



# Closing Announcement of Third Quarter of the Fiscal Year Ending March 31, 2022 [Japanese Standards] (Consolidated)

January 27, 2022

Name of Listed Company:	Arisawa Mfg. Co., Ltd.	Listed on the Tokyo Stock Exchange
Code No.:	5208	(URL <a href="http://www.arisawa.co.jp/">http://www.arisawa.co.jp/</a> )
Representative:	Representative Director and CEO:	Yuta Arisawa
Contact Person:	Senior Operating Officer,	
	Corporate Planning Department:	Takeshi Masuda
Scheduled Date of Submitting Financial Report:	February 14, 2022	TEL: 025-524-7101
Scheduled Date of Commencement of Dividend Payment:	---	
Whether supplementary explanation materials for the closing are prepared:	No	
Whether explanation meeting is held for the closing:	No	

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

## 1. Consolidated Results in Third Quarter of the Fiscal Year Ending March 31, 2022 (From April 1, 2021 to December 31, 2021)

### (1) Consolidated Operating Results (Cumulative)

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

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of the parent	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Third Quarter of the Fiscal Year Ending March 31, 2022	32,663	---	2,803	---	3,155	---	2,971	---
Third Quarter of the Fiscal Year Ended March 31, 2021	34,606	0.8	2,223	7.0	2,290	3.1	1,380	---

(Note) Comprehensive income: Third Quarter of the Fiscal Year Ending March 31, 2022: 2,359 million yen (--- %) Third Quarter of the Fiscal Year Ended March 31, 2021: 2,146 million yen (--- %)

	Net profit per share		Fully diluted net profit per share	
	(Yen, Sen)		(Yen, Sen)	
Third Quarter of the Fiscal Year Ending March 31, 2022	89.18		89.13	
Third Quarter of the Fiscal Year Ended March 31, 2021	41.50		41.43	

From the beginning of the year ending March 31, 2022, the "Accounting Standard for Revenue Recognition", etc., has been applied. Therefore, the rate of increase or decrease from the actual figures before the application of this Standard, etc., is not stated.

### (2) Consolidated Financial Conditions

	Total assets		Net assets		Net worth ratio		Net asset per share	
	(million yen)		(million yen)		%		(Yen, Sen)	
Third Quarter of the Fiscal Year Ending March 31, 2022	68,668		46,843		67.9		1,400.60	
Fiscal Year Ended March 31, 2021	67,257		47,444		68.8		1,388.50	

(Reference) Net worth: Third Quarter of the Fiscal Year Ending March 31, 2022: 46,624 million yen Fiscal Year Ended March 31, 2021: 46,284 million yen

## 2. Status of Dividends

	Annual dividends				
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	End of year	Annual
	(Yen, Sen)		(Yen, Sen)		(Yen, Sen)
Fiscal Year Ended March 31, 2021	---	0.00	---	39.00	39.00
Fiscal Year Ending March 31, 2022	---	5.00	---		
Fiscal Year Ending March 31, 2022 (Forecast)				48.00	53.00

(Note) Existence of adjustment from the most recently announced dividend forecast: No

## 3. Forecast of Consolidated Business 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 period)

	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)	%	
Full Year	43,400	---	3,300	---	3,700	---	3,400	---	102.14

(Note) Existence of adjustment from the most recently announced forecast of business results: Yes

From the beginning of the year ending March 31, 2022, the "Accounting Standard for Revenue Recognition", etc., has been applied. Therefore, the rate of increase or decrease from the actual figures before the application of this Standard, etc., is not stated.

For details of adjustment of forecast of business results for the full-year, please refer to "1. Qualitative Information concerning Current Quarterly Closing Announcement (3) Explanation about Future Forecast Information, including Forecast of Consolidated Business Results" on page 3 in the attached materials.

\* Notes

(1) Changes in material subsidiaries during the current consolidated cumulative quarter (changes in specified subsidiaries accompanying changes in scope of consolidation): None  
 New: --- (Company Name: ) Exclusion: --- (Company Name: )

(2) Application of accounting particular to preparation of quarterly consolidated financial statements: Yes  
 (Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes to Quarterly Consolidated Financial Statements (Application of Accounting Particular to Preparation of Quarterly Consolidated Financial Statements)” on page 8 in the attached materials.

