



# Closing Announcement of Second Quarter of the Fiscal Year Ending March 31, 2023 [Japanese Standards] (Consolidated)

November 4, 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:	Director and Senior Operating Officer:	Takeshi Masuda
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Scheduled Date of Submitting Financial Report: November 14, 2022

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: Yes (for analysts)

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

## 1. Consolidated Results in Second Quarter of the Fiscal Year Ending March 31, 2023

(From April 1, 2022 to September 30, 2022)

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

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

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of the parent	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Second Quarter of the Fiscal Year Ending March 31, 2023	22,994	5.7	1,861	△9.1	2,408	5.3	2,563	46.8
Second Quarter of the Fiscal Year Ended March 31, 2022	21,744	---	2,048	---	2,287	---	1,745	---

(Note) Comprehensive income: Second Quarter of the Fiscal Year Ending March 31, 2023: 3,003 million yen (67.0%)  
Second Quarter of the Fiscal Year Ended March 31, 2022: 1,798 million yen (---%)

	Net profit per share		Fully diluted net profit per share	
	(Yen, Sen)		(Yen, Sen)	
Second Quarter of the Fiscal Year Ending March 31, 2023	77.37		77.23	
Second Quarter of the Fiscal Year Ended March 31, 2022	52.38		52.34	

(Note) From the beginning of the previous consolidated fiscal year, the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc., has been applied. As each figure for the second quarter for the year ended March 31, 2022 is the figure after application of the Accounting Standard, the rate of increase or decrease from the previous year for full-year and from the same quarter in the previous year for each quarter has not been stated.

### (2) Consolidated Financial Conditions

	Total assets	Net assets	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
Second Quarter of the Fiscal Year Ending March 31, 2023	70,866	47,308	66.6	1,437.10
Fiscal Year Ended March 31, 2022	68,689	47,965	69.6	1,434.46

(Reference) Net worth: Second Quarter of the Fiscal Year Ending March 31, 2023: 47,220 million yen  
Fiscal Year Ended March 31, 2022: 47,786 million yen

## 2. Status of Dividend

	Annual dividend				
	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)	(Yen, Sen)
Fiscal Year Ended March 31, 2022	---	5.00	---	90.00	95.00
Fiscal Year Ending March 31, 2023	---	0.00	---	---	---
Fiscal Year Ending March 31, 2023 (Forecast)	---	---	---	90.00	90.00

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

## 3. Expected Consolidated Results for Fiscal Year Ending March 31, 2023

(From April 1, 2022 to March 31, 2023)

(% 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)	%	(Yen, Sen)
Full Year	45,000	4.4	2,600	△21.7	3,500	△16.8	3,200	△18.2	96.98

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

For details of adjustment of forecast of business results for the full-year, please refer to the “Notice of Adjustment of Forecast of Business Results for the Full-year” released as of this day (November 4, 2022).

\* 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

(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 stock):	2Q of Fiscal Year Ending March 31, 2023:	33,742,524 shares	Fiscal Year Ended March 31, 2022:	33,614,824 shares
2) Number of treasury stock at the end of year:	2Q of Fiscal Year Ending March 31, 2023:	884,558 shares	Fiscal Year Ended March 31, 2022:	301,575 shares
3) Average number of shares during the year (cumulative quarter)	2Q of Fiscal Year Ending March 31, 2023:	33,132,891 shares	2Q of Fiscal Year Ended March 31, 2022:	33,332,128 shares

(Note) The shares of the Company (88,100 shares in 2Q of the year ended March 31, 2023, 88,600 shares in 1Q of the year ended March 31, 2022) held by Custody Bank of Japan, Ltd. (Trust Account) as the trust assets of the "Employee Stock Ownership Plan" are included in the number of treasury stock at the end of the period.

The shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury stock to be deducted in calculation of the average number of shares during the year (88,392 shares in 2Q of the year ended March 31, 2023, 24,446 shares in 2Q of the year ended March 31, 2022).

\* 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

While the Japanese economy has progressed on a gradual recovery trend due to the easing of restrictions on movement as a result of COVID-19 infections, future uncertainty still remains due to China's stagnant economy from its zero-COVID infection policy, in addition to soaring energy costs and raw material prices due to the prolonged conflict in Ukraine and the rapid depreciation of yen.

