

Securities Code 5208

Jul 29<sup>th</sup>, 2021

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

# **Arisawa Mfg. Co., Ltd.**

# **FY2021 Overview in Q1**

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- **FY2021 Q1 Review by consolidated basis**
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# FY2021 Consolidated Performance

(unit: Million Yen)	Reference			vs. Prev. year [After application of Revenue Recognition Standard]
	FY2020 Q1 result	FY2020 Q1 result [After application of Revenue Recognition Standard]	FY2021 Q1 result	
Sales	10,597	9,981	10,785	1.8% [8.1%]
Operating Income	748	762	1,032	37.9% [35.5%]
Operating Margin	7.1%	7.6%	9.6%	2.5% [2.0%]
Ordinary Income	732	746	1,060	44.8% [42.1%]
Net Income	428	437	777	81.3% [77.5%]
Earnings per share (Yen)	12.89		23.31	80.8% [ -- ]
Dividend (Yen)	0		0	--
Exchange rate (Yen / \$) average for the period at end of period	108.86 107.74		110.58 106.09	

## ■ Highlights of FY2021 Consolidated Performance

- Sales increased by 1.8% year-over-year due to steady increase in Electronic materials and Display materials.
- Operating income increased by 37.9% year-over-year due to an increase in sales of Electronic materials (FPC materials in ThinFlex, ICGC and Prepreg) and Display materials (ColorLink Japan).
- Electronic materials increased sales by 11.2% year-over-year due to steady increase in mobiles and data center use.
- Industrial structural materials decreased sales by 27.0% year-over-year, in spite of an increase in automobile materials, an adjustment phase continued for Honeycomb panel for aircraft.
- Display materials increased sales by 33.9% year-over-year due to an increase in polarization utilization equipment of ColorLink Japan.

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Reference [Comparison with After application of Revenue Recognition Standard in FY2020 ]

Sales : Increased by 8.1%, Operating income: Increased by 35.3%

Sales of Electronic materials : Increased by 16.4%

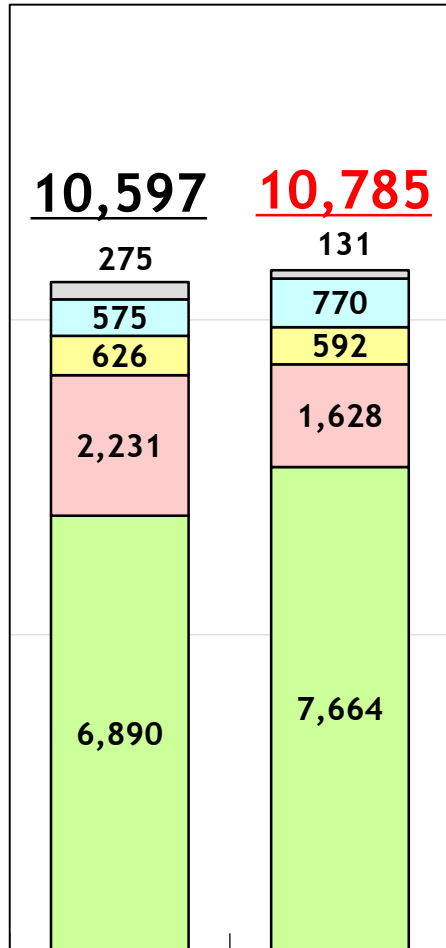
Sales of Industrial structural materials : Decreased by 21.7%

Sales of Display materials : Increased by 40.2%

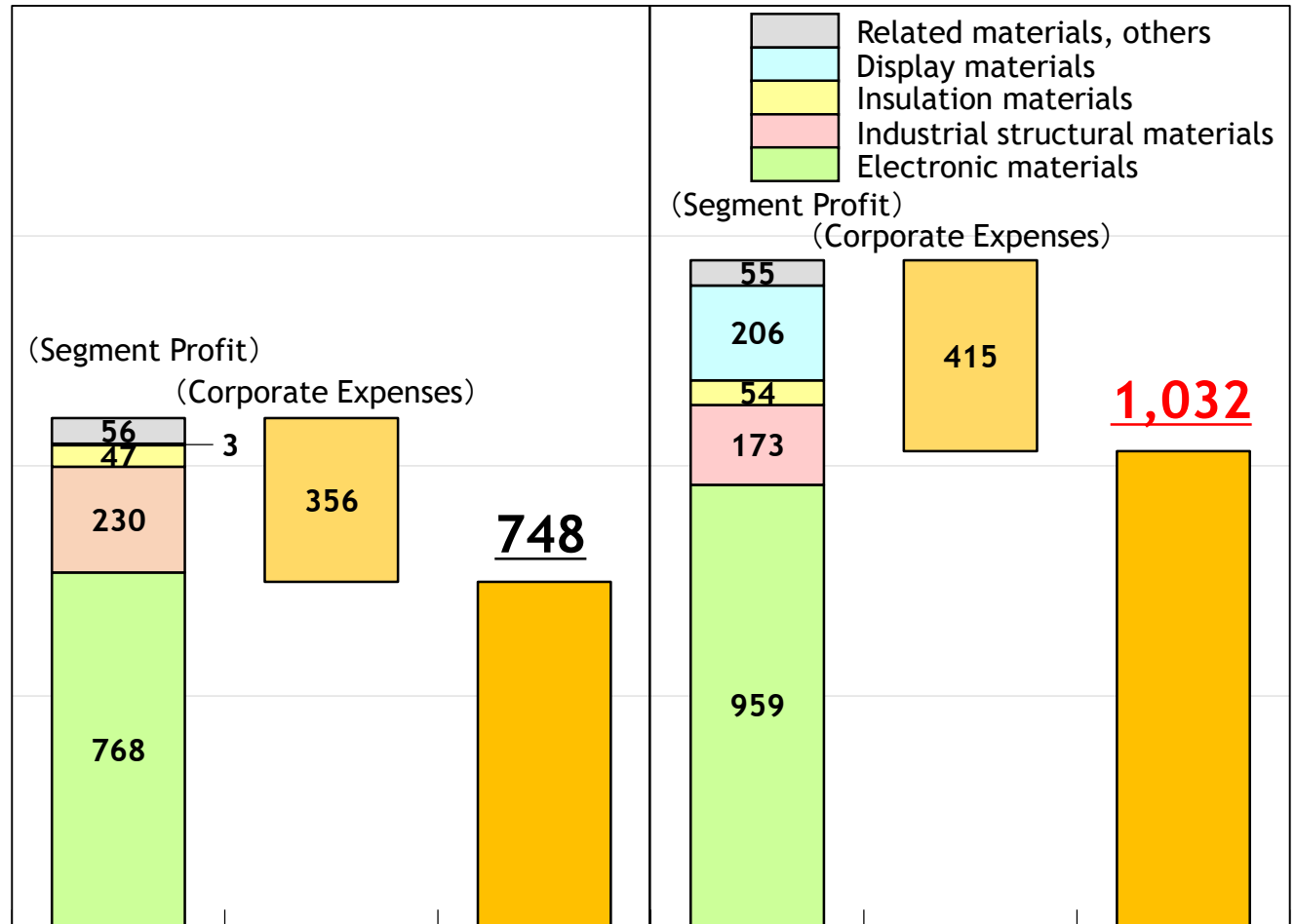
# FY2021 Q1 Segment Comparison (vs. FY2020 Q1)

