



Closing Announcement of Fiscal Year Ended March 31, 2020 [Japanese Standards] (Consolidated)

April 30, 2020

Name of Listed Company: Arisawa Mfg. Co., Ltd.	Listed on the Tokyo Stock Exchange
Code No.: 5208	(URL http://www.arisawa.co.jp/)
Representative: Representative Director and CEO:	Yuta Arisawa
Contact Person: Operating Officer, Corporate Planning Department:	Takeshi Masuda TEL: 025-524-7101
Scheduled Date of Holding Ordinary General Meeting of Shareholders:	Scheduled Date of Commencement of Dividend Payment:
June 25, 2020	June 26, 2020
Scheduled Date of Submitting Financial Report:	June 26, 2020
Whether supplementary explanation materials for the closing are prepared:	Yes
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 for Fiscal Year Ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results

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

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of the parent	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year Ended March 31, 2020	45,970	2.8	2,762	△11.5	2,783	△35.2	212	△92.6
Fiscal Year Ended March 31, 2019	44,728	9.3	3,119	△14.0	4,297	6.3	2,861	△17.2

(Note) Comprehensive income: Fiscal Year Ended March 31, 2020: △117 million yen (---%)
Fiscal Year Ended March 31, 2019: 2,200 million yen (△51.1%)

	Net profit per share	Fully diluted net profit per share	ROE	Ordinary profit ratio of total assets	Operating profit ratio of sales
	(Yen, Sen)	(Yen, Sen)	%	%	%
Fiscal Year Ended March 31, 2020	6.14	6.12	0.4	3.8	6.0
Fiscal Year Ended March 31, 2019	79.15	78.70	5.7	5.9	7.0

(Reference) Equity method investment income: Fiscal Year Ended March 31, 2020: △52 million yen
Fiscal Year Ended March 31, 2019: 558 million yen

(2) Consolidated Financial Condition

	Total assets	Net asset	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
Fiscal Year Ended March 31, 2020	71,709	49,018	64.3	1,387.76
Fiscal Year Ended March 31, 2019	73,096	53,462	69.3	1,397.78

(Reference) Net worth: Fiscal Year Ended March 31, 2020: 46,137 million yen
Fiscal Year Ended March 31, 2019: 50,626 million yen

(3) Status of Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	(million yen)	(million yen)	(million yen)	(million yen)
Fiscal Year Ended March 31, 2020	4,823	6,594	△4,431	14,725
Fiscal Year Ended March 31, 2019	2,893	△3,304	△576	7,718

2. Status of Dividends

	Annual dividends					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1 st quarter	End of 2 nd quarter	End of 3 rd quarter	End of year	Annual			
Fiscal Year Ended March 31, 2019	(Yen, Sen) ---	(Yen, Sen) 0.00	(Yen, Sen) ---	(Yen, Sen) 30.00	(Yen, Sen) 30.00	(million yen) 1,086	% 37.9	% 2.2
Fiscal Year Ended March 31, 2020	(Yen, Sen) ---	(Yen, Sen) 0.00	(Yen, Sen) ---	(Yen, Sen) 30.00	(Yen, Sen) 30.00	(million yen) 997	% 488.6	% 2.2
Fiscal Year Ending March 31, 2021 (Forecast)	(Yen, Sen) ---	(Yen, Sen) ---	(Yen, Sen) ---	(Yen, Sen) ---	(Yen, Sen) ---	(million yen) ---	% ---	% ---

Dividends for the fiscal year ending March 31, 2021 have yet to be determined.

3. Expected Consolidated Results for Fiscal Year Ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

(% indication shows the increase or decrease rate from the previous year for full-year and from the same quarter in the previous year for each quarter)

	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)
2 nd quarter (cumulative)	21,600	△4.4	850	△35.7	900	△37.5	450	---	13.54
Full year	42,300	△8.0	1,450	△47.5	1,650	△40.7	900	322.9	27.07
	to 46,100	to 0.3	to 2,100	to △24.0	to 2,300	to △17.4	to 1,350	to 534.4	to 40.61

For details, refer to '1. Summary of Business Results, etc., (4) Future Outlook' on page 4 of the attached materials.

* Notes

(1) Changes in material subsidiaries during the year (changes in specified subsidiaries accompanying changes in scope of consolidation): None

New: --- (Company Name:)

Exclusion: --- (Company Name:)

(2) 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 |

(3) Number of outstanding shares (common stocks)

1) Number of outstanding shares at the end of the period (including treasury stocks):

Fiscal Year Ended March 31, 2020: 36,381,524 shares,

Fiscal Year Ended March 31, 2019: 36,226,224 shares

2) Number of treasury stocks at the end of the period:

