

Securities Code 5208

Feb 6th, 2020

<http://www.arisawa.co.jp>

Arisawa Mfg. Co., Ltd.

FY2019 Q3 Report

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■ FY2019 Q3 Consolidated Performance

(unit: Million Yen)	2018/3 Q3 result	2019/3 Q3 result	vs. Prev. year	2020/3 Q3 result	vs. Prev. year
Sales	30,325	34,696	14.4%	34,327	-1.1%
Operating Income	2,636	2,648	0.5%	2,077	-21.6%
Operating Margin	8.7%	7.6%	-1.1%	6.1%	-1.5%
Ordinary Income	3,193	3,644	14.1%	2,221	-39.0%
Net Income	2,655	2,411	-9.2%	-118	--
Earnings per share (Yen)	74.18	66.73	-10.0%	-3.38	--
Dividend (Yen)	0	0	--	0	--
Exchange rate (Yen / \$)					
average for the period	111.89	109.60		109.12	
at end of period	113.00	111.00		109.56	

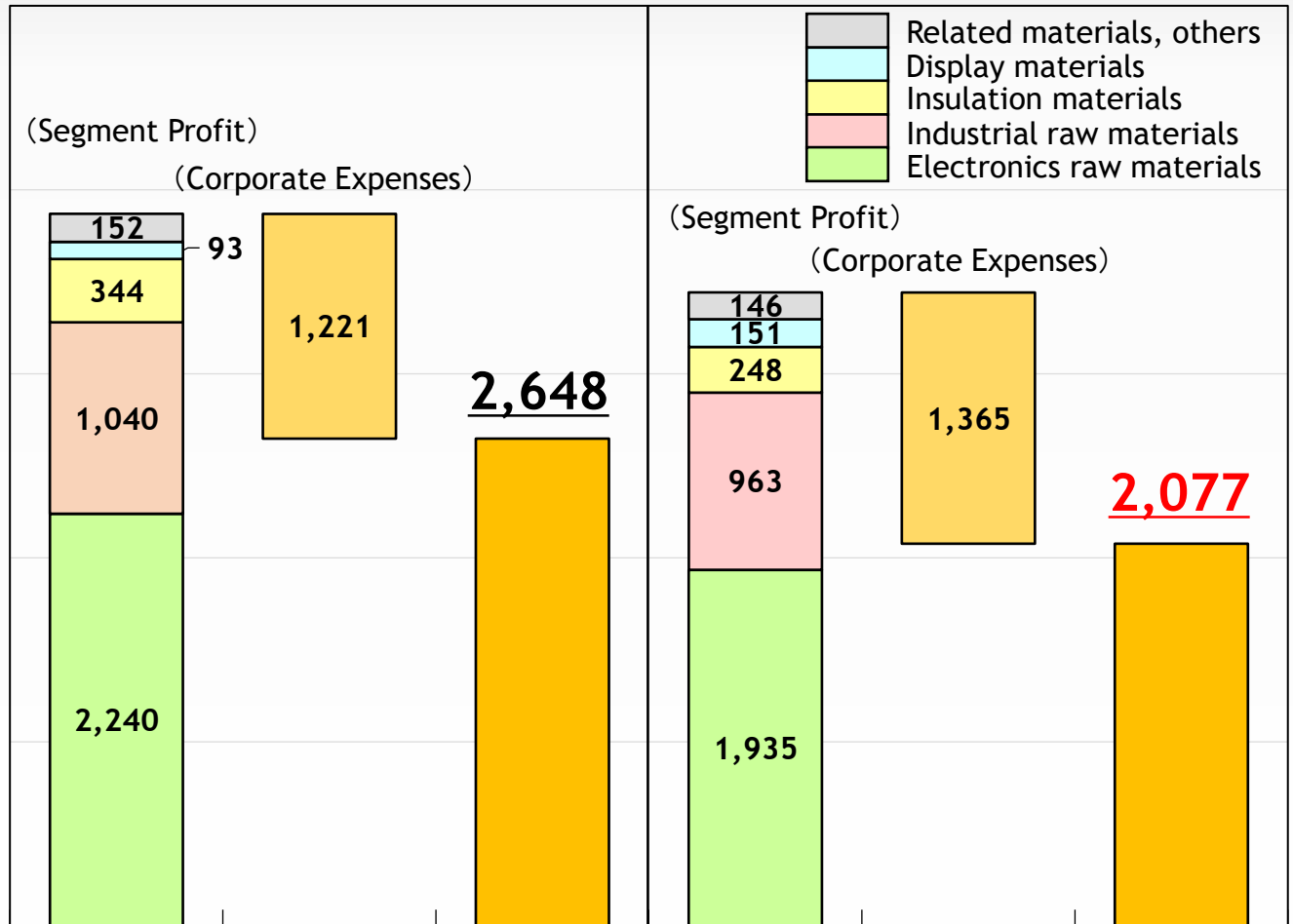
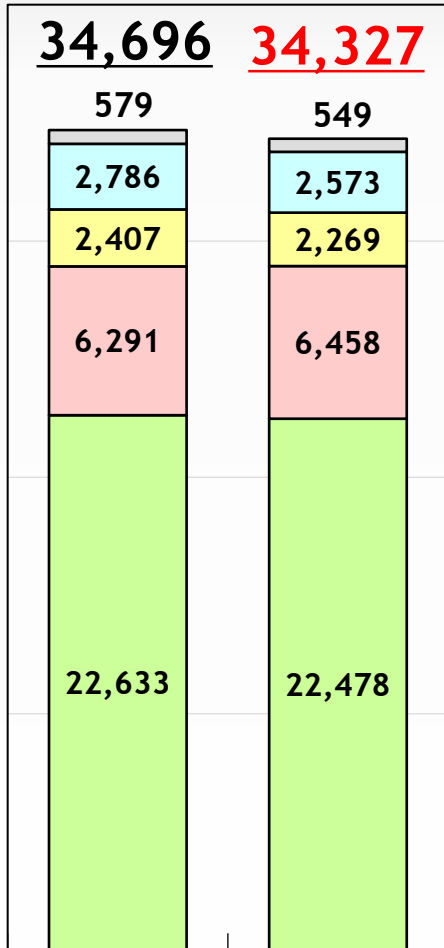
■ Highlights of FY2019 Q3 Consolidated Performance

- Sales decreased by 1.1% compared with Prev. year due to decrease of Electronics raw materials, Insulation materials and Display materials.
- Operating Income decreased by 21.6% compared with Prev. year due to a decline in profitability of Electronics raw materials, Industrial raw materials and Insulation materials.
- Electronics raw materials decreased the sales by 0.7% compared with Prev. year because while FPC materials did well, Rigid Flex Printed Circuit Boards of Satosen did not do well.
- Industrial raw materials increased the sales by 2.7% compared with Prev. year because although FRP vessels for water treatment decreased, Honey-comb panel for air-craft increased.
- Ordinary Income decreased by 39.0% compared with Prev. year mainly due to a decline in Equity method income and exchange-rate loss.
- The bottom line was net loss of 118 million yen due to the recognition of tax expense for selling shares of Polatechno and an impairment loss of 624 million yen in subsidiaries.

FY2019 Q3 Segment Comparison (vs. FY2018 Q3)

Sales (Million Yen)

Operating Income (Million Yen)

