

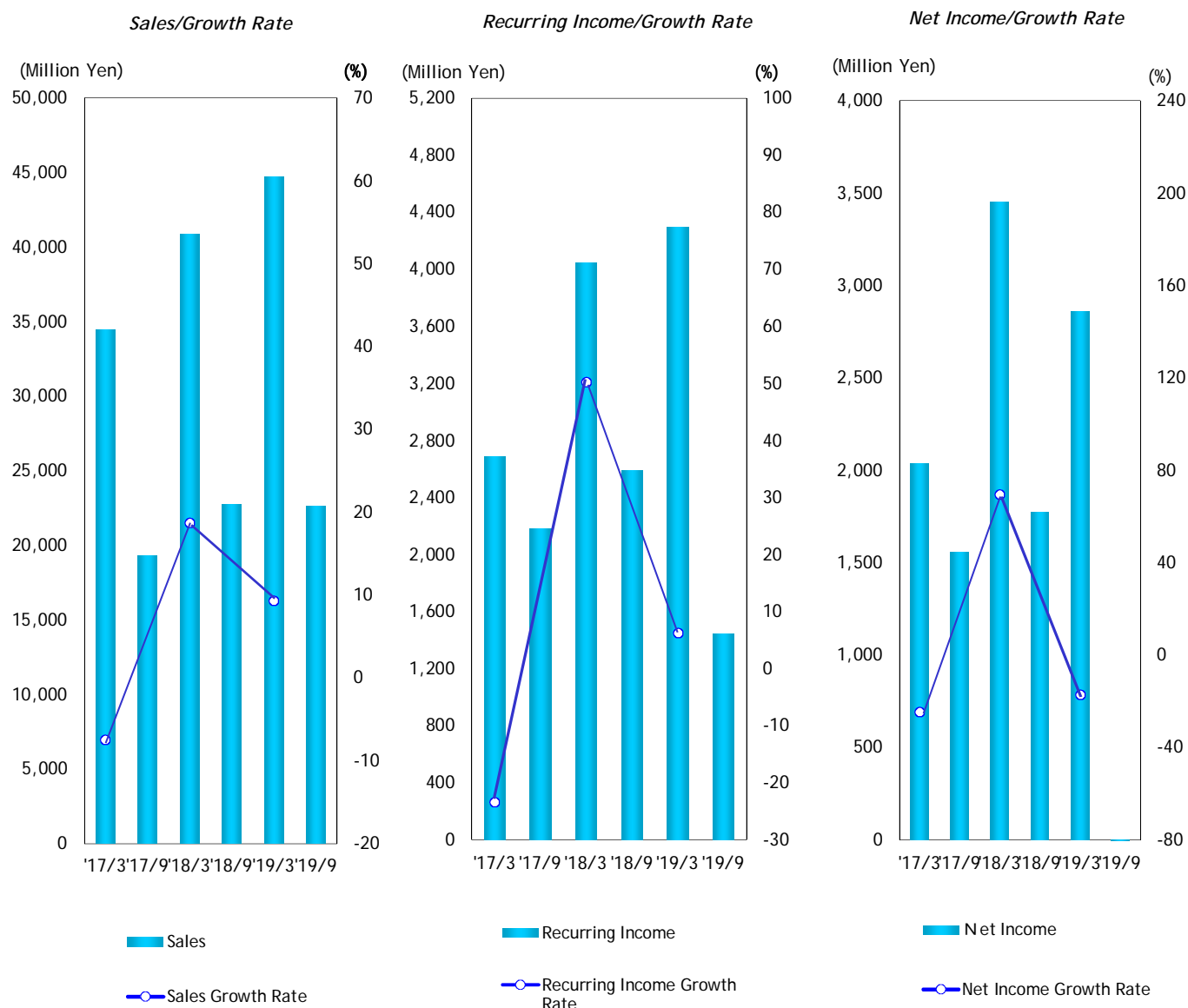
2019 Interim Report

*Arisawa*

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## Consolidated Performance

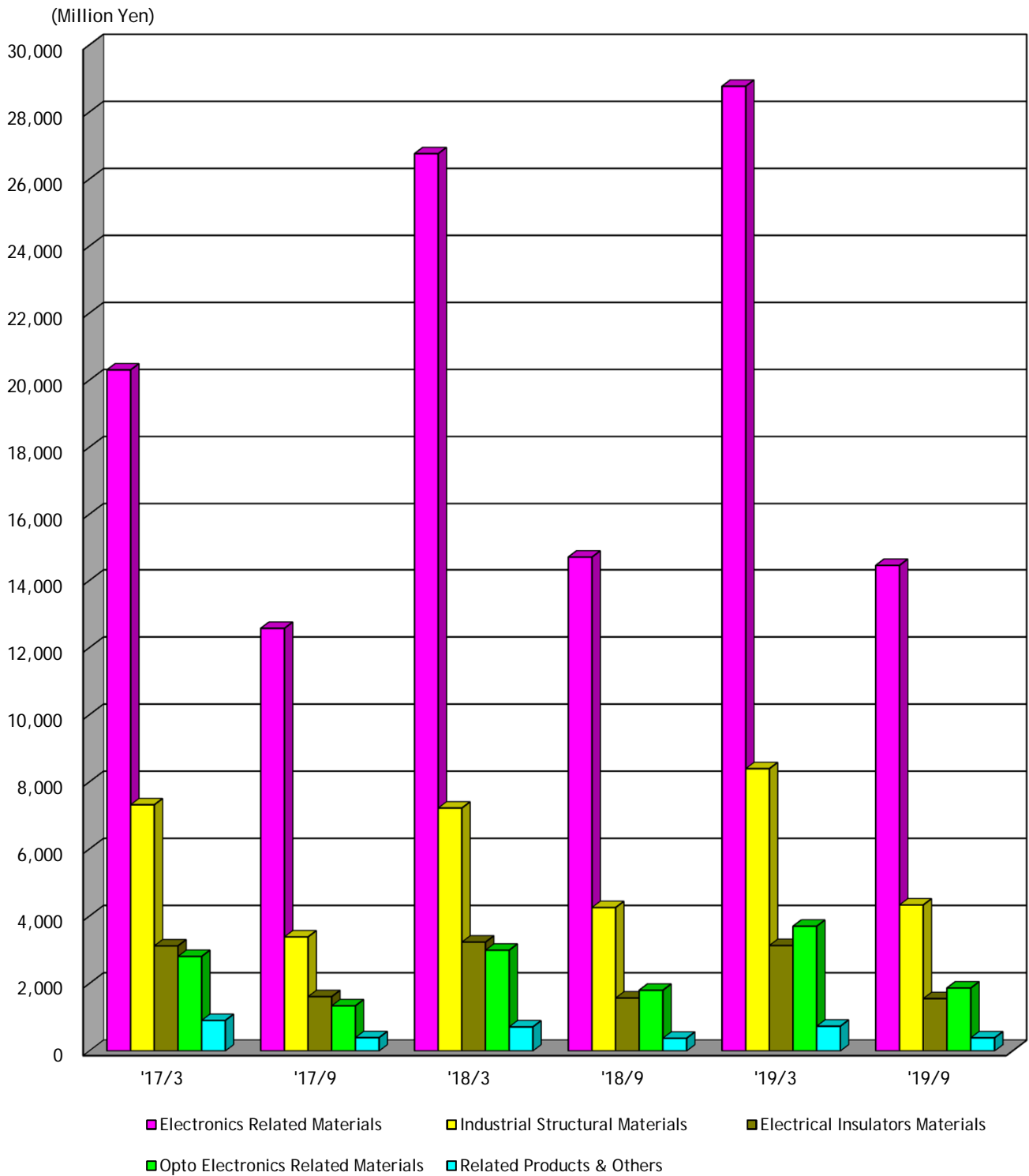


Fiscal Year Ended	'17/3	'17/9	'18/3	'18/9	'19/3	'19/9
Sales(Million Yen)	34,451	19,307	40,909	22,707	44,728	22,599
Sales Growth Rate(%)	-7.5		18.7		9.3	
Operating Income(Million Yen)	1,790	1,586	3,627	1,732	3,119	1,321
Operating Profit Growth Rate(%)	-39.5		102.6		-14.0	
Recurring Income(Million Yen)	2,690	2,179	4,044	2,590	4,297	1,440