[Before application of Revenue Recognition Standard]

Sales (Million Yen)



Operating Income (Million Yen)



**FY2020** **FY2021**

[Before application of Revenue Recognition Standard]

**FY2020**

[Before application of Revenue Recognition Standard]

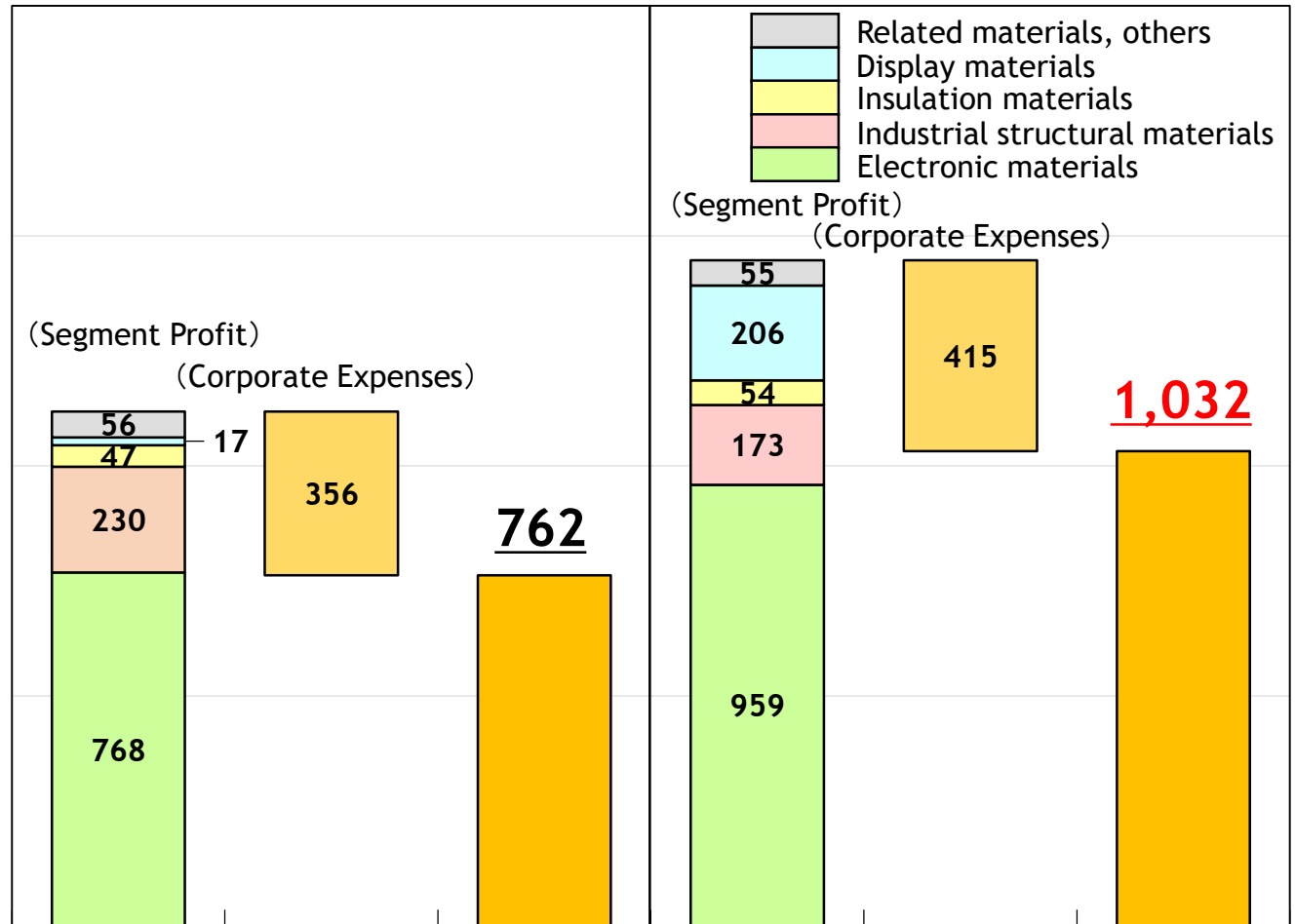
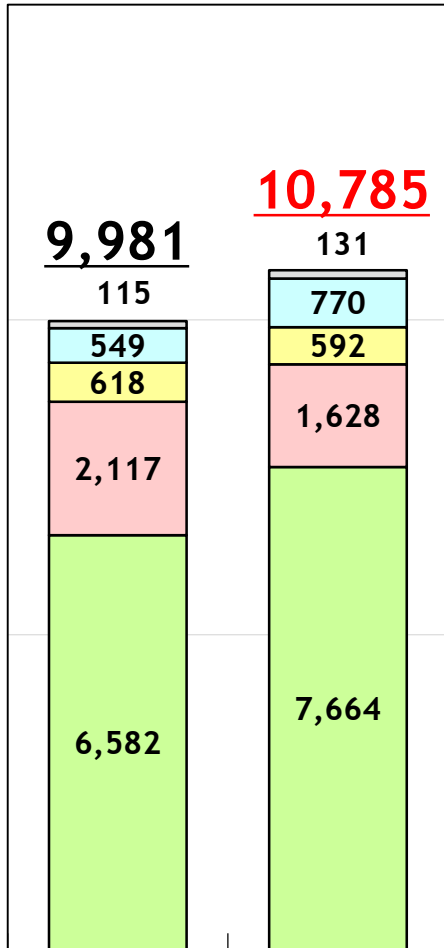
**FY2021**

