



## Closing Announcement of Fiscal Year Ended March 31, 2022 [Japanese Standards] (Consolidated)

May 12, 2022

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: Director and Senior Operating Officer:	Takeshi Masuda TEL: 025-524-7101
Scheduled Date of Holding Ordinary General Meeting of Shareholders:	Scheduled Date of Commencement of Dividend Payment:
June 28, 2022	June 29, 2022
Scheduled Date of Submitting Financial Report:	June 29, 2022
Whether supplementary explanation materials for the closing are prepared:	None
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, 2022 (From April 1, 2021 to March 31, 2022)

#### (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, 2022	43,089	---	3,320	---	4,204	---	3,911	---
Fiscal Year Ended March 31, 2021	46,439	1.0	3,118	12.9	3,578	28.6	2,160	915.4

(Note) Comprehensive income: Fiscal Year Ended March 31, 2022: 4,530 million yen (19.0%)  
Fiscal Year Ended March 31, 2021: 3,808 million yen (---%)

	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, 2022	117.40	117.32	8.3	6.2	7.7
Fiscal Year Ended March 31, 2021	64.94	64.84	4.7	5.1	6.7

(Reference) Equity method investment income: Fiscal Year Ended March 31, 2022: 15 million yen  
Fiscal Year Ended March 31, 2021: Δ46 million yen

From the beginning of the year ended March 31, 2022, the "Accounting Standard for Revenue Recognition," etc., has been applied. Therefore, the rate of increase or decrease from the actual figures before the application of this Standard, etc., is not stated.

#### (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, 2022	68,689	47,965	69.6	1,434.46
Fiscal Year Ended March 31, 2021	67,257	47,444	68.8	1,388.50

(Reference) Net worth: Fiscal Year Ended March 31, 2022: 47,786 million yen  
Fiscal Year Ended March 31, 2021: 46,284 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, 2022	5,901	2,869	Δ4,042	16,893
Fiscal Year Ended March 31, 2021	610	1,567	Δ5,703	11,488

### 2. Status of Dividends

	Annual dividends					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	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)	(million yen)	%	%
Fiscal Year Ended March 31, 2021	---	0.00	---	39.00	39.00	1,300	60.1	2.8
Fiscal Year Ended March 31, 2022	---	5.00	---	90.00	95.00	3,173	80.9	6.7
Fiscal Year Ending March 31, 2023 (Forecast)	---	---	---	---	---	---	---	---

Dividends for the fiscal year ending March 31, 2023 have yet to be determined.

### 3. Expected Consolidated Results for Fiscal Year Ending March 31, 2023

(From April 1, 2022 to March 31, 2023)

(% 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 <sup>nd</sup> quarter (cumulative)	23,400	7.6	1,600	Δ21.9	2,000	Δ12.6	1,300	Δ25.5	39.02
Full year	48,400	12.3	3,400	2.4	4,000	Δ4.9	2,800	Δ28.4	84.05

\* 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 stock)

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

Fiscal Year Ended March 31, 2022: 33,614,824 shares,

Fiscal Year Ended March 31, 2021: 34,470,524 shares

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

Fiscal Year Ended March 31, 2022: 301,575 shares,

Fiscal Year Ended March 31, 2021: 1,136,189 shares

3) Average number of shares during the year

Fiscal Year Ended March 31, 2022: 33,312,484 shares,

Fiscal Year Ended March 31, 2021: 33,271,733 shares

(Note) The shares of the Company (88,600 shares in the year ended March 31, 2022) held by Custody Bank of Japan, Ltd. (Trust Account) as the trust assets of the "Employee Stock Ownership Plan" are included in the number of treasury stock at the end of the period.

The shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury stock to be deducted in calculation of the average number of shares during the year (56,483 shares in the year ended March 31, 2022).