Under such circumstances, as for business results in the current second quarter cumulative period of the Company Group (the Company, consolidated subsidiaries and companies to which the equity method is applied), sales of electronic materials steadily progressed and sales of industrial application structural materials and display materials increased, and sales were ¥22,994 million (an increase of 5.7% as compared with the same period in the previous year). On the other hand, operating profit remained at ¥1,861 million (a decrease of 9.1% of the same) due to soaring energy costs and raw material prices. Ordinary profit was ¥2,408 million (an increase of 5.3% of the same) due to foreign currency exchange profit and quarterly net profit attributable to owners of the parent was ¥2,563 million (an increase of 46.8% of the same) due to profit on sale of investment securities.

Business results of each segment were as follows.

#### (Electronic materials)

Due to steady sales of flexible printed circuit board materials, etc., sales were ¥15,384 million (an increase of 0.3% of the same) and segment profit was ¥1,360 million (a decrease of 26.0% of the same) due to the impact from soaring energy costs and raw material prices.

#### (Industrial application structural materials)

Due to an increase in sales of FRP pressure vessels for water treatment, etc., sales were ¥4,010 million (an increase of 19.1% of the same) and segment profit was ¥595 million (an increase of 64.3% of the same).

#### (Electric insulation materials)

Due to steady infrastructure-related sales, etc., sales were ¥1,254 million (an increase of 0.8% of the same) and segment profit was ¥52 million (a decrease of 62.0% of the same).

#### (Display materials)

Due to an increase in sales of 3D-related materials and polarizing parts of ColorLink Japan, Ltd., etc., sales were ¥2,181 million (an increase of 38.8 % of the same) and segment profit was ¥574 million (an increase of 56.9% of the same).

#### (Other)

Sales were ¥162 million (a decrease of 25.5% of the same).

## (2) Explanation about Financial Conditions

Total assets at the end of the current second quarter consolidated period were ¥70,866 million, an increase of ¥2,177 million as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥3,477 million in cash and deposits, an increase of ¥993 million in notes receivable and accounts receivable and contract assets and an increase of 1,200 million in raw materials and stored goods respectively, and a decrease of ¥896 million in securities and a decrease of ¥5,380 million in investment securities, etc., respectively. Total liabilities were ¥23,557 million, an increase of ¥2,834 million as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥1,715 million in notes payable and accounts payable and an increase of ¥1,164 million in long-term borrowings respectively and a decrease of ¥724 million in short-term borrowings, etc. Net assets were ¥47,308 million, a decrease of ¥656 million as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥1,285 million in foreign currency translation adjustments and a decrease of ¥443 million in earned surplus, a decrease of ¥819 million in other securities valuation difference and a decrease of ¥706 million by acquisition of the treasury stock, etc., respectively.

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

Forecast of consolidated business results for the full-year of the fiscal year ending March 31, 2023, which was announced on August 4, 2022, will be adjusted as follows.

Adjustment of forecasted figures of consolidated business results for the full-year of the fiscal year ending March 31, 2023

(From April 1, 2022 to March 31, 2023)

	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)	48,400	3,400	4,000	3,400	102.45
This forecast adjustment (B)	45,000	2,600	3,500	3,200	96.98
Increase or decrease (B-A)	△3,400	△800	△500	△200	
Increase or decrease ratio (%)	△7.0	△23.5	△12.5	△5.9	
(Reference) Results of the previous year (Fiscal Year Ended March 31, 2022)	43,089	3,320	4,204	3,911	117.40

## (Reason for Adjustment)

Regarding the forecast of consolidated business results for the full-year of the fiscal year ending March 31, 2023, sales of electronic materials are expected to decrease after the current third quarter due to stagnant economic activities, etc., as a result of China's zero-COVID infection policy. Operating profit is expected to be lower than the previously announced forecast due to a decrease in sales and soaring energy costs, etc. As for ordinary profit and net profit attributable to owners of the parent, although non-operating income is expected to increase due to foreign currency exchange profit, etc., as a result of depreciation of the yen, they are expected to be lower than the previously announced forecast.

(Note) The above forecast of business results is based on information which the Company has currently obtained and certain assumptions determined to be reasonable by the Company, although actual results may vary significantly depending on various factors in the future.