# FY2021 Q1 Segment Comparison (vs. FY2020 Q1)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)



**FY2020** **FY2021**

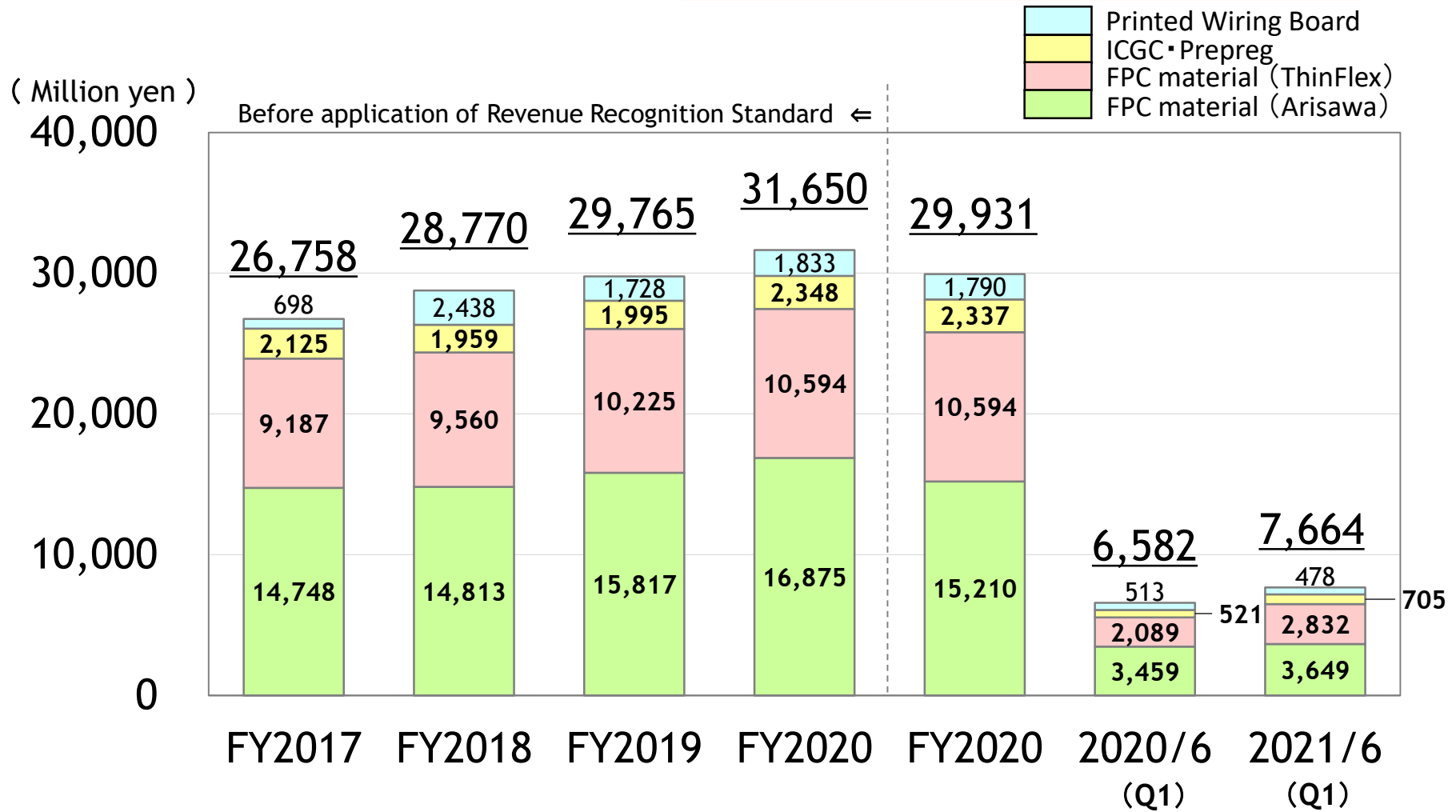
[After application of Revenue Recognition Standard]

**FY2020**

[After application of Revenue Recognition Standard]

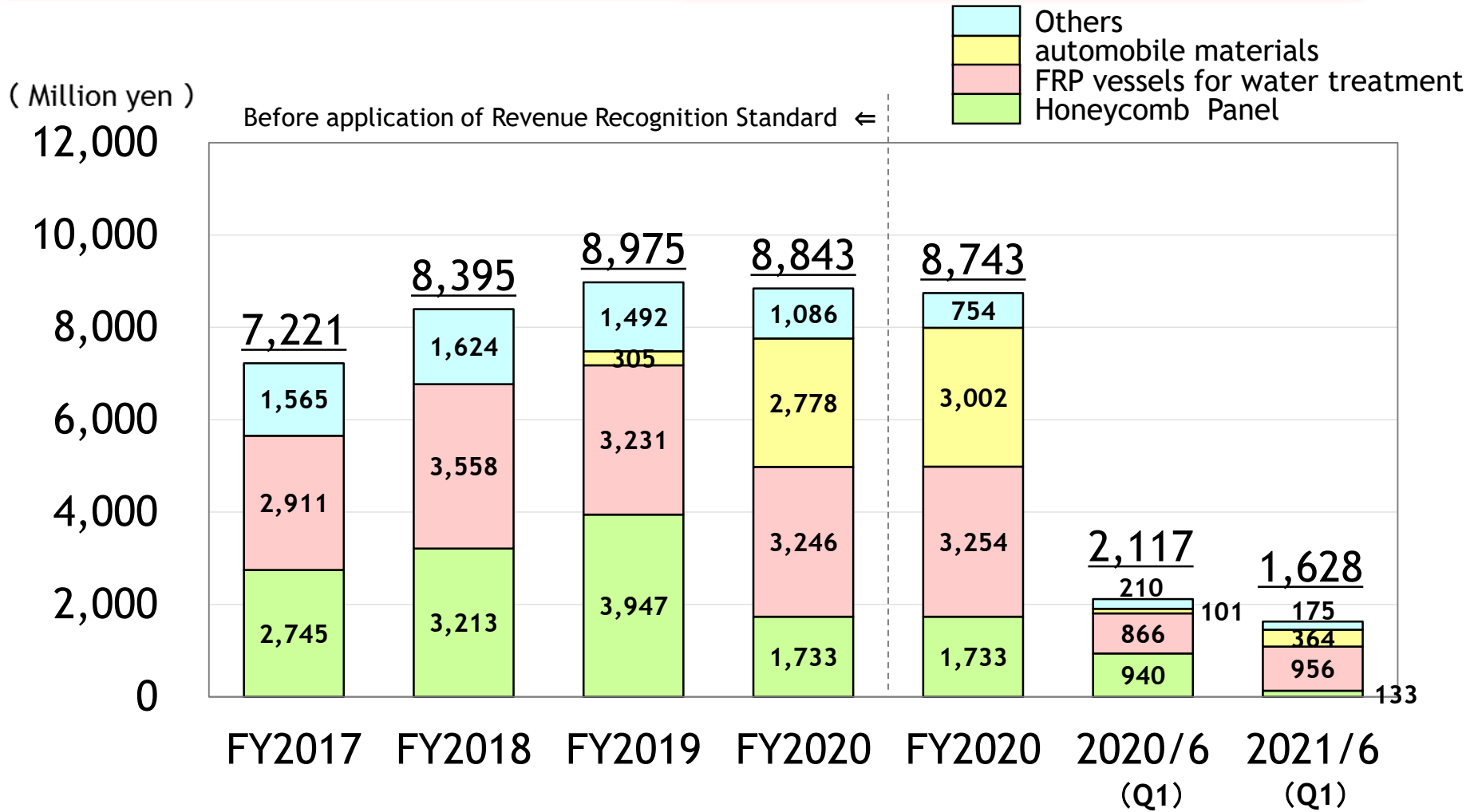
**FY2021**

# Electronic materials Sales history



•ThinFlex increased by 35.5% year-over-year.

