury stock).
3. As for operating cash flow, “Cash flow from operating activities” in the consolidated cash flow statement is used.
4. Interest bearing debts cover all the debts that paid interest out of debts appropriated on the consolidated balance sheet. As for interest, “Interest paid” in the consolidated cash flow statement is used.

(4) Future Outlook

For the future outlook of the economy, a great deal of uncertainty about the future remains as the novel coronavirus infection continues to spread and the timing of convergence and the impact from the spread of the infection are unpredictable.

Based on such circumstances, we expect sales of ¥44,400 million, operating profit of ¥2,800 million, ordinary profit of ¥3,000 million and net profit attributable to owners of the parent of ¥1,800 million for the consolidated business results for the year ending March 31, 2022.

2. Basic Concept of Selection of Accounting Standards

For the time being, our Company Group will maintain the policy of preparing consolidated financial statements in compliance with Japanese standards, considering the possibility of comparison of consolidated financial statements for multiple periods and among companies.

In this regard, we will properly respond to application of the IFRS, considering the situations in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: thousand yen)

	Previous consolidated fiscal year (As of March 31, 2020)	Current consolidated fiscal year (As of March 31, 2021)
Assets		
Current Assets		
Cash and deposits	14,714,069	13,215,508
Notes and accounts receivable	17,697,085	16,766,218
Securities	1,558,445	1,242,430
Merchandise and finished goods	3,083,432	3,896,377
Work-in-progress	2,017,729	2,175,632
Raw materials and stores	3,177,428	3,026,247
Other	1,059,764	2,194,620
Allowance for doubtful accounts	△585,049	△161,830
Total Current Assets	42,722,906	42,355,204
Fixed Assets		
Tangible fixed assets		
Buildings and structures	20,082,654	20,846,998
Accumulated depreciation	△14,210,115	△14,701,594
Buildings and structures (net)	5,872,538	6,145,403
Machinery, equipment and delivery equipment	29,537,558	30,457,713
Accumulated depreciation	△25,575,578	△26,585,177
Machinery, equipment and delivery equipment (net)	3,961,980	3,872,536
Land	1,877,655	1,888,569
Construction in progress	291,586	293,853
Other	3,022,196	3,225,023
Accumulated depreciation	△2,100,819	△2,207,990
Other (net)	921,376	1,017,032
Total tangible fixed assets	12,925,137	13,217,395
Intangible fixed assets	225,017	244,870
Investments and other assets		
Investment securities	14,207,192	10,666,038
Long-term loans	214,352	67,179
Net defined benefit assets	16,579	---
Deferred tax assets	861,196	208,316
Other	674,765	513,336
Allowance for doubtful accounts	△137,662	△14,923
Total investments and other assets	15,836,423	11,439,946
Total Fixed Assets	28,986,578	24,902,213
Total Assets	71,709,484	67,257,417

(Unit: thousand yen)

	Previous consolidated fiscal year (As of March 31, 2020)	Current consolidated fiscal year (As of March 31, 2021)
Liabilities		
Current Liabilities		
Notes and accounts payable	6,916,079	6,657,426
Bonds to be redeemed within a year	36,800	36,800
Short-term borrowings	4,866,202	3,606,087
Current portion of long-term borrowings	187,669	182,724
Lease liabilities	60,138	87,885
Corporate income tax, etc., payable	3,428,200	277,821
Reserve for bonuses	570,517	535,756
Reserve for officers' bonuses	4,793	3,870
Other	2,355,419	2,729,887
Total Current Liabilities	18,425,820	14,118,258
Fixed Liabilities		
Bonds	91,200	54,400
Long-term borrowings	2,567,816	3,761,507
Lease liabilities	391,672	487,985
Deferred tax liabilities	236,866	593,992
Net defined benefit liabilities	738,606	607,032
Asset retirement obligations	92,310	89,466
Other	147,024	99,956
Total Fixed Liabilities	4,265,495	5,694,340
Total Liabilities	22,691,316	19,812,598
Net Assets		
Shareholders' equity		
Capital	7,594,026	7,623,638
Capital surplus	6,706,017	4,403,396
Earned surplus	34,256,590	33,374,092
Treasury stock	△3,204,797	△1,159,364
Total shareholders' equity	45,351,837	44,241,763
Accumulated other comprehensive income		
Valuation difference on other securities	448,970	1,569,049
Deferred hedge profit/loss	△1,311	△8,237
Foreign currency translation adjustments	478,798	486,242
Accumulated adjustment for retirement benefits	△141,260	△3,959
Total accumulated other comprehensive income	785,197	2,043,095
New share subscription rights	166,148	193,962
Non-controlling interest	2,714,984	965,997
Total Net Assets	49,018,167	47,444,819
Total Liabilities and Net Assets	71,709,484	67,257,417