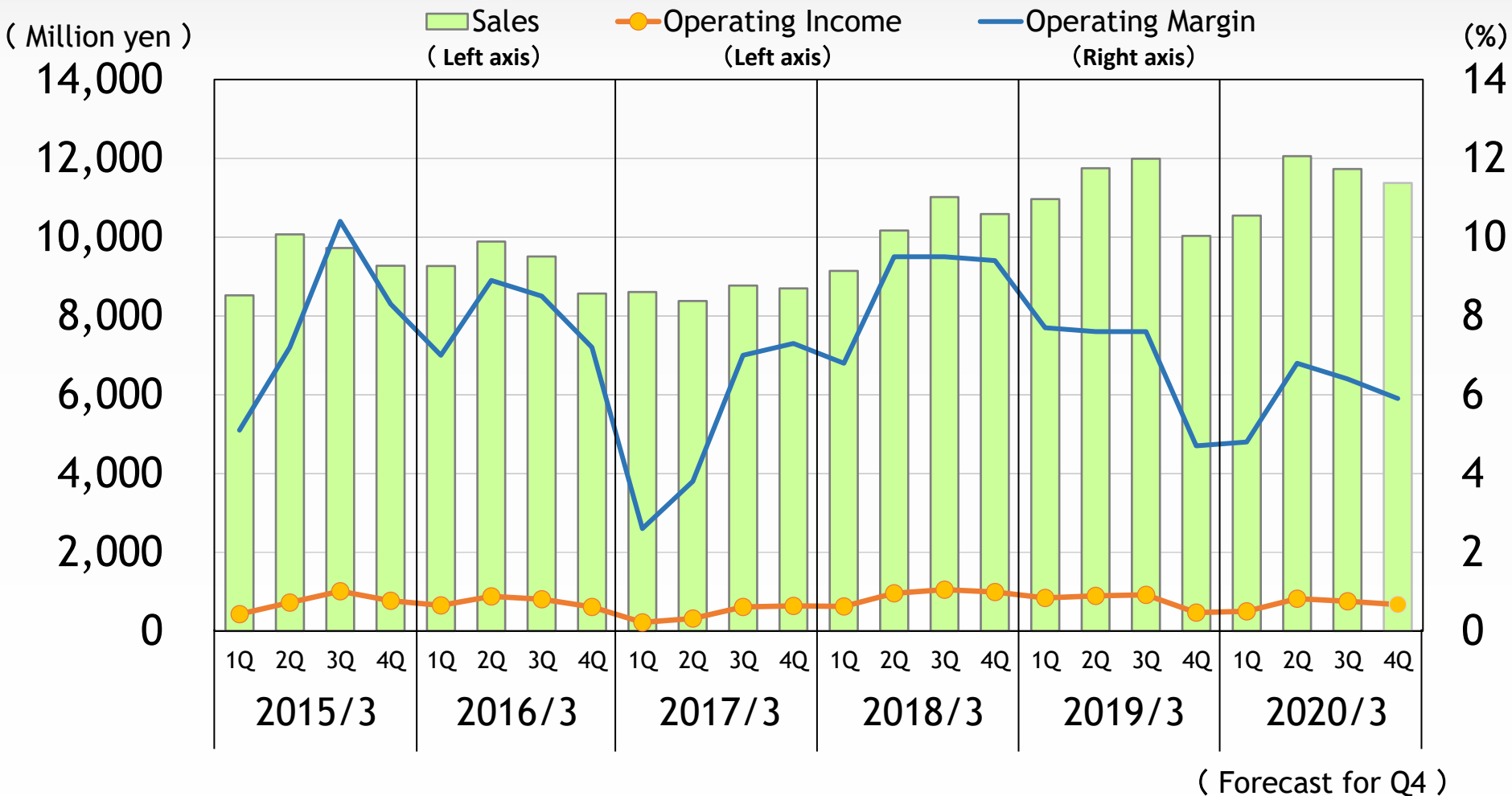


2019/3 2020/3

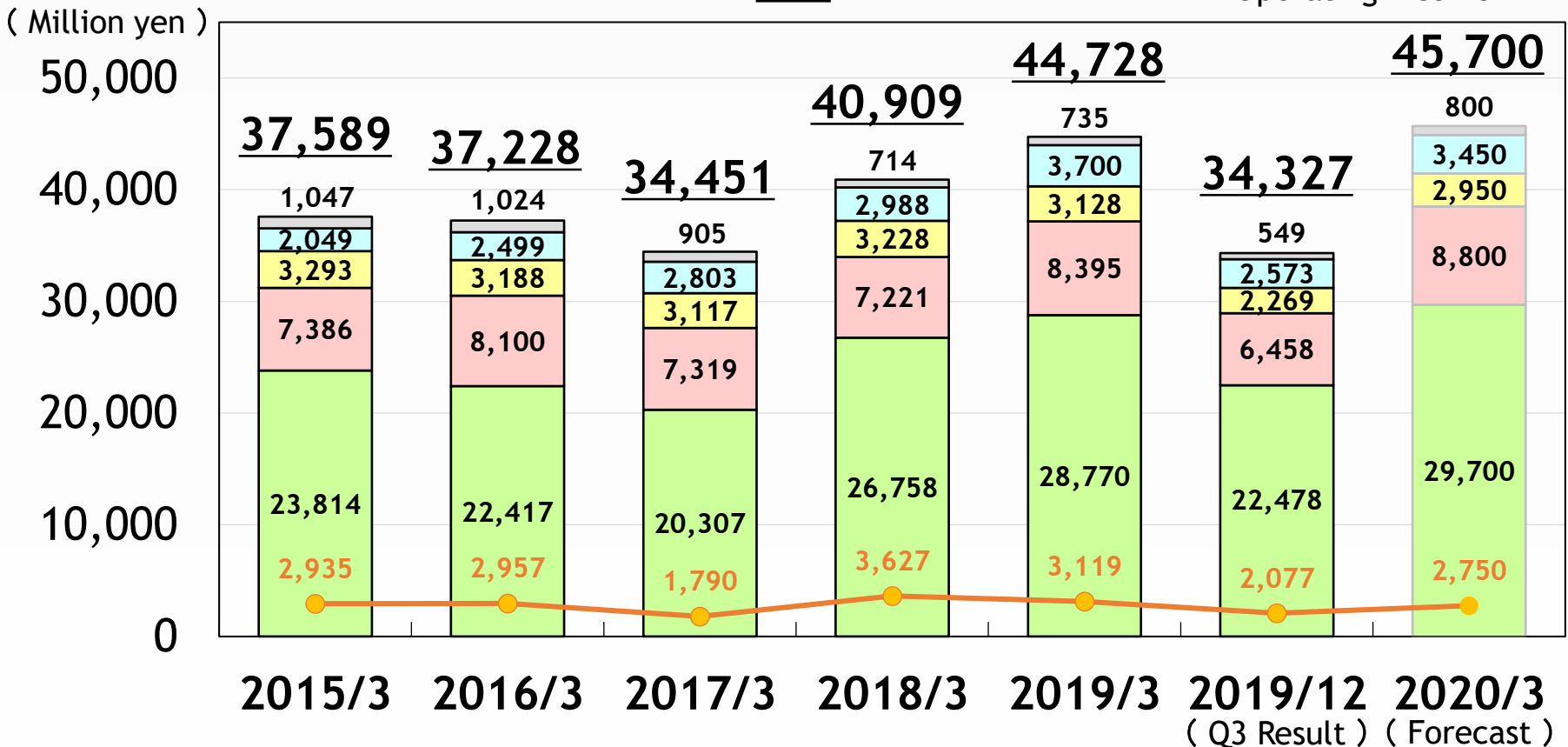
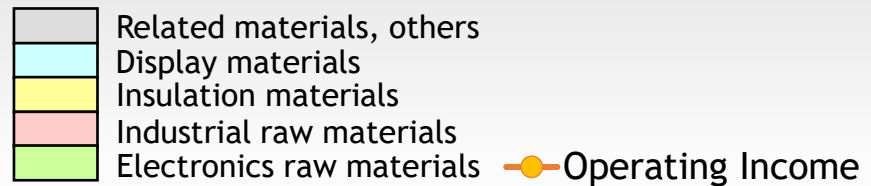
2019/3