Recurring Income Growth Rate(%)	-23.4		50.3		6.3	
Net Income(Million Yen)	2,037	1,557	3,452	1,775	2,861	-894
Net Income Growth Rate(%)	-24.6		69.5		-17.2	
Gross Profit(%)	17.1	19.4	20.0	18.5	18.2	16.9
SG & A Ratio(%)	11.9	11.2	11.1	10.9	11.2	11.1

Note: Amounts less than one million yen are omitted

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology ,Forms and Method of Preparation of Financial Statements ,etc

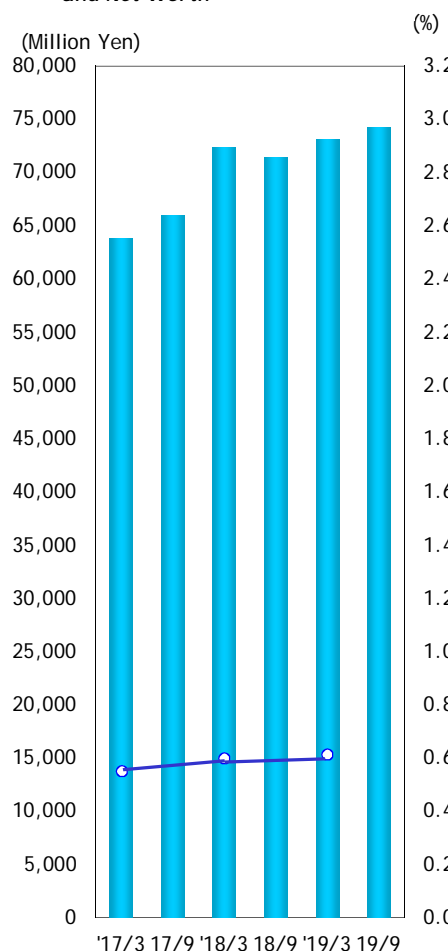
## Consolidated Sales Breakdown by Segments



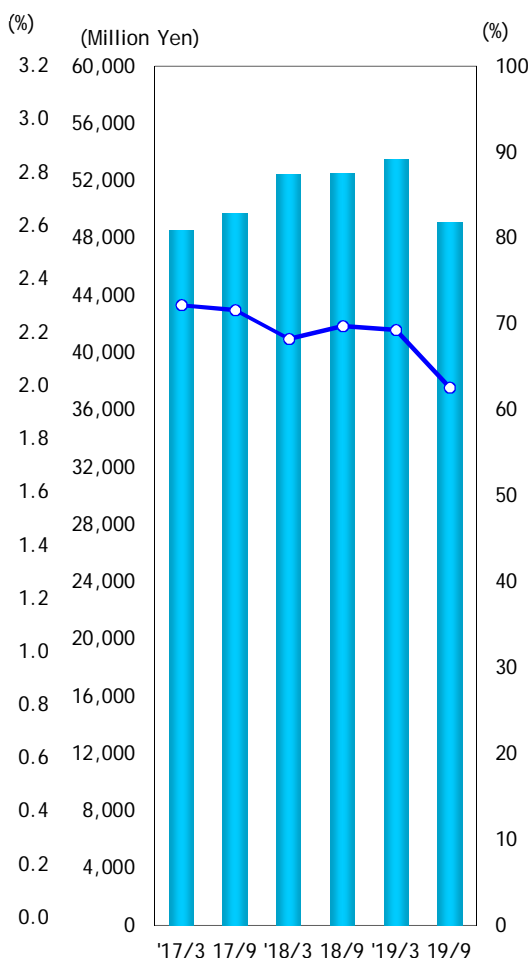
Fiscal Year Ended	'17/3	'17/9	'18/3	'18/9	'19/3	'19/9
Electronics Related Materials	20,307	12,576	26,758	14,699	28,770	14,453
Industrial Structural Materials	7,319	3,383	7,221	4,257	8,395	4,334
Electrical Insulators Materials	3,117	1,612	3,228	1,570	3,128	1,553
Opto Electronics Related Materials	2,803	1,340	2,988	1,802	3,700	1,868
Related Products & Others	905	396	714	379	735	391
<b>Total</b>	<b>34,451</b>	<b>19,307</b>	<b>40,909</b>	<b>22,707</b>	<b>44,728</b>	<b>22,599</b>