(2) Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income
(Consolidated Profit and Loss Statement)

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Sales	45,970,001	46,439,548
Cost of Goods Sold	38,224,015	38,501,052
Gross Profit on Sales	7,745,986	7,938,496
Selling, General and Administrative Expenses		
Freight and packaging expenses	718,576	723,915
Wages and allowances	1,524,596	1,587,133
Transfer to reserve for bonuses	128,247	130,417
Transfer to reserve for officers' bonuses	4,793	3,870
Transfer to reserve for retirement benefits	76,213	86,200
Transfer to allowance for doubtful accounts	5,888	4,292
Other	2,525,606	2,284,179
Total Selling, General and Administrative Expenses	4,983,921	4,820,009
Operating Profit	2,762,064	3,118,486
Non-Operating Income		
Interest income	327,172	271,613
Dividend income	104,317	88,170
Foreign exchange profit	---	206,698
Subsidy income	14,189	147,490
Other	300,312	210,578
Total Non-Operating Income	745,991	924,550
Non-Operating Expenses		
Interest expenses	97,422	110,687
Loss on redemption of investment securities	138,830	50,675
Expenses for acquisition of the shares of consolidated subsidiaries	---	49,024
Foreign currency exchange loss	134,442	---
Rent expenses	93,113	109,759
Other	260,994	144,807
Total Non-Operating Expenses	724,804	464,954
Ordinary Profit	2,783,251	3,578,083
Extraordinary Profits		
Profit on sale of fixed assets	265	515
Profit on sale of investment securities	1,294,172	323,156
Other	16,422	27,550
Total Extraordinary Profits	1,310,859	351,222
Extraordinary Losses		
Loss on impairment	475,811	69,684
Loss on impairment of goodwill	175,447	---
Loss on sale of investment securities	2,894	313,624
Valuation loss on investment securities	293,587	---
Other	23,934	29,331
Total Extraordinary Losses	971,674	412,640
Net profit before taxes, etc.	3,122,437	3,516,666
Corporate income tax, resident tax and business tax payable	3,698,729	456,889
Adjustment of corporate income tax, etc.	△1,020,085	461,375
Total corporate income tax, etc.	2,678,644	918,265
Net Profit	443,792	2,598,400
Net profit attributable to non-controlling	231,000	437,760

interests		
Net profit attributable to owners of the parent	212,792	2,160,640

(Consolidated Statement of Comprehensive Income)

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Net profit	443,792	2,598,400
Other comprehensive income		
Valuation difference on other securities	△296,163	1,120,090
Deferred hedge profit/loss	△1,755	△6,925
Foreign currency translation adjustments	△134,015	△42,333
Adjustment for retirement benefits	△27,799	137,301
Share of other comprehensive income of companies to which equity method is applied	△101,311	1,721
Total other comprehensive income	△561,044	1,209,853
Comprehensive income	△117,251	3,808,254
(Breakdown)		
Comprehensive income attributable to owners of the parent	△307,229	3,418,538
Comprehensive income attributable to non- controlling interests	189,977	389,715

(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Shareholders' equity				Total shareholders' equity
	Capital	Capital surplus	Earned surplus	Treasury stock	
Balance at the beginning of the period	7,541,693	6,653,615	35,130,363	△4,764	49,320,907
Changes during the period					
Issue of new shares	52,333	52,402			104,735
Dividends of surplus			△1,086,565		△1,086,565
Net profit attributable to owners of the parent			212,792		212,792
Acquisition of treasury stock				△3,200,033	△3,200,033
Retirement of treasury stock					
Increase or decrease in the equity interest by acquisition of the shares of a consolidated subsidiary					
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	52,333	52,402	△873,773	△3,200,033	△3,969,070
Balance at the end of the period	7,594,026	6,706,017	34,256,590	△3,204,797	45,351,837