## 2. Quarterly Consolidated Financial Statements and Major Notes

## (1) Quarterly Consolidated Balance Sheet

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2022)	Current Consolidated Second Quarter (As of September 30, 2022)
Assets		
Current Assets		
Cash and deposits	17,341,765	20,819,010
Notes receivable, accounts receivable and contract assets	16,073,835	17,067,446
Securities	1,040,342	144,083
Merchandise and finished goods	4,401,727	5,257,499
Work-in-progress	2,112,503	2,282,890
Raw materials and stores	4,123,818	5,323,850
Other	797,960	1,161,851
Allowance for doubtful accounts	△15,947	△24,337
Total Current Assets	45,876,007	52,032,294
Fixed Assets		
Tangible fixed assets	13,775,074	14,516,299
Intangible fixed assets	279,191	265,872
Investments and other assets		
Investment securities	7,875,645	2,495,520
Other	933,709	1,606,562
Allowance for doubtful accounts	△50,428	△49,619
Total investments and other assets	8,758,926	4,052,463
Total Fixed Assets	22,813,192	18,834,636
Total Assets	68,689,199	70,866,930

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2022)	Current Consolidated Second Quarter (As of September 30, 2022)
<b>Liabilities</b>		
Current Liabilities		
Notes and accounts payable	5,637,609	7,352,793
Bonds to be redeemed within a year	26,800	16,800
Short-term borrowings	3,562,272	2,837,583
Current portion of long-term borrowings	957,962	1,557,416
Corporate income tax, etc., payable	1,087,828	1,207,077
Provision for product warranties	73,525	32,743
Reserve for bonuses	507,532	739,536
Reserve for officers' bonuses	4,503	1,407
Other	3,332,705	3,292,977
Total Current Liabilities	15,190,739	17,038,335
Fixed Liabilities		
Bonds payable	27,600	19,200
Long-term borrowings	3,845,199	5,009,835
Provision for share-based remuneration	29,802	40,374
Net defined benefit liabilities	583,365	553,532
Asset retirement obligations	92,521	98,025
Other	954,267	798,637
Total Fixed Liabilities	5,532,757	6,519,606
Total Liabilities	20,723,496	23,557,941
<b>Net Assets</b>		
Shareholders' equity		
Capital	7,643,777	7,717,787
Capital surplus	3,017,461	3,068,532
Earned surplus	34,936,822	34,493,073
Treasury stock	△299,704	△1,006,307
Total shareholders' equity	45,298,357	44,273,086
Accumulated other comprehensive income		
Valuation difference on other securities	1,229,118	409,838
Deferred hedge profit or loss	△50,146	△60,852
Foreign currency translation adjustments	1,317,978	2,603,807
Accumulated adjustment for retirement benefits	△8,734	△5,849
Total accumulated other comprehensive income	2,488,215	2,946,944
Stock acquisition right	149,131	88,957
Non-controlling interest	29,998	-
Total Net Assets	47,965,702	47,308,988
Total Liabilities and Net Assets	68,689,199	70,866,930

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

(Unit: thousand yen)

	Previous Consolidated Cumulative Second Quarter (From April 1, 2021 to September 30, 2021)	Current Consolidated Cumulative Second Quarter (From April 1, 2022 to September 30, 2022)
Sales	21,744,712	22,994,013
Cost of Goods Sold	17,055,141	18,292,178
Gross Profit on Sales	4,689,570	4,701,835
Selling, General and Administrative Expenses	2,640,857	2,840,016
Operating Profit	2,048,713	1,861,818
Non-operating Income		
Interest income	94,145	76,093
Dividend income	39,520	40,147
Foreign currency exchange profit	-	425,868
Other	250,281	164,122
Total Non-operating Income	383,946	706,232
Non-operating Expenses		
Interest expenses	56,448	65,189
Rent expenses	41,648	26,194
Compensation expenses	-	51,386
Other	47,461	16,436
Total Non-operating Expenses	145,558	159,205
Ordinary Profit	2,287,101	2,408,845
Extraordinary Profits		
Profit on sale of fixed assets	1,298	461
Profit on sale of investment securities	226,398	1,305,241
Other	43,094	40,870
Total Extraordinary Profits	270,791	1,346,572
Extraordinary Losses		
Loss on sale of investment securities	4,053	55,867
Loss on impairment	-	11,813
Other	26,344	5,407
Total Extraordinary Losses	30,398	73,087
Net profit before taxes, etc.	2,527,494	3,682,330
Corporate income tax, etc.	713,386	1,116,339
Net profit	1,814,108	2,565,990
Net profit attributable to non-controlling interests	68,273	2,465
Net profit attributable to owners of the parent	1,745,834	2,563,524