Fiscal Year Ended March 31, 2020: 3,135,830 shares,

Fiscal Year Ended March 31, 2019: 7,378 shares

3) Average number of shares during the year

Fiscal Year Ended March 31, 2020: 34,682,121 shares,

Fiscal Year Ended March 31, 2019: 36,150,184 shares

(Reference) Overview of Individual Business Results

Individual Results for Fiscal Year Ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) Individual Operating Results (% indication shows the increase or decrease rate from the previous year)

	Sales		Operating profit		Ordinary profit		Net profit	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year Ended March 31, 2020	31,635	8.1	1,627	6.1	2,365	△9.1	6,792	248.8
Fiscal Year Ended March 31, 2019	29,269	2.7	1,533	△21.2	2,602	6.2	1,947	△22.2

	Net profit per share	Fully diluted net profit per share
	(Yen, Sen)	(Yen, Sen)
Fiscal Year Ended March 31, 2020	195.86	195.28
Fiscal Year Ended March 31, 2019	53.87	53.56

(2) Individual Financial Condition

	Total assets	Net asset	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
Fiscal Year Ended March 31, 2020	51,595	38,931	75.1	1,166.03
Fiscal Year Ended March 31, 2019	45,688	36,571	79.7	1,005.76

(Reference) Net worth: Fiscal Year Ended March 31, 2020: 38,765 million yen
Fiscal Year Ended March 31, 2019: 36,427 million yen

* The closing announcement is not subject to an audit 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.

○ Contents of Attached Materials

1. Summary of Business Results, etc.	2
(1) Summary of Business Results for the Current Year	2
(2) Summary of Financial Conditions for the Current Year.....	2
(3) Summary of Cash Flow for the Current Year.....	3
(4) Future Outlook.....	4
2. Basic Concept of Selection of Accounting Standards.....	4
3. Consolidated Financial Statements and Major Notes	
(1) Consolidated Balance Sheet.....	5
(2) Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income.....	7
(Consolidated Profit and Loss Statement).....	7
(Consolidated Statement of Comprehensive Income)	8
(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets	9
(4) Consolidated Cash Flow Statement	11
(5) Notes Related to Consolidated Financial Statements.....	13
(Notes on Going Concern).....	13
(Changes in Presentation).....	13
(Segment Information, etc.).....	13
(Per Share Information).....	18
(Important Events after Closing the Accounts)	18

1. Summary of Business Results, etc.

(1) Summary of Business Results for the Current Year

For the Japanese economy in the current consolidated fiscal year (hereinafter referred to as “Current Year”), uncertainty about the future continues to linger due to the spread of the novel coronavirus infection from the beginning of 2020 in addition to the impact from the ongoing trade friction originating from U.S. trade policies and a slowdown in the Chinese economy, etc.

Under such circumstances, as for the business results for the Current Year of the Company Group (the Company, consolidated subsidiaries and companies to which the equity method is applied), sales were ¥45,970 million (an increase of 2.8% as compared with the previous year), operating profit was ¥2,762 million (a decrease of 11.5% as compared with the previous year), ordinary profit was ¥2,783 million (a decrease of 35.2% as compared with the previous year) and net profit attributable to owners of the parent was ¥212 million (a decrease of 92.6% as compared with the previous year).

Business results of each segment were as follows.

(Electronic materials)

Due to the steady progress in sales of flexible printed circuit board materials, sales were ¥29,765 million, an increase of ¥995 million as compared with the same period in the previous year (3.5% as compared with the previous year). Segment profit was, due to a drop in unit prices of flexible printed circuit board materials and deterioration in revenues of Satosen Co., Ltd., ¥2,331 million, a decrease of ¥289 million as compared with the same period in the previous year (Δ 11.0% as compared with the previous year).

(Industrial application structural materials)

Due to an increase in sales of aircraft interior materials as compared with the previous year, sales were ¥8,974 million, an increase of ¥579 million as compared with the previous year (6.9% as compared with the previous year). Segment profit was, due to an increase in sales amount, ¥1,475 million, an increase of ¥82 million as compared with the same period in the previous year (5.9% as compared with the previous year).

(Electric insulation materials)

Due to a decrease in infrastructure-related sales, sales were ¥2,984 million, a decrease of ¥143 million as compared with the previous year (Δ 4.6% as compared with the previous year). Segment profit was, due to a decrease in sales amount, ¥366 million, a decrease of ¥64 million as compared with the same period in the previous year (Δ 14.9% as compared with the previous year).

(Display materials)

While steady progress has been made in sales of 3D-related materials, due to a decrease in sales of devices utilizing polarization by ColorLink Japan, Ltd., sales were ¥3,427 million, a decrease of ¥272 million as compared with the previous year (Δ 7.4% as compared with the previous year). Segment profit was, as a result of offsetting the decrease in profit from devices utilizing polarization by profit from 3D-related materials, ¥235 million, an increase of ¥120 million as compared with the same period in the previous year (104.8% as compared with the previous year).

(Other)

Sales were ¥818 million, an increase of ¥83 million as compared with the previous year (11.3% as compared with the previous year).