# Industrial structural materials Sales history



• Sales of Honeycomb panel decreased by 85.8% year-over-year.



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# FY2021 Sales and Profit Forecast

FCT = Forecast as of 29 Jul

(unit: Million Yen)	FY2020 1H result	FY2020 1H result <small>(After application of Revenue Recognition Standard)</small>	FY2021 1H FCT	vs. Prev. year <small>[After application of Revenue Recognition Standard]</small>
Sales	22,203	21,061	21,800	-1.8% [3.5%]
Operating Income	1,375	1,387	1,900	38.2% [37.0%]
Operating Margin	6.2%	6.6%	8.7%	2.5% [2.1%]
Ordinary Income	1,347	1,360	1,900	41.0% [39.7%]
Net Income	853	862	1,150	34.7% [33.4%]
Earnings per share (Yen)	25.67		34.48*	34.3% [ -- ]
Dividend (Yen)	0		0	--
Exchange rate (Yen / \$) average for the period at end of period	108.23 105.86		107.82 107.00	

\* Calculated by the number of shares as of 30 Jun 10/23

# FY2021 Sales and Profit Forecast

FCT = Forecast as of 29 Jul

(unit: Million Yen)	FY2020 Full year result [After application of Revenue Recognition Standard]	FY2020 Full year result	FY2021 Full year FCT	vs. Prev. year [After application of Revenue Recognition Standard]
Sales	46,439	44,165	43,900	-5.5% [-0.6%]
Operating Income	3,118	3,170	3,300	5.8% [4.1%]
Operating Margin	6.7%	7.2%	7.5%	0.8% [0.3%]
Ordinary Income	3,578	3,629	3,500	-2.2% [-3.5%]
Net Income	2,160	2,196	2,100	-2.8% [-4.4%]
Earnings per share (Yen)	64.94		62.96*	-3.0% [ -- ]
Dividend (Yen)	39.00		Undecided	--
Exchange rate (Yen / \$) average for the period at end of period	106.76 110.71		107.41 107.00	

\* Calculated by the number of shares as of 30 Jun 11/23

# ■ Highlights of FY2021 Consolidated Performance

FCT is compared with Prev.year of After application of Revenue Recognition Standard.

- 1H : Sales is expected to increase by 3.5%,  
Operating income is expected to increase by 37.0% year-over-year.

Electronic materials, Display materials and Electronic insulation materials increase sales. Industrial structural materials decrease sales.

Increase in operating income is driven by Arisawa Mfg, ThinFlex, Protec and ColorLink Japan.

- Full year: Sales is expected to decrease by 0.6%,  
Operating income is expected to increase by 4.1% year-over-year.

Electronic materials, Display materials and Electronic insulation materials increase sales. Industrial structural materials decrease sales.

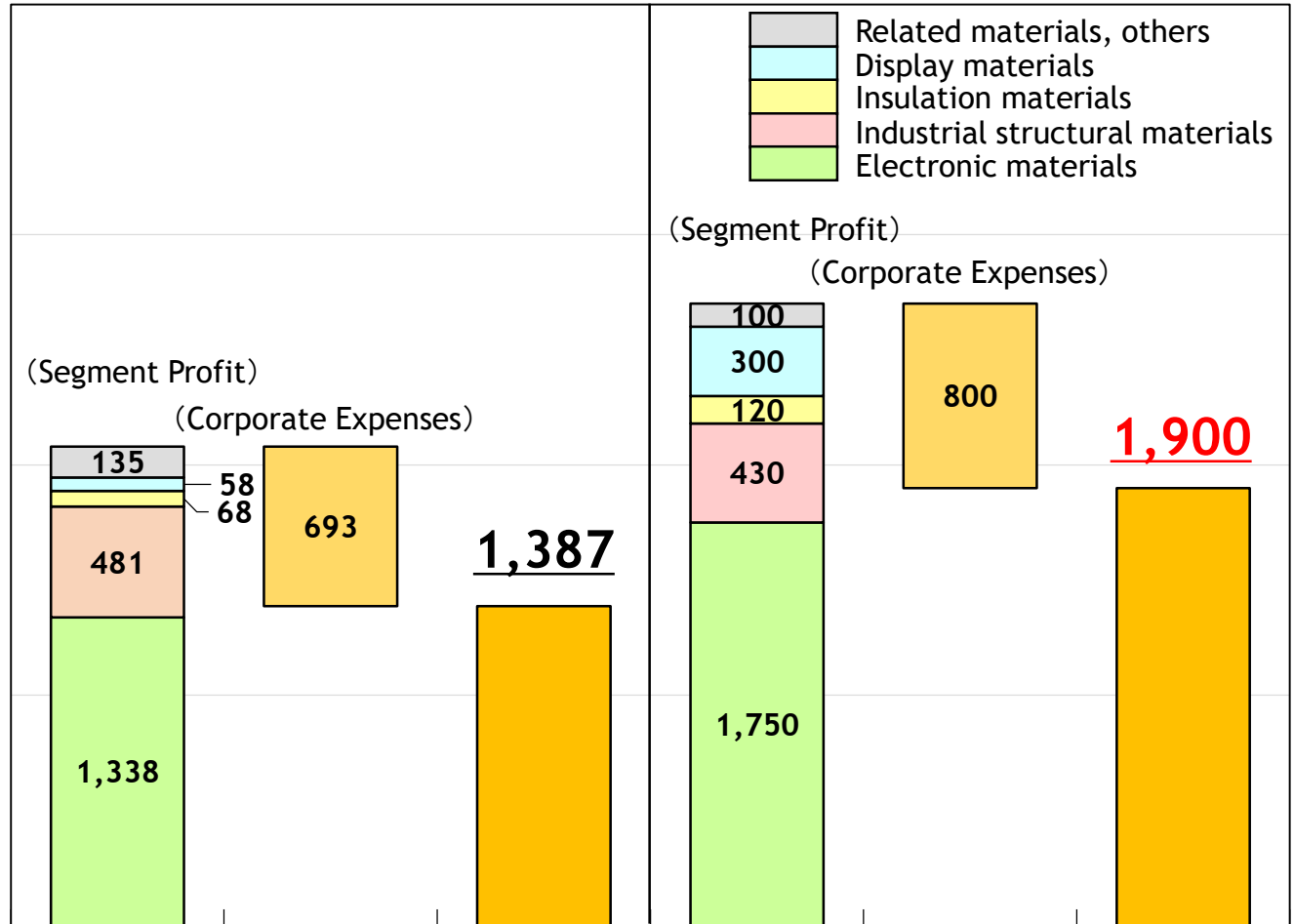
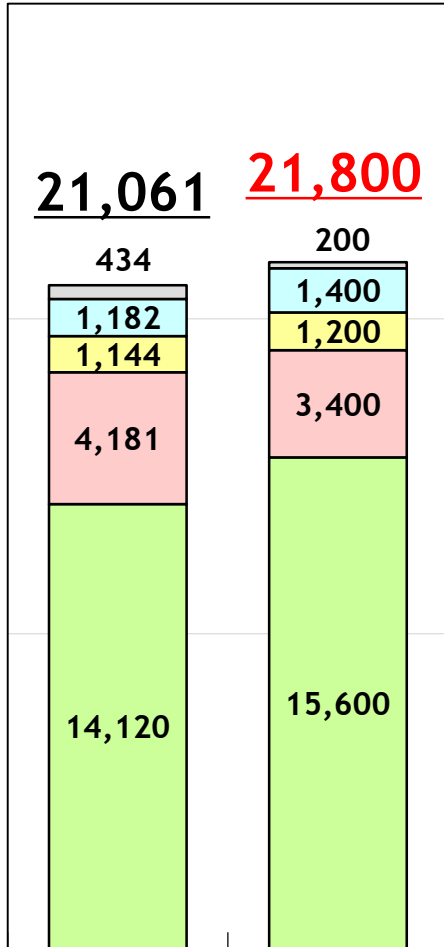
Increase in operating income is driven by Arisawa Mfg, Arisawa Fiber Glass and ColorLink Japan.