2020/3

Sales and Operating Income quarterly history

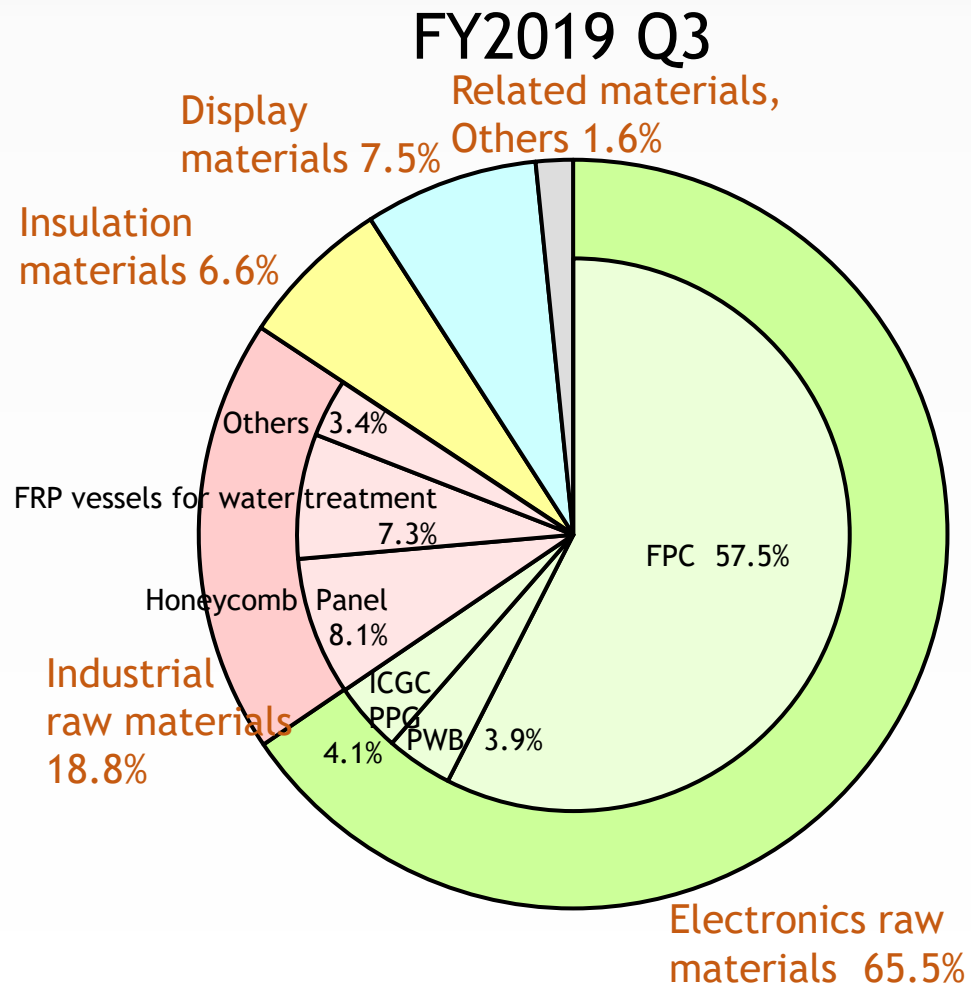
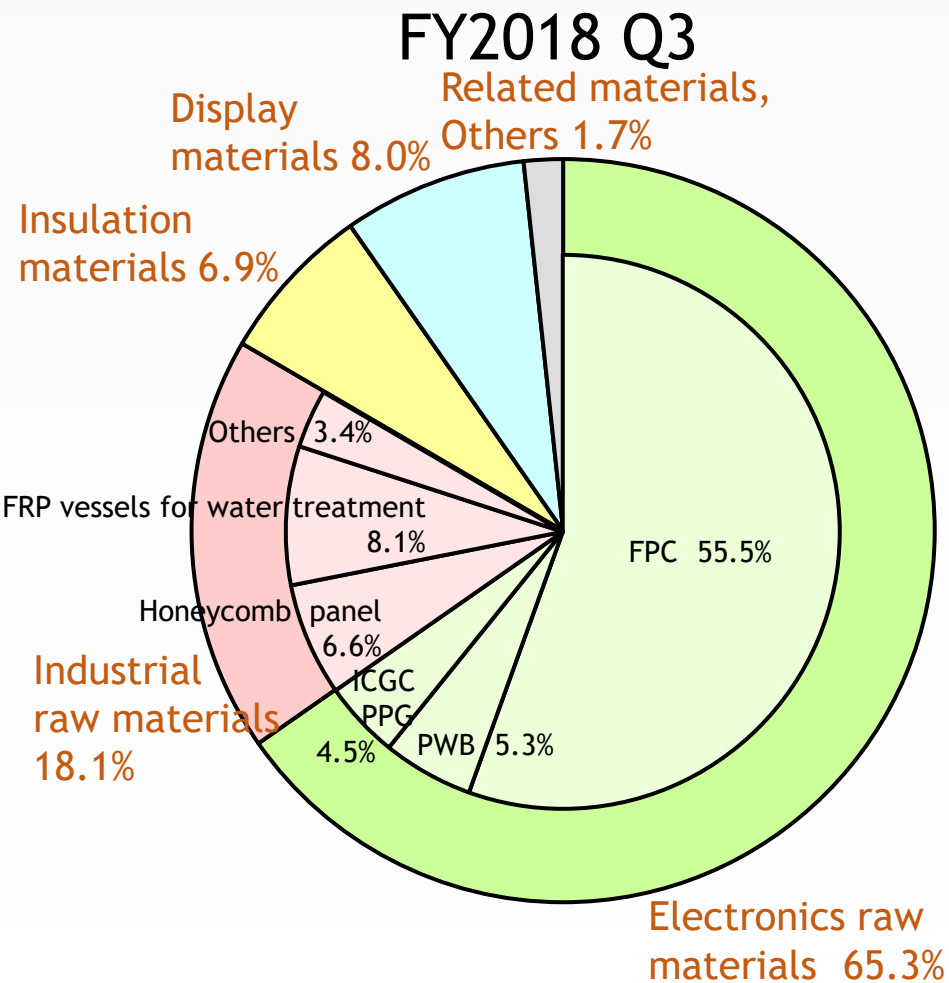


Segment Comparison history (Sales, Income)

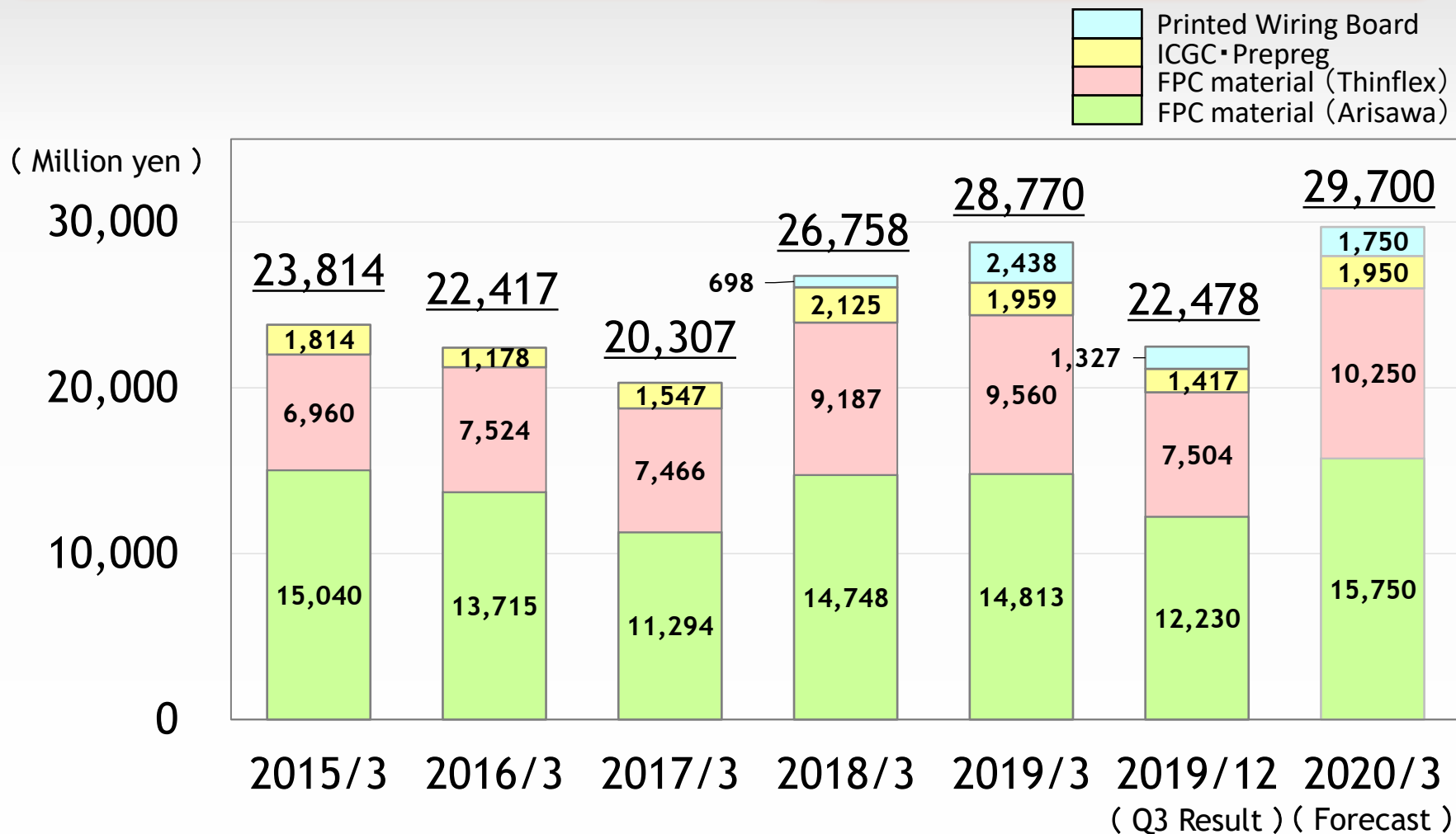


• Electronics raw materials and Industrial raw materials are the driving force for the growth.