(2) Summary of Financial Conditions for the Current Year

Total assets at the end of the current consolidated fiscal year were ¥71,709 million, a decrease of ¥1,386 million as compared with the end of the previous consolidated fiscal year. This was mainly due to the transfer of the shares of Polatechno Co., Ltd., which was an affiliated company, and acquisition of treasury stock, etc.

Total liabilities were ¥22,691 million, an increase of ¥3,057 million as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase in corporate income tax, etc., payable of ¥3,127 million and long-term borrowings of ¥1,302 million.

Net assets decreased by ¥4,443 million as compared with the end of the previous consolidated fiscal year. This was mainly due to acquisition of treasury stock of ¥3,200 million, etc.

(3) Summary of Cash Flow for the Current Year

Cash and cash equivalents (hereinafter referred to as “Funds”) at the end of the current consolidated fiscal year were ¥14,725 million, an increase of ¥7,007 million as compared with the end of the previous consolidated fiscal year.

(Cash Flow from Operating Activities)

Funds earned from operating activities were ¥4,823 million (an increase of 66.7% as compared with the same period in the previous year). Major factors for an increase in Funds were net profit before taxes, etc., of ¥3,122 million and depreciation expense of ¥1,968 million, etc.

(Cash Flow from Investing Activities)

Funds earned from investing activities were ¥6,594 million (use of ¥3,304 million in the same period in the previous year). This was mainly due to revenue from the sale of stocks of affiliated companies of ¥8,981 million, etc.

(Cash Flow from Financing Activities)

Funds used for financing activities were ¥4,431 million (an increase of 668.3% as compared with the same period in the previous year). This was mainly due to expenditure for acquisition of treasury stock of ¥3,200 million, etc.

(Reference) Transitions of Cash Flow related Index

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net worth ratio (%)	68.6	69.3	64.3
Net worth ratio on a basis of market price (%)	49.1	39.3	37.2
Ratio of cash flow to interest bearing debt (year)	3.3	2.7	1.7
Interest coverage ratio (times)	25.8	34.2	76.3

(Note) Net worth ratio: Net worth / Total assets

Net worth ratio on a basis of market price: Total market value of shares / Total assets

Ratio of cash flow to interest bearing debt: Interest bearing debts / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest paid

1. Each index is based on financial figures on a consolidated basis.
2. Total market value of shares is calculated by final share price at the end of the period × total number of outstanding shares at the end of the period (after deducting treasury stock).
3. As for operating cash flow, “Cash flow from operating activities” in the consolidated cash flow statement is used.
4. Interest bearing debts cover all the debts that paid interest out of debts appropriated on the consolidated balance sheet. As for interest, “Interest paid” in the consolidated cash flow statement is used.

(4) Future Outlook

For the future outlook of the economy, a great deal of uncertainty about the future remains as the novel coronavirus infection continues to spread and the timing of convergence and the impact from the spread of the infection are unpredictable.

As of the disclosure of this information, the impact from the novel coronavirus on the business environment of the Company is still limited, and therefore, as for the consolidated business results for the cumulative second quarter of the fiscal year ending March 31, 2021 (from April 1, 2020 to September 30, 2020), we expect sales of ¥21,600 million, operating profit of ¥850 million, ordinary profit of ¥900 million and net profit attributable to owners of the parent of ¥450 million.

For the full-year forecast, taking into consideration the future impact from the spread of the novel coronavirus infection, we disclose the forecast of consolidated business results for the fiscal year ending March 31, 2021 adopting a range format.

We expect business results as follows, setting the upper limit of the range in a case where the impact from the novel coronavirus converges at an early stage and setting the lower limit of the range in a case where the impact from the novel coronavirus is prolonged.

Forecast of business results for the full-year of the fiscal year ending March 31, 2021

(From April 1, 2020 to March 31, 2021)

Sales	¥423,000 million to ¥461,000 million (a decrease of 8.0% to an increase of 0.3% as compared with the previous year)
Operating profit	¥1,450 million to ¥2,100 million (a decrease of 47.5% to a decrease of 24.0% as compared with the previous year)
Ordinary profit	¥1,650 million to ¥2,300 million (a decrease of 40.7% to a decrease of 17.4% as compared with the previous year)
Net profit attributable to owners of the parent	¥900 million to ¥1,350 million (an increase of 322.9% to an increase of 534.4% as compared with the previous year)

The above forecast of business results for the next fiscal year may be subject to change if the spread of the novel coronavirus infection has a prolonged impact on economic activities into the future and the business results of the Company are significantly affected.

We will announce the forecast figures of business results as soon as the forecast of business results becomes available.

2. Basic Concept of Selection of Accounting Standards

For the time being, our Company Group will maintain the policy of preparing consolidated financial statements in compliance with Japanese standards, considering the possibility of comparison of consolidated financial statements for multiple periods and among companies.