	Accumulated other comprehensive income					New share subscription rights	Non-controlling interest	Total net assets
	Valuation difference on other securities	Deferred hedge profit/loss	Foreign currency translation adjustments	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income			
Balance at the beginning of the period	745,120	443	707,571	△147,916	1,305,219	144,419	2,691,582	53,462,129
Changes during the period								
Issue of new shares								104,735
Dividends of surplus								△1,086,565
Net profit attributable to owners of the parent								212,792
Acquisition of treasury stock								△3,200,033
Retirement of treasury stock								
Increase or decrease in the equity interest by acquisition of the shares of a consolidated subsidiary								
Changes in items other than shareholders' equity during the period (net)	△296,149	△1,755	△228,773	6,656	△520,021	21,729	23,401	△474,890
Total changes during the period	△296,149	△1,755	△228,773	6,656	△520,021	21,729	23,401	△4,443,961
Balance at the end of the period	448,970	△1,311	478,798	△141,260	785,197	166,148	2,714,984	49,018,167

Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Unit: thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,594,026	6,706,017	34,256,590	△3,204,797	45,351,837
Changes during the period					
Issue of new shares	29,612	29,612			59,224
Dividends of surplus			△997,370		△997,370
Net profit attributable to owners of the parent			2,160,640		2,160,640
Acquisition of treasury stock				△334	△334
Retirement of treasury stock			△2,045,767	2,045,767	---
Increase or decrease in the equity interest by acquisition of the shares of a consolidated subsidiary		△2,332,233			△2,332,233
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	29,612	△2,302,621	△882,498	2,045,433	△1,110,073
Balance at the end of the period	7,623,638	4,403,396	33,374,092	△1,159,364	44,241,763

	Accumulated other comprehensive income					New share subscription rights	Non-controlling interest	Total net assets
	Valuation difference on other securities	Deferred hedge profit/loss	Foreign currency translation adjustments	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income			
Balance at the beginning of the period	448,970	△1,311	478,798	△141,260	785,197	166,148	2,714,984	49,018,167
Changes during the period								
Issue of new shares								59,224
Dividends of surplus								△997,370
Net profit attributable to owners of the parent								2,160,640
Acquisition of treasury stock								△334
Retirement of treasury stock								---
Increase or decrease in the equity interest by acquisition of the shares of a consolidated subsidiary								△2,332,233
Changes in items other than shareholders' equity during the period (net)	1,120,078	△6,925	7,444	137,301	1,257,897	27,814	△1,748,986	△463,274
Total changes during the period	1,120,078	△6,925	7,444	137,301	1,257,897	27,814	△1,748,986	△1,573,348
Balance at the end of the period	1,569,049	△8,237	486,242	△3,959	2,043,095	193,962	965,997	47,444,819

