



## Closing Announcement of Third Quarter of the Fiscal Year Ending March 31, 2021 [Japanese Standards] (Consolidated)

January 28, 2021

|  |                                  |  |                   |
|--|----------------------------------|--|-------------------|
| Name of Listed Company:  | Arisawa Mfg. Co., Ltd.           | Listed on the Tokyo Stock Exchange                                       |                   |
| Code No.:  | 5208                             | (URL <a href="http://www.arisawa.co.jp/">http://www.arisawa.co.jp/</a> ) |                   |
| Representative:  | Representative Director and CEO: | Yuta Arisawa   |                   |
| Contact Person:  | Operating Officer,               |  |                   |
|  | Corporate Planning Department:   | Takeshi Masuda   | TEL: 025-524-7101 |
| Scheduled Date of Submitting Financial Report: February 12, 2021             |                                  |  |                   |
| Scheduled Date of Commencement of Dividend Payment: ---                      |                                  |  |                   |
| Whether supplementary explanation materials for the closing are prepared: No |                                  |  |                   |
| Whether explanation meeting is held for the closing: No                      |                                  |  |                   |

(Indicated by rounding off an amount less than 1 million yen)

### 1. Consolidated Results in Third Quarter of the Fiscal Year Ending March 31, 2021 (From April 1, 2020 to December 31, 2020)

#### (1) Consolidated Operating Results (Cumulative)

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

|  | Sales         |      | Operating profit |       | Ordinary profit |       | Net profit attributable to owners of the parent |     |
|--|---------------|------|------------------|-------|-----------------|-------|---|-----|
|  | (million yen) | %    | (million yen)    | %     | (million yen)   | %     | (million yen)                                   | %   |
| Third Quarter of the Fiscal Year Ending March 31, 2021 | 34,606        | 0.8  | 2,223            | 7.0   | 2,290           | 3.1   | 1,380   | --- |
| Third Quarter of the Fiscal Year Ended March 31, 2020  | 34,327        | △1.1 | 2,077            | △21.6 | 2,221           | △39.0 | △118  | --- |

(Note) Comprehensive income: Third Quarter of the Fiscal Year Ending March 31, 2021: 2,146 million yen (--- %)   
 Third Quarter of the Fiscal Year Ended March 31, 2020: △22 million yen (--- %)

|  | Net profit per share | Fully diluted net profit per share |
|--|----------------------|------------------------------------|
|  | (Yen, Sen)           | (Yen, Sen)                         |
| Third Quarter of the Fiscal Year Ending March 31, 2021 | 41.50                | 41.43                              |
| Third Quarter of the Fiscal Year Ended March 31, 2020  | △3.38                | ---                                |

#### (2) Consolidated Financial Conditions

|  | Total assets  | Net assets    | Net worth ratio | Net asset per share |
|--|---------------|---------------|-----------------|---------------------|
|  | (million yen) | (million yen) | %               | (Yen, Sen)          |
| Third Quarter of the Fiscal Year Ending March 31, 2021 | 69,553        | 50,063        | 67.8            | 1,415.87            |
| Fiscal Year Ended March 31, 2020                       | 71,709        | 49,018        | 64.3            | 1,387.76            |

(Reference) Net worth: Third Quarter of the Fiscal Year Ending March 31, 2021: 47,137 million yen   
 Fiscal Year Ended March 31, 2020: 46,137 million yen

### 2. Status of Dividends

|  | Annual dividends               |                                |                                |             |            |
|--|--------------------------------|--------------------------------|--------------------------------|-------------|------------|
|  | End of 1 <sup>st</sup> quarter | End of 2 <sup>nd</sup> quarter | End of 3 <sup>rd</sup> quarter | End of year | Annual     |
|  | (Yen, Sen)                     | (Yen, Sen)                     | (Yen, Sen)                     | (Yen, Sen)  | (Yen, Sen) |
| Fiscal Year Ended March 31, 2020             | ---                            | 0.00                           | ---                            | 30.00       | 30.00      |
| Fiscal Year Ending March 31, 2021            | ---                            | 0.00                           | ---                            |             |            |
| Fiscal Year Ending March 31, 2021 (Forecast) |                                |                                |                                | 34.00       | 34.00      |

(Note) Existence of adjustment from the most recently announced dividend forecast: None

### 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 period)

|           | 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)           |
| Full Year | 45,800        | △0.4 | 2,600            | △5.9 | 2,800           | 0.6 | 1,600   | 651.9 | 48.06                |

(Note) Existence of adjustment from the most recently announced forecast of business results: Yes   
 For details, please refer to "1. Qualitative Information concerning Current Quarterly Closing Announcement (3) Explanation about Future Forecast Information, including Forecast of Consolidated Business Results" on page 3 of the attached materials.