In this regard, we will properly respond to application of the IFRS, considering the situations in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: thousand yen)

	Previous consolidated fiscal year (As of March 31, 2019)	Current consolidated fiscal year (As of March 31, 2020)
Assets		
Current Assets		
Cash and deposits	8,193,697	14,714,069
Notes and accounts receivable	16,127,374	17,697,085
Securities	1,401,188	1,558,445
Merchandise and finished goods	4,012,943	3,083,432
Work-in-progress	1,941,748	2,017,729
Raw materials and stores	3,378,698	3,177,428
Other	1,190,214	1,059,764
Allowance for doubtful accounts	△668,052	△585,049
Total Current Assets	35,577,813	42,722,906
Fixed Assets		
Tangible fixed assets		
Buildings and structures	19,427,835	20,082,654
Accumulated depreciation	△13,845,280	△14,210,115
Buildings and structures (net)	5,582,555	5,872,538
Machinery, equipment and delivery equipment	29,125,791	29,537,558
Accumulated depreciation	△25,210,271	△25,575,578
Machinery, equipment and delivery equipment (net)	3,915,519	3,961,980
Land	1,949,718	1,877,655
Construction in progress	121,693	291,586
Other	2,400,451	3,022,196
Accumulated depreciation	△1,971,483	△2,100,819
Other (net)	428,967	921,376
Total tangible fixed assets	11,998,454	12,925,137
Intangible fixed assets		
Goodwill	219,309	---
Other	175,923	225,017
Total intangible fixed assets	395,233	225,017
Investments and other assets		
Investment securities	23,142,852	14,207,192
Long-term loans	218,024	214,352
Net defined benefit assets	15,289	16,579
Deferred tax assets	535,679	861,196
Other	1,356,575	674,765
Allowance for doubtful accounts	△143,823	△137,662
Total investments and other assets	25,124,598	15,836,423
Total Fixed Assets	37,518,286	28,986,578
Total Assets	73,096,100	71,709,484

(Unit: thousand yen)

	Previous consolidated fiscal year (As of March 31, 2019)	Current consolidated fiscal year (As of March 31, 2020)
Liabilities		
Current Liabilities		
Notes and accounts payable	6,105,195	6,916,079
Bonds to be redeemed within a year	36,800	36,800
Short-term borrowings	5,394,122	4,866,202
Current portion of long-term borrowings	779,820	187,669
Lease liabilities	17,535	60,138
Corporate income tax, etc., payable	300,788	3,428,200
Reserve for bonuses	510,407	570,517
Reserve for officers' bonuses	3,957	4,793
Other	3,024,295	2,355,419
Total Current Liabilities	16,172,921	18,425,820
Fixed Liabilities		
Bonds	128,000	91,200
Long-term borrowings	1,265,465	2,567,816
Lease liabilities	13,201	391,672
Deferred tax liabilities	1,074,271	236,866
Net defined benefit liabilities	626,885	738,606
Asset retirement obligations	92,502	92,310
Other	260,723	147,024
Total Fixed Liabilities	3,461,049	4,265,495
Total Liabilities	19,633,971	22,691,316
Net Assets		
Shareholders' equity		
Capital	7,541,693	7,594,026
Capital surplus	6,653,615	6,706,017
Earned surplus	35,130,363	34,256,590
Treasury stock	△4,764	△3,204,797
Total shareholders' equity	49,320,907	45,351,837
Accumulated other comprehensive income		
Valuation difference on other securities	745,120	448,970
Deferred hedge profit/loss	443	△1,311
Foreign currency translation adjustments	707,571	478,798
Accumulated adjustment for retirement benefits	△147,916	△141,260
Total accumulated other comprehensive income	1,305,219	785,197
New share subscription rights	144,419	166,148
Non-controlling interest	2,691,582	2,714,984
Total Net Assets	53,462,129	49,018,167
Total Liabilities and Net Assets	73,096,100	71,709,484

(2) Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income
(Consolidated Profit and Loss Statement)