(Reference) Overview of Individual Business Results

Individual Results for Fiscal Year Ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(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, 2022	26,648	---	1,321	---	2,852	---	2,348	---
Fiscal Year Ended March 31, 2021	31,668	0.1	1,215	△25.3	1,932	△18.3	1,396	△79.4

	Net profit per share	Fully diluted net profit per share
	(Yen, Sen)	(Yen, Sen)
Fiscal Year Ended March 31, 2022	70.49	70.44
Fiscal Year Ended March 31, 2021	41.98	41.91

From the beginning of the year ended March 31, 2022, the "Accounting Standard for Revenue Recognition," etc., has been applied. Therefore, the rate of increase or decrease from the actual figures before the application of this Standard, etc., is not stated.

(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, 2022	50,225	41,016	81.4	1,226.75
Fiscal Year Ended March 31, 2021	49,859	40,484	80.8	1,208.98

(Reference) Net worth: Fiscal Year Ended March 31, 2022: 40,866 million yen  
Fiscal Year Ended March 31, 2021: 40,300 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.

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1. Summary of Business Results, etc.

(1) Summary of Business Results for the Current Year

As for the Japanese economy in the current consolidated fiscal year (hereinafter referred to as “Current Year”), economic activities are gradually returning to normal as a result of the progress being made in the number of vaccinations although the impact from COVID-19 variants remains. On the other hand, the outlook remains uncertain due to the worsening situation in Ukraine and the continuing severe conditions related to soaring energy costs and raw materials prices.

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 ¥43,089 million (a decrease of 7.2% as compared with the previous year\*), operating profit was ¥3,320 million (an increase of 6.5% of the same\*), ordinary profit was ¥4,204 million (an increase of 17.5% of the same\*), and net profit attributable to owners of the parent was ¥3,911 million (an increase of 81.0% of the same\*).

Business results of each segment were as follows.

(Electronic materials)

Due to a decrease in sales of flexible printed circuit board materials as a result of supply chain constraints, sales were ¥29,768 million, a decrease of ¥1,882 million as compared with the previous year ( $\Delta 5.9\%$  of the same\*). Segment profit was, due to a decrease in sales, ¥2,907 million, a decrease of ¥73 million as compared with the previous year ( $\Delta 2.5\%$  of the same\*).

(Industrial application structural materials)

Due to a decrease in sales of aircraft materials as a result of sluggishness in the aviation industry, etc., sales were ¥7,053 million, a decrease of ¥1,788 million as compared with the previous year ( $\Delta 20.2\%$  of the same\*). Segment profit was, due to a decrease in sales, ¥872 million, a decrease of ¥66 million as compared with the previous year ( $\Delta 7.1\%$  of the same\*).

(Electric insulation materials)

Due to an increase in infrastructure-related sales, sales were ¥2,604 million, an increase of ¥263 million as compared with the previous year (11.3% of the same\*). Segment profit was, due to an increase in sales, ¥303 million, an increase of ¥111 million as compared with the previous year (58.0% of the same\*).

(Display materials)

Due to an increase in sales of 3D-related materials and an increase in sales of devices utilizing polarization by ColorLink Japan, Ltd., sales were ¥3,253 million, an increase of ¥432 million as compared with the previous year (15.3% of the same\*). Segment profit was ¥815 million, an increase of ¥594 million as compared with the previous year (268.4% of the same\*) due to an increase in sales of 3D-related materials and an improvement in revenue of ColorLink Japan, Ltd.

(Other)

Sales were ¥410 million, a decrease of ¥375 million as compared with the previous year ( $\Delta 47.8\%$  of the same\*).

\* From the beginning of the current fiscal year ended March 31, 2022, the “Accounting Standard for Revenue Recognition,” etc., has been applied. The rate of increase or decrease in parentheses shows a simple comparison between the actual results in the current period and those in the previous period before application of the “Accounting Standard for Revenue Recognition,” etc.

(2) Summary of Financial Conditions for the Current Year

Total assets at the end of the current consolidated fiscal year were ¥68,689 million, an increase of ¥1,431

million as compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease in investment securities of ¥2,790 million, offset by an increase in cash and deposits of ¥4,126 million and other factors.

Total liabilities were ¥20,723 million, an increase of ¥910 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 ¥810 million and other factors.

Net assets were ¥47,965 million, an increase of ¥520 million as compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease in capital surplus in connection with additional acquisition of the shares of ThinFlex Corporation, a subsidiary in Taiwan, offset by an increase in earned surplus and other factors.