# FY2021 1H Segment Comparison (vs. FY2020 1H)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)



**FY2020** **FY2021**  
 (After application of Revenue Recognition Standard) (Forecast)

**FY2020**  
 (After application of Revenue Recognition Standard)

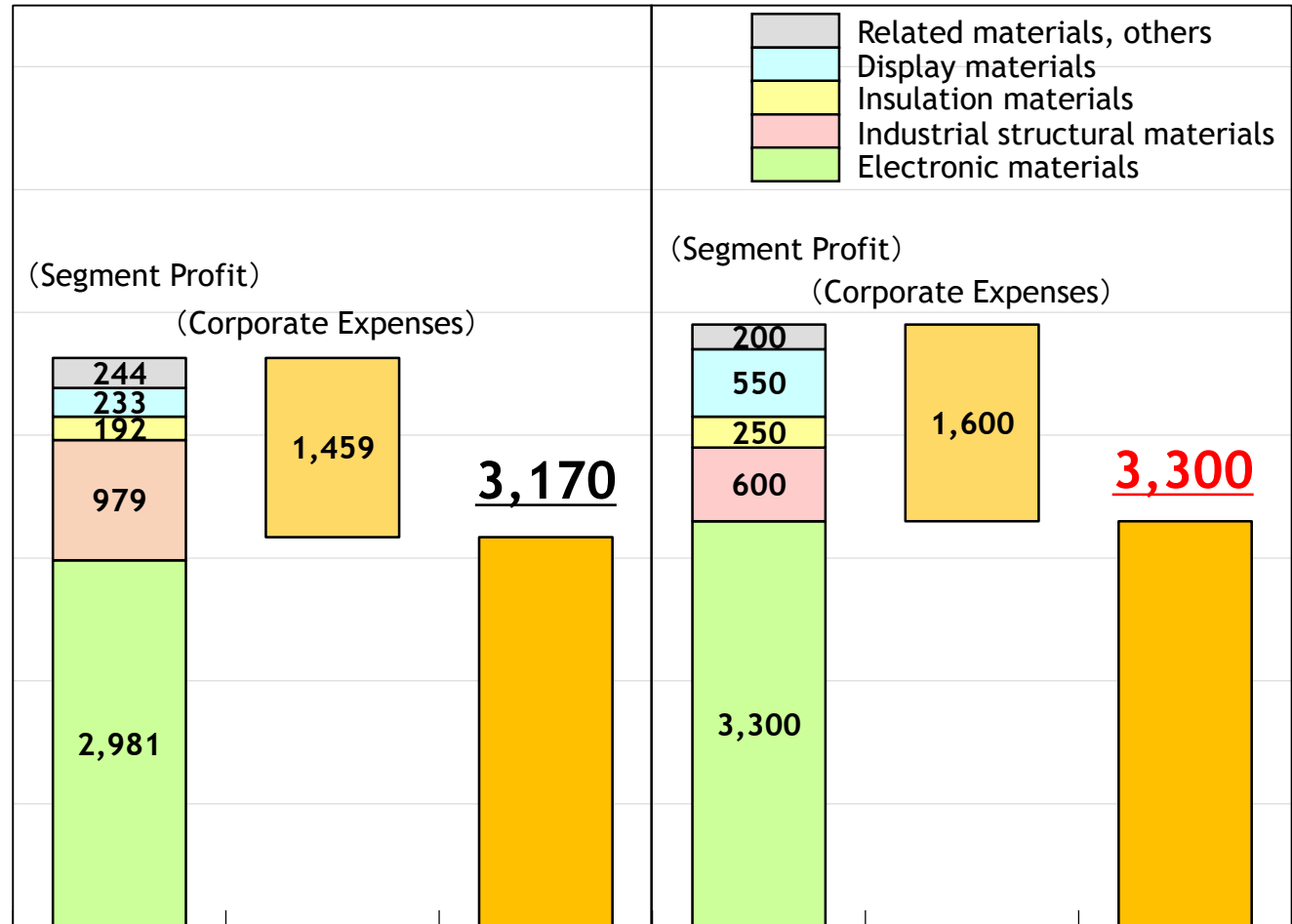
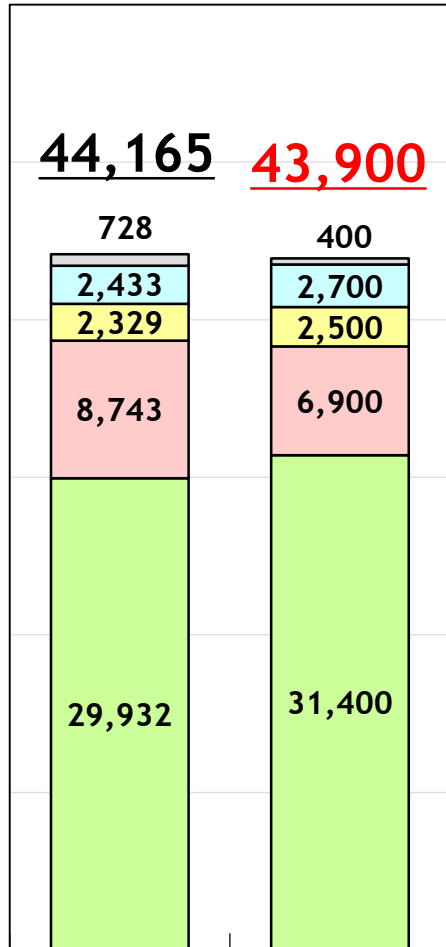
**FY2021**  
 (Forecast)

