

Securities Code 5208

May 6th, 2021

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

Arisawa Mfg. Co., Ltd.

FY2020 Overview in Full year

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- **FY2020 Review by consolidated basis**
- FY2021 Forecast by consolidated basis
- Appendix

FY2020 Consolidated Performance

FCT = Forecast as of 28 Jan

(unit: Million Yen)	FY2019 result	FY2020 FCT	FY2020 result	vs. Prev. year	vs. FCT
Sales	45,970	45,800	46,439	1.0%	1.4%
Operating Income	2,762	2,600	3,118	12.9%	19.9%
Operating Margin	6.0%	5.7%	6.7%	0.7%	0.9%
Ordinary Income	2,783	2,800	3,578	28.6%	27.8%
Net Income	212	1,600	2,160	915.4%	35.0%
Earnings per share (Yen)	6.14	48.06*	64.94	957.7%	35.1%
Dividend (Yen)	30.00	34.00	39.00	30.0%	14.7%
Exchange rate (Yen / \$) average for the period at end of period	109.03 108.83	106.76 105.00	106.76 110.71		

* Calculated by the number of shares as of 31 Dec

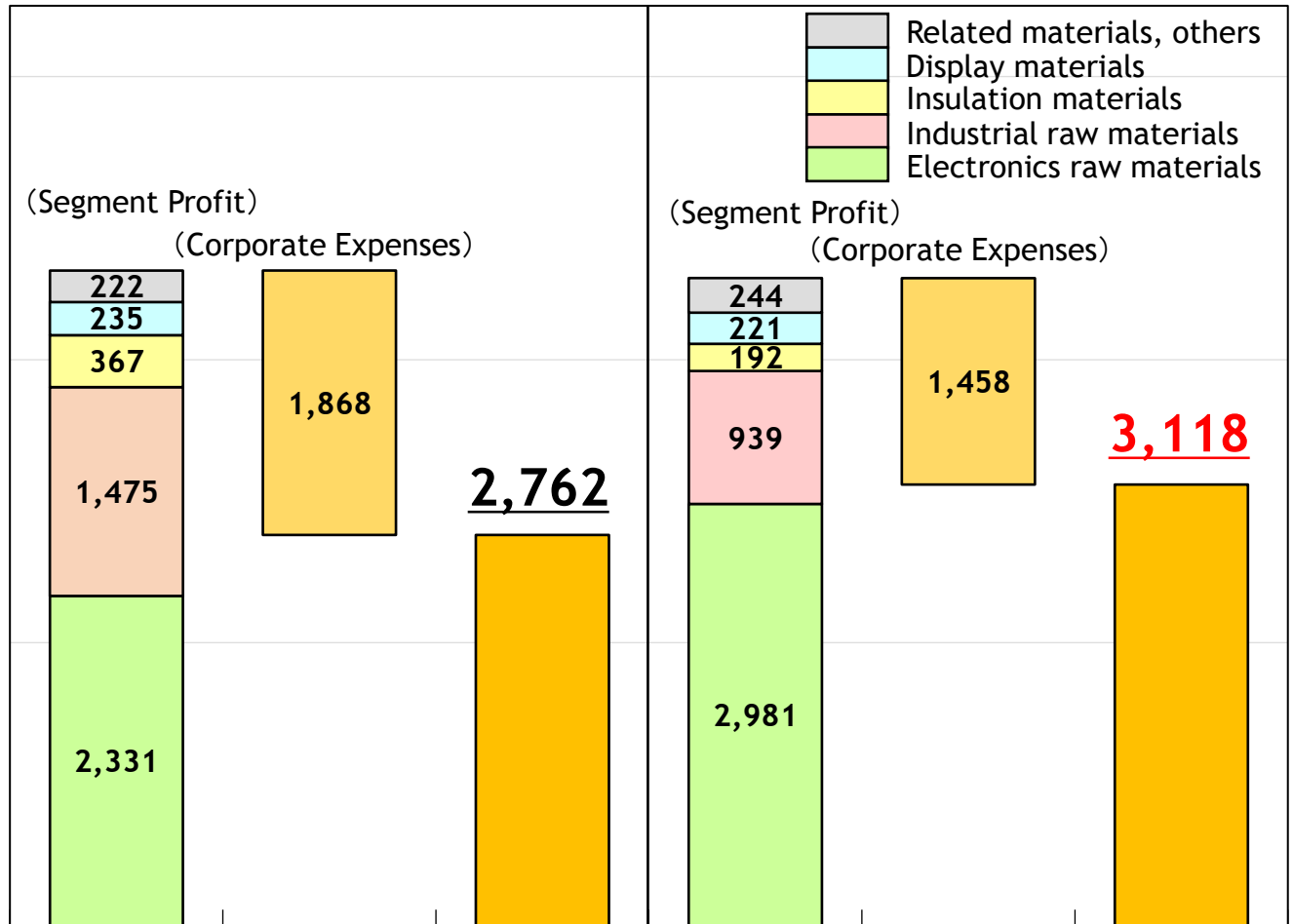
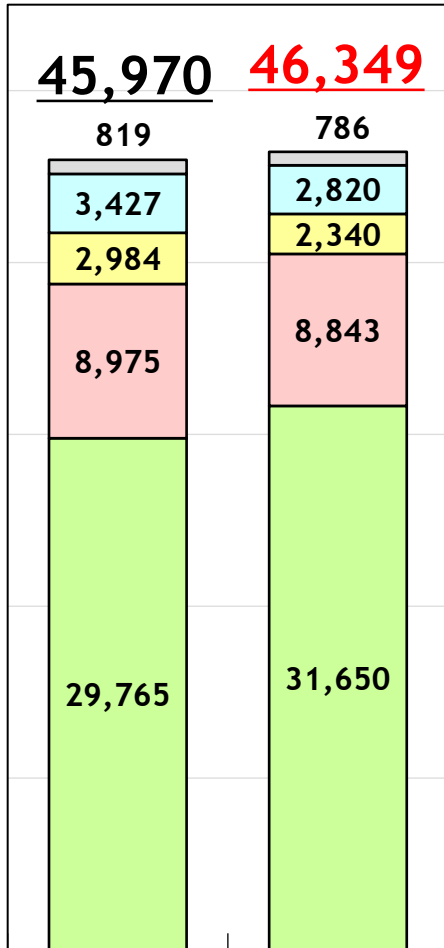
■ Highlights of FY2020 Consolidated Performance

- Sales increased by 1.0% compared with Prev. year due to an increase in Electronics raw materials.
- Operating Income increased by 12.9% compared with Prev. year due to an improvement of profitability in Electronics raw materials.
- Electronics raw materials increased its sales by 6.3% compared with Prev. year due to steady increase in FPC materials, glass cloth, Prepreg and Rigid Flex Printed Circuit Boards.
- Industrial structural materials decreased its sales by 1.5% compared with Prev. year, because although automobile materials started smoothly, aircraft materials mainly of Honey-comb panel were affected by COVID-19.
- Ordinary Income increased by 28.6% compared with Prev. year due to an increase in exchange gain.
- Net Income increased by 915.4% compared with Prev. year, when there were the tax expense for selling shares of Polatechno and the loss on valuation of investment securities.