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

1) Changes in accounting policy in connection with the amendment of accounting standards, etc.:	Yes
2) Changes in accounting policy other than 1) above:	None
3) Changes in accounting estimate:	None
4) Restatement:	None

(4) Number of outstanding shares (common stocks)

1) Number of outstanding shares at the end of year (including treasury stocks):	3Q of Fiscal Year Ending March 31, 2022:	33,590,324 shares	Fiscal Year Ended March 31, 2021:	34,470,524 shares
2) Number of treasury stocks at the end of year:	3Q of Fiscal Year Ending March 31, 2022:	301,555 shares	Fiscal Year Ended March 31, 2021:	1,136,189 shares
3) Average number of shares during the year (cumulative quarter):	3Q of Fiscal Year Ending March 31, 2022:	33,317,569 shares	3Q of Fiscal Year Ended March 31, 2021:	33,258,817 shares

\* The quarterly closing announcement is not subject to quarterly review 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. Qualitative Information concerning Current Quarterly Closing Announcement

### (1) Explanation about Business Results

The Japanese economy in the current consolidated cumulative third quarter showed signs that the severe situation may ease as a result of the progress made in the number of vaccinations in response to COVID-19 infections, however, the outlook remains uncertain and unpredictable due to the emergence of new variants.

Under such circumstances, as for the business results in the current cumulative third year of the Company Group (the Company, consolidated subsidiaries and the companies to which the equity method is applied), sales were ¥32,663 million (a decrease of 5.6% as compared with the same period in the previous year\*). For profit and loss, operating profit was ¥2,803 million (an increase of 26.1% of the same\*), ordinary profit was ¥3,155 million (an increase of 37.8% of the same\*) and quarterly net profit attributable to owners of the parent was ¥2,971 million (an increase of 115.3% of the same\*).

Business results of each segment were as follows.

#### (Electronic materials)

Due to a decrease in sales of flexible printed circuit board materials caused by a shortage in the supply of parts, sales were ¥22,831 million (a decrease of 3.9% of the same\*) and segment profit was ¥2,373 million (an increase of 8.0% of the same\*).

#### (Industrial application structural materials)

Due to a decrease in sales of aircraft materials, sales were ¥5,210 million (a decrease of 19.2% of the same\*) and segment profit was ¥659 million (an increase of 3.1% of the same\*) due to a change in the composition of products.

#### (Electric insulation materials)

Due to an increase in sales of insulation materials for heavy electric machinery, sales were ¥1,949 million (an increase of 12.5% of the same\*) and segment profit was ¥242 million (an increase of 99.5% of the same\*).

#### (Display materials)

Due to an increase in new customers for 3D materials and an increase in sales of devices utilizing polarization by ColorLink Japan, Ltd., sales were ¥2,358 million (an increase of 15.5% of the same\*) and segment profit was ¥629 million (an increase of 411.6% of the same\*) due to an increase in sales of 3D materials as well as improvement in business performance of ColorLink Japan, Ltd.

#### (Other)

Sales were ¥314 million (a decrease of 74.8% of the same\*) and segment profit was ¥132 million (a decrease of 24.4% of the same\*).

\* From the beginning of the current fiscal year ending March 31, 2022, the “Accounting Standard for Revenue Recognition”, etc., has been applied. The rate of increase or decrease in parentheses shows a simple comparison between the actual results in the current period and those in the previous period before application of the “Accounting Standard for Revenue Recognition”, etc.

(2) Explanation about Financial Conditions

Total assets at the end of the current consolidated third quarter were ¥68,668 million, an increase of ¥1,411 million as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase in raw materials and stores of ¥1,305 million, etc. Liabilities were ¥21,825 million, an increase of ¥2,012 million as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase in short-term borrowings (including current portion of long-term borrowings) of ¥1,838 million. Net assets were ¥46,843 million, a decrease of ¥601 million as compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease in capital surplus of ¥1,399 million, etc.

(3) Explanation about Future Forecast Information, including Forecast of Consolidated Business Results

As for the forecast of business results for the full-year of the fiscal year ending March 31, 2022, which was announced on October 28, 2021, net profit attributable to owners of the parent will be revised as follows due to recording of profit on sale of investment securities.

Adjustment of forecast of consolidated business results for the full-year of the fiscal year ending March 31, 2022

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

	Sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net profit attributable to owners of the parent (million yen)	Net profit per share (yen)
Previously announced forecast (A)	43,400	3,300	3,700	2,700	81.11
This forecast adjustment (B)	43,400	3,300	3,700	3,400	102.14
Increase or decrease (B-A)	0	0	0	700	
Increase or decrease ratio (%)	0	0	0	25.9	
(Reference) Results of the previous year (Fiscal Year Ended March 31, 2021)	46,439	3,118	3,578	2,160	64.94

\* From the beginning of the current year ending March 31, 2022, the “Accounting Standard for Revenue Recognition”, etc., has been applied. Each of the figures indicated in the results of the previous year are figures before application.