### (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 ¥16,893 million, an increase of ¥5,404 million as compared with the end of the previous consolidated fiscal year.

#### (Cash Flow from Operating Activities)

Funds earned from operating activities were ¥5,901 million (an increase of 866.6% as compared with the previous year). Major factors for an increase in funds were net profit before taxes, etc. of ¥4,965 million, depreciation expense of ¥2,170 million, etc.

#### (Cash Flow from Investing Activities)

Funds earned from investing activities were ¥2,869 million (an increase of 83.1% of the same). This was mainly due to revenue from the sale of investment securities of ¥3,339 million, etc.

#### (Cash Flow from Financing Activities)

Funds used for financing activities were ¥4,042 million (a decrease of 29.1% of the same). This was mainly due to expenditure for acquisition of the shares of a subsidiary not accompanying a change in the scope of consolidation of ¥2,439 million, etc.

#### (Reference) Transitions of Cash Flow related Index

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net worth ratio (%)	64.3	68.8	69.6
Net worth ratio on a basis of market price (%)	37.2	49.6	46.4
Ratio of cash flow to interest bearing debt (year)	1.7	13.6	1.5
Interest coverage ratio (times)	76.5	3.7	43.6

(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 remains as there are fears that COVID-19 infections may respread and the conflict in Ukraine may be prolonged and there are concerns about soaring energy costs and raw materials prices.

Based on such circumstances, we expect sales of ¥48,400 million, operating profit of ¥3,400 million, ordinary profit of ¥4,000 million and net profit attributable to owners of the parent of ¥2,800 million for the consolidated business results for the year ending March 31, 2023.

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, 2021)	Current consolidated fiscal year (As of March 31, 2022)
Assets		
Current Assets		
Cash and deposits	13,215,508	17,341,765
Notes receivable, accounts receivable and contract assets	-	16,073,835
Notes and accounts receivable	16,766,218	-
Securities	1,242,430	1,040,342
Merchandise and finished goods	3,896,377	4,401,727
Work-in-progress	2,175,632	2,112,503
Raw materials and stores	3,026,247	4,123,818
Accrued refunded corporation tax, etc.	1,415,974	-
Other	778,645	797,960
Allowance for doubtful accounts	△161,830	△15,947
Total Current Assets	42,355,204	45,876,007
Fixed Assets		
Tangible fixed assets		
Buildings and structures	20,846,998	21,307,346
Accumulated depreciation	△14,701,594	△15,245,779
Buildings and structures (net)	6,145,403	6,061,567
Machinery, equipment and delivery equipment	30,457,713	30,636,775
Accumulated depreciation	△26,585,177	△27,199,168
Machinery, equipment and delivery equipment (net)	3,872,536	3,437,606
Land	1,888,569	1,889,417
Construction in progress	293,853	1,180,188
Other	3,225,023	3,544,674
Accumulated depreciation	△2,207,990	△2,338,379
Other (net)	1,017,032	1,206,294
Total tangible fixed assets	13,217,395	13,775,074
Intangible fixed assets	244,870	279,191
Investments and other assets		
Investment securities	10,666,038	7,875,645
Long-term loans	67,179	51,785
Deferred tax assets	208,316	359,450
Other	513,336	522,473
Allowance for doubtful accounts	△14,923	△50,428
Total investments and other assets	11,439,946	8,758,926
Total Fixed Assets	24,902,213	22,813,192
Total Assets	67,257,417	68,689,199

(Unit: thousand yen)