FY2020 Segment Comparison (vs. FY2019)

Sales (Million Yen)

Operating Income (Million Yen)

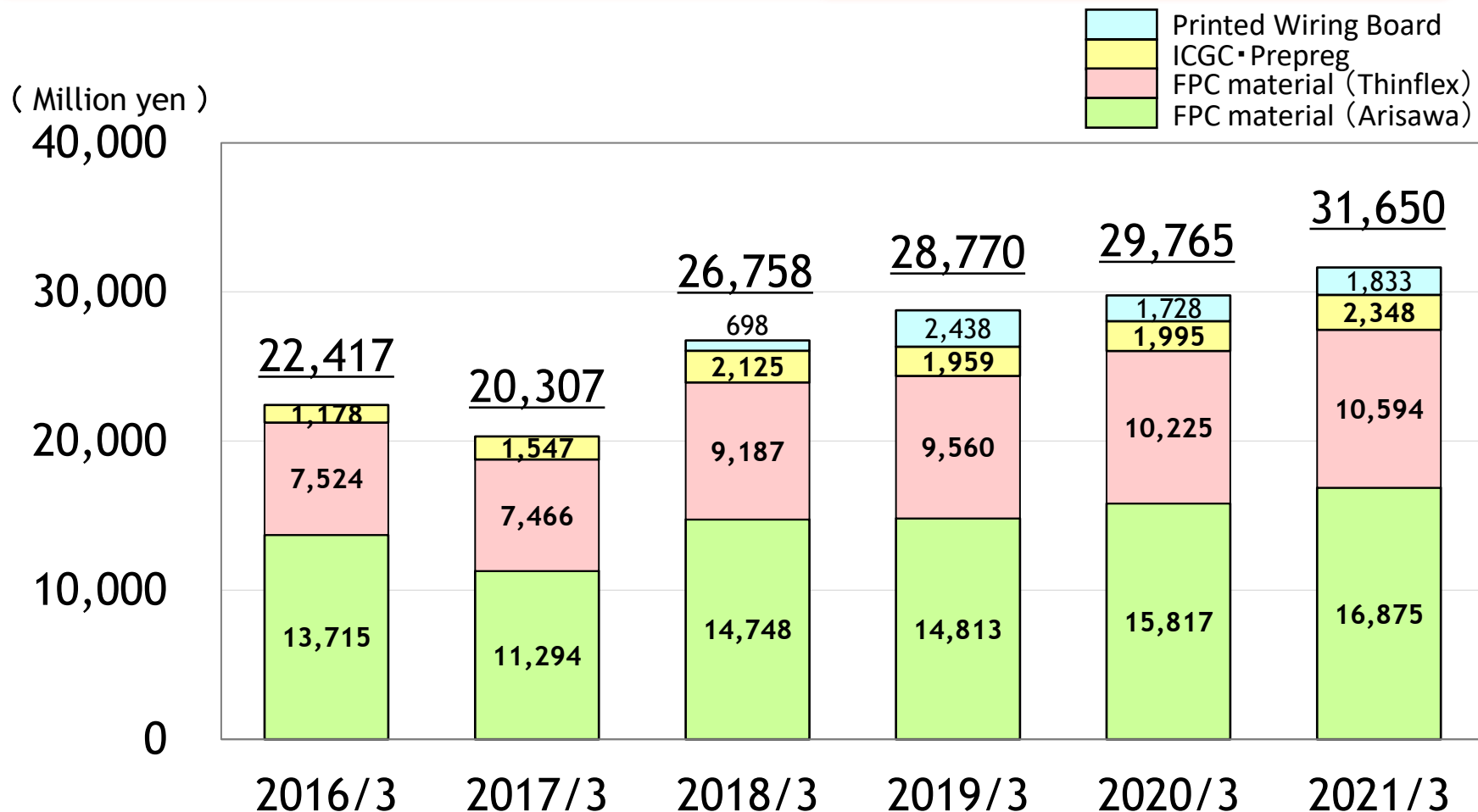


2020/3 2021/3

2020/3

2021/3

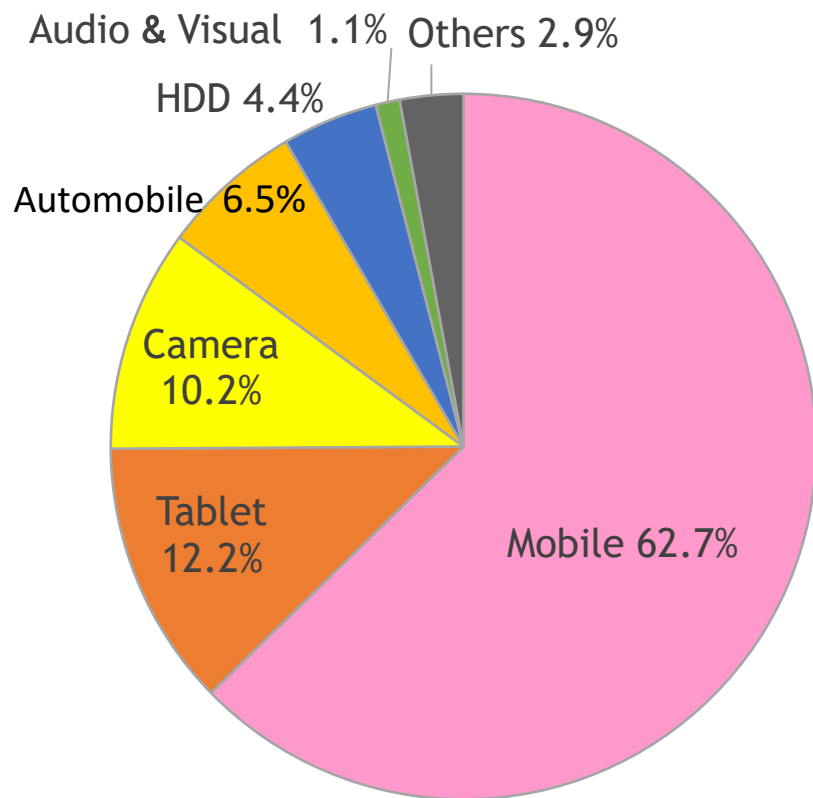
■ Electronics raw materials Sales history



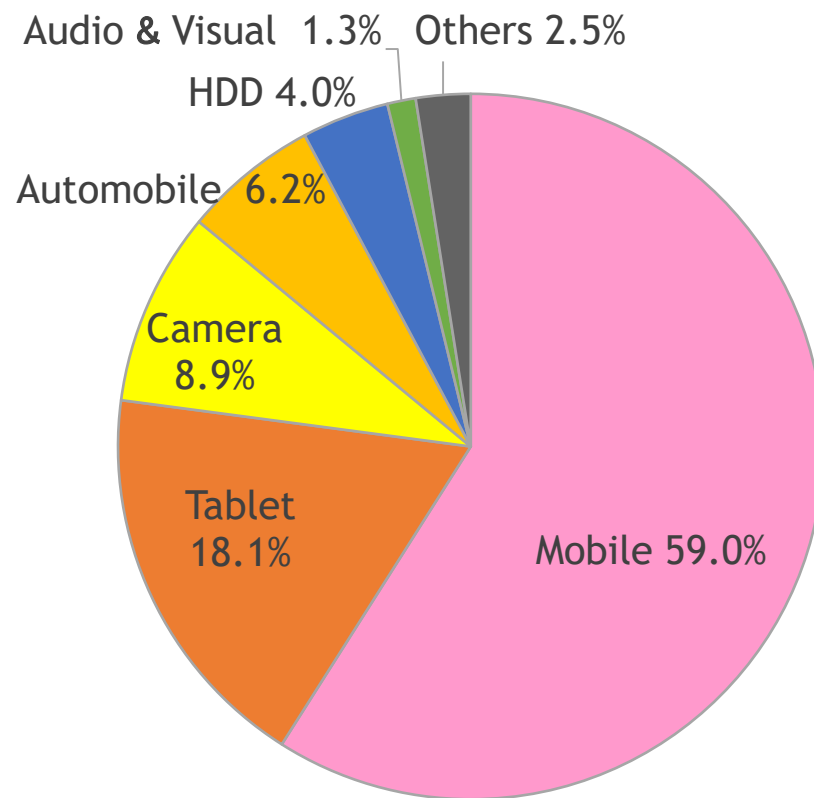
▪ Enhancement of competitiveness and expanding the market share through new product development focused on mobile, automobile and semiconductor fields, and cooperation with the consolidated subsidiaries.