## Consolidated Shareholders' Equity/Return on Shareholders' Equity

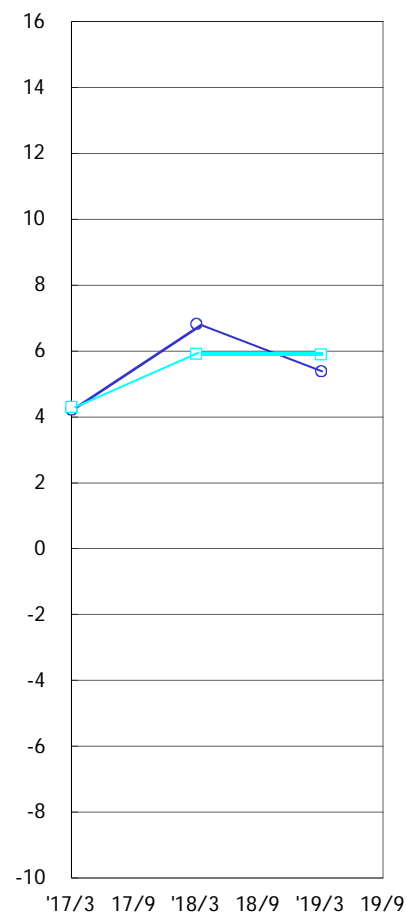
*Total Liabilities and Net Worth/  
Turnover Ratio of Total Liabilities  
and Net Worth*



*Shareholders' Equity/  
Shareholders' Equity to Total Assets*



*Return on Equity/Operating Profit Ratio  
of Total Liabilities and Net Worth*



■ Total Liabilities and Net Worth

■ Shareholders' Equity

○ — Return on Equity

○ — Turnover Ratio of Total Liabilities and Net Worth

○ — Shareholders' Equity to Total Assets

□ — Operating Profit Ratio of Total Liabilities and Net Worth

Fiscal Year Ended	'17/3	17/9	'18/3	18/9	'19/3	19/9
Total Liabilities and Net Worth(Million Yen)	63,808	66,021	72,290	71,431	73,096	74,184
Turnover Ratio of Total Liabilities and Net Worth	0.55		0.60		0.61	
Operating Profit Ratio of Total Liabilities and Net Worth(%)	4.3		5.9		5.9	
Shareholders' Equity(Million Yen)	48,551	49,742	52,492	52,518	53,462	49,109
Shareholders' Equity to Total Assets(%)	72.2	71.6	68.3	69.8	69.3	62.6
Return on Equity(%)	4.2		6.8		5.4	

Note: Turnover Ratio of Total Liabilities and Net Worth = Net Sales/Total Liabilities and Net Worth(Mid-term Average)