# FY2021 Segment Comparison (vs. FY2020)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)



**FY2020** (After application of Revenue Recognition Standard)  
**FY2021** ( Forecast )

**FY2020** (After application of Revenue Recognition Standard)

**FY2021** ( Forecast )

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# FY2021 Q1 Consolidated Performance (vs. FCT)

FCT = Forecast as of 6 May

(unit: Million Yen)	FY2020 Q1 result [After application of Revenue Recognition Standard]	FY2021 Q1 FCT	FY2021 Q1 result	vs. Prev. year	vs. FCT
Sales	9,981	10,500	10,785	8.0%	1.7%
Operating Income	762	750	1,032	35.5%	37.6%
Operating Margin	7.6%	7.1%	9.6%	2.0%	2.5%
Ordinary Income	746	650	1,060	42.1%	63.1%
Net Income	437	450	777	77.5%	72.7%
Earnings per share (Yen)		13.50*	23.31	--	72.7%
Dividend (Yen)		0	0	--	--
Exchange rate (Yen / \$) average for the period	108.86	106.09	110.58		
at end of period	107.74	107.00	106.09		

\* Calculated by the number of shares as of 31 Mar 16/23



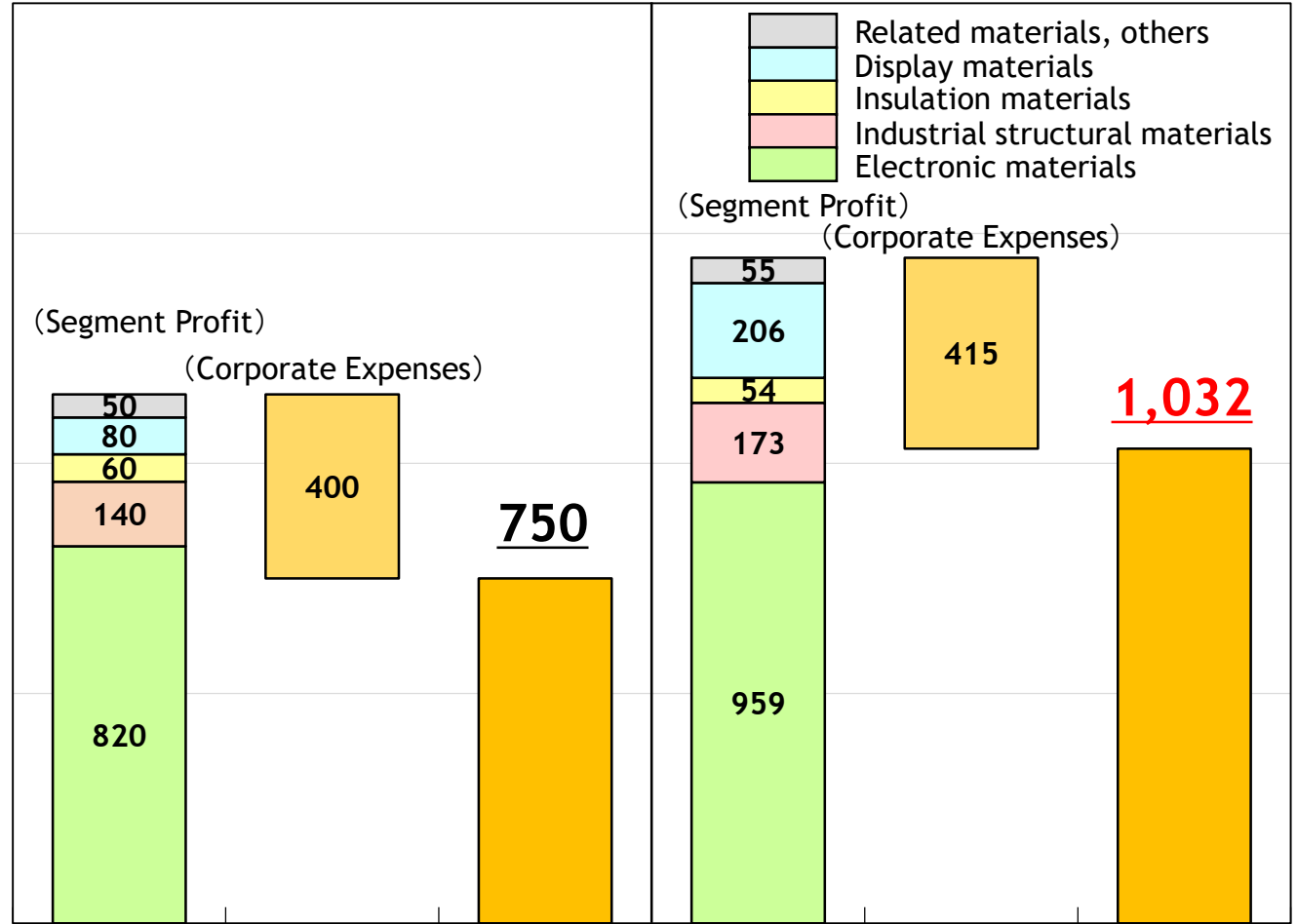
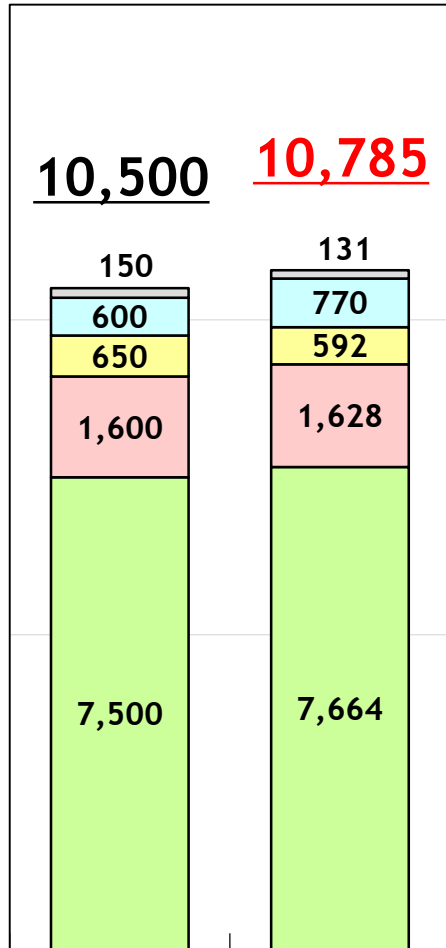
# FY2021 Q1 Segment Comparison (vs. FCT)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)

FCT = Forecast as of 6 May



FCT

Result

FCT

Result

# FY2021 1H Consolidated Performance (vs. FCT)

FCT = Forecast

(unit: Million Yen)	FY2020 1H result [After application of Revenue Recognition Standard]	FY2021 1H FCT (6 May)	FY2021 1H FCT (29 Jul)	vs. Prev. year	vs. FCT
Sales	21,061	21,800	21,800	3.5%	0.0%
Operating Income	1,387	1,400	1,900	37.0%	35.7%
Operating Margin	6.6%	6.4%	8.7%	2.1%	2.3%
Ordinary Income	1,360	1,400	1,900	39.7%	35.7%
Net Income	862	850	1,150	33.4%	35.3%
Earnings per share (Yen)		25.50*	34.48**		35.2%
Dividend (Yen)		0	0		--
Exchange rate (Yen / \$) average for the period at end of period	108.23 105.80	106.55 107.00	107.82 107.00		