Sales ratio by segment

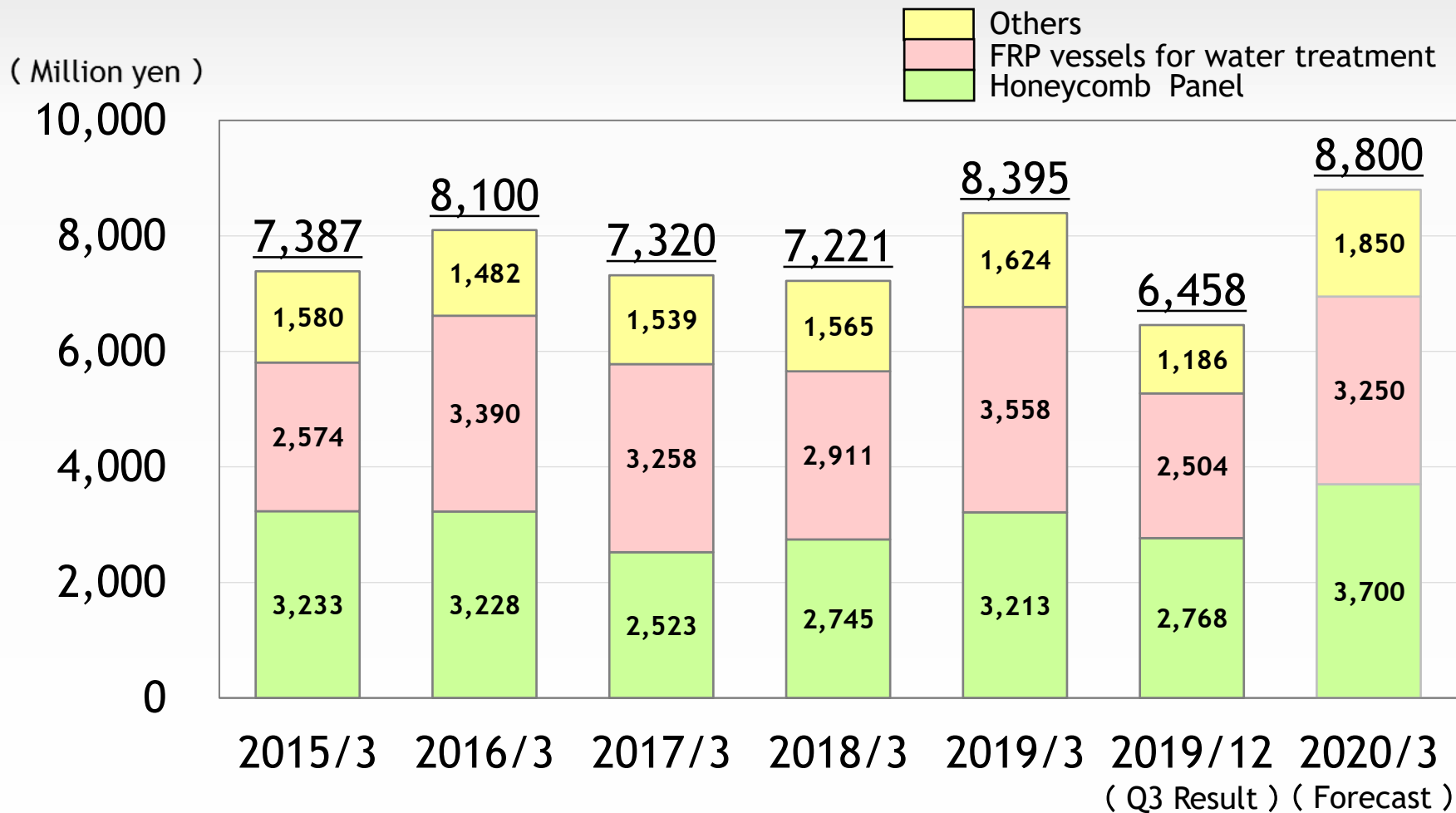


■ Electronics raw materials Sales history



- New product development focused on mobile, automobile and semiconductor.
- Enhancement of competitiveness and increase in the share through cooperation with consolidated subsidiaries.

Industrial raw materials Sales history



- Increase in the share with new product development mainly in the area of transportation infrastructure and water treatment.

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FY2019 Sales and Profit Forecast (vs. FCT)

FCT = Forecast

(unit: Million Yen)	FY2018 result	FY2019 FCT(7 Nov)	FY2019 FCT(6 Feb)	vs. Prev. year	vs. FCT
Sales	44,728	45,600	45,700	2.2%	0.2%
Operating Income	3,119	3,050	2,750	-11.8%	-9.8%
Operating Margin	7.0%	6.7%	6.0%	-1.0%	-0.7%
Ordinary Income	4,297	3,200	2,800	-34.8%	-12.5%
Net Income	2,861	1,050	450	-84.3%	-57.1%
Earnings per share (Yen)	79.15	31.63	13.54*	-82.9%	-57.2%
Dividend (Yen)	30	Undecided	30	--	--
Exchange rate (Yen / \$) average for the period	110.44	108.84	109.03**		
at end of period	110.99	108.00	108.00**		

* Calculated by the number of shares as of 31 Dec

** Expected Exchange rate as of 6 Feb

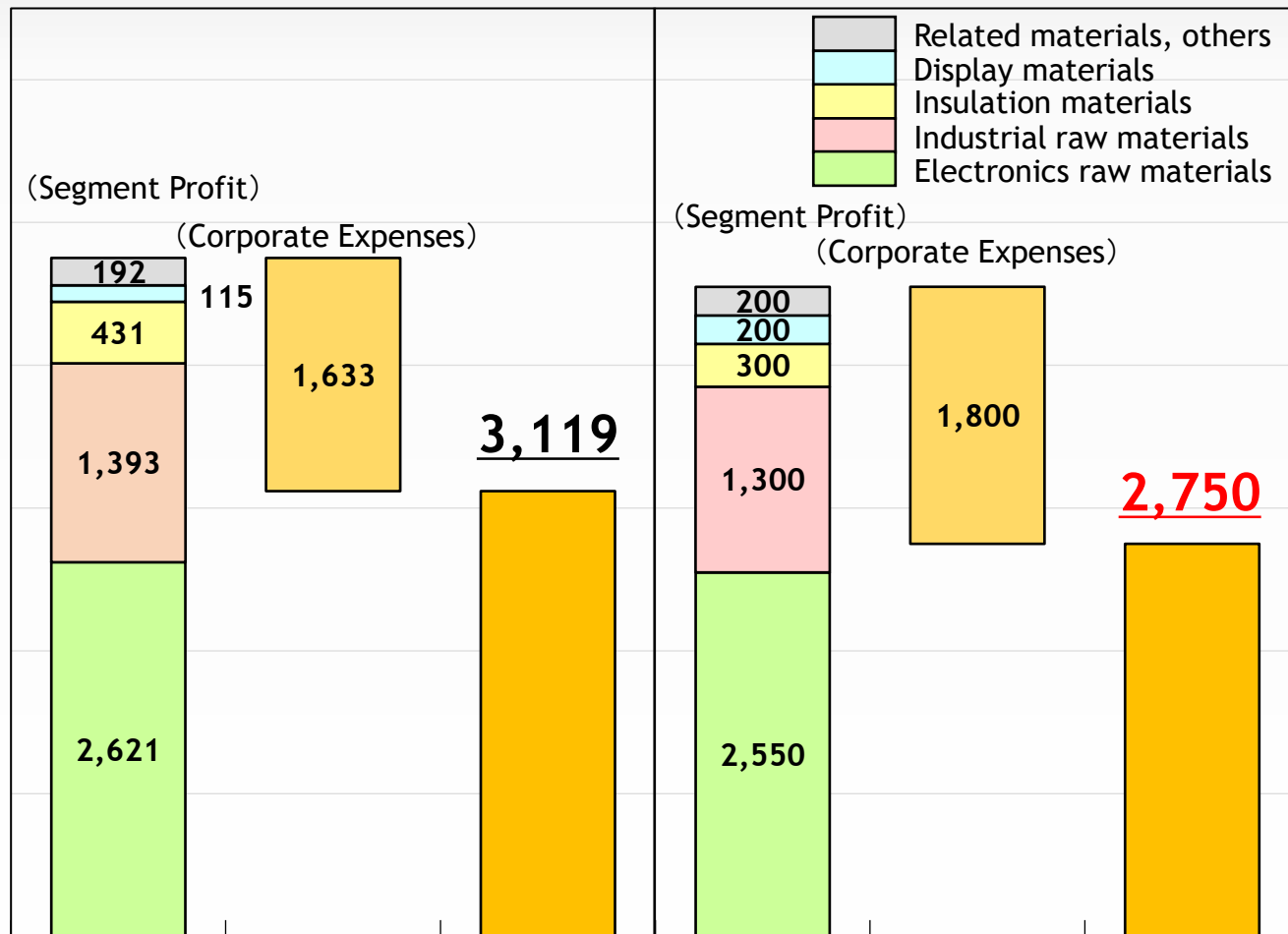
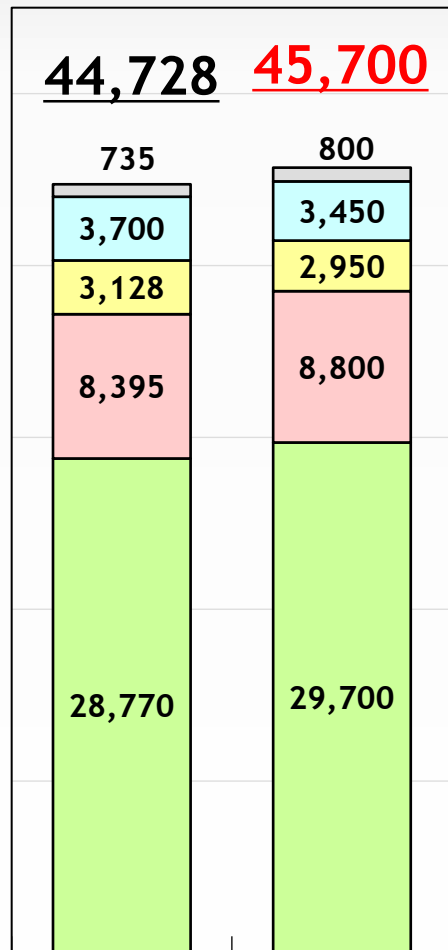
■ Highlights of FY2019 Consolidated Performance