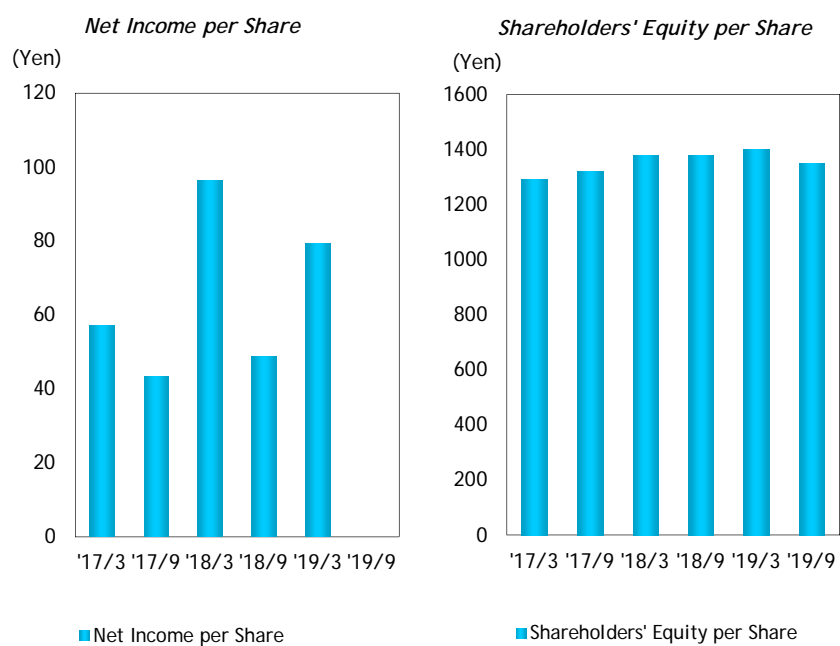
Operating Profit Ratio of Total Liabilities and Net Worth = Ordinary Income/Total Liabilities and Net Worth (Mid-term Average)X100

Shareholders' Equity to Total Assets=Shareholders' Equity(Term End)/Total Liabilities and Net Worth(Term End)X100

Return on Equity = Net Income/Shareholders' Equity(Mid-term Average)X100

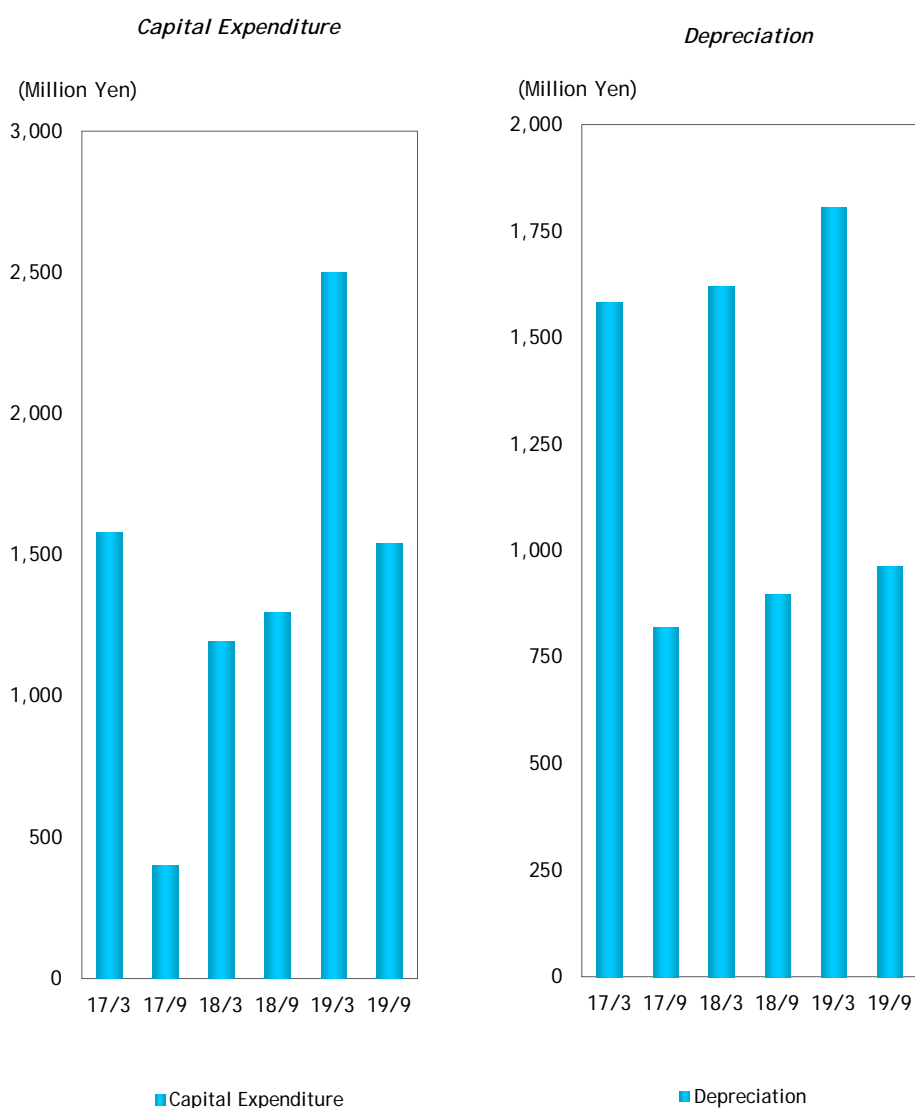
The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology ,Forms and Method of Preparation of Financial Statements ,etc