	Previous consolidated fiscal year (As of March 31, 2021)	Current consolidated fiscal year (As of March 31, 2022)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable	6,657,426	5,637,609
Bonds to be redeemed within a year	36,800	26,800
Short-term borrowings	3,606,087	3,562,272
Current portion of long-term borrowings	182,724	957,962
Lease liabilities	87,885	118,578
Corporate income tax, etc., payable	277,821	1,087,828
Provision for product warranties	70,263	73,525
Reserve for bonuses	535,756	507,532
Reserve for officers' bonuses	3,870	4,503
Other	2,659,623	3,214,127
<b>Total Current Liabilities</b>	<b>14,118,258</b>	<b>15,190,739</b>
<b>Fixed Liabilities</b>		
Bonds	54,400	27,600
Long-term borrowings	3,761,507	3,845,199
Provision for share-based remuneration	-	29,802
Lease liabilities	487,985	556,302
Deferred tax liabilities	593,992	250,681
Net defined benefit liabilities	607,032	583,365
Asset retirement obligations	89,466	92,521
Other	99,956	147,282
<b>Total Fixed Liabilities</b>	<b>5,694,340</b>	<b>5,532,757</b>
<b>Total Liabilities</b>	<b>19,812,598</b>	<b>20,723,496</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Capital	7,623,638	7,643,777
Capital surplus	4,403,396	3,017,461
Earned surplus	33,374,092	34,936,822
Treasury stock	△1,159,364	△299,704
<b>Total shareholders' equity</b>	<b>44,241,763</b>	<b>45,298,357</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on other securities	1,569,049	1,229,118
Deferred hedge profit/loss	△8,237	△50,146
Foreign currency translation adjustments	486,242	1,317,978
Accumulated adjustment for retirement benefits	△3,959	△8,734
<b>Total accumulated other comprehensive income</b>	<b>2,043,095</b>	<b>2,488,215</b>
New share subscription rights	193,962	149,131
Non-controlling interest	965,997	29,998
<b>Total Net Assets</b>	<b>47,444,819</b>	<b>47,965,702</b>
<b>Total Liabilities and Net Assets</b>	<b>67,257,417</b>	<b>68,689,199</b>

(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, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Sales	46,439,548	43,089,576
Cost of Goods Sold	38,501,052	34,422,042
Gross Profit on Sales	7,938,496	8,667,533
Selling, General and Administrative Expenses		
Freight and packaging expenses	723,915	776,839
Wages and allowances	1,587,133	1,847,331
Transfer to reserve for bonuses	130,417	136,860
Transfer to reserve for officers' bonuses	3,870	4,503
Expenses for retirement benefits	86,200	72,589
Transfer to allowance for doubtful accounts	4,292	6,504
Other	2,284,179	2,501,959
Total Selling, General and Administrative Expenses	4,820,009	5,346,587
Operating Profit	3,118,486	3,320,946
Non-Operating Income		
Interest income	271,613	186,541
Dividend income	88,170	74,377
Foreign exchange profit	206,698	445,378
Profit on redemption of investment securities	48,371	213,189
Other	309,697	237,934
Total Non-Operating Income	924,550	1,157,421
Non-Operating Expenses		
Interest expenses	110,687	120,717
Expenses for acquisition of the shares of consolidated subsidiaries	49,024	27,773
Rent expenses	109,759	82,617
Other	195,482	42,768
Total Non-Operating Expenses	464,954	273,875
Ordinary Profit	3,578,083	4,204,492
Extraordinary Profits		
Profit on sale of fixed assets	515	7,566
Profit on sale of investment securities	323,156	809,606
Other	27,550	45,938
Total Extraordinary Profits	351,222	863,110
Extraordinary Losses		
Loss on impairment	69,684	12,928
Retirement loss on fixed assets	29,331	42,774
Provision for reserve for share-based remuneration	-	14,098
Loss on sale of investment securities	313,624	32,110
Total Extraordinary Losses	412,640	101,911
Net profit before taxes, etc.	3,516,666	4,965,691
Corporate income tax, resident tax and business tax payable	456,889	1,156,959
Adjustment of corporate income tax, etc.	461,375	△195,472
Total corporate income tax, etc.	918,265	961,486
Net Profit	2,598,400	4,004,205
Net profit attributable to non-controlling interests	437,760	93,204
Net profit attributable to owners of the parent	2,160,640	3,911,000

## (Consolidated Statement of Comprehensive Income)

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Net profit	2,598,400	4,004,205
Other comprehensive income		
Valuation difference on other securities	1,120,090	△339,881
Deferred hedge profit/loss	△6,925	△41,908
Foreign currency translation adjustments	△42,333	888,805
Adjustment for retirement benefits	137,301	△4,775
Share of other comprehensive income of companies to which equity method is applied	1,721	24,013
Total other comprehensive income	1,209,853	526,253
Comprehensive income	3,808,254	4,530,458
(Breakdown)		
Comprehensive income attributable to owners of the parent	3,418,538	4,356,120
Comprehensive income attributable to non- controlling interests	389,715	174,337