## 2. Quarterly Consolidated Financial Statements and Major Notes

## (1) Quarterly Consolidated Balance Sheet

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2021)	Current Consolidated Third Quarter (As of December 31, 2021)
Assets		
Current Assets		
Cash and deposits	13,215,508	13,461,083
Notes and accounts receivable	16,766,218	---
Notes receivable, accounts receivable and contract assets	---	17,211,833
Securities	1,242,430	1,889,441
Merchandise and finished goods	3,896,377	4,699,638
Work-in-progress	2,175,632	1,954,714
Raw materials and stores	3,026,247	4,331,690
Accrued refunded corporation tax, etc.	1,415,974	---
Other	778,645	1,300,061
Allowance for doubtful accounts	△161,830	△11,756
Total Current Assets	42,355,204	44,836,707
Fixed Assets		
Tangible fixed assets	13,217,395	13,634,962
Intangible fixed assets	244,870	290,022
Investments and other assets		
Investment securities	10,666,038	9,073,810
Other	788,832	912,729
Allowance for doubtful accounts	△14,923	△79,674
Total investments and other assets	11,439,946	9,906,865
Total Fixed Assets	24,902,213	23,831,850
Total Assets	67,257,417	68,668,558

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2021)	Current Consolidated Third Quarter (As of December 31, 2021)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable	6,657,426	6,381,266
Bonds to be redeemed within a year	36,800	26,800
Short-term borrowings	3,606,087	4,818,853
Current portion of long-term borrowings	182,724	808,461
Corporate income tax, etc., payable	277,821	957,993
Reserve for bonuses	535,756	266,456
Reserve for officers' bonuses	3,870	3,537
Other	2,817,772	3,363,155
<b>Total Current Liabilities</b>	<b>14,118,258</b>	<b>16,626,524</b>
<b>Fixed Liabilities</b>		
Bonds payable	54,400	27,600
Long-term borrowings	3,761,507	3,504,412
Provision for share-based remuneration	---	24,645
Net defined benefit liabilities	607,032	567,453
Asset retirement obligations	89,466	91,702
Other	1,181,934	983,106
<b>Total Fixed Liabilities</b>	<b>5,694,340</b>	<b>5,198,920</b>
<b>Total Liabilities</b>	<b>19,812,598</b>	<b>21,825,445</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Capital	7,623,638	7,629,915
Capital surplus	4,403,396	3,003,598
Earned surplus	33,374,092	33,996,990
Treasury stock	△1,159,364	△299,684
<b>Total shareholders' equity</b>	<b>44,241,763</b>	<b>44,330,820</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on other securities	1,569,049	1,266,027
Deferred hedge profit or loss	△8,237	△3,902
Foreign currency translation adjustments	486,242	1,024,006
Accumulated adjustment for retirement benefits	△3,959	7,314
<b>Total accumulated other comprehensive income</b>	<b>2,043,095</b>	<b>2,293,445</b>
Stock acquisition rights	193,962	192,131
Non-controlling interest	965,997	26,715
<b>Total Net Assets</b>	<b>47,444,819</b>	<b>46,843,113</b>
<b>Total Liabilities and Net Assets</b>	<b>67,257,417</b>	<b>68,668,558</b>

(2) Quarterly Consolidated Profit and Loss Statement and Quarterly Consolidated Statement of Comprehensive Income  
 (Quarterly Consolidated Profit and Loss Statement)  
 (Consolidated Cumulative Third Quarter)

(Unit: thousand yen)

	Previous Consolidated Cumulative Third Quarter (From April 1, 2020 to December 31, 2020)	Current Consolidated Cumulative Third Quarter (From April 1, 2021 to December 31, 2021)
Sales	34,606,706	32,663,855
Cost of Goods Sold	28,818,193	25,842,854
Gross Profit on Sales	5,788,512	6,821,001
Selling, General and Administrative Expenses	3,564,820	4,017,995
Operating Profit	2,223,692	2,803,005
Non-operating Income		
Interest income	218,168	142,089
Dividend income	87,694	73,901
Other	253,781	376,757
Total Non-operating Income	559,645	592,748
Non-operating Expenses		
Interest expenses	82,095	88,509
Rent expenses	66,332	62,424
Foreign currency exchange loss	192,813	---
Other	151,744	89,161
Total Non-operating Expenses	492,985	240,094
Ordinary Profit	2,290,351	3,155,659
Extraordinary Profits		
Profit on sale of fixed assets	515	7,471
Profit on sale of investment securities	320,704	737,947
Other	26,628	45,919
Total Extraordinary Profits	347,848	791,337
Extraordinary Losses		
Loss on retirement of fixed assets	12,018	28,500
Provision for reserve for share-based remuneration	---	14,098
Loss on sale of investment securities	313,624	---
Other	---	4,053
Total Extraordinary Losses	325,642	46,653
Net profit before taxes, etc.	2,312,556	3,900,344
Corporate income tax, etc.	655,999	839,254
Net profit	1,656,557	3,061,089
Net profit attributable to non-controlling interests	276,254	89,920
Net profit attributable to owners of the parent	1,380,302	2,971,168