## Consolidated Per Share Data



Fiscal Year Ended	'17/3	'17/9	'18/3	'18/9	'19/3	'19/9
Net Income per Share(Yen)	57.20	43.24	96.31	48.77	79.15	-
Shareholders' Equity per Share(Yen)	1290.93	1318.59	1378.12	1378.79	1397.78	1350.59

## Consolidated Capital Expenditure



Fiscal Year Ended	17/3	17/9	18/3	18/9	19/3	19/9
Capital Expenditure(Million Yen)	1,580	403	1,194	1,298	2,501	1,542
Depreciation(Million Yen)	1,583	820	1,621	896	1,805	962
Inventory Turnover Period(Days)	68.6		65.9		73.8	
Interest Coverage	70.5	2.7	28.5	25.8	35.3	48.8

Note: Inventory Turnover Period(Days)=(Average Inventory/Net Sales)X365

Interest Coverage=Cash flow from operation activities/Interest paid

The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology ,Forms and Method of Preparation of Financial Statements ,etc

## Consolidated Balance Sheet

(Million Yen)

Fiscal Year Ended		'17/3	'17/9	'18/3	'18/9	'19/3	'19/9
Assets	<b>Current Assets</b>	28,288	30,754	35,782	34,230	35,578	36,699
	Cash and deposits	7,668	5,586	9,124	6,846	8,194	8,756
	Notes and accounts receivable	12,619	15,103	15,947	16,586	16,127	16,267
	Securities	798	1,293	1,180	1,427	1,401	1,538
	Inventories	5,999	7,460	8,765	8,751	9,333	8,991
	Others	1,331	1,441	1,328	1,275	1,191	1,748
	Allowance for doubtful accounts	-127	-129	-562	-655	-668	-601
	<b>Fixed Assets</b>	35,520	35,267	36,508	37,201	37,518	37,485
	(Tangible fixed assets)	11,065	10,688	11,636	11,915	11,998	13,315
	Buildings and structures	5,817	5,626	5,777	5,604	5,582	5,452
	Machinery, equipment and delivery equipment	3,349	3,152	3,496	3,596	3,915	3,957
	Others	1,899	1,910	2,363	2,715	2,501	3,906
	(Intangible Fixed Assets)	65	62	419	394	395	394
	(Investments and other assets)	24,390	24,517	24,453	24,892	25,125	23,776
	Investment Securities	23,864	23,928	23,366	23,935	23,143	22,412
	Others	708	780	1,264	1,143	2,126	1,545
	Allowance for doubtful debts	-182	-191	-177	-186	-144	-181
	<b>Total Assets</b>	<b>63,808</b>	<b>66,021</b>	<b>72,290</b>	<b>71,431</b>	<b>73,096</b>	<b>74,184</b>
Liabilities	<b>Current Liabilities</b>	11,679	12,609	15,983	15,102	16,173	19,863
	Notes and accounts payable	5,168	6,561	6,794	6,435	6,105	6,120
	Short-term borrowings	2,909	2,515	4,242	3,915	5,394	8,748
	Accrued income tax and others	363	523	931	687	301	680
	Reserve for Bonuses	447	610	598	595	510	638
	Others	2,792	2,400	3,418	3,470	3,863	3,677
	<b>Fixed Liabilities</b>	3,578	3,670	3,815	3,811	3,461	5,212