\* Notes

(1) Changes in material subsidiaries during the current consolidated cumulative period (changes in specified subsidiaries accompanying changes in scope of consolidation): None  
 New: --- (Company Name: ) Exclusion: --- (Company Name: )

(2) Application of accounting particular to preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policy, changes in accounting estimates and restatement

- 1) Changes in accounting policy in connection with the amendment of accounting standards, etc.: None
- 2) Changes in accounting policy other than 1) above: None
- 3) Changes in accounting estimate: None
- 4) Restatement: None

(4) Number of outstanding shares (common stock)

|  |  |                   |   |                   |
|--|--|-------------------|---|-------------------|
| 1) Number of outstanding shares at the end of year (including treasury stock): | 3Q of Fiscal Year Ending March 31, 2021: | 34,428,424 shares | Fiscal Year Ended March 31, 2020:       | 36,381,524 shares |
| 2) Number of treasury stock at the end of year:                                | 3Q of Fiscal Year Ending March 31, 2021: | 1,136,053 shares  | Fiscal Year Ended March 31, 2020:       | 3,135,830 shares  |
| 3) Average number of shares during the year (quarterly cumulative period):     | 3Q of Fiscal Year Ending March 31, 2021: | 33,258,817 shares | 3Q of Fiscal Year Ended March 31, 2020: | 35,159,633 shares |

\* The quarterly closing announcement is not subject to quarterly review 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

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## 1. Qualitative Information concerning Current Quarterly Closing Announcement

### (1) Explanation about Business Results

The Japanese economy in the current consolidated cumulative third quarter suffered from very severe conditions due to economic stagnation as a result of the novel coronavirus (COVID-19). In addition, the outlook remains uncertain due to concerns that the impact on the economy will be prolonged and the uncertainty surrounding the prospects of containing the COVID-19 pandemic.

Under such circumstances, for the business results in the current cumulative third quarter of the Company Group (the Company, consolidated subsidiaries and companies to which the equity method is applied), sales were ¥34,606 million (an increase of 0.8% as compared with the same period in the previous year). For profit and loss, operating profit was ¥2,223 million (an increase of 7.0% as compared with the same period in the previous year) and ordinary profit was ¥2,290 million (an increase of 3.1% as compared with the same period in the previous year) and the quarterly net profit attributable to owners of the parent was ¥1,380 million (quarterly net loss attributable to owners of the parent of ¥118 million in the same period in the previous year).

Business results of each segment were as follows.

#### (Electronic materials)

Due to steady progress in sales of flexible printed circuit board materials, sales were ¥23,752 million, an increase of ¥1,274 million as compared with the same period in the previous year (5.7% as compared with the same period in the previous year). Segment profit was ¥2,197 million, an increase of ¥262 million as compared with the same period in the previous year (13.6% as compared with the same period in the previous year) due to an increase in sales.

#### (Industrial application structural materials)

Although sales of aircraft materials decreased, due to launch of sales of automotive materials, sales were ¥6,451 million, a decrease of ¥6 million as compared with the same period in the previous year (▲0.1% as compared with the same period in the previous year). Segment profit was ¥639 million, a decrease of ¥323 million as compared with the same period in the previous year (▲33.6% as compared with the same period in the previous year) due to a decrease in sales of aircraft materials, etc.

#### (Electric insulation materials)

Due to a decrease in sales of insulation materials for heavy electric machinery, sales were ¥1,732 million, a decrease of ¥537 million as compared with the same period in the previous year (▲23.7% as compared with the same period in the previous year). Segment profit was ¥121 million, a decrease of ¥126 million as compared with the same period in the previous year (▲51.1% as compared with the same period in the previous year) due to a decrease in sales.

#### (Display materials)

Due to a decrease in sales of devices utilizing polarization by ColorLink Japan, Ltd., sales were ¥2,042 million, a decrease of ¥530 million as compared with the same period in the previous year (▲20.6% as compared with the same period in the previous year). Segment profit was ¥123 million, a decrease of ¥27 million as compared with the same period in the previous year (▲18.3% as compared with the same period in the previous year) due to a decrease in sales.