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)
Sales	44,728,243	45,970,001
Cost of Goods Sold	36,607,194	38,224,015
Gross Profit on Sales	8,121,049	7,745,986
Selling, General and Administrative Expenses		
Freight and packaging expenses	713,508	718,576
Wages and allowances	1,407,937	1,524,596
Transfer to reserve for bonuses	104,273	128,247
Transfer to reserve for officers' bonuses	3,957	4,793
Transfer to reserve for retirement benefits	69,002	76,213
Transfer to allowance for doubtful accounts	61,311	5,888
Other	2,641,496	2,525,606
Total Selling, General and Administrative Expenses	5,001,486	4,983,921
Operating Profit	3,119,562	2,762,064
Non-Operating Income		
Interest income	336,000	327,172
Dividend income	101,318	104,317
Investment profit by equity method	558,090	---
Foreign exchange profit	160,081	---
Rent income	141,079	101,048
Other	212,414	199,348
Total Non-Operating Income	1,508,984	731,886
Non-Operating Expenses		
Interest expenses	81,880	97,422
Loss on redemption of investment securities	62,541	138,830
Foreign currency exchange loss	---	134,442
Rent expenses	63,473	79,008
Transfer to allowance for doubtful accounts	48,687	97,760
Other	74,307	163,233
Total Non-Operating Expenses	330,890	710,698
Ordinary Profit	4,297,655	2,783,251
Extraordinary Profits		
Profit on sale of fixed assets	33,719	265
Profit on sale of investment securities	65,010	1,294,172
Other	14,374	16,422
Total Extraordinary Profits	113,104	1,310,859
Extraordinary Losses		
Loss on impairment	96,725	475,811
Loss on impairment of goodwill	---	175,447
Valuation loss on investment securities	45,000	293,587
Other	53,231	26,828
Total Extraordinary Losses	194,956	971,674
Net profit before taxes, etc.	4,215,803	3,122,437
Corporate income tax, resident tax and business tax payable	862,516	3,698,729
Adjustment of corporate income tax, etc.	204,008	△1,020,085
Total corporate income tax, etc.	1,066,525	2,678,644
Net Profit	3,149,278	443,792
Net profit attributable to non-controlling	287,899	231,000

interests		
Net profit attributable to owners of the parent	2,861,378	212,792

(Consolidated Statement of Comprehensive Income)

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)
Net profit	3,149,278	443,792
Other comprehensive income		
Valuation difference on other securities	△469,322	△296,163
Deferred hedge profit/loss	443	△1,755
Foreign currency translation adjustments	△384,361	△134,015
Adjustment for retirement benefits	22,493	△27,799
Share of other comprehensive income of companies to which equity method is applied	△117,745	△101,311
Total other comprehensive income	△948,493	△561,044
Comprehensive income	2,200,785	△117,251
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,047,009	△307,229
Comprehensive income attributable to non- controlling interests	153,776	189,977

(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)

(Unit: thousand yen)

	Shareholders' equity				Total shareholders' equity
	Capital	Capital surplus	Earned surplus	Treasury stock	
Balance at the beginning of the period	7,458,242	6,570,209	33,493,564	△4,467	47,517,548
Changes during the period					
Issue of new shares	83,450	83,406			166,857
Dividends of surplus			△1,224,579		△1,224,579
Net profit attributable to owners of the parent			2,861,378		2,861,378
Acquisition of treasury stock				△296	△296
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	83,450	83,406	1,636,799	△296	1,803,359
Balance at the end of the period	7,541,693	6,653,615	35,130,363	△4,764	49,320,907

	Accumulated other comprehensive income					New share subscription rights	Non-controlling interest	Total net assets
	Valuation difference on other securities	Deferred hedge profit/loss	Foreign currency translation adjustments	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income			
Balance at the beginning of the period	1,214,473	---	1,081,810	△176,694	2,119,588	127,640	2,728,960	52,493,738
Changes during the period								
Issue of new shares								166,857
Dividends of surplus								△1,224,579
Net profit attributable to owners of the parent								2,861,378
Acquisition of treasury stock								△296
Changes in items other than shareholders' equity during the period (net)	△469,352	443	△374,238	28,778	△814,369	16,778	△37,378	△834,968
Total changes during the period	△469,352	443	△374,238	28,778	△814,369	16,778	△37,378	968,390
Balance at the end of the period	745,120	443	707,571	△147,916	1,305,219	144,419	2,691,582	53,462,129

Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,541,693	6,653,615	35,130,363	△4,764	49,320,907
Changes during the period					
Issue of new shares	52,333	52,402			104,735
Dividends of surplus			△1,086,565		△1,086,565
Net profit attributable to owners of the parent			212,792		212,792
Acquisition of treasury stock				△3,200,033	△3,200,033
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	52,333	52,402	△873,773	△3,200,033	△3,969,070
Balance at the end of the period	7,594,026	6,706,017	34,256,590	△3,204,797	45,351,837

	Accumulated other comprehensive income					New share subscription rights	Non-controlling interest	Total net assets
	Valuation difference on other securities	Deferred hedge profit/loss	Foreign currency translation adjustments	Accumulated adjustment for retirement benefits	Total accumulated other comprehensive income			
Balance at the beginning of the period	745,120	443	707,571	△147,916	1,305,219	144,419	2,691,582	53,462,129
Changes during the period								
Issue of new shares								104,735
Dividends of surplus								△1,086,565
Net profit attributable to owners of the parent								212,792
Acquisition of treasury stock								△3,200,033
Changes in items other than shareholders' equity during the period (net)	△296,149	△1,755	△228,773	6,656	△520,021	21,729	23,401	△474,890
Total changes during the period	△296,149	△1,755	△228,773	6,656	△520,021	21,729	23,401	△4,443,961
Balance at the end of the period	448,970	△1,311	478,798	△141,260	785,197	166,148	2,714,984	49,018,167