	Long-term borrowings	1,836	1,739	1,642	1,644	1,265	1,198
	Others	1,742	1,931	2,173	2,167	2,196	4,014
	<b>Total Liabilities</b>	<b>15,257</b>	<b>16,279</b>	<b>19,798</b>	<b>18,913</b>	<b>19,634</b>	<b>25,075</b>
Stockholders' Equity	<b>Capital</b>	7,317	7,382	7,458	7,529	7,542	7,571
	<b>Capital reserve</b>	6,429	6,494	6,570	6,641	6,654	6,683
	Earned surplus	30,740	31,580	33,492	34,041	35,130	33,150
	Cumulative conversion adjustment	808	723	1,082	660	708	435
	Treasury Stock	-4	-4	-4	-5	-5	-1,969
	Cost from Issue of New Bonds	143	135	128	120	144	147
	Others	3,118	3,432	3,766	3,532	3,289	3,092
	<b>Total Stockholder's Equity</b>	<b>48,551</b>	<b>49,742</b>	<b>52,492</b>	<b>52,518</b>	<b>53,462</b>	<b>49,109</b>
	<b>Total Liabilities, Minority Interest and Stockholder's Equity</b>	<b>63,808</b>	<b>66,021</b>	<b>72,290</b>	<b>71,431</b>	<b>73,096</b>	<b>74,184</b>

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc

Note: Amounts Less than one million yen are omitted



## Consolidated Income Statement

(百万円/Million Yen)

Fiscal Year Ended	'17/3	'17/9	'18/3	'18/9	'19/3	'19/9
Sales	34,451	19,307	40,909	22,707	44,728	22,599
Sales cost	28,557	15,555	32,730	18,497	36,607	18,771
Gross profit on sales	5,894	3,752	8,179	4,210	8,121	3,828
Selling and general administration expenses	4,104	2,166	4,552	2,478	5,002	2,507
<b>Operating Profit</b>	<b>1,790</b>	<b>1,586</b>	<b>3,627</b>	<b>1,732</b>	<b>3,119</b>	<b>1,321</b>
Non-operating revenue	1,254	699	1,203	1,082	1,509	367
Interest and Dividend Income	335	179	311	163	336	155
Others	919	520	892	919	1,173	212
Non-operating expenses	354	106	786	224	331	248
Interest paid	48	33	76	41	82	47
Others	306	73	710	183	249	201
<b>Ordinary Profit</b>	<b>2,690</b>	<b>2,179</b>	<b>4,044</b>	<b>2,590</b>	<b>4,297</b>	<b>1,440</b>
Extraordinary profit	153	104	852	78	113	14
Extraordinary Losses	36	71	151	7	194	17
Pretax interim (current) net profit	2,807	2,212	4,745	2,661	4,216	1,437
Corporate income tax, local residence tax, and enterprise tax	592	551	995	740	1,067	2,202
Profit attributable to minority interest (deduction)	178	104	298	146	288	129
<b>Interim (current) net profit</b>	<b>2,037</b>	<b>1,557</b>	<b>3,452</b>	<b>1,775</b>	<b>2,861</b>	<b>-894</b>

Note: The listed amounts are rearranged to reflect amended financial classifications pursuant to the amendment of a part of the Regulation concerning Terminology, Forms and Method of Preparation of Financial Statements, etc.