\*  
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Calculated by the number of shares as of 31 Mar  
Calculated by the number of shares as of 30 Jun

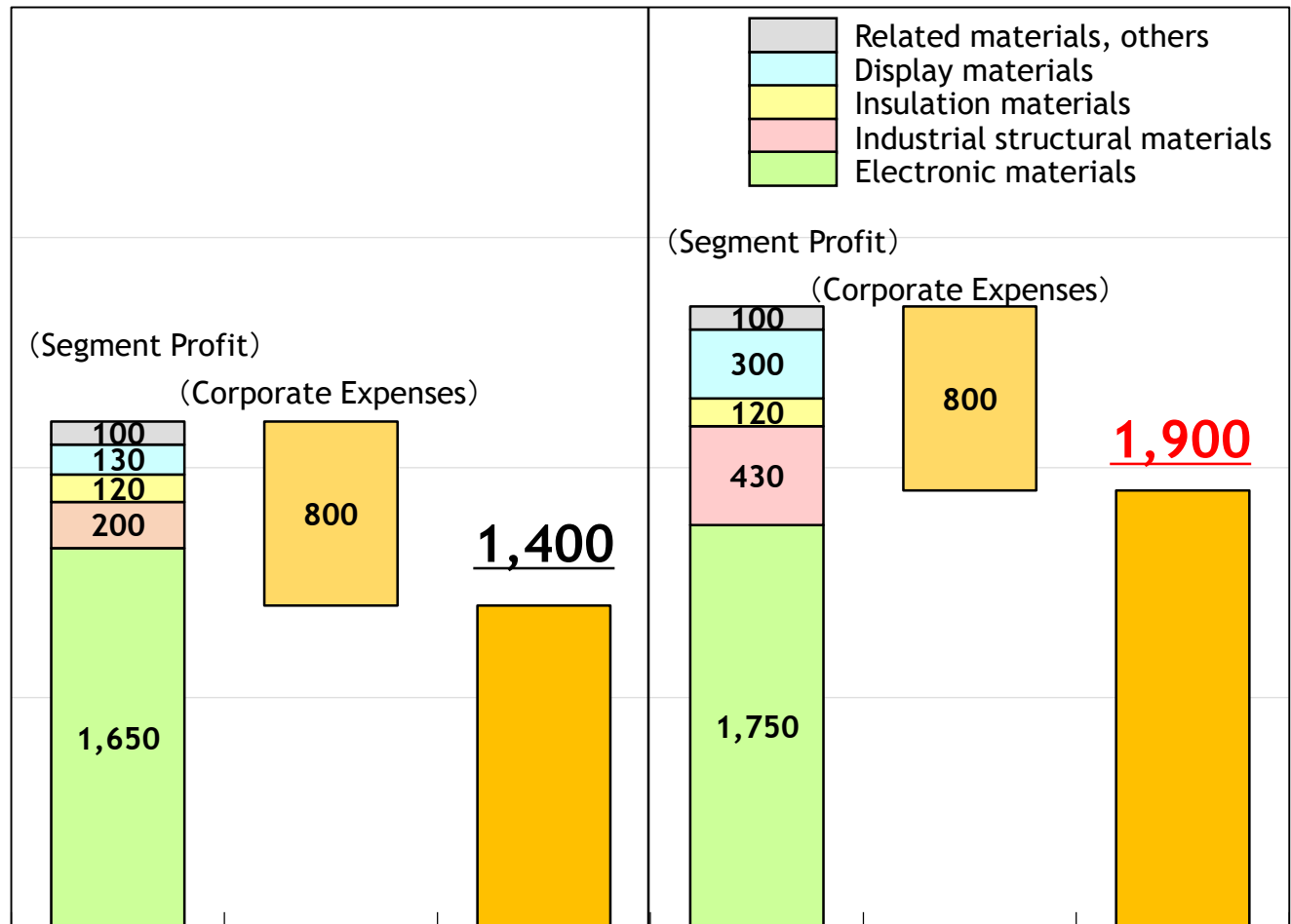
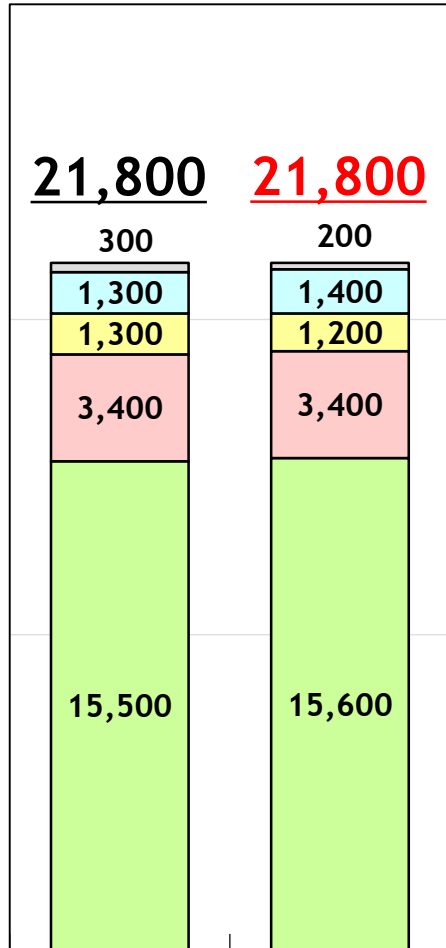
# FY2021 1H Segment Comparison (vs. FCT)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)

FCT = Forecast



FCT  
(6 May)

FCT  
(29 Jul)

FCT  
(6 May)

FCT  
(29 Jul)

# FY2021 Consolidated Performance (vs. FCT)

FCT = Forecast

(unit: Million Yen)	FY2020 result [After application of Revenue Recognition Standard]	FY2021 FCT (6 May)	FY2021 FCT (29 Jul)	vs. Prev. year	vs. FCT
Sales	44,165	44,400	43,900	-0.6%	-1.1%
Operating Income	3,170	2,800	3,300	4.1%	17.9%
Operating Margin	7.2%	6.2%	7.5%	0.3%	1.3%
Ordinary Income	3,629	3,000	3,500	-3.6%	16.7%
Net Income	2,196	1,800	2,100	-4.4%	16.7%
Earnings per share (Yen)		54.00*	62.96**		16.6%
Dividend (Yen)		Undecided	Undecided		--
Exchange rate (Yen / \$) average for the period at end of period	106.76 110.71	106.77 107.00	107.41 107.00		