■ Our FPC's major applications

FY2019



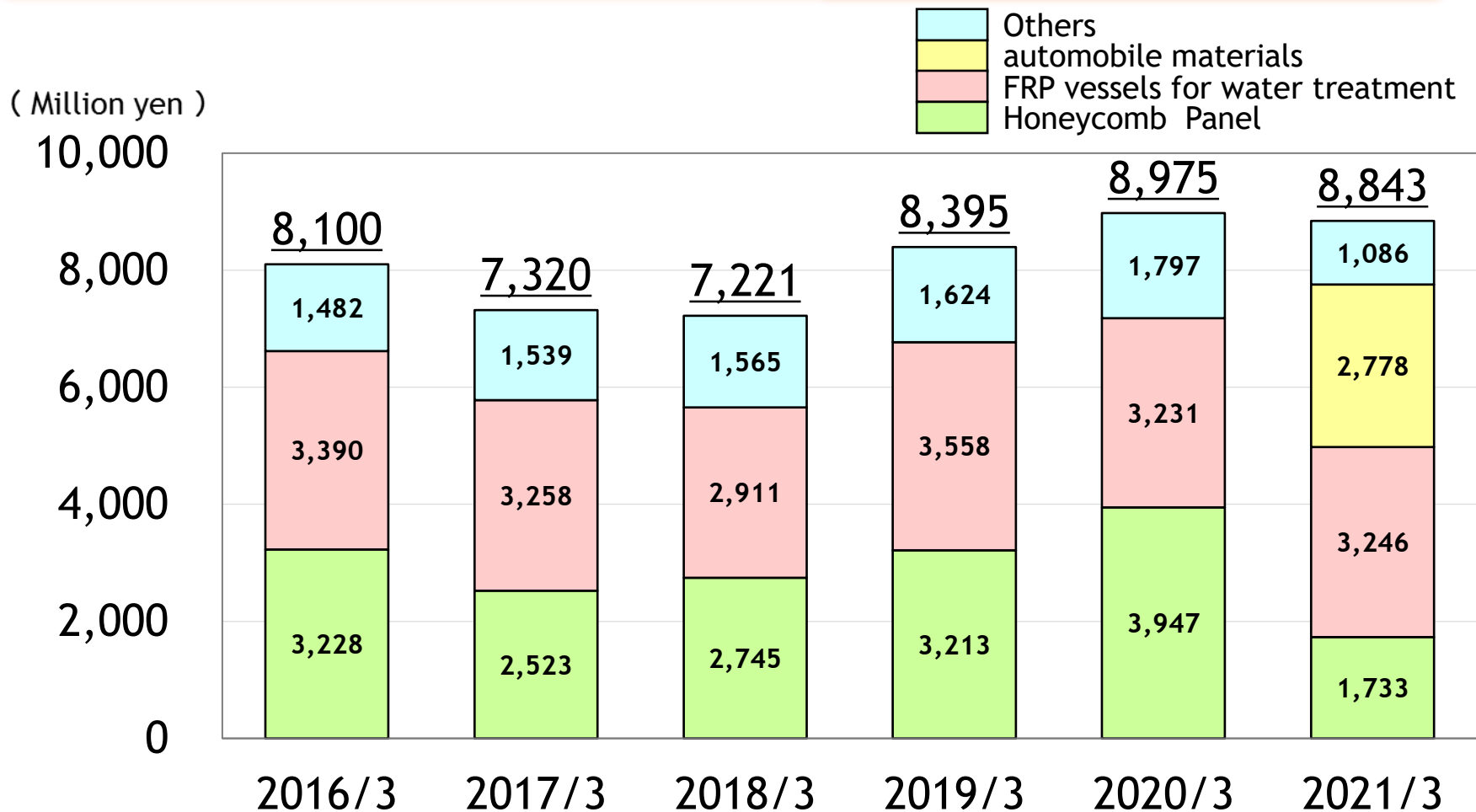
FY2020



in volume terms

Source : Arisawa Mfg. estimates

Industrial raw materials Sales history



- Expanding the market share with new product development focused on transportation infrastructure and water treatment.
- Honey-comb panel decreased due to COVID-19 in FY2020.

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FY2021 Sales and Profit Forecast

After application of Revenue Recognition Standard

FCT = Forecast as of 6 May

(unit: Million Yen)	FY2020 1H result	FY2020 Full year result	FY2021 1H FCT	vs. Prev. year	FY2021 Full year FCT	vs. Prev. year
Sales	21,083	44,184	21,800	3.4%	44,400	0.5%
Operating Income	1,392	3,175	1,400	0.5%	2,800	-11.8%
Operating Margin	6.6%	7.2%	6.4%	-0.2%	6.2%	-1.0%
Ordinary Income	1,365	3,634	1,400	2.5%	3,000	-17.5%
Net Income	866	2,202	850	-1.9%	1,800	-18.3%
(Yen) Earnings per share	26.06	66.18	25.50*	-2.1%	54.00*	-18.4%
Dividend (Yen)	0	39.00	0	--	Undecided	--
Exchange rate (Yen / \$) average for the period at end of period	108.23 105.80	106.76 110.71	106.55 107.00		106.77 107.00	