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## Consolidated Cash Flows Statement

(Million Yen)

Fiscal Year Ended	'17/9	'18/3	'18/9	'19/3	'19/9
<b>Cash flow from operation activities</b>	<b>102</b>	<b>2,182</b>	<b>1,085</b>	<b>2,893</b>	<b>2,219</b>
Pretax interim (current) net profit	2,213	4,745	2,661	4,216	1,437
Depreciation	820	1,712	896	1,902	962
Investment profit on equity method	-250	-464	-360	-558	17
Profit on sale of investment securities	-90	-703	-65	-65	3
Loss on retirement of tangible fixed assets	4	7	2	20	1
Loss on appreciation of investment securities	-	64	-	45	9
(Profit) or loss on conversion	-1	-82	-137	-21	27
Increase in reserve for bonuses	162	132	-4	-88	128
(Increase) or decrease in provisions for doubtful accounts	11	353	101	110	-24
Interest and dividends received	-229	-403	-214	-437	-212
Interest paid	33	76	41	82	47
(Increase) or decrease in sales receivables	-2,386	-2,663	-946	-518	-368
(Increase) or decrease in inventories	-1,429	-2,152	-86	-682	254
(Increase) or decrease in purchase liabilities	1,356	1,376	-263	-589	83
(Increase) or decrease in accrued consumption tax, etc.	5	-36	141	36	78
(Increase) or decrease in other assets	-228	66	-109	136	-287
(Increase) or decrease in other liabilities	159	278	-30	45	-124
Interest and dividends received	293	563	293	604	310
Interest paid	-38	-84	-42	-85	-45
Corporate income tax, etc. paid	-367	-726	-848	-1,461	-196
Other	64	123	54	201	119
<b>Cash flow from investment activities</b>	<b>-369</b>	<b>-471</b>	<b>-1,454</b>	<b>-3,304</b>	<b>-1,249</b>
Payments for Received Time Deposits	-	-	-	-100	-
Revenue from refund of time deposits	230	227	-	3	-
Expenditure on acquisition of tangible fixed assets	-949	-1,701	-1,075	-2,758	-1,295
Revenue from sale of tangible fixed assets	6	6	2	38	-
Expenditure on acquisition of investment securities	-255	-1,419	-1,316	-1,930	-195
Revenue from sale of investment securities	593	2,987	890	1,477	381
Expenditure on lending	-106	-172	-20	-55	-
Revenue from collection of loans	80	157	34	34	9
Other	32	-556	31	-13	-149
<b>Cash flow from financing activities</b>	<b>-1,250</b>	<b>-59</b>	<b>-1,695</b>	<b>-576</b>	<b>-231</b>
Revenue from Short-term borrowings	-444	-	-212	-	3,496
Expenditure on repayment of short-term borrowings	-	911	-	1,295	-
Revenue from long-term borrowings	483	690	442	918	994
Expenditure on repayment of long-term borrowings	-548	-914	-542	-1,341	-1,147
Proceeds from stocks issued	103	226	116	137	48
Net expenditure on acquisition and proceeds from sale of treasury stock	0	-1	0	0	0
Dividends paid	-711	-712	-1,220	-1,221	-3,343
Other	-133	-259	-279	-364	-279
Conversion difference of cash and cash equivalents	22	262	-39	-124	-81
Increase (decrease) in cash and cash equivalents	-1,494	1,914	-2,104	-1,111	659
Cash and cash equivalents at the beginning of year	7,026	7,026	8,832	8,830	7,719
Cash and cash equivalents at the beginning of year of newly consolidated subsidiaries	-	-	-	-	-
Cash of Removeing Consolidated Subsidiaries and Cash Equivalents at Mid-Term of Year	-	-	-	-	-
Changes in Cash and Cash Equivalents by changing the scope of consolidation	-110	-110	-	-	-
Cash and cash equivalents at the end of interim period(year)	5,422	8,830	6,728	7,719	8,378

Note: Amounts Less than one million yen are omitted