- Sales is expected to increase by 2.2% compared with Prev. year. However, Operating Income is expected to decrease by 11.8% compared with Prev. year due to a decline in profitability of Electronics raw materials and Industrial raw materials.
- Electronics raw materials is expected to increase the sales by 3.2% compared with Prev. year because although Rigid Flex Printed Circuit Boards of Satosen is expected to decrease, FPC materials is expected to increase.
- Industrial raw materials is expected to increase the sales by 4.8% compared with Prev. year due to continuous increase in Honey-comb panel for air-craft.
- Ordinary Income is expected to decrease by 34.8% due to Yen's appreciation and decrease in Equity method income. Net Income is expected to decrease by 84.3% compared with Prev. year due to the tax expense for the selling shares and the impairment loss in subsidiaries.

FY2019 Segment Comparison (vs. FY2018)

Sales (Million Yen)

Operating Income (Million Yen)



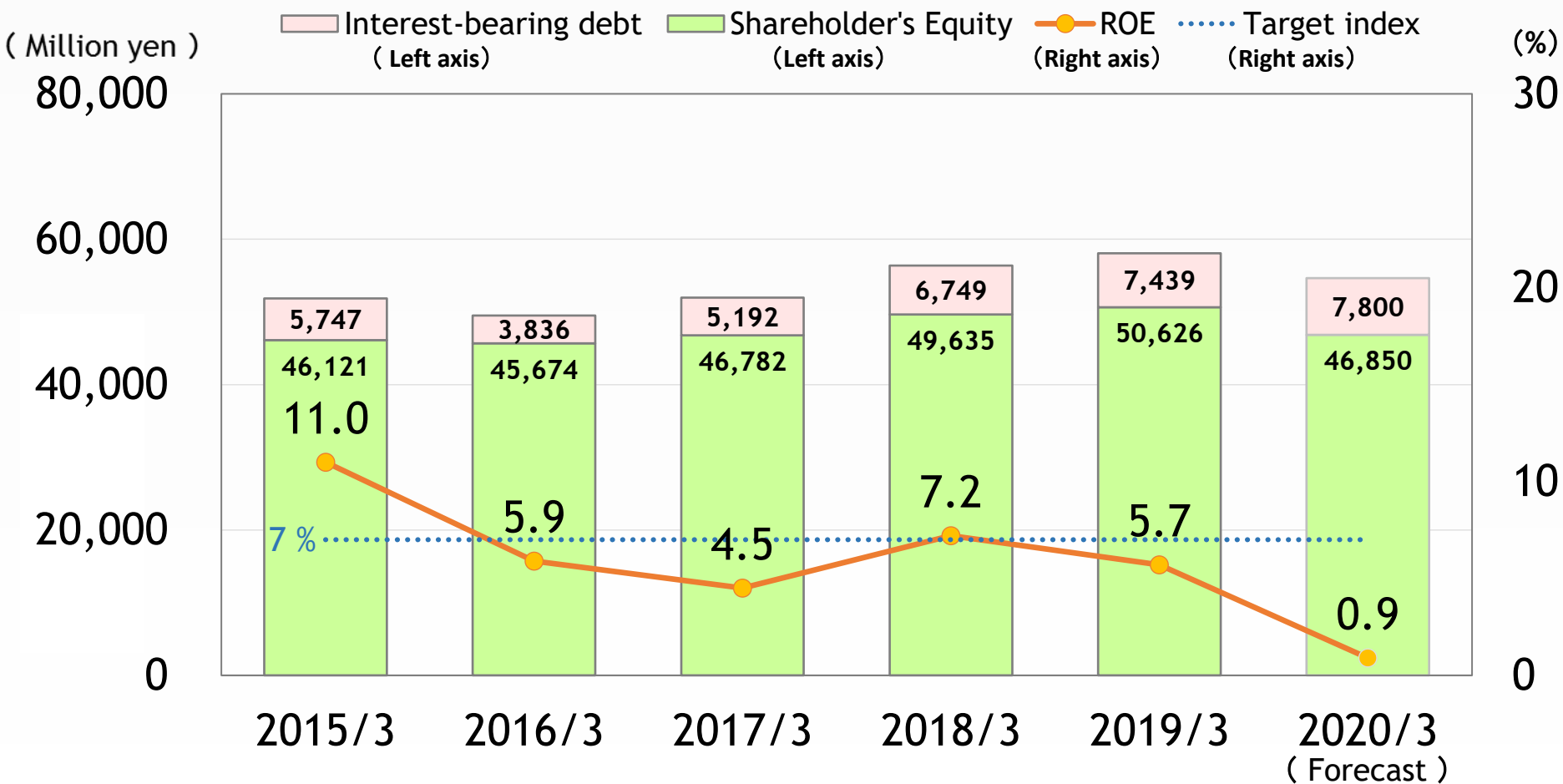
2019/3 **2020/3**
(Forecast)

2019/3

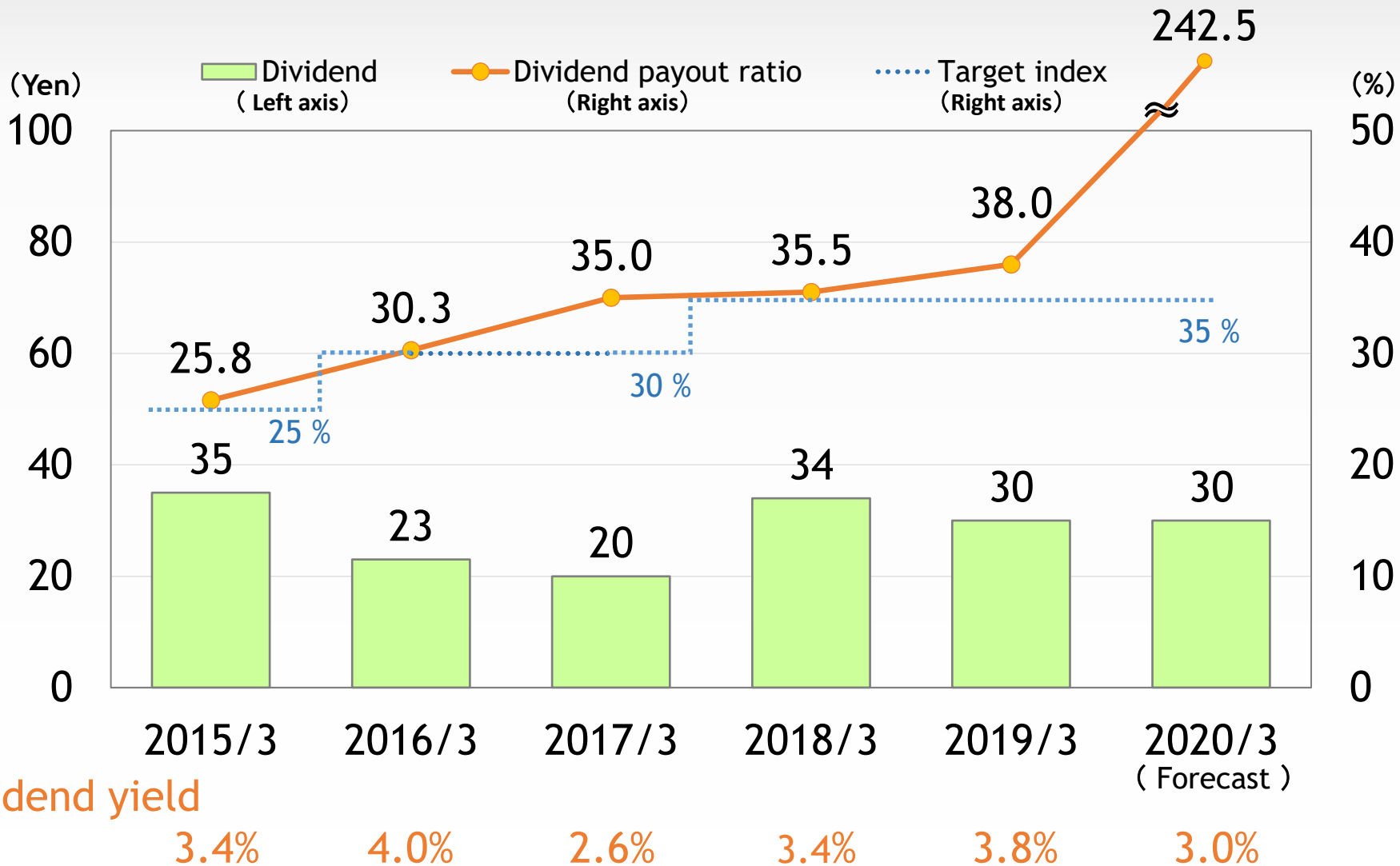
2020/3
(Forecast)