(4) Consolidated Cash Flow Statement

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Cash flow from operating activities		
Net profit before taxes, etc.	3,122,437	3,516,666
Depreciation expense	1,982,964	2,107,827
Loss on impairment	475,811	69,684
Loss on impairment of goodwill	175,447	---
Amortization of goodwill	43,861	---
Stock compensation expenses	55,402	73,411
Increase/decrease in provision for product warranties (Δ: decrease)	79	Δ83
Increase/decrease in reserve for bonuses (Δ: decrease)	60,109	Δ34,761
Increase/decrease in reserve for officers' bonuses (Δ: decrease)	836	Δ923
Increase/decrease in allowance for doubtful accounts (Δ: decrease)	103,649	35,975
Increase/decrease in net defined benefit liabilities (Δ: decrease)	71,720	65,982
Interest and dividend income	Δ431,489	Δ359,784
Subsidy income	---	Δ147,490
Interest expenses	97,422	110,687
Bad debt loss	---	29,048
Foreign currency exchange profit/loss (Δ: profit)	10,569	Δ229,332
Investment profit/loss by equity method (Δ: profit)	52,281	46,062
Profit/loss on sale of investment securities (Δ: profit)	Δ1,291,341	Δ9,532
Valuation profit/loss on investment securities (Δ: profit)	293,587	---
Profit/loss on redemption of investment securities (Δ: profit)	82,394	2,304
Profit/loss on sale of fixed assets (Δ: profit)	Δ265	Δ515
Loss on retirement of tangible fixed assets	6,637	6,255
Profit on reversal of new share subscription rights	Δ16,422	Δ27,550
Increase/decrease in accounts receivable (Δ: increase)	Δ1,561,941	985,325
Increase/decrease in inventories (Δ: increase)	1,034,154	Δ799,651
Increase/decrease in trades payable (Δ: decrease)	799,562	Δ283,709
Increase/decrease in consumption tax, etc., payable (Δ: decrease)	201,531	Δ163,601
Increase/decrease in other assets (Δ: increase)	Δ332,592	Δ159,878
Increase/decrease in other liabilities (Δ: decrease)	Δ114,813	353,207
Other	Δ5,185	---
Subtotal	4,916,408	5,185,625
Interest and dividends received	619,083	410,659
Interest paid	Δ63,256	Δ162,805
Corporate income tax, etc., paid or refund (Δ: paid)	Δ634,236	Δ4,970,454
Subsidy income received	---	147,490
Cash flow from operating activities	4,837,999	610,515

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Cash flow from investing activities		
Expenditure for placement in term deposits	△200,000	△1,771,360
Revenue from refund of term deposits	210,000	200,000
Expenditure for acquisition of securities	△200,000	△900,000
Revenue from sale of securities	---	1,100,000
Expenditure for acquisition of tangible fixed assets	△2,771,975	△1,908,002
Revenue from sale of tangible fixed assets	397	1,097
Expenditure for acquisition of intangible fixed assets	△105,378	△75,825
Expenditure for acquisition of investment securities	△1,032,333	△672,081
Revenue from sale of investment securities	1,421,883	5,610,543
Revenue from sale of stocks of affiliated companies	9,215,040	---
Expenditure for lending	△22,000	△29,000
Revenue from collection of loans	19,877	41,020
Increase/decrease in investments and other assets (△: increase)	44,677	△29,040
Cash flow from investing activities	6,580,188	1,567,351
Cash flow from financing activities		
Net increase/decrease in short-term borrowings (△: decrease)	△548,879	△1,281,546
Revenue from long-term borrowings	1,908,898	1,681,977
Expenditure for repayment of long-term borrowings	△1,223,318	△478,069
Expenditure for repayment of lease liabilities	△52,153	△64,882
Expenditure for repayment of long-term accrued amount	△115,173	△99,170
Expenditure for redemption of bonds	△36,800	△36,800
Proceeds from stocks issued	87,484	50,032
Expenditure for acquisition of treasury stock	△3,200,033	△334
Dividends paid	△1,085,016	△995,340
Dividends paid to non-controlling interests	△166,575	△155,966
Expenditure for acquisition of the shares of a subsidiary not accompanying a change in the scope of consolidation	---	△4,324,082
Revenue from sale of the shares of a subsidiary not accompanying a change in the scope of consolidation	---	1,000
Cash flow from financing activities	△4,431,566	△5,703,182
Translation differences in cash and cash equivalents	20,680	287,618
Increase/decrease in cash and cash equivalents (△: decrease)	7,007,302	△3,237,696
Cash and cash equivalents at the beginning of the period	7,718,682	14,725,985
Cash and cash equivalents at the end of the period	14,725,985	11,488,288

(5) Notes Related to Consolidated Financial Statements

(Notes on Going Concern)

No applicable matter.

(Segment Information, etc.)

[Segment Information]

1. Outline of reportable segments

Reportable segments of the Company are those whose separate financial information is obtainable out of the composition units of the Company and the subject of periodical review by the board of directors in order to determine distribution of business resources and evaluate performances.

The Company established the manufacturing and sales system by product and service at the head office and develops comprehensive strategies of the handling products and services for Japan and overseas and is developing business activities.