#### (Other)

Sales were ¥627 million, an increase of ¥78 million as compared with the same period in the previous year (14.3% as compared with the same period in the previous year). Segment profit was ¥174 million, an increase of ¥28 million as compared with the same period in the previous year (19.3% as compared with the same period in the previous year).

## (2) Explanation about Financial Conditions

Total assets at the end of the current consolidated third quarter were ¥69,553 million, a decrease of ¥2,156 million as compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease in investment securities of ¥4,034 million. Liabilities were ¥19,489 million, a decrease of ¥321 million as compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease in corporate income tax, etc., payable of ¥3,238 million. Net assets were ¥50,063 million, an increase of ¥1,047 million as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase in valuation difference on other securities of ¥611 million, etc.

## (3) Explanation about Future Forecast Information, including Forecast of Consolidated Business Results

As for the forecast of business results for the full-year of the fiscal year ending March 31, 2021, which was announced on October 29, 2020, although uncertainty regarding the containment of the COVID-19 pandemic will continue through the fourth quarter, based on the business results in the current cumulative third quarter, we expect operating profit, ordinary profit and net profit attributable to owners of the parent will exceed those of the previously announced forecast.

Adjustment of forecasted figures of consolidated business results for the full-year of the fiscal year ending March 31, 2021

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

|  | Sales<br>(million<br>yen) | Operating<br>profit<br>(million<br>yen) | Ordinary<br>profit<br>(million<br>yen) | Net profit<br>attributable to<br>owners of the<br>parent<br>(million yen) | Net profit<br>per share<br>(yen) |
|--|---------------------------|---|--|---|----------------------------------|
| Previously announced forecast (A)  | 45,300                    | 2,400                                   | 2,600                                  | 1,500   | 45.09                            |
| This forecast adjustment (B)   | 45,800                    | 2,600                                   | 2,800                                  | 1,600   | 48.06                            |
| Increase or decrease (B-A)   | 500                       | 200                                     | 200                                    | 100   |                                  |
| Increase or decrease ratio (%)   | 1.1                       | 8.3                                     | 7.7                                    | 6.7   |                                  |
| (Reference) Results of the previous year<br>(Fiscal Year Ended March 31, 2020) | 45,970                    | 2,762                                   | 2,783                                  | 212   | 6.14                             |

## 2. Quarterly Consolidated Financial Statements and Major Notes

## (1) Quarterly Consolidated Balance Sheet

(Unit: thousand yen)

|                                    | Previous Consolidated<br>Fiscal Year<br>(As of March 31, 2020) | Current Consolidated<br>Third Quarter<br>(As of December 31, 2020) |
|------------------------------------|--|--|
| Assets                             |  |  |
| Current Assets                     |  |  |
| Cash and deposits                  | 14,714,069   | 16,041,174   |
| Notes and accounts receivable      | 17,697,085   | 17,262,247   |
| Securities                         | 1,558,445  | 945,933  |
| Merchandise and finished goods     | 3,083,432  | 3,351,412  |
| Work-in-progress                   | 2,017,729  | 2,215,073  |
| Raw materials and stores           | 3,177,428  | 3,274,045  |
| Other                              | 1,059,764  | 1,916,964  |
| Allowance for doubtful accounts    | △585,049   | △146,462   |
| Total Current Assets               | 42,722,906   | 44,860,388   |
| Fixed Assets                       |  |  |
| Tangible fixed assets              | 12,925,137   | 13,232,961   |
| Intangible fixed assets            | 225,017  | 229,919  |
| Investments and other assets       |  |  |
| Investment securities              | 14,207,192   | 10,172,811   |
| Other                              | 1,766,893  | 1,206,530  |
| Allowance for doubtful accounts    | △137,662   | △149,390   |
| Total investments and other assets | 15,836,423   | 11,229,951   |
| Total Fixed Assets                 | 28,986,578   | 24,692,832   |
| Total Assets                       | 71,709,484   | 69,553,221   |