\* Calculated by the number of shares as of 31 Mar  
 \*\* Calculated by the number of shares as of 30 Jun

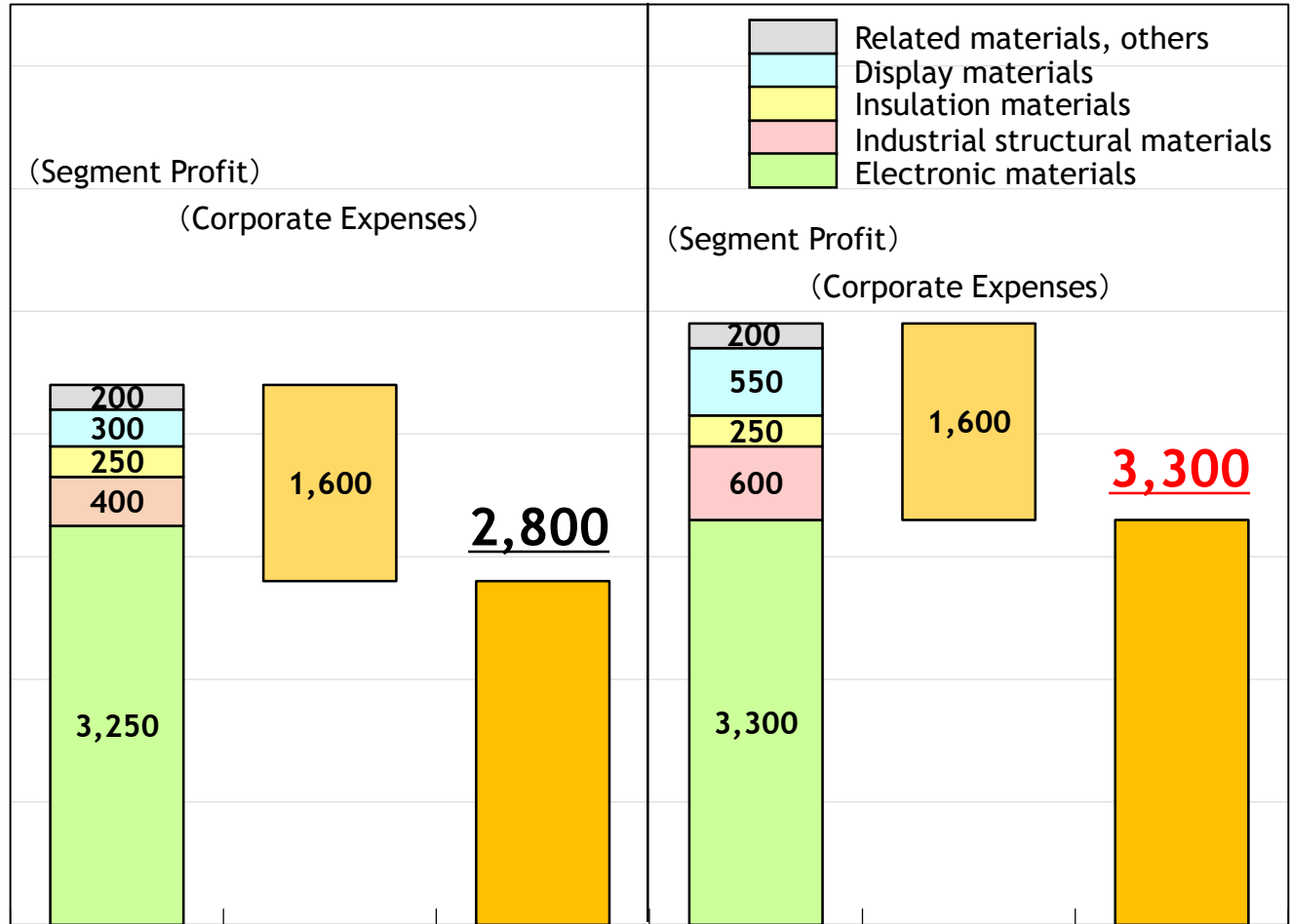
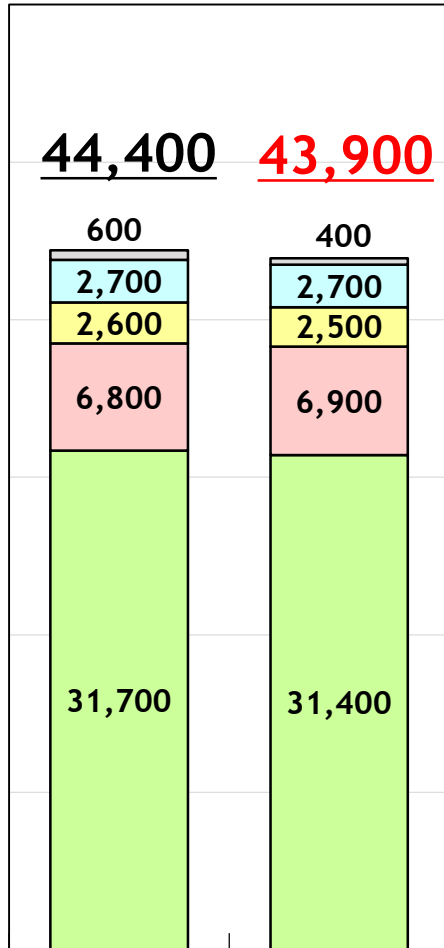
# FY2021 Segment Comparison (vs. FCT)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)

FCT = Forecast



FCT  
(6 May)

FCT  
(29 Jul)

FCT  
(6 May)

FCT  
(29 Jul)

# FY2021 Q1 Consolidated Comparison

[FY2020 Q1 : Before application of Revenue Recognition Standard]

(unit: Million Yen)

	Sales			Operating Income			Net Income		
	FY2020 Q1 Result	FY2021 Q1 Result	+/-	FY2020 Q1 Result	FY2021 Q1 Result	+/-	FY2020 Q1 Result	FY2021 Q1 Result	+/-
Parent									
Arisawa Mfg.	7,682	6,559	(1,123)	348	323	(25)	366	441	75
Consolidated									
ThinFlex	2,078	2,842	764	187	359	172	57	249	192
Satosan	536	478	(489)	22	7	(15)	11	7	(4)
Arisawa Fiber Glass	552	602	50	48	51	3	32	36	4
Protec	842	948	106	137	166	29	102	152	50
Arisawa Sogyo	423	456	33	57	44	(13)	44	39	(5)
Arisawa Jushi Kogyo	57	53	(4)	(15)	(1)	14	(14)	0	14
ColorLink Japan	223	485	262	(69)	76	145	(69)	62	131
(Adjustment)	(1,796)	(1,638)		33	7		(83)	(200)	
Equity method income							(18)	(9)	9
<b>Total</b>	<b>10,597</b>	<b>10,785</b>	(188)	<b>748</b>	<b>1,032</b>	284	<b>428</b>	<b>777</b>	349

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