(Quarterly Consolidated Statement of Comprehensive Income)  
(Consolidated Cumulative Third Quarter)

(Unit: thousand yen)

	Previous Consolidated Cumulative Third Quarter (From April 1, 2020 to December 31, 2020)	Current Consolidated Cumulative Third Quarter (From April 1, 2021 to December 31, 2021)
Net profit	1,656,557	3,061,089
Other comprehensive income		
Valuation difference on other securities	611,662	△302,971
Deferred hedge profit or loss	2,865	4,334
Foreign currency translation adjustments	△179,795	△430,880
Adjustment for retirement benefits	54,707	11,273
Share of other comprehensive income of companies to which equity method is applied	139	16,643
Total other comprehensive income	489,579	△701,600
Comprehensive income	2,146,137	2,359,489
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,967,198	3,221,518
Comprehensive income attributable to non- controlling interests	178,938	△862,029

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

No applicable matter.

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

The Company carried out retirement of treasury stocks of ¥900,000 shares as of August 31, 2021, based on the resolution of the board of directors' meeting held on July 29, 2021. As a result, retained earnings and treasury stocks decreased by ¥918,310 thousand respectively during the current consolidated cumulative third quarter and retained earnings were ¥33,996,990 thousand and treasury stocks were ¥299,684 thousand at the end of the current consolidated third quarter.

(Application of Accounting Particular to Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

For tax expenses, the effective tax rate is reasonably estimated after application of tax effect accounting for net profit before taxes in the consolidated fiscal year including the current consolidated third quarter and these are calculated by multiplying the quarterly net profit before taxes by the estimated effective tax rate.

(Changes in Accounting Policy)

(Application of the Accounting Standard for Revenue Recognition, etc.)

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Revenue Recognition Accounting Standard"), etc., has been applied from the beginning of the consolidated first quarter and the Company recognizes revenue at the amount expected to be received in exchange for goods or services when control of the promised goods or services is transferred to the customer.

As a result, for transactions where the role of the Company falls under an agent of sales of products to customers, total amount of considerations received from customers have previously been recognized as revenue, but the method has been changed to recognize revenue at the net amount, subtracting the amount paid to third parties from the total amount of considerations. In addition, with regard to transactions of providing parts to suppliers with compensation for which the Company bears a repurchase obligation, the amount equivalent to the ending inventory of those parts retained by suppliers are recognized as liabilities. Further, with regard to transactions related to purchasing parts from suppliers for which the Company bears a sell-back obligation, sales and cost of goods sold have previously been recorded at the time of sell-back to suppliers of parts, but the method was changed to recognize only the net amount equivalent to processing cost as revenue. Further, for sales to some customers, in connection with transfer of control over assets to customers for a certain period, the method of recognizing revenue for a certain period according to the progress of manufacture was adopted.

For application of the Revenue Recognition Accounting Standard, etc., the Company complies with the transitional treatment prescribed in the Revenue Recognition Accounting Standard, paragraph 84, proviso. The cumulative effects resulting from retroactive application of the new accounting policy before the beginning of the consolidated first quarter are added to or subtracted from earned surplus at the beginning of the consolidated first quarter and the new accounting policy has been applied from the balance at the beginning of the period; provided, however, that by applying the method prescribed in the Revenue Recognition Accounting Standard, paragraph 86, the new accounting policy has not been retroactively applied to contracts for which almost all revenue has been recognized in accordance with the previous accounting before the beginning of the consolidated first quarter. With respect to contract amendments which were made before the beginning of the consolidated first quarter, accounting was made under the terms of contract after reflecting all contract amendments by applying the method prescribed in the Revenue Recognition Accounting Standard, paragraph 86, (1) and the cumulative effects were added to or subtracted from earned surplus at the beginning of the consolidated first quarter.