Therefore, the Company is composed of segments by product and service based on the manufacturing and sales system and adopts the four businesses of “electronic materials business,” “industrial application structural materials business,” “electric insulation materials business” and “display materials business” as the reportable segments.

“Electronic materials business” produces materials for flexible and rigid printed circuit boards, etc. “Industrial application structural materials business” produces FW molded products, honeycomb panels and prepregs for aircraft, pultrusion products, FRP ski sheets, etc. “Electric insulation materials business” produces glass cloth, glass tapes, prepregs for electric insulation, etc. “Display materials business” produces 3D display filters, special optical films, etc.

2. Method of calculation of the amount of sales, profit or loss, assets, liabilities and other items by reportable segment

Accounting method of reported business segments is generally the same as the statement in “Substantial Underlying Matters for Preparation of Consolidated Financial Statements.”

Profit in the reportable segments is based on operating profit (before amortization of goodwill).

Intersegment revenues and transfers are based on the actual market price.

3. Information about the amount of sales, profit or loss, assets, liabilities and other items by reportable segment
Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Reportable segment					Other (Note)	Total
	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Total		
Sales							
Sales to external customers	29,765,050	8,974,588	2,984,156	3,427,412	45,151,206	818,794	45,970,001
Intersegment sales or transfers	---	---	---	---	---	796,455	796,455
Total	29,765,050	8,974,588	2,984,156	3,427,412	45,151,206	1,615,250	46,766,457
Segment profit	2,331,392	1,475,260	366,888	235,241	4,408,782	222,173	4,630,955
Segment assets	28,747,464	9,329,352	3,185,554	3,062,923	44,325,294	1,309,738	45,635,032
Other							
Depreciation expense	1,449,803	180,468	84,873	142,537	1,857,683	21,168	1,878,851
Investment in companies to which the equity method is applied	---	---	---	217,982	217,982	---	217,982
Increase in tangible fixed assets and intangible fixed assets	1,548,869	193,481	142,372	219,016	2,103,740	2,636	2,106,376

(Note) The category "Other" means business segments which are not included in the reportable segments and includes related goods sales, logistics related businesses and other businesses, etc.

Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Unit: thousand yen)

	Reportable segment					Other (Note)	Total
	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Total		
Sales							
Sales to external customers	31,650,346	8,842,592	2,340,444	2,820,157	45,653,540	786,008	46,439,548
Intersegment sales or transfers	---	---	---	---	---	836,354	836,354
Total	31,650,346	8,842,592	2,340,444	2,820,157	45,653,540	1,622,363	47,275,903
Segment profit	2,981,124	939,199	192,241	221,311	4,333,877	243,688	4,577,566
Segment assets	30,226,999	8,632,419	2,746,374	3,197,787	44,803,580	1,280,605	46,084,186
Other							
Depreciation expense	1,491,153	255,026	88,710	115,033	1,949,923	21,680	1,971,604
Investment in companies to which the equity method is applied	---	---	---	173,640	173,640	---	173,640
Increase in tangible fixed assets and intangible fixed assets	1,466,520	244,778	98,476	37,110	1,846,886	74,567	1,921,453

(Note) The category "Other" means business segments which are not included in the reportable segments and includes related goods sales, logistics related businesses and other businesses, etc.

4. Difference between the total amount of reportable segments and the amount shown in the consolidated financial statements and major details for the difference (matters concerning difference adjustment)

(Unit: thousand yen)

Sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	45,151,206	45,653,540
Sales in category "Other"	1,615,250	1,622,363
Elimination of intersegment transactions	△796,455	△836,354
Sales in consolidated financial statements	45,970,001	46,439,548

(Unit: thousand yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	4,408,782	4,333,877
Profit in category "Other"	222,173	243,688
Elimination of intersegment transactions	△92,405	3,666
Amortization of goodwill	△43,861	---
Expenses of entire company (Note)	△1,707,227	△1,440,791
Adjustment of inventories	△25,396	△21,954
Operating profit in consolidated financial statements	2,762,064	3,118,486

Note: Expenses of the entire company are mainly general and administrative expenses not attributable to reportable segments.