(4) Consolidated Cash Flow Statement

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)
Cash flow from operating activities		
Net profit before taxes, etc.	4,215,803	3,122,437
Depreciation expense	1,901,582	1,968,859
Loss on impairment	96,725	475,811
Loss on impairment of goodwill	---	175,447
Amortization of goodwill	58,482	43,861
Stock compensation expenses	53,638	55,402
Increase/decrease in provision for product warranties (Δ : decrease)	Δ 82	79
Increase/decrease in reserve for bonuses (Δ : decrease)	Δ 87,853	60,109
Increase/decrease in reserve for officers' bonuses (Δ : decrease)	Δ 1,999	836
Increase/decrease in allowance for doubtful accounts (Δ : decrease)	109,999	103,649
Increase/decrease in net defined benefit liabilities (Δ : decrease)	55,693	71,720
Interest and dividend income	Δ 437,318	Δ 431,489
Interest expenses	81,880	97,422
Foreign currency exchange profit/loss (Δ : profit)	Δ 21,172	10,569
Investment profit/loss by equity method (Δ : profit)	Δ 558,090	52,281
Profit/loss on sale of investment securities (Δ : profit)	Δ 64,987	Δ 1,291,341
Loss on compensation for damages	3,876	---
Valuation profit/loss on investment securities (Δ : profit)	45,000	293,587
Profit/loss on redemption of investment securities (Δ : profit)	Δ 12,096	82,394
Profit/loss on sale of fixed assets (Δ : profit)	Δ 33,719	Δ 265
Loss on retirement of tangible fixed assets	20,107	6,637
Profit on reversal of new share subscription rights	Δ 7,341	Δ 16,422
Profit/loss on liquidation of affiliated companies (Δ : profit)	---	750
Increase/decrease in reserve for investment losses (Δ : decrease)	---	Δ 5,935
Profit/loss on changes in equity (Δ : profit)	Δ 7,033	---
Increase/decrease in accounts receivable (Δ : increase)	Δ 517,924	Δ 1,561,941
Increase/decrease in inventories (Δ : increase)	Δ 682,445	1,034,154
Increase/decrease in trades payable (Δ : decrease)	Δ 588,527	799,562
Increase/decrease in consumption tax, etc., payable (Δ : decrease)	36,330	201,531
Increase/decrease in other assets (Δ : increase)	135,546	Δ 332,592
Increase/decrease in other liabilities (Δ : decrease)	44,988	Δ 114,813
Subtotal	3,839,063	4,902,303
Interest and dividends received	603,579	619,083
Interest paid	Δ 84,622	Δ 63,256
Corporate income tax, etc., paid or refund (Δ : paid)	Δ 1,460,756	Δ 634,236
Insurance benefits received	87,807	---

Amount paid for compensation for damages	<u>△91,683</u>	---
Cash flow from operating activities	<u>2,893,387</u>	<u>4,823,894</u>

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)
Cash flow from investing activities		
Expenditure for placement in term deposits	△100,000	△200,000
Revenue from refund of term deposits	3,000	210,000
Expenditure for acquisition of securities	---	△200,000
Expenditure for acquisition of tangible fixed assets	△2,758,365	△2,757,870
Revenue from sale of tangible fixed assets	38,574	397
Expenditure for acquisition of intangible fixed assets	△43,057	△105,378
Expenditure for acquisition of investment securities	△1,929,842	△1,032,333
Revenue from sale of investment securities	1,476,584	1,655,788
Revenue from sale of stocks of affiliated companies	---	8,981,134
Expenditure for lending	△55,049	△22,000
Revenue from collection of loans	33,500	19,877
Increase/decrease in investments and other assets (△: increase)	30,463	44,677
Cash flow from investing activities	△3,304,192	6,594,294
Cash flow from financing activities		
Net increase/decrease in short-term borrowings (△: decrease)	1,295,491	△548,879
Revenue from long-term borrowings	917,500	1,908,898
Expenditure for repayment of long-term borrowings	△1,341,230	△1,223,318
Expenditure for repayment of lease liabilities	△20,968	△52,153
Expenditure for repayment of long-term accrued amount	△115,173	△115,173
Expenditure for redemption of bonds	△36,800	△36,800
Proceeds from stocks issued	137,338	87,484
Expenditure for acquisition of treasury stock	△296	△3,200,033
Dividends paid	△1,221,488	△1,085,016
Dividends paid to non-controlling interests	△191,154	△166,575
Cash flow from financing activities	△576,781	△4,431,566
Translation differences in cash and cash equivalents	△123,536	20,680
Increase/decrease in cash and cash equivalents (△: decrease)	△1,111,123	7,007,302
Cash and cash equivalents at the beginning of the period	8,829,805	7,718,682
Cash and cash equivalents at the end of the period	7,718,682	14,725,985

(5) Notes Related to Consolidated Financial Statements

(Notes on Going Concern)

No applicable matter.