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

(Unit: thousand yen)

	Previous Consolidated Cumulative Second Quarter (From April 1, 2021 to September 30, 2021)	Current Consolidated Cumulative Second Quarter (From April 1, 2022 to September 30, 2022)
Net profit	1,814,108	2,565,990
Other comprehensive income		
Valuation difference on other securities	△231,595	△819,279
Deferred hedge profit or loss	3,982	△10,706
Foreign currency translation adjustments	191,193	1,240,050
Adjustment for retirement benefits	7,515	2,885
Share of other comprehensive income of companies to which equity method is applied	13,210	24,170
Total other comprehensive income	△15,693	437,120
Comprehensive income	1,798,415	3,003,110
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,999,675	3,022,253
Comprehensive income attributable to non- controlling interests	△201,260	△19,142

## (3) Quarterly Consolidated Cash Flow Statement

(Unit: thousand yen)

	Previous Consolidated Cumulative Second Quarter (From April 1, 2021 to September 30, 2021)	Current Consolidated Cumulative Second Quarter (From April 1, 2022 to September 30, 2022)
Cash flow from operating activities		
Net profit before taxes, etc.	2,527,494	3,682,330
Depreciation expense	1,052,170	1,097,498
Stock compensation expenses	25,092	18,577
Profit on reversal of stock acquisition rights	△43,094	△40,870
Increase/decrease in allowance for doubtful accounts (△: decrease)	△21,682	5,523
Increase/decrease in reserve for bonuses (△: decrease)	120,153	232,003
Increase/decrease in provision for product warranties (△: decrease)	△39	△44,999
Increase/decrease in reserve for officers' bonuses (△: decrease)	△1,692	△3,095
Increase/decrease in provision for share-based remuneration (△: decrease)	19,452	△41,035
Increase/decrease in net defined benefit liabilities (△: decrease)	△14,975	△25,681
Profit/loss on redemption of investment securities (△: profit)	△99,764	△40,063
Interest and dividend income	△133,665	△116,241
Subsidy income	△28,226	△9,652
Interest expenses	56,448	65,189
Foreign currency exchange profit/loss (△: profit)	△61,162	△251,516
Investment profit/loss by equity method (△: profit)	△238	△29,194
Profit/loss on sale of securities and investment securities (△: profit)	△222,344	△1,249,374
Profit/loss on sale of fixed assets (△: profit)	△1,298	△461
Loss on retirement of tangible fixed assets	6,645	213
Loss on impairment	-	11,813
Increase/decrease in accounts receivable (△: increase)	333,086	△197,010
Increase/decrease in inventories (△: increase)	△2,233,961	△1,813,237
Increase/decrease in trades payable (△: decrease)	496,080	1,465,803
Increase/decrease in consumption tax, etc., payable (△: decrease)	△17,513	△276,064
Increase/decrease in other assets (△: increase)	70,968	△155,290
Increase/decrease in other liabilities (△: decrease)	△204,433	106,252
Subtotal	1,623,501	2,391,417
Interest and dividends received	148,501	176,560
Interest paid	△70,130	△61,841
Subsidy income received	28,226	9,652
Corporate income tax, etc., paid or refund (△: paid)	1,137,813	△955,899
Cash flow from operating activities	2,867,912	1,559,889

(Unit: thousand yen)