ROE history

ROE= Net Income / Shareholder's Equity



Dividend and Dividend payout ratio history



*2020/3(Forecast) is calculated based on number of shares and stock price as of Dec 31, 2019.

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FY2019 Q3 Consolidated Performance (vs. FCT)

FCT = Forecast

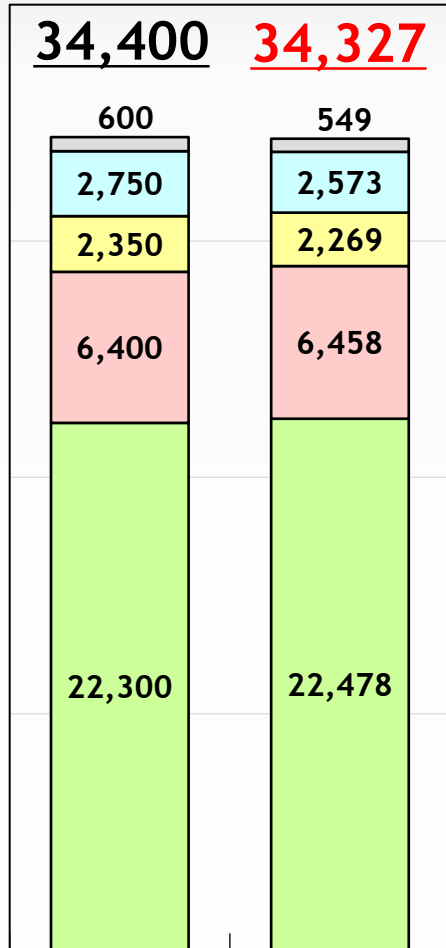
(unit: Million Yen)	2019/3 Q3 result	2020/3 Q3 FCT(7 Nov)	2020/3 Q3 result	vs. Prev. year	vs. FCT
Sales	34,696	34,400	34,327	-1.1%	-0.2%
Operating Income	2,648	2,250	2,077	-15.0%	-5.6%
Operating Margin	7.6%	6.5%	6.1%	-1.1%	-1.5%
Ordinary Income	3,644	2,400	2,221	-34.1%	-7.5%
Net Income	2,411	550	-118	--	--
Earnings per share (Yen)	66.73	16.67	-3.38	--	--
Dividend (Yen)	0	0	0	--	--
Exchange rate (Yen / \$) average for the period at end of period	109.60 111.00	109.12* 108.00*	109.12 109.56		

* Expected Exchange rate as of 7 Nov

FY2019 Q3 Segment Comparison (vs. FCT)

FCT = Forecast as of 7 Nov

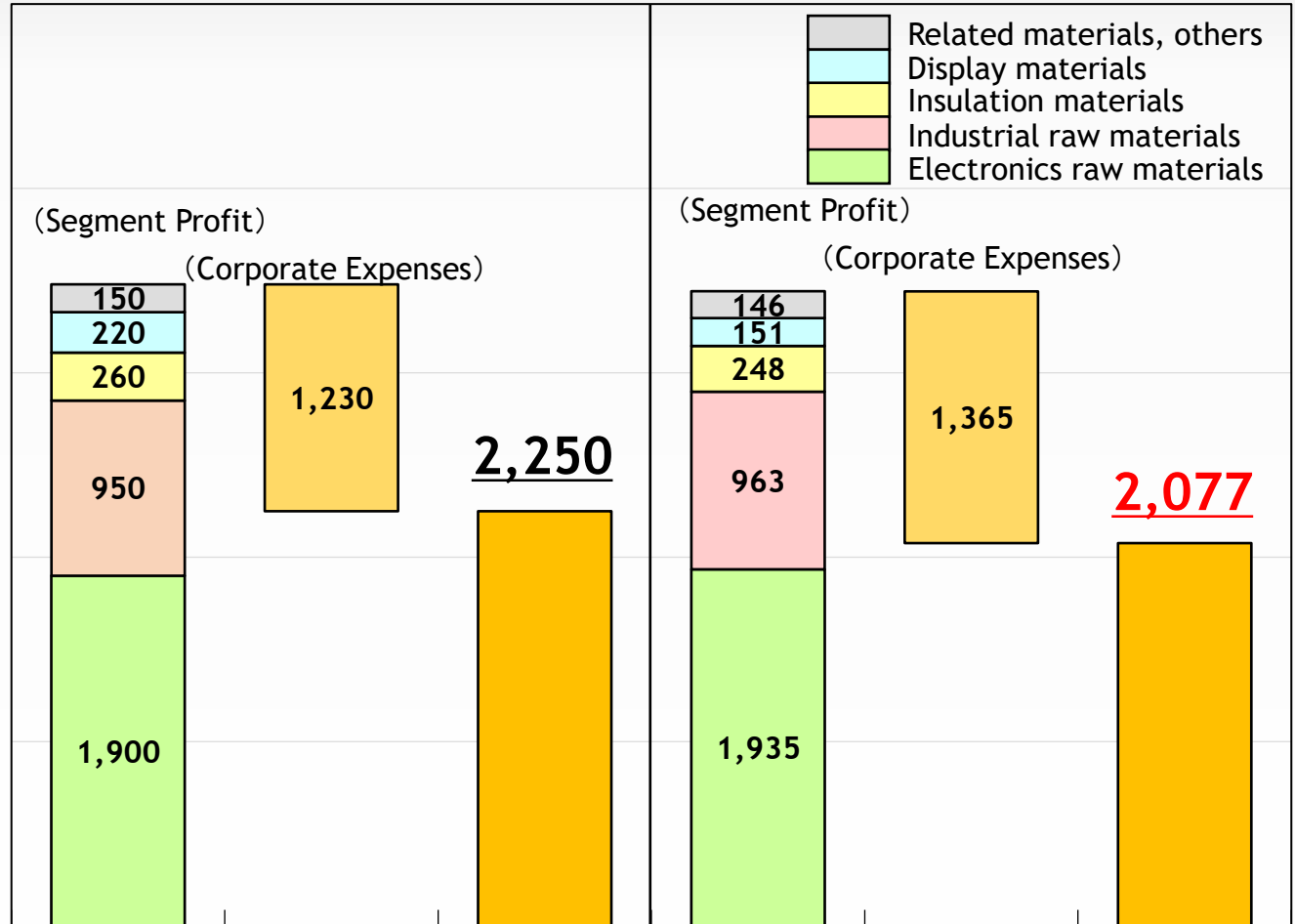
Sales (Million Yen)



FCT

Result

Operating Income (Million Yen)