* Calculated by the number of shares as of 31 Mar

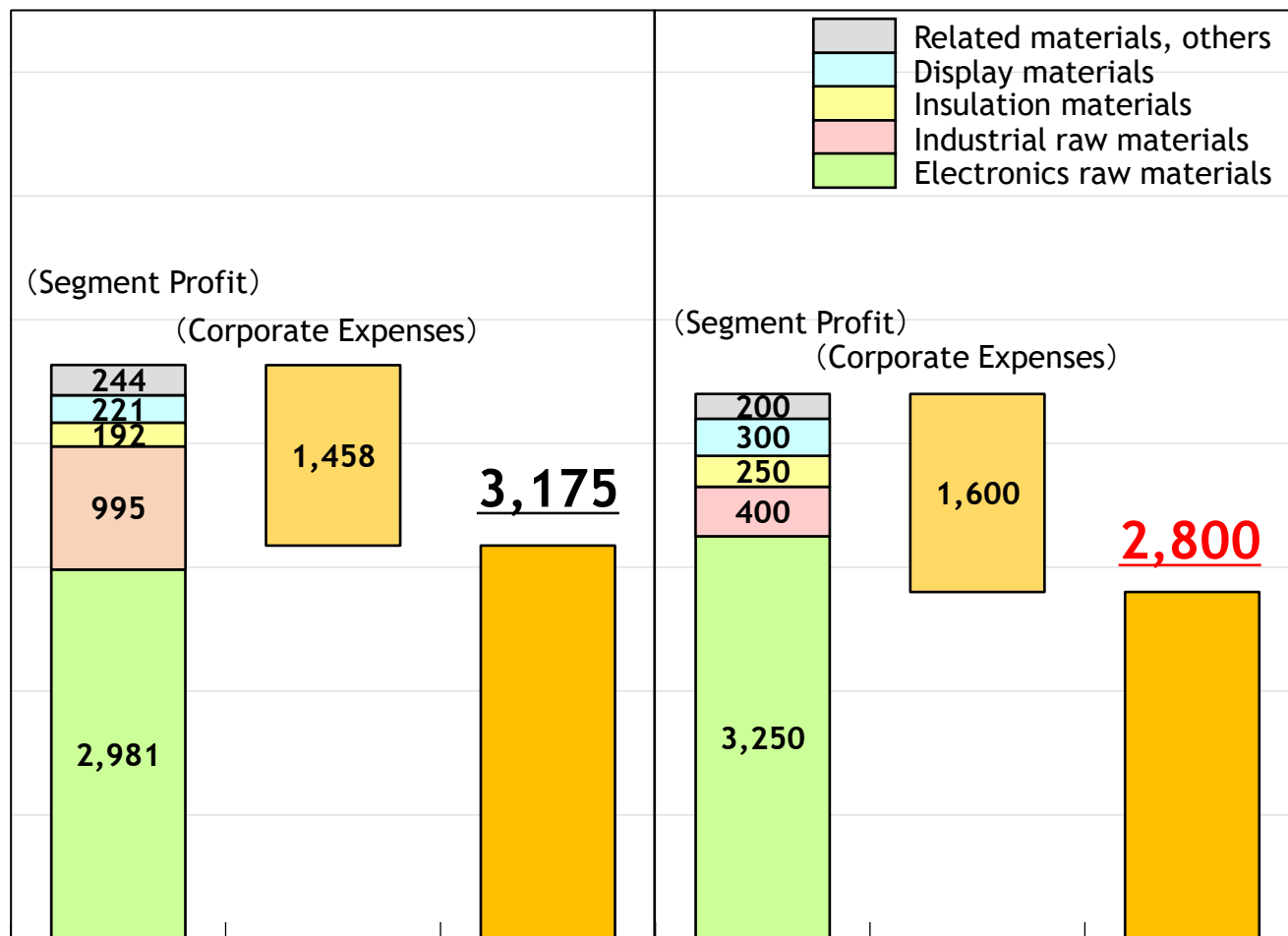
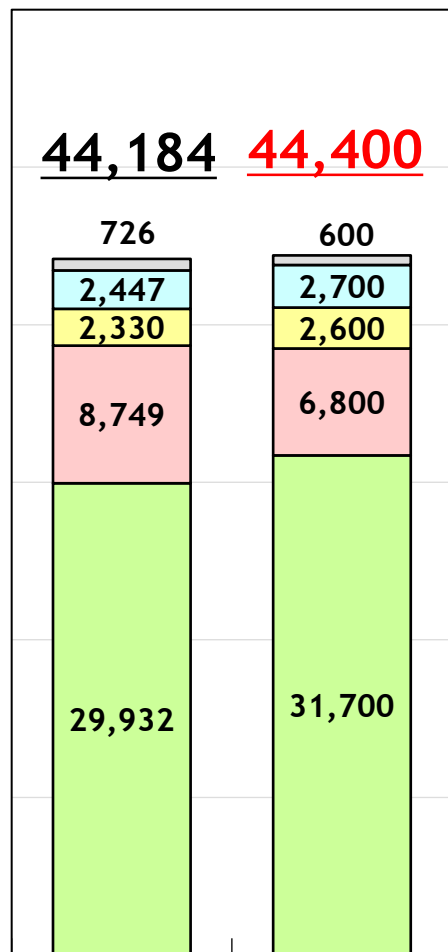
■ Highlights of FY2021 Consolidated Performance

- Sales is expected to increase by 0.5% compared with Prev.year. However, Operating Income is expected to decrease by 11.8% compared with Prev.year due to a decrease in sales of Industrial structural materials.
 - Electronics raw materials is expected to increase its sales by 5.9% compared with Prev.year due to steady increase in FPC materials, glass cloth, Prepreg and Rigid Flex Printed Circuit Boards.
 - Industrial structural materials is expected to decrease its sales by 22.3% compared with Prev.year as the demand for Honey-comb panel for air-craft could not be expected to recover.
 - Ordinary Income is expected to decrease by 17.5% compared with Prev.year due to an appreciation of the Yen.
- Net Income is expected to decrease by 18.3% due to the decrease in Ordinary Income.

FY2021 Segment Comparison (vs. FY2020)

Sales (Million Yen)

Operating Income (Million Yen)



2021/3 **2022/3**
(Forecast)

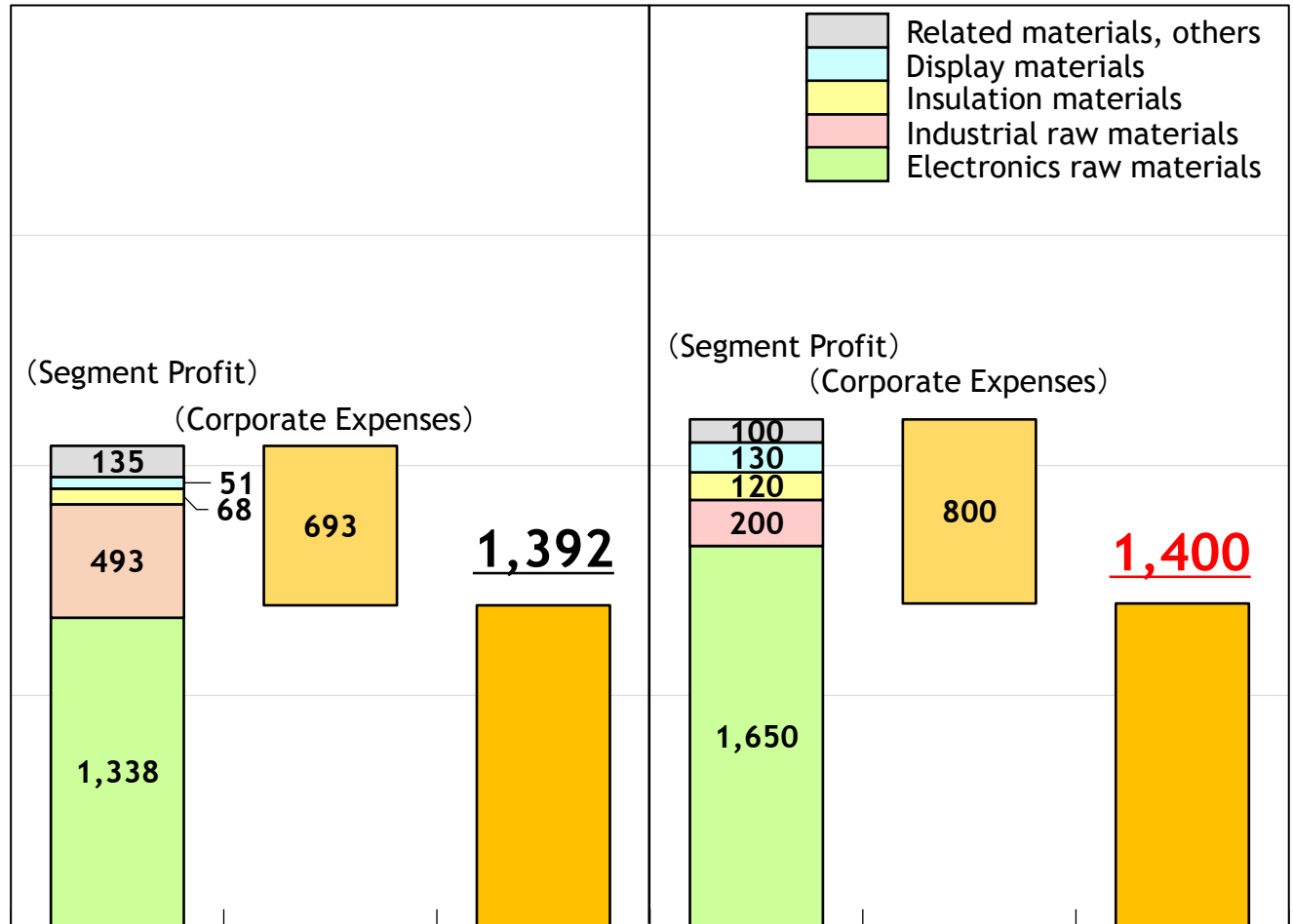
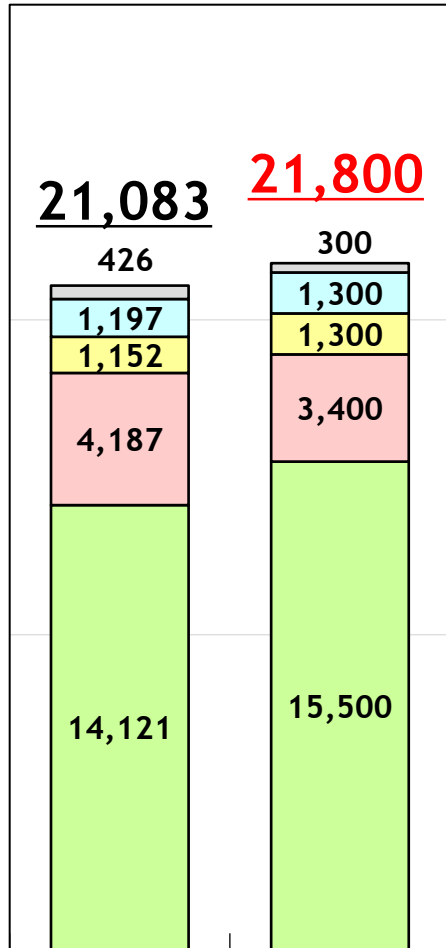
2021/3