(Changes in Presentation)

(Application of IFRS No. 16 (Lease))

Subsidiaries of the Company Group to which IFRS applies have applied IFRS No. 16 “Lease” (published in January 2016) (hereinafter referred to as “IFRS No. 16”) from the current consolidated fiscal year. In application of IFRS No. 16, we adopted the method of recognizing the cumulative impact by application of these Standards as of the date of commencement of application, which is permitted as a transitional measure.

For lease as a lessee which was previously classified into operating lease by applying IAS No. 17, right-of-use assets and lease liabilities are recognized as of the date of commencement of application.

Some assets, which were included in other amount of investments and other assets were transferred to right-of-use assets.

In connection with application of these Standards, in the Consolidated Balance Sheet, tangible fixed assets of ¥372,069 thousand, other amount of current liabilities of ¥31,077 thousand and other amount of fixed liabilities of ¥302,416 thousand increased respectively and other amount of investments and other assets of ¥40,644 thousand decreased.

Impact by the above change on the Consolidated Profit and Loss Statement is minor.

(Segment Information, etc.)

[Segment Information]

1. Outline of reportable segments

Reportable segments of the Company are those whose separate financial information is obtainable out of the composition units of the Company and the subject of periodical review by the board of directors in order to determine distribution of business resources and evaluate performances.

The Company established the manufacturing and sales system by product and service at the head office and develops comprehensive strategies of the handling products and services for Japan and overseas and is developing business activities.

Therefore, the Company is composed of segments by product and service based on the manufacturing and sales system and adopts the four businesses of “electronic materials business,” “industrial application structural materials business,” “electric insulation materials business” and “display materials business” as the reportable segments.

“Electronic materials business” produces materials for flexible and rigid printed circuit boards, etc. “Industrial application structural materials business” produces FW molded products, honeycomb panels and prepregs for aircraft, pultrusion products, FRP ski sheets, etc. “Electric insulation materials business” produces glass cloth, glass tapes, prepregs for electric insulation, etc. “Display materials business” produces 3D display filters, special optical films, etc.

2. Method of calculation of the amount of sales, profit or loss, assets, liabilities and other items by reportable segment

Accounting method of reported business segments is generally the same as the statement in “Substantial Underlying Matters for Preparation of Consolidated Financial Statements.”

Profit in the reportable segments is based on operating profit (before amortization of goodwill).

Intersegment revenues and transfers are based on the actual market price.

3. Information about the amount of sales, profit or loss, assets, liabilities and other items by reportable segment
Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)

(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	28,770,006	8,395,152	3,127,617	3,699,894	43,992,670	735,573	44,728,243
Intersegment sales or transfers	---	---	---	---	---	774,757	774,757
Total	28,770,006	8,395,152	3,127,617	3,699,894	43,992,670	1,510,331	45,503,001
Segment profit	2,620,863	1,393,245	430,901	114,841	4,559,852	192,791	4,752,643
Segment assets	28,191,582	8,187,279	3,224,618	11,269,843	50,873,325	1,229,002	52,102,328
Other							
Depreciation expense	1,397,503	170,987	83,532	130,836	1,782,860	21,999	1,804,859
Investment in companies to which the equity method is applied	---	---	---	8,021,428	8,021,428	---	8,021,428
Increase in tangible fixed assets and intangible fixed assets	1,958,890	168,807	81,738	144,156	2,353,593	6,703	2,360,296

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.

Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(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	29,765,050	8,974,588	2,984,156	3,427,412	45,151,206	818,794	45,970,001
Intersegment sales or transfers	---	---	---	---	---	796,455	796,455
Total	29,765,050	8,974,588	2,984,156	3,427,412	45,151,206	1,615,250	46,766,457
Segment profit	2,331,392	1,475,260	366,888	235,241	4,408,782	222,173	4,630,955
Segment assets	28,747,464	9,329,352	3,185,554	3,062,923	44,325,294	1,309,738	45,635,032
Other							
Depreciation expense	1,449,803	180,468	84,873	142,537	1,857,683	21,168	1,878,851
Investment in companies to which the equity method is applied	---	---	---	217,982	217,982	---	217,982
Increase in tangible fixed assets and intangible fixed assets	1,548,869	193,481	142,372	219,016	2,103,740	2,636	2,106,376

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.

4. Difference between the total amount of reportable segments and the amount shown in the consolidated financial statements and major details for the difference (matters concerning difference adjustment)

(Unit: thousand yen)

Sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	43,992,670	45,151,206
Sales in category "Other"	1,510,331	1,615,250
Elimination of intersegment transactions	△774,757	△796,455
Sales in consolidated financial statements	44,728,243	45,970,001

(Unit: thousand yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	4,559,852	4,408,782
Profit in category "Other"	192,791	222,173
Elimination of intersegment transactions	△105,450	△92,405
Amortization of goodwill	△58,482	△43,861
Expenses of entire company (Note)	△1,443,860	△1,707,227
Adjustment of inventories	△25,287	△25,396
Operating profit in consolidated financial statements	3,119,562	2,762,064

Note: Expenses of the entire company are mainly general and administrative expenses not attributable to reportable segments.