	Previous Consolidated Cumulative Second Quarter (From April 1, 2021 to September 30, 2021)	Current Consolidated Cumulative Second Quarter (From April 1, 2022 to September 30, 2022)
Cash flow from investing activities		
Expenditure for placement in term deposits	---	△362,025
Revenue from refund of term deposits	1,460,600	132,390
Expenditure for acquisition of tangible fixed assets	△882,873	△1,954,579
Revenue from sale of tangible fixed assets	1,298	461
Expenditure for acquisition of intangible fixed assets	△36,602	△21,236
Expenditure for acquisition of investment securities	△102,918	△332,491
Revenue from sale of investment securities	1,455,717	6,780,340
Expenditure for lending	---	△20,097
Revenue from collection of loans	4,510	4,305
Increase/decrease in investments and other assets (△: increase)	△10,324	△12,629
Cash flow from investing activities	1,889,408	4,214,436
Cash flow from financing activities		
Net increase/decrease in short-term borrowings (△: decrease)	126,916	△903,394
Revenue from long-term borrowings	519,377	2,587,765
Expenditure for repayment of long-term borrowings	△476,362	△1,305,248
Expenditure for repayment of lease liabilities	△39,858	△57,691
Expenditure for redemption of bonds	△18,400	△18,400
Expenditure for repayment of long-term accrued amount	△31,094	△4,709
Proceeds from stocks issued	10,612	125,888
Expenditure for acquisition of treasury stock	△82,836	△749,709
Expenditure for acquisition of the shares of a subsidiary not accompanying a change in the scope of consolidation	△779,045	△45,813
Dividends paid	△1,293,664	△2,998,210
Dividends paid to non-controlling interests	△68,154	△9,589
Cash flow from financing activities	△2,132,510	△3,379,111
Translation differences in cash and cash equivalents	238,997	822,104
Increase/decrease in cash and cash equivalents (△: decrease)	2,863,808	3,217,319
Cash and cash equivalents at beginning of year	11,488,288	16,893,109
Cash and cash equivalents at end of quarter	14,352,096	20,110,428

(4) Notes to Quarterly Consolidated Financial Statements

(Notes to Assumptions on a Going Concern)

No applicable matter.

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

(Acquisition of Treasury Stock)

The Company acquired 624,400 shares of treasury stock based on a resolution of the board of directors' meeting held on May 12, 2022. As a result, treasury stock increased by ¥749,999 thousand during the current second quarter cumulative consolidated period and treasury stock was ¥1,006,307 thousand at the end of the current second quarter consolidated fiscal period.

(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 second 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 Application Guidelines for Accounting Standard for Fair Value Measurement)

“Application Guidelines for Accounting Standard for Fair Value Measurement” (Application Guidelines for ASBJ Statement No. 31, June 17, 2021; hereinafter referred to as the “Application Guidelines for Fair Value Measurement Standard”) have been applied from the beginning of the first quarter consolidated period. In accordance with the transitional treatment prescribed in the Application Guidelines for Fair Value Measurement Standard, paragraph 27-2, the new accounting policy prescribed in the Application Guidelines for Fair Value Measurement Standard 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 second quarter (From April 1, 2021 to September 30, 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	15,342,174	3,368,208	1,244,599	1,571,438	21,526,420	218,291	21,744,712
Intersegment sales or transfers	---	---	---	---	---	415,842	415,842
Total	15,342,174	3,368,208	1,244,599	1,571,438	21,526,420	634,134	22,160,555
Segment profit	1,839,473	362,226	138,434	366,016	2,706,150	95,613	2,801,763

(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	2,706,150
Profit in category "Other"	95,613
Elimination of intersegment transactions	8,095
Expenses of entire company (Note)	△736,930
Adjustment of inventories	△24,214
Operating profit in quarterly consolidated profit and loss statement	2,048,713

(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 second quarter (From April 1, 2022 to September 30, 2022)

## 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	15,384,440	4,010,805	1,254,676	2,181,406	22,831,329	162,684	22,994,013
Intersegment sales or transfers	---	---	---	---	---	434,860	434,860
Total	15,384,440	4,010,805	1,254,676	2,181,406	22,831,329	597,544	23,428,874
Segment profit	1,360,339	595,007	52,547	574,404	2,582,299	90,346	2,672,646

(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	2,582,299
Profit in category “Other”	90,346
Elimination of intersegment transactions	4,319
Expenses of entire company (Note)	△748,729
Adjustment of inventories	△66,417
Operating profit in quarterly consolidated profit and loss statement	1,861,818

(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  
(Material Loss on Impairment of Fixed Assets)

In the “Industrial application structural materials” segment, for assets in which investment cannot be expected to be recovered due to a decrease in profitability, the book value of these assets was reduced to the memorandum value and the decrease was recorded in extraordinary losses as loss on impairment.

In this regard, the recorded amount of loss on impairment was ¥11,813 thousand in the current consolidated cumulative second quarter.

## (Important Events after Closing the Accounts)

No applicable matter.