FCT

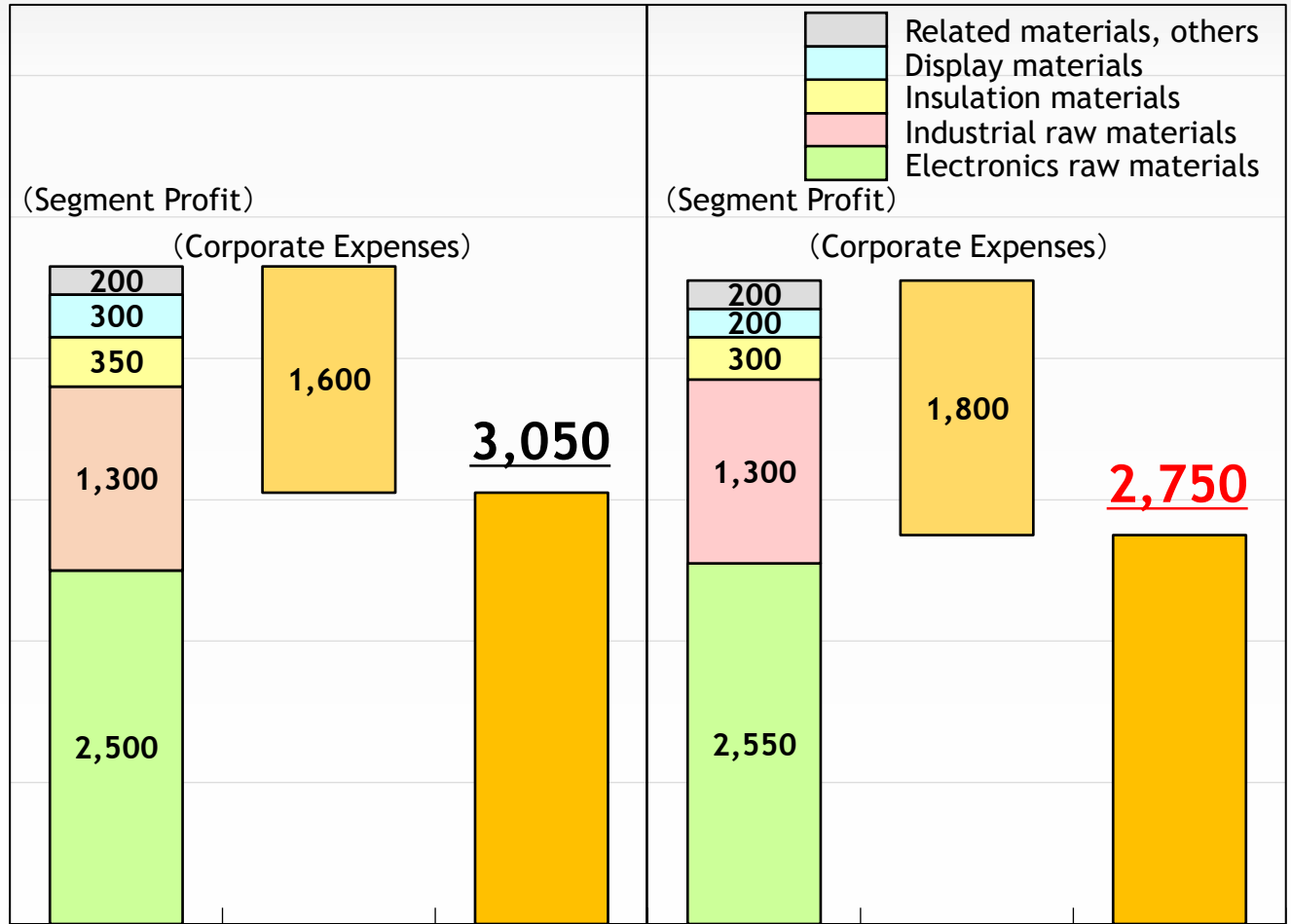
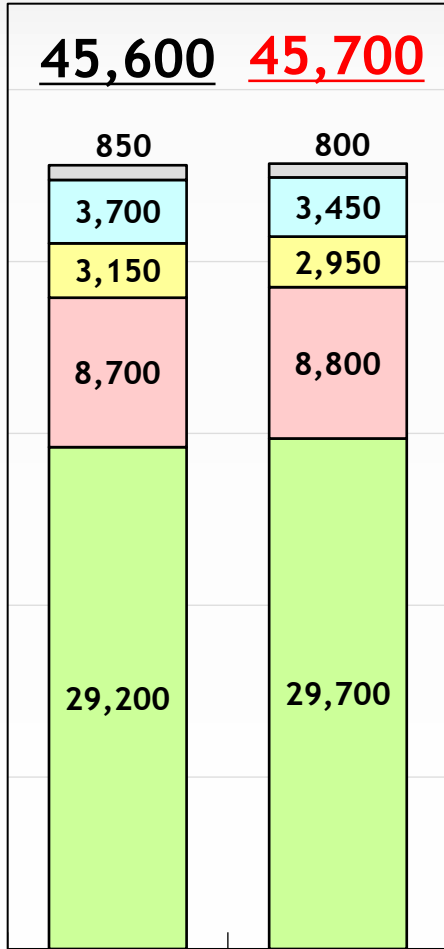
Result

FY2019 Segment Comparison (vs. FCT as of 7 Nov)

FCT = Forecast

Sales (Million Yen)

Operating Income (Million Yen)



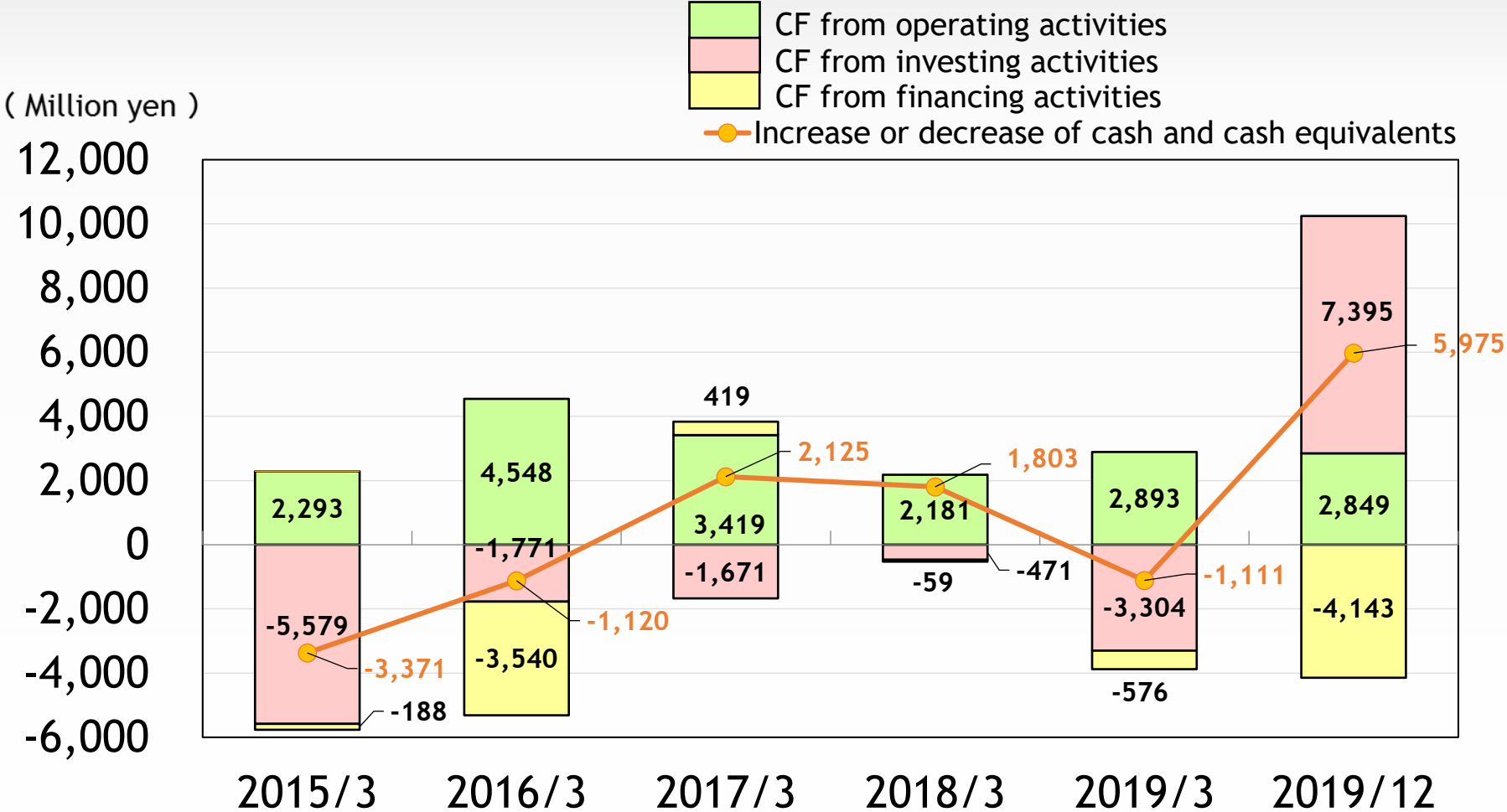
7 Nov
(FCT)