2022/3
(Forecast)

FY2021 1H Segment Comparison (vs. FY2020)

Sales (Million Yen)

Operating Income (Million Yen)



2021/3 **2022/3**
(Forecast)

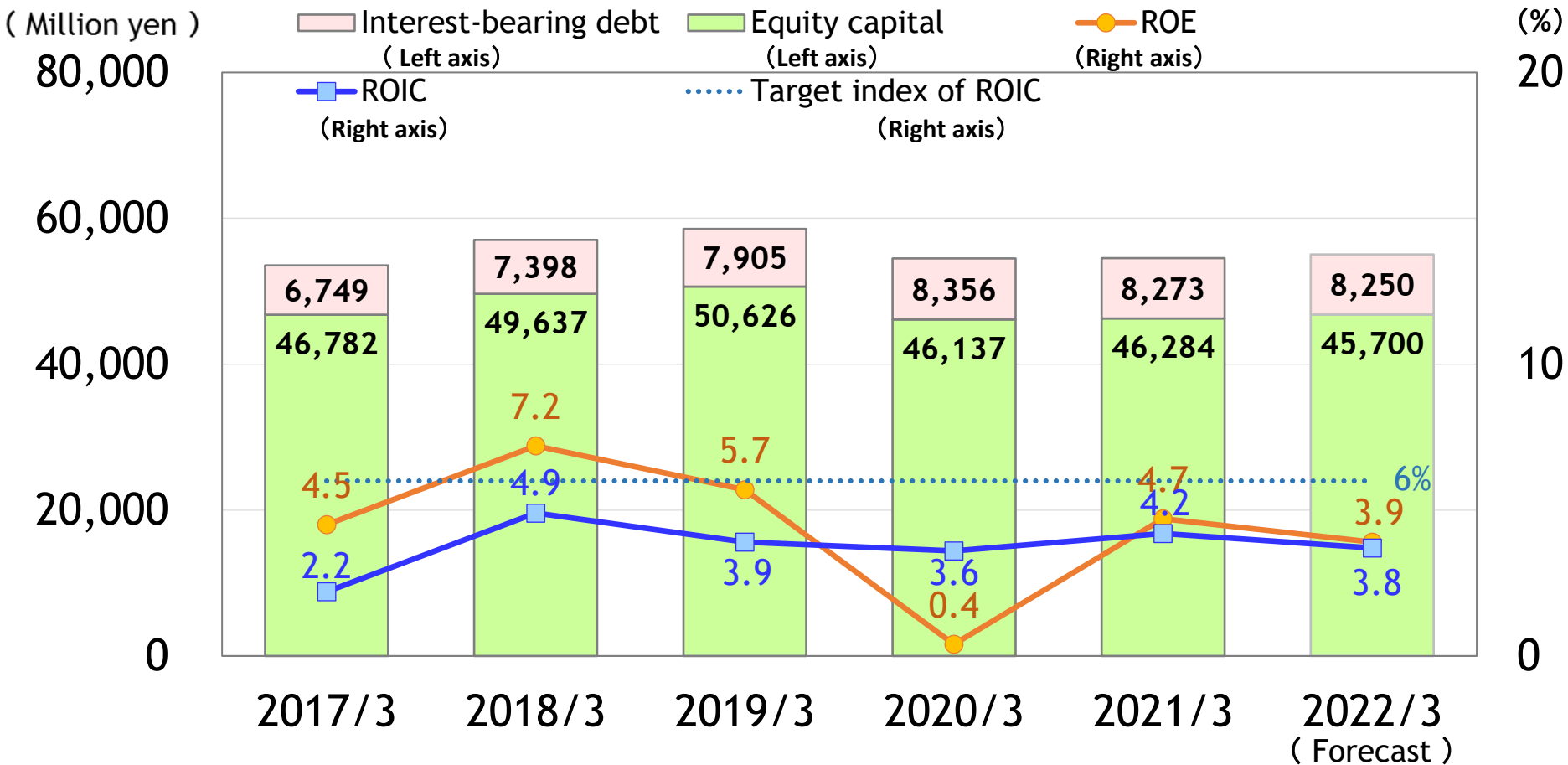
2021/3

2022/3
(Forecast)