As a result, in the current third quarter consolidated cumulative period, sales decreased by ¥2,818,100 thousand and cost of goods sold decreased by ¥2,806,768 thousand and operating profit, ordinary profit and net profit before taxes, etc., decreased by ¥11,331 thousand respectively. The balance of earned surplus at the beginning of the current quarter increased by ¥39,939 thousand.

As the Revenue Recognition Accounting Standard, etc., has been applied, "notes and accounts receivable" indicated in "current assets" in the consolidated balance sheet for the previous consolidated fiscal year are included in "notes receivable, accounts receivable and contract assets" from the consolidated first quarter. According to the transitional treatment prescribed in the Revenue Recognition Accounting Standards, paragraph 89-2, reclassification has not been made by the new indication method regarding the previous consolidated fiscal year. In addition, in accordance with the transitional treatment prescribed in the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), paragraph 28-15, the information related to the disaggregation of the revenue accruing from contracts with customers for the previous consolidated cumulative third quarter was not stated.

(Application of Accounting Standard for Fair Value Measurement, etc.)

"Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Fair Value Measurement Standard"), etc., has been applied from the beginning of the consolidated first quarter. In accordance with the transitional treatment prescribed in the Fair Value Measurement Standard, paragraph 19 and the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), paragraph 44-2, the new accounting policy prescribed in the Fair Value Measurement Standard, etc., is applied into the future. There is no impact due to this application.

(Additional Information)

(Accounting Estimate)

There was no material change in the assumptions, including the timing of the convergence of the novel coronavirus infections etc., and accounting estimates, which were stated in the Financial Report for previous business year.

(Segment Information, etc.)

[Segment Information]

I Previous consolidated cumulative third quarter (From April 1, 2020 to December 31, 2020)

1. Information about the amount of sales and profit/loss by reportable segment

(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	23,752,728	6,451,804	1,732,151	2,042,551	33,979,235	627,470	34,606,706
Intersegment sales or transfers	---	---	---	---	---	619,086	619,086
Total	23,752,728	6,451,804	1,732,151	2,042,551	33,979,235	1,246,556	35,225,792
Segment profit	2,197,614	639,393	121,293	123,054	3,081,355	174,727	3,256,082

(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.

2. Difference between the total amount of profit/loss of reportable segments and the amount shown in the quarterly consolidated profit and loss statement and major details for the difference (matters concerning difference adjustment)

(Unit: thousand yen)

Profit	Amount
Total of reportable segments	3,081,355
Profit in category "Other"	174,727
Elimination of intersegment transactions	2,707
Expenses of entire company (Note)	△1,016,334
Adjustment of inventories	△18,763
Operating profit in quarterly consolidated profit and loss statement	2,223,692

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

3. Information about loss on impairment of fixed assets or goodwill, etc., by reportable segment

No applicable matter.

## II Current consolidated cumulative third quarter (From April 1, 2021 to December 31, 2021)

## 1. Information related to the amount of sales and profit/loss by reportable segment

(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	22,831,479	5,210,840	1,949,002	2,358,326	32,349,648	314,207	32,663,855
Intersegment sales or transfers	---	---	---	---	---	628,951	628,951
Total	22,831,479	5,210,840	1,949,002	2,358,326	32,349,648	943,158	33,292,807
Segment profit	2,373,950	659,374	242,033	629,568	3,904,926	132,062	4,036,988

(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.

2. Difference between the total amount of profit/loss of reportable segments and the amount shown in the quarterly consolidated profit and loss statement and major details for the difference (matters concerning difference adjustment)

(Unit: thousand yen)

Profit	Amount
Total of reportable segments	3,904,926
Profit in category "Other"	132,062
Elimination of intersegment transactions	11,305
Expenses of entire company (Note)	△1,214,126
Adjustment of inventories	△31,162
Operating profit in quarterly consolidated profit and loss statement	2,803,005

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

3. Information about loss on impairment of fixed assets or goodwill, etc., by reportable segment

No applicable matter.

4. Information about changes, etc., in reportable segment

As stated in the Changes in Accounting Policy, the Accounting Standard for Revenue Recognition, etc., has been applied from the beginning of the consolidated first quarter to change the accounting of revenue recognition, measurement method of profit or loss of business segment was changed in a similar manner.

As a result, as compared with the previous method, sales of electronic materials decreased by ¥1,707,382 thousand, sales of industrial application structural materials decreased by ¥486,471 thousand, segment profit decreased by ¥36,146 thousand, sales of electric insulation materials decreased by ¥12,193 thousand, sales of display materials decreased by ¥612,053 thousand and segment profit increased by ¥24,814 thousand.

(Important Events after Closing the Accounts)

No applicable matter.