(Unit: thousand yen)

|  | Previous Consolidated<br>Fiscal Year<br>(As of March 31, 2020) | Current Consolidated<br>Third Quarter<br>(As of December 31, 2020) |
|--|--|--|
| <b>Liabilities</b>                             |  |  |
| Current Liabilities                            |  |  |
| Notes and accounts payable                     | 6,916,079  | 6,743,172  |
| Bonds to be redeemed within a year             | 36,800   | 36,800   |
| Short-term borrowings                          | 4,866,202  | 4,685,748  |
| Current portion of long-term borrowings        | 187,669  | 182,724  |
| Corporate income tax, etc., payable            | 3,428,200  | 189,231  |
| Reserve for bonuses                            | 570,517  | 261,540  |
| Reserve for officers' bonuses                  | 4,793  | 3,375  |
| Other  | 2,415,558  | 2,956,874  |
| Total Current Liabilities                      | 18,425,820   | 15,059,466   |
| Fixed Liabilities                              |  |  |
| Bonds payable                                  | 91,200   | 54,400   |
| Long-term borrowings                           | 2,567,816  | 2,828,791  |
| Net defined benefit liabilities                | 738,606  | 709,787  |
| Asset retirement obligations                   | 92,310   | 91,498   |
| Other  | 775,563  | 745,754  |
| Total Fixed Liabilities                        | 4,265,495  | 4,430,232  |
| Total Liabilities                              | 22,691,316   | 19,489,698   |
| <b>Net Assets</b>                              |  |  |
| Shareholders' equity                           |  |  |
| Capital  | 7,594,026  | 7,609,595  |
| Capital surplus                                | 6,706,017  | 6,721,586  |
| Earned surplus                                 | 34,256,590   | 32,593,755   |
| Treasury stock                                 | △3,204,797   | △1,159,226   |
| Total shareholders' equity                     | 45,351,837   | 45,765,711   |
| Accumulated other comprehensive income         |  |  |
| Valuation difference on other securities       | 448,970  | 1,060,667  |
| Deferred hedge profit or loss                  | △1,311   | 1,553  |
| Foreign currency translation adjustments       | 478,798  | 396,425  |
| Accumulated adjustment for retirement benefits | △141,260   | △86,553  |
| Total accumulated other comprehensive income   | 785,197  | 1,372,093  |
| Stock acquisition rights                       | 166,148  | 181,736  |
| Non-controlling interest                       | 2,714,984  | 2,743,982  |
| Total Net Assets                               | 49,018,167   | 50,063,523   |
| Total Liabilities and Net Assets               | 71,709,484   | 69,553,221   |

(2) Quarterly Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income  
 (Quarterly Consolidated Profit and Loss Statement)  
 (Consolidated Cumulative Third Quarter)

(Unit: thousand yen)

|   | Previous Consolidated<br>Cumulative Third Quarter<br>(From April 1, 2019<br>to December 31, 2019) | Current Consolidated<br>Cumulative Third Quarter<br>(From April 1, 2020<br>to December 31, 2020) |
|---|---|--|
| Sales   | 34,327,306  | 34,606,706   |
| Cost of Goods Sold  | 28,415,924  | 28,818,193   |
| Gross Profit on Sales   | 5,911,381   | 5,788,512  |
| Selling, General and Administrative Expenses  | 3,833,508   | 3,564,820  |
| Operating Profit  | 2,077,873   | 2,223,692  |
| Non-operating Income  |   |  |
| Interest income   | 239,325   | 218,168  |
| Dividend income   | 100,368   | 87,694   |
| Subsidy income  | 12,499  | 119,592  |
| Other   | 210,010   | 134,189  |
| Total Non-operating Income  | 562,204   | 559,645  |
| Non-operating Expenses  |   |  |
| Interest expenses   | 71,129  | 82,095   |
| Foreign currency exchange loss  | 93,450  | 192,813  |
| Other   | 253,589   | 218,076  |
| Total Non-operating Expenses  | 418,168   | 492,985  |
| Ordinary Profit   | 2,221,909   | 2,290,351  |
| Extraordinary Profits   |   |  |
| Profit on sale of fixed assets  | 262   | 515  |
| Profit on sale of investment securities   | 1,271,030   | 320,704  |
| Other   | 14,244  | 26,628   |
| Total Extraordinary Profits   | 1,285,537   | 347,848  |
| Extraordinary Losses  |   |  |
| Loss on impairment  | 448,357   | ---  |
| Loss on impairment of goodwill  | 175,447   | ---  |
| Loss on sale of investment securities   | 2,894   | 313,624  |
| Other   | 28,859  | 12,018   |
| Total Extraordinary Losses  | 655,558   | 325,642  |
| Net profit before taxes, etc.   | 2,851,888   | 2,312,556  |
| Corporate income tax, etc.  | 2,796,074   | 655,999  |
| Net profit  | 55,813  | 1,656,557  |
| Net profit attributable to non-controlling interests  | 174,506   | 276,254  |
| Net profit attributable to owners of the parent or net loss attributable to owners of the parent ( $\Delta$ ) | $\Delta$ 118,692  | 1,380,302  |