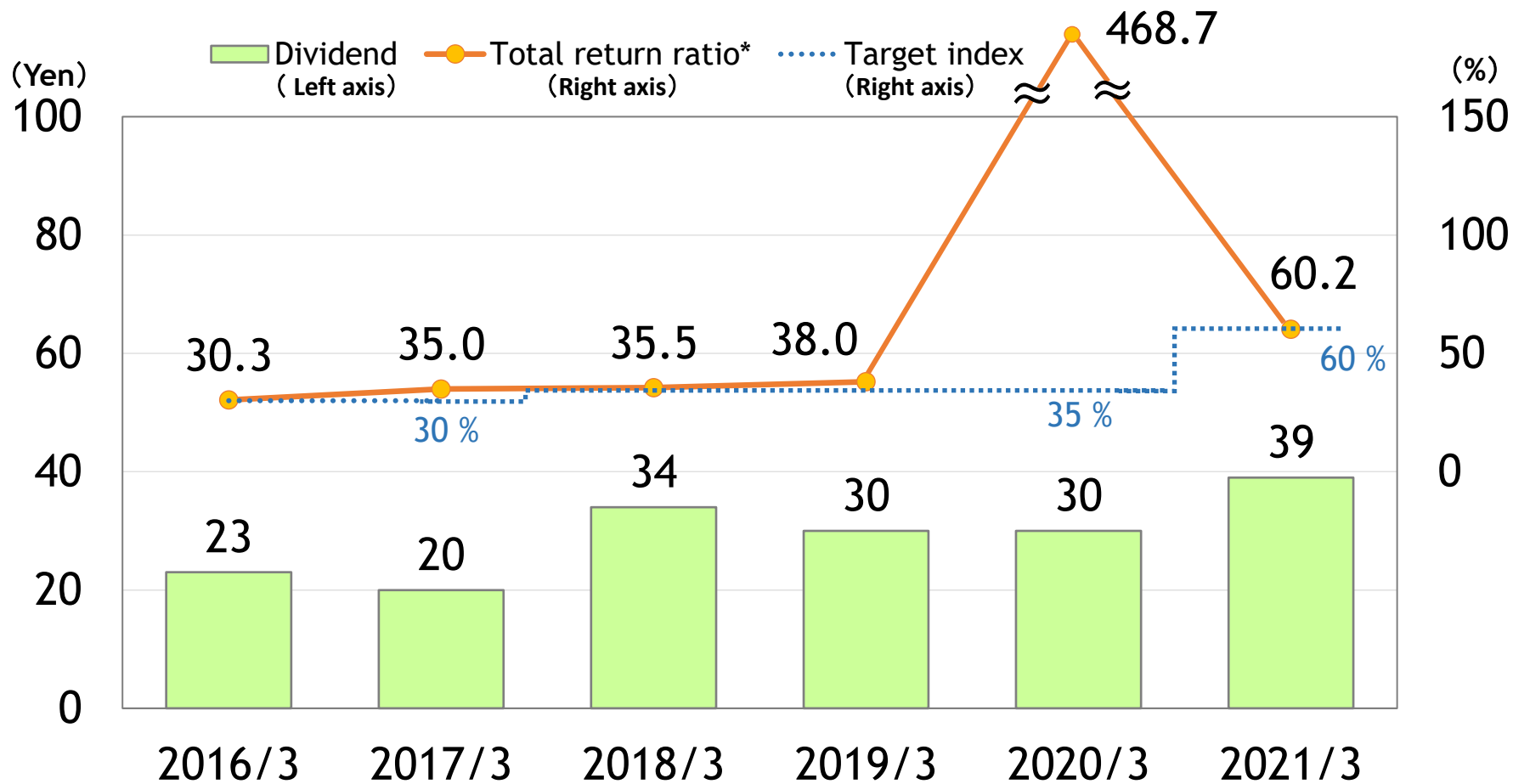
ROE, ROIC history

ROE= Net Income / Equity capital

ROIC= NOPLAT (Net Operating Profit Less Adjusted Tax) /
Equity capital + Interest-bearing debt



Dividend and Dividend payout ratio history



Dividend yield

4.0%

2.6%

3.4%

3.8%

3.7%

3.9%

* Total return ratio has been applied from the 2021/3. (Dividend payout ratio was applied until the 2020/3.)

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FY2021 Sales and Profit Forecast

Before application of Revenue Recognition Standard

FCT = Forecast as of 6 May

(unit: Million Yen)	FY2020 1H result	FY2020 Full year result	FY2021 1H FCT	vs. Prev. year	FY2021 Full year FCT	vs. Prev. year
Sales	22,203	46,439	23,200	4.5%	47,300	1.9%
Operating Income	1,375	3,118	1,400	1.8%	2,800	-10.2%
Operating Margin	6.2%	6.7%	6.0%	-0.2%	5.9%	-0.7%
Ordinary Income	1,347	3,578	1,400	3.9%	3,000	-16.2%
Net Income	853	2,160	850	-0.4%	1,800	-16.7%
(Yen) Earnings per share	25.67	64.94	25.50*	-4.2%	54.00*	-16.3%
Dividend (Yen)	0	39.00	0	--	36.00	-7.7%
Exchange rate (Yen / \$) average for the period at end of period	108.23 105.80	106.76 110.71	106.55 107.00		106.77 107.00	

* Calculated by the number of shares as of 31 Mar

Impact to the sales by the application of Revenue Recognition Standard

To apply from FY2021

Supply for value (sending)

Supply for value (manufacturing)

Act as an agent

Reimbursements

Performance obligation satisfied over time

(Reference)

FY2020 Result

▲ 170

▲ 2,379

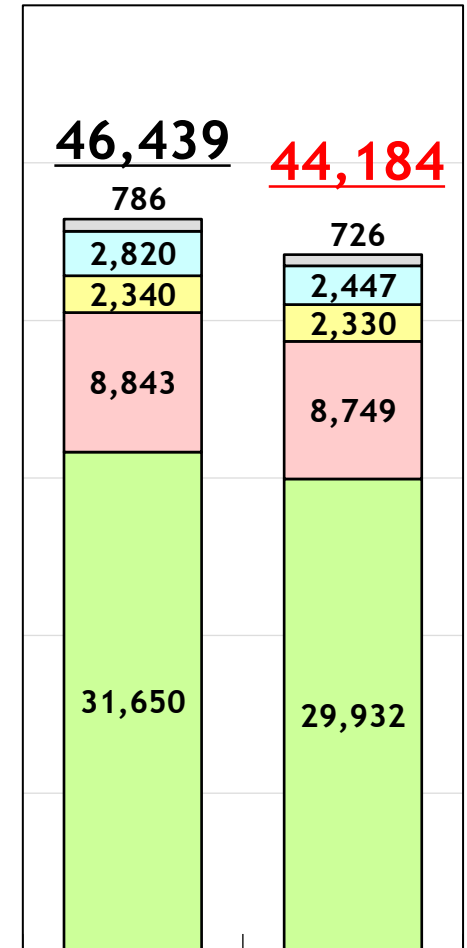
▲ 6

▲ 5

+ 305

Total ▲ 2,255

Sales (Million Yen)



Before

After

Actual Sales in FY2020

Before application

46,439

—

2,255

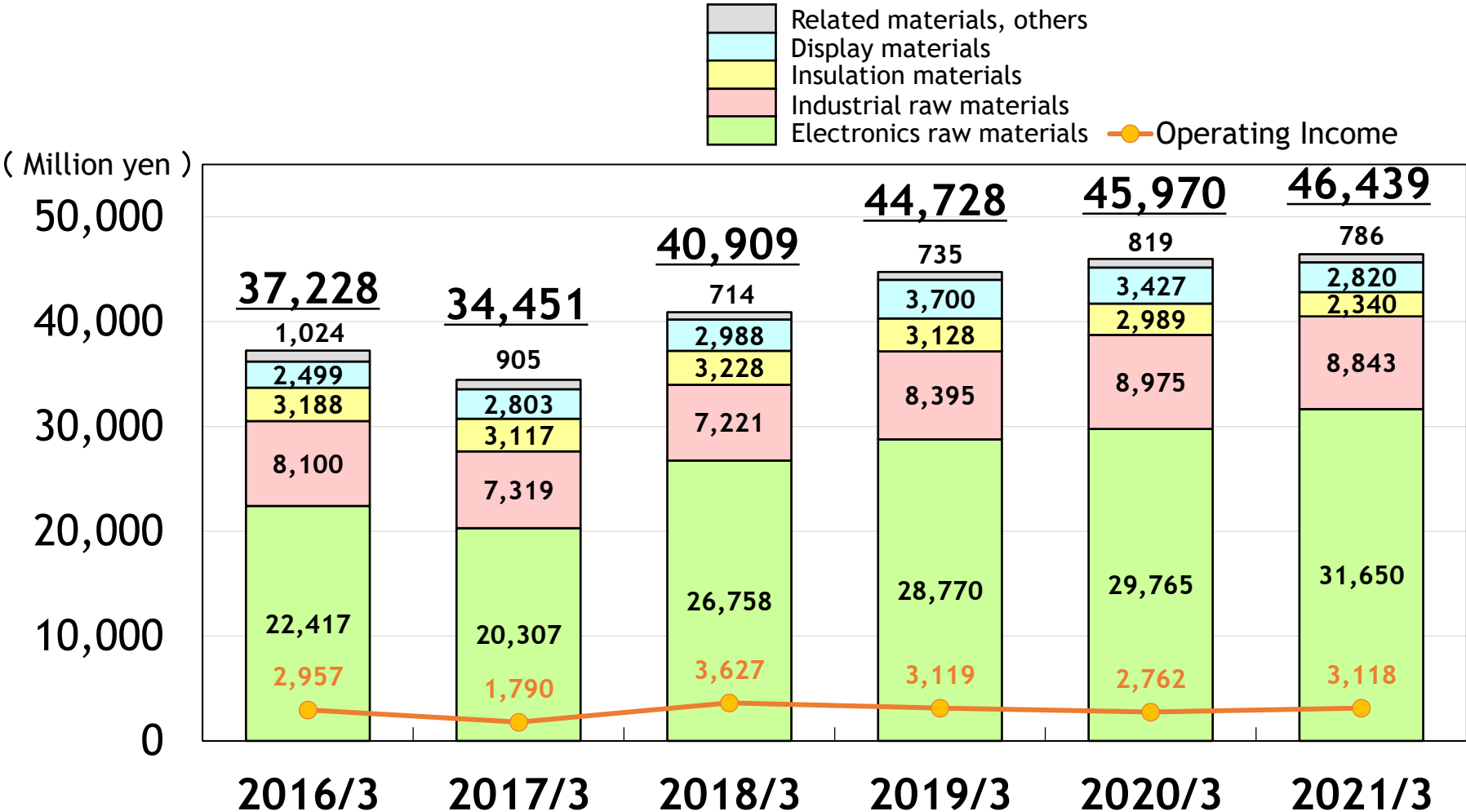
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After application