(Unit: thousand yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	50,873,325	44,325,294
Assets in category "Other"	1,229,002	1,309,738
Elimination by setoff of the claims to the administrative department of head office	△453,463	△673,953
Assets of entire company (Note)	21,472,523	26,773,801
Adjustment of inventories	△25,287	△25,396
Total assets in consolidated financial statements	73,096,100	71,709,484

Note: Assets of the entire company are mainly investment securities, etc., not attributable to reportable segments.

(Unit: thousand yen)

Other item	Total of reportable segments		Other		Adjustment		Amount shown in consolidated financial statements	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation expense	1,782,860	1,857,683	21,999	21,168	96,722	104,112	1,901,582	1,982,964
Increase in tangible fixed assets and intangible fixed assets	2,353,593	2,103,740	6,703	2,636	183,553	167,555	2,543,849	2,273,932

Note: Adjustment of increase in tangible fixed assets and intangible fixed assets is the capital investments in the assets used for the common corporate purpose.

[Related Information]

Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)

1. Information by product and service

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Total
Sales to external customers	28,770,006	8,395,152	3,127,617	3,699,894	735,573	44,728,243

2. Information by region

(1) Sales

(Unit: thousand yen)

Japan	China	Other Region	Total
20,775,148	13,236,723	10,716,371	44,728,243

Note: Sales are based on the location of customers and classified into a country or region.

(2) Tangible fixed assets

(Unit: thousand yen)

Japan	Taiwan	Other Region	Total
9,495,215	1,759,191	744,046	11,998,454

3. Information by major customer

(Unit: thousand yen)

Name of Customer	Sales	Related segment name
Sumitomo Shoji Chemicals Co., Ltd.	5,664,735	Electronic materials business

Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)

1. Information by product and service

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Total
Sales to external customers	29,765,050	8,974,588	2,984,156	3,427,412	818,794	45,970,001

2. Information by region

(1) Sales

(Unit: thousand yen)

Japan	China	Other Region	Total
19,588,099	13,572,138	12,809,763	45,970,001

Note: Sales are based on the location of customers and classified into a country or region.

(2) Tangible fixed assets

(Unit: thousand yen)

Japan	Taiwan	Other Region	Total
9,289,124	2,916,654	719,358	12,925,137

3. Information by major customer

(Unit: thousand yen)

Name of Customer	Sales	Related segment name
Sumitomo Shoji Chemicals Co., Ltd.	5,381,162	Electronic materials business

[Information about loss on impairment of fixed assets by reportable segment]

Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Loss on impairment	---	---	---	96,725	---	---	96,725
Loss on impairment of goodwill	---	---	---	---	---	---	---

Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Loss on impairment	369,122	---	---	106,689	---	---	475,811
Loss on impairment of goodwill	175,447	---	---	---	---	---	175,447

[Information about amortization of goodwill and unamortized balance by reportable segment]

Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Amortization	58,482	---	---	---	---	---	58,482
Balance at the end of the period	219,309	---	---	---	---	---	219,309

Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Amortization	43,861	---	---	---	---	---	43,861
Balance at the end of the period	---	---	---	---	---	---	---

(Note) In electronic materials, impairment loss of goodwill of ¥175,447 thousand was recorded.

[Information about profit on negative goodwill by reportable segment]

No applicable matter.

(Per Share Information)

	Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)
Net asset per share	¥1,397.78	¥1,387.76
Net profit per share	¥79.15	¥6.14
Fully diluted net profit per share	¥78.70	¥6.12

(Note) Net profit and fully diluted net profit per share are calculated on the basis of the following:

	Previous consolidated fiscal year (From April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (From April 1, 2019 to March 31, 2020)
Net profit per share		
Net profit attributable to owners of the parent (thousand yen)	2,861,378	212,792
Amounts that are not attributable to common stockholders (thousand yen)	---	---
Net profit attributable to owners of the parent for common stocks (thousand yen)	2,861,378	212,792
Average number of shares during the year (shares)	36,150,184	34,682,121
Fully diluted net profit per share		
Adjustment of net profit attributable to owners of the parent (thousand yen)	---	---
Increase in number of common stocks (shares)	208,623	103,772
(Of those, number of new share subscription rights (shares))	(208,623)	(103,772)
The outline of potential shares not included in the calculation of fully diluted net profit per share due to the absence of dilutive effects	Six types of new share subscription rights (848,500 shares)	Eight types of new share subscription rights (1,116,800 shares)

(Important Events after Closing the Accounts)

No applicable matter.