(Quarterly Consolidated Statement of Comprehensive Income)  
(Consolidated Cumulative Third Quarter)

(Unit: thousand yen)

|   | Previous Consolidated<br>Cumulative Third Quarter<br>(From April 1, 2019<br>to December 31, 2019) | Current Consolidated<br>Cumulative Third Quarter<br>(From April 1, 2020<br>to December 31, 2020) |
|---|---|--|
| Net profit  | 55,813  | 1,656,557  |
| Other Comprehensive Income  |   |  |
| Valuation difference on other securities  | 236,177   | 611,662  |
| Deferred hedge profit or loss   | △443  | 2,865  |
| Foreign currency translation adjustments  | △227,935  | △179,795   |
| Adjustment for retirement benefits  | 25,690  | 54,707   |
| Share of other comprehensive income of<br>companies to which equity method is applied | △111,385  | 139  |
| Total Other Comprehensive Income  | △77,897   | 489,579  |
| Comprehensive Income  | △22,083   | 2,146,137  |
| (Breakdown)   |   |  |
| Comprehensive income attributable to owners of<br>the parent                          | △134,097  | 1,967,198  |
| Comprehensive income attributable to non-<br>controlling interests                    | 112,014   | 178,938  |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

No applicable matter.

(Explanatory Note in Case of Significant Changes in the Amount of Shareholders' Equity)

The Company cancelled treasury stock of ¥2,000,000 shares as of November 30, 2020 based on the resolution of the Board of Directors' meeting held on October 29, 2020. As a result, earned surplus and treasury stock decreased by ¥2,045,767 thousand, respectively, in the current cumulative third quarter, and earned surplus was ¥32,593,755 thousand and treasury stock was ¥1,159,226 thousand at the end of the current third quarter.

(Application of Accounting Particular to Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

For tax expenses, the effective tax rate is reasonably estimated after application of tax effect accounting for net profit before taxes in the consolidated fiscal year including the current consolidated third quarter and these are calculated by multiplying the quarterly net profit before taxes by the estimated effective tax rate.

(Additional Information)

(Accounting Estimate)

As for assumptions regarding the impact from COVID-19, which were stated in the Additional Information of Financial Report for the previous consolidated fiscal year, we based our assumptions by setting a range including the case where infections will be contained at an early stage (end of September 2020). Based on the status of infections thereafter, however, we changed part of our assumptions as the impact will continue at least during the current consolidated fiscal year. In this regard, there are no material changes in the accounting estimates for the current consolidated cumulative third quarter due to the change above.

(Segment Information, etc.)

[Segment Information]

I. Previous consolidated cumulative third quarter (From April 1, 2019 to December 31, 2019)

1. Information about the amount of sales and profit/loss by reportable segment

(Unit: thousand yen)

|                                 | Reportable segment   |   |                               |                   |            | Other<br>(Note) | Total      |
|---------------------------------|----------------------|---|-------------------------------|-------------------|------------|-----------------|------------|
|                                 | Electronic materials | Industrial application structural materials | Electric insulation materials | Display materials | Total      |                 |            |
| Sales                           |                      |   |                               |                   |            |                 |            |
| Sales to external customers     | 22,477,949           | 6,457,995                                   | 2,269,187                     | 2,573,141         | 33,778,273 | 549,032         | 34,327,306 |
| Intersegment sales or transfers | ---                  | ---   | ---                           | ---               | ---        | 594,321         | 594,321    |
| Total                           | 22,477,949           | 6,457,995                                   | 2,269,187                     | 2,573,141         | 33,778,273 | 1,143,353       | 34,921,627 |
| Segment profit                  | 1,935,317            | 962,654                                     | 248,190                       | 150,617           | 3,296,780  | 146,501         | 3,443,281  |

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.