44,184

(Million yen)

■ Segment Comparison history (Sales, Income)



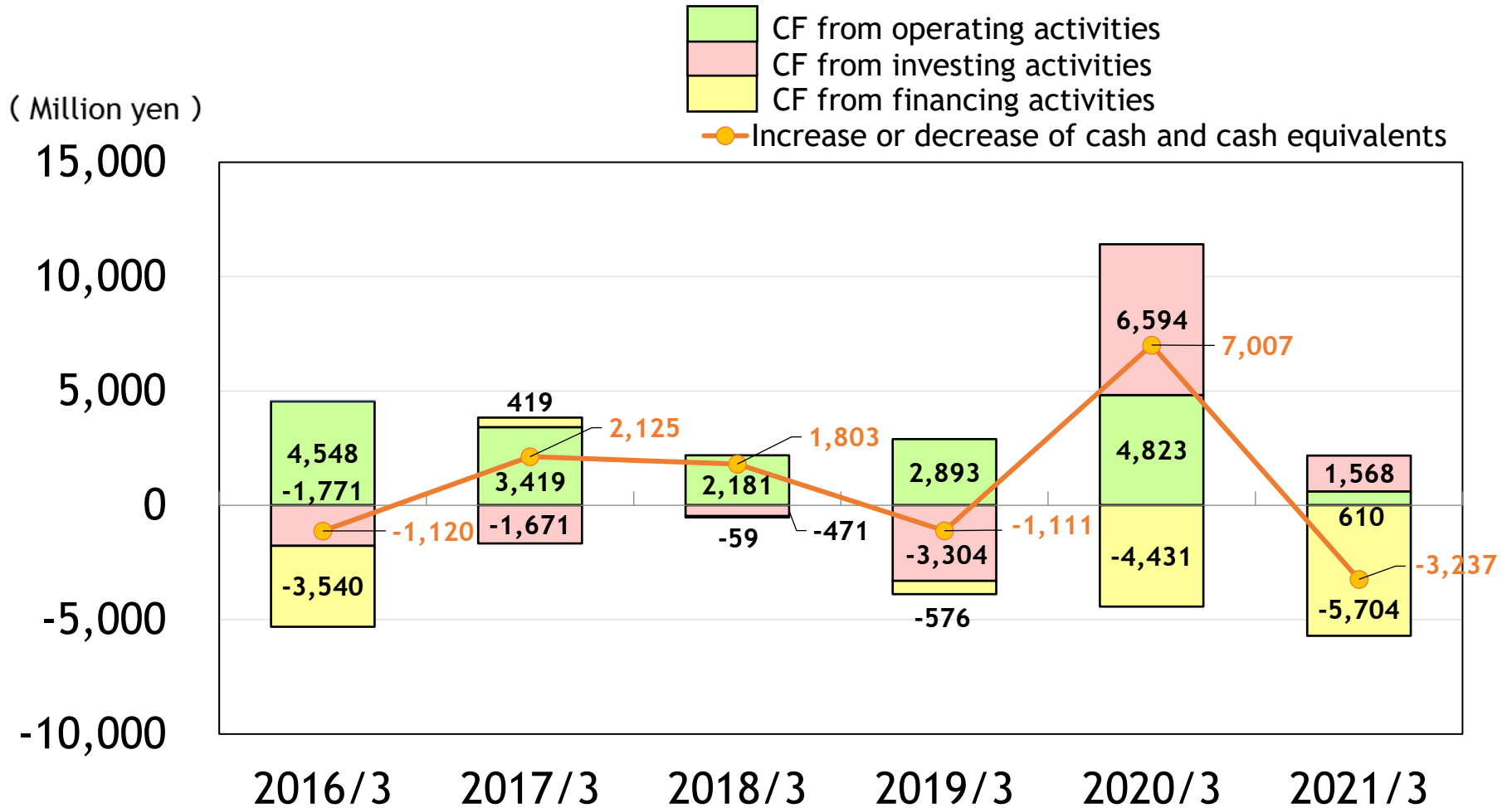
• Electronics raw materials and Industrial raw materials are the driving force for the growth.

FY2020 Full year Consolidated Comparison

(unit: Million Yen)

	Sales			Operating Income			Net Income		
	2020 / 3 Full year Result	2021 / 3 Full year Result	+/-	2020 / 3 Full year Result	2021 / 3 Full year Result	+/-	2020 / 3 Full Year Result	2021 / 3 Full year Result	+/-
Parent									
Arisawa Mfg.	31,635	31,668	33	1,627	1,215	(412)	6,792	1,396	(5,396)
Consolidated									
Thinflex	10,270	10,583	313	752	916	164	259	482	233
Satosan	1,728	1,835	107	(381)	12	393	(777)	13	790
Arisawa Fiber Glass	2,272	2,351	79	190	177	(13)	126	118	(8)
Protec	3,105	3,025	(80)	397	436	39	322	356	34
Arisawa Sogyo	1,950	1,799	(151)	290	234	(56)	213	195	(18)
Arisawa Jushi Kogyo	289	233	(56)	9	(33)	(42)	10	(28)	(38)
ColorLink Japan	1,534	1,379	(155)	(142)	13	155	(223)	10	232
(Adjustment)	(6,813)	(6,434)	379	20	148	128	(6,458)	(336)	6,135
Equity method income							(52)	(46)	6
Total	45,970	46,439	469	2,762	3,118	356	212	2,160	1,960