(Unit: thousand yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	44,325,294	44,803,580
Assets in category "Other"	1,309,738	1,280,605
Elimination by setoff of the claims to the administrative department of head office	△673,953	△782,751
Assets of entire company (Note)	26,773,801	21,977,937
Adjustment of inventories	△25,396	△21,954
Total assets in consolidated financial statements	71,709,484	67,257,417

Note: Assets of the entire company are mainly investment securities, etc., not attributable to reportable segments.

(Unit: thousand yen)

Other item	Total of reportable segments		Other		Adjustment		Amount shown in consolidated financial statements	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation expense	1,857,683	1,949,923	21,168	21,680	104,112	136,223	1,982,964	2,107,827
Increase in tangible fixed assets and intangible fixed assets	2,103,740	1,846,886	2,636	74,567	167,555	298,926	2,273,932	2,220,379

Note: Adjustment of increase in tangible fixed assets and intangible fixed assets is the capital investments in the assets used for the common corporate purpose.

[Related Information]

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

1. Information by product and service

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Total
Sales to external customers	29,765,050	8,974,588	2,984,156	3,427,412	818,794	45,970,001

2. Information by region

(1) Sales

(Unit: thousand yen)

Japan	China	Other Region	Total
19,588,099	13,572,138	12,809,763	45,970,001

(Note) Sales are based on the location of customers and classified into a country or region.

(2) Tangible fixed assets

(Unit: thousand yen)

Japan	Taiwan	Other Region	Total
9,289,124	2,916,654	719,358	12,925,137

3. Information by major customer

(Unit: thousand yen)

Name of Customer	Sales	Related segment name
Sumitomo Shoji Chemicals Co., Ltd.	5,381,162	Electronic materials business

Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)

1. Information by product and service

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Total
Sales to external customers	31,650,346	8,842,592	2,340,444	2,820,157	786,008	46,439,548

2. Information by region

(1) Sales

(Unit: thousand yen)

Japan	China	Other Region	Total
19,419,125	15,474,946	11,545,477	46,439,548

(Note) Sales are based on the location of customers and classified into a country or region.

(2) Tangible fixed assets

(Unit: thousand yen)

Japan	Taiwan	Other Region	Total
9,271,469	3,191,195	754,730	13,217,395

3. Information by major customer

(Unit: thousand yen)

Name of Customer	Sales	Related segment name
Sumitomo Shoji Chemicals Co., Ltd.	4,986,141	Electronic materials business

[Information about loss on impairment of fixed assets by reportable segment]

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Loss on impairment	369,122	---	---	106,689	---	---	475,811
Loss on impairment of goodwill	175,447	---	---	---	---	---	175,447

Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Loss on impairment	---	69,684	---	---	---	---	69,684
Loss on impairment of goodwill	---	---	---	---	---	---	---

[Information about amortization of goodwill and unamortized balance by reportable segment]

Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Amortization	43,861	---	---	---	---	---	43,861
Balance at the end of the period	---	---	---	---	---	---	---

Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)

No applicable matter.

[Information about profit on negative goodwill by reportable segment]

No applicable matter.

(Per Share Information)

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Net asset per share	¥1,387.76	¥1,388.50
Net profit per share	¥6.14	¥64.94
Fully diluted net profit per share	¥6.12	¥64.84

(Note) Net profit and fully diluted net profit per share are calculated on the basis of the following:

	Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (From April 1, 2020 to March 31, 2021)
Net profit per share		
Net profit attributable to owners of the parent (thousand yen)	212,792	2,160,640
Amounts that are not attributable to common stockholders (thousand yen)	---	---
Net profit attributable to owners of the parent for common stock (thousand yen)	212,792	2,160,640
Average number of shares during the year (shares)	34,682,121	33,271,733
Fully diluted net profit per share		
Adjustment of net profit attributable to owners of the parent (thousand yen)	---	---
Increase in number of common stock (shares)	103,772	52,798
(Of those, number of new share subscription rights (shares))	(103,772)	(52,798)
The outline of potential shares not included in the calculation of fully diluted net profit per share due to the absence of dilutive effects	Eight types of new share subscription rights (1,116,800 shares)	Eight types of new share subscription rights (1,270,500 shares)

(Important Events after Closing the Accounts)

No applicable matter.