6 Feb
(FCT)

7 Nov
(FCT)

6 Feb
(FCT)

Cash Flow (Summary) history

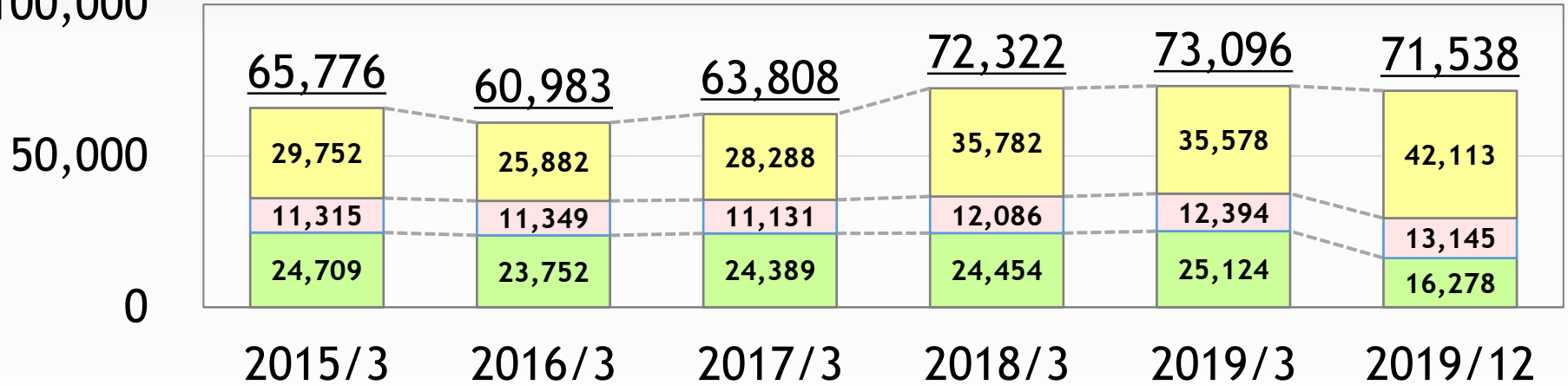


Consolidated balance sheets (Summary) history

Assets

(Million yen)
100,000

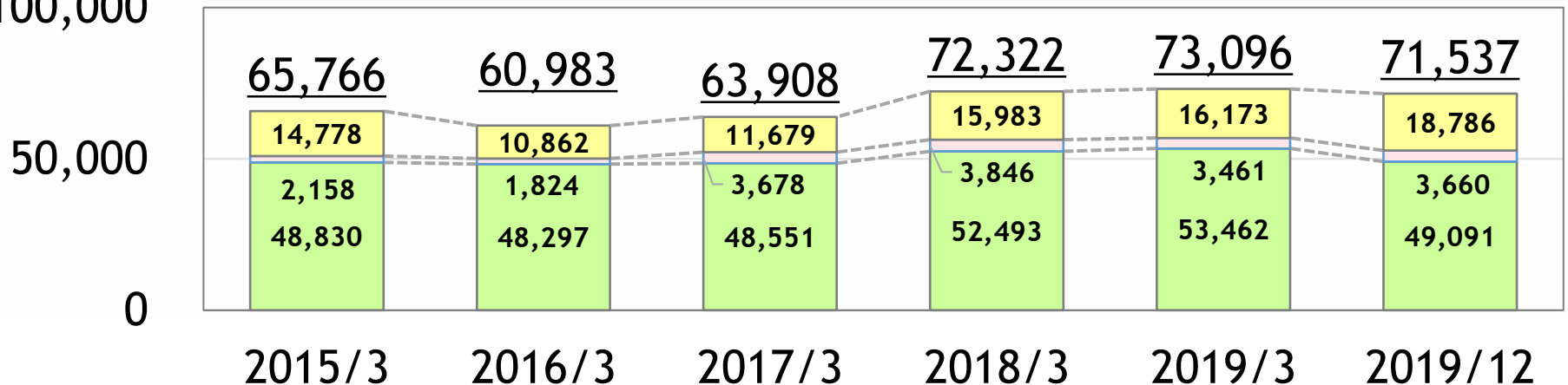
■ Investment and other assets ■ Non-current assets ■ Current assets



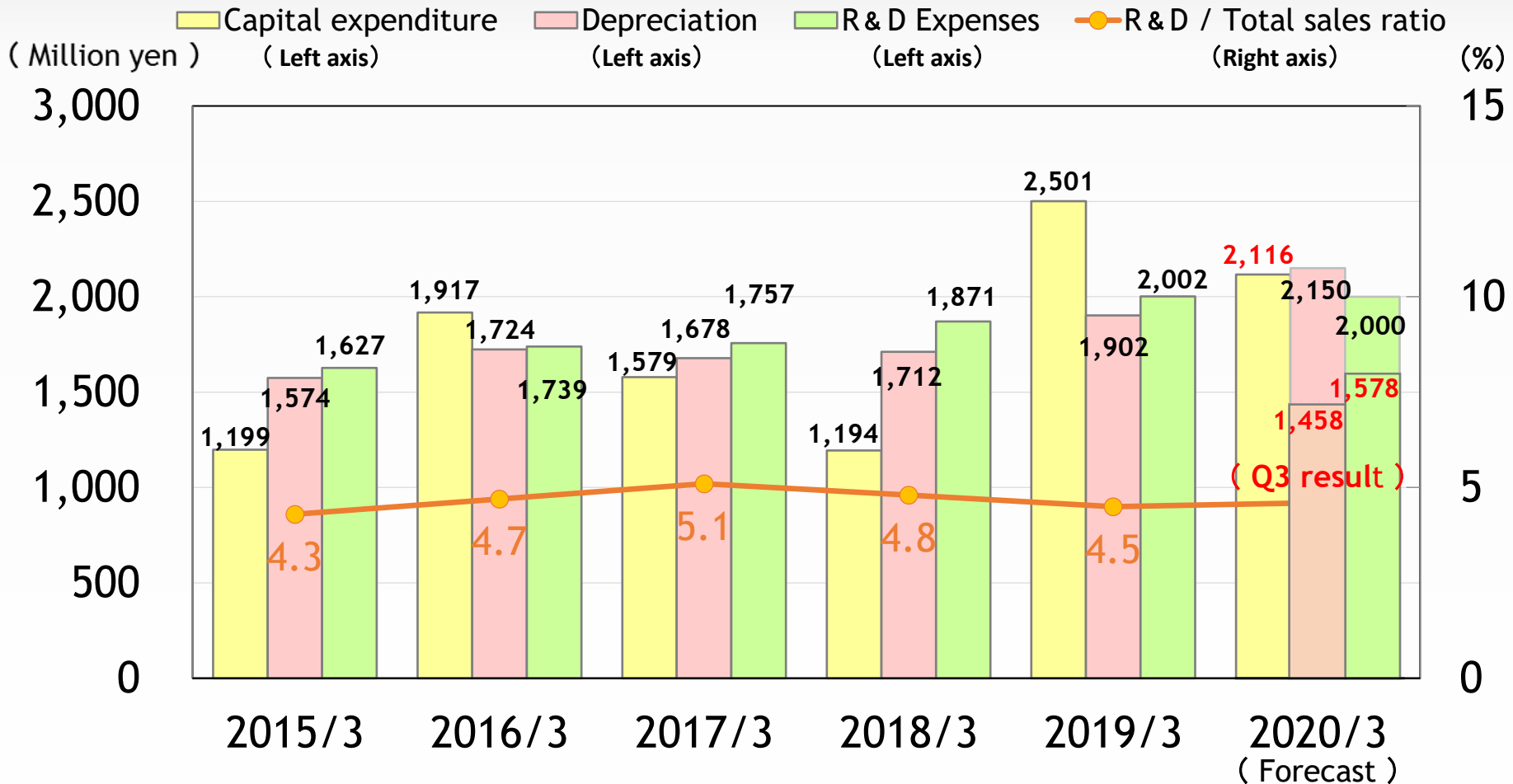
Liabilities and net assets

(Million yen)
100,000

■ Net assets ■ Non-current liabilities ■ Current liabilities



Capital expenditure, Depreciation and R & D Expenses history



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