2. Difference between the total amount of profit/loss of reportable segments and the amount shown in the quarterly consolidated profit and loss statement and major details for the difference (matters concerning difference adjustment)

(Unit: thousand yen)

| Profit   | Amount     |
|--|------------|
| Total of reportable segments   | 3,296,780  |
| Profit in category "Other"   | 146,501    |
| Elimination of intersegment transactions                             | △65,556    |
| Amortization of goodwill   | △43,861    |
| Expenses of entire company (Note)                                    | △1,227,826 |
| Adjustment of inventories  | △28,163    |
| Operating profit in quarterly consolidated profit and loss statement | 2,077,873  |

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

3. Information about loss on impairment of fixed assets or goodwill, etc., by reportable segment  
(Material Loss on Impairment of Fixed Assets)

In the "Electronic Materials" segment, for the assets (including goodwill) in which investment cannot be expected to be recovered due to a decrease in profitability, the book value was reduced to a recoverable value and the decrease was recorded in extraordinary losses as loss on impairment.

In the "Display Materials" segment, for assets for which profit and loss from operating activities continues to be negative, the book value was reduced to the memorandum value and the decrease was recorded in extraordinary losses as loss on impairment.

In this regard, the recorded amount of loss on impairment was ¥539,702 thousand in the "Electronic Materials" segment and ¥84,101 thousand in the "Display Materials" segment in the previous consolidated cumulative third quarter.

(Material Changes in the Amount of Goodwill)

In the "Electronic Materials" segment, as loss on impairment of goodwill was recorded, the amount of goodwill decreased. In this regard, the decrease in goodwill due to the above event was ¥175,447 thousand in the previous consolidated cumulative third quarter.

## II Current consolidated cumulative third quarter (From April 1, 2020 to December 31, 2020)

## 1. Information about the amount of sales and profit/loss by reportable segment

(Unit: thousand yen)

|                                 | Reportable segment   |   |                               |                   |            | Other<br>(Note) | Total      |
|---------------------------------|----------------------|---|-------------------------------|-------------------|------------|-----------------|------------|
|                                 | Electronic materials | Industrial application structural materials | Electric insulation materials | Display materials | Total      |                 |            |
| Sales                           |                      |   |                               |                   |            |                 |            |
| Sales to external customers     | 23,752,728           | 6,451,804                                   | 1,732,151                     | 2,042,551         | 33,979,235 | 627,470         | 34,606,706 |
| Intersegment sales or transfers | ---                  | ---   | ---                           | ---               | ---        | 619,086         | 619,086    |
| Total                           | 23,752,728           | 6,451,804                                   | 1,732,151                     | 2,042,551         | 33,979,235 | 1,246,556       | 35,225,792 |
| Segment profit                  | 2,197,614            | 639,393                                     | 121,293                       | 123,054           | 3,081,355  | 174,727         | 3,256,082  |

(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.

2. Difference between the total amount of profit/loss of reportable segments and the amount shown in the quarterly consolidated profit and loss statement and major details for the difference (matters concerning difference adjustment)

(Unit: thousand yen)

| Profit   | Amount     |
|--|------------|
| Total of reportable segments   | 3,081,355  |
| Profit in category “Other”   | 174,727    |
| Elimination of intersegment transactions                             | 2,707      |
| Expenses of entire company (Note)                                    | △1,016,334 |
| Adjustment of inventories  | △18,763    |
| Operating profit in quarterly consolidated profit and loss statement | 2,223,692  |

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

3. Information about loss on impairment of fixed assets or goodwill, etc., by reportable segment

No applicable matter.

(Important Events after Closing the Accounts)

(Tender Offer for Shares of ThinFlex Corporation)

From December 8, 2020, the Company implemented a tender offer for the shares of ThinFlex Corporation, a consolidated subsidiary of the Company, under Taiwanese laws (hereinafter referred to as “Taiwanese Tender Offer”). The subscription period for the Taiwanese Tender Offer ended on January 26, 2021, and the terms and conditions for the Taiwanese Tender Offer have been satisfied. We are proceeding with the acquisition procedure by conducting the tender offer for the subscribed shares as planned.

In this regard, the impact from additional acquisition of the shares of the subsidiary on the consolidated business results for the fiscal year ending March 31, 2021 will be immaterial.