Cash Flow (Summary) history

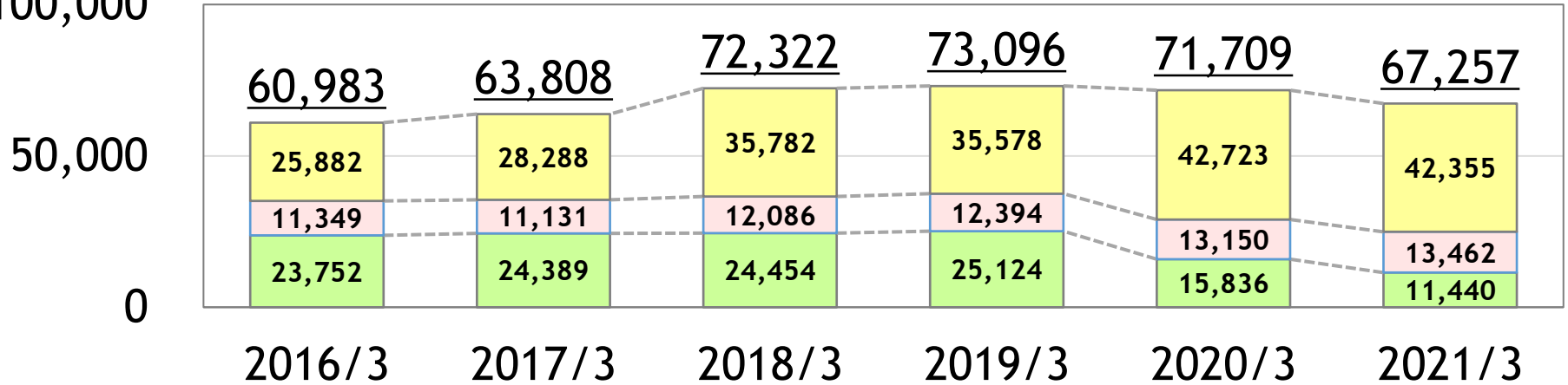


Consolidated balance sheets (Summary) history

Assets

(Million yen)
100,000

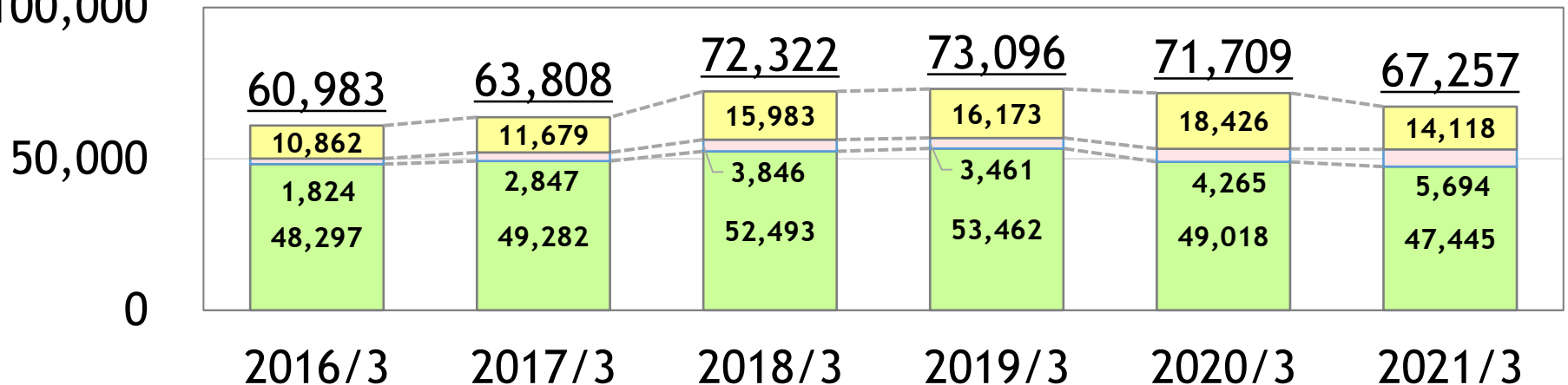
Investment and other assets Non-current assets Current assets



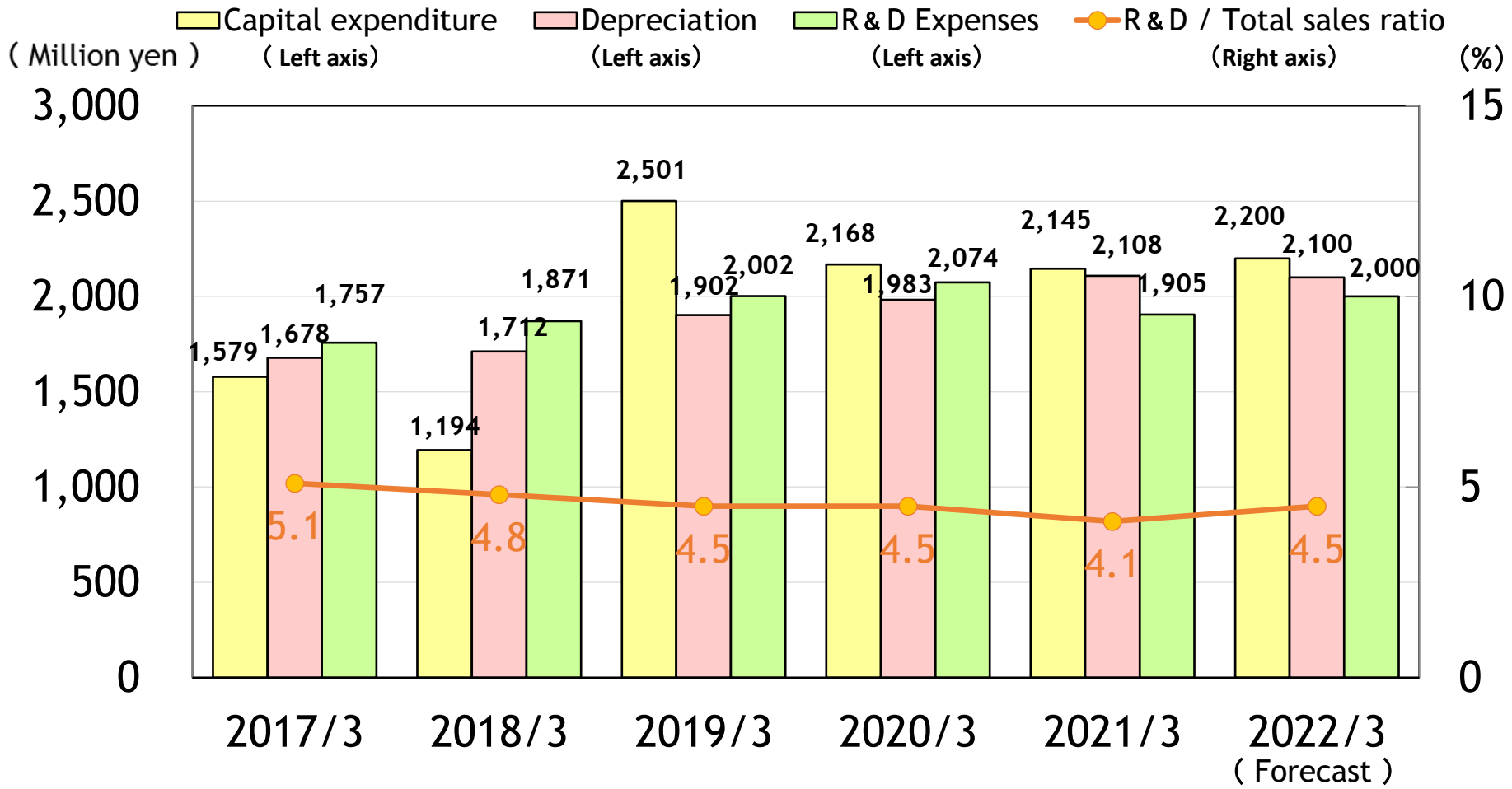
Liabilities and net assets

(Million yen)
100,000

Net assets Non-current liabilities Current liabilities



Capital expenditure, Depreciation and R & D Expenses history



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