(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets  
Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Unit: thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,594,026	6,706,017	34,256,590	△3,204,797	45,351,837
Cumulative amount affected by changes in accounting policy					
Balance at the beginning of the period reflecting changes in accounting policy	7,594,026	6,706,017	34,256,590	△3,204,797	45,351,837
Changes during the period					
Issue of new shares	29,612	29,612			59,224
Dividends of surplus			△997,370		△997,370
Net profit attributable to owners of the parent			2,160,640		2,160,640
Acquisition of treasury stock				△334	△334
Disposal of treasury stock					
Retirement of treasury stock			△2,045,767	2,045,767	-
Increase or decrease in the equity interest by acquisition of the shares of a consolidated subsidiary		△2,332,233			△2,332,233
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	29,612	△2,302,621	△882,498	2,045,433	△1,110,073
Balance at the end of the period	7,623,638	4,403,396	33,374,092	△1,159,364	44,241,763

	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	448,970	△1,311	478,798	△141,260	785,197	166,148	2,714,984	49,018,167
Cumulative amount affected by changes in accounting policy								
Balance at the beginning of the period reflecting changes in accounting policy	448,970	△1,311	478,798	△141,260	785,197	166,148	2,714,984	49,018,167
Changes during the period								
Issue of new shares								59,224
Dividends of surplus								△997,370
Net profit attributable to owners of the parent								2,160,640
Acquisition of treasury stock								△334
Disposal of treasury stock								
Retirement of treasury stock								-
Increase or decrease in the equity interest by acquisition of the shares of a consolidated subsidiary								△2,332,233
Changes in items other than shareholders' equity during the period (net)	1,120,078	△6,925	7,444	137,301	1,257,897	27,814	△1,748,986	△463,274
Total changes during the period	1,120,078	△6,925	7,444	137,301	1,257,897	27,814	△1,748,986	△1,573,348
Balance at the end of the period	1,569,049	△8,237	486,242	△3,959	2,043,095	193,962	965,997	47,444,819

## Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Unit: thousand yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	7,623,638	4,403,396	33,374,092	△1,159,364	44,241,763
Cumulative amount affected by changes in accounting policy			39,939		39,939
Balance at the beginning of the period reflecting changes in accounting policy	7,623,638	4,403,396	33,414,032	△1,159,364	44,281,702
Changes during the period					
Issue of new shares	20,139	20,139			40,278
Dividends of surplus			△1,466,926		△1,466,926
Net profit attributable to owners of the parent			3,911,000		3,911,000
Acquisition of treasury stock				△82,621	△82,621
Disposal of treasury stock			△2,973	23,971	20,997
Retirement of treasury stock			△918,310	918,310	-
Increase or decrease in the equity interest by acquisition of the shares of a consolidated subsidiary		△1,406,074			△1,406,074
Changes in items other than shareholders' equity during the period (net)					
Total changes during the period	20,139	△1,385,935	1,522,790	859,660	1,016,654
Balance at the end of the period	7,643,777	3,017,461	34,936,822	△299,704	45,298,357

	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	1,569,049	△8,237	486,242	△3,959	2,043,095	193,962	965,997	47,444,819
Cumulative amount affected by changes in accounting policy								39,939
Balance at the beginning of the period reflecting changes in accounting policy	1,569,049	△8,237	486,242	△3,959	2,043,095	193,962	965,997	47,484,758
Changes during the period								
Issue of new shares								40,278
Dividends of surplus								△1,466,926
Net profit attributable to owners of the parent								3,911,000
Acquisition of treasury stock								△82,621
Disposal of treasury stock								20,997
Retirement of treasury stock								-
Increase or decrease in the equity interest by acquisition of the shares of a consolidated subsidiary								△1,406,074
Changes in items other than shareholders' equity during the period (net)	△339,930	△41,908	831,735	△4,775	445,120	△44,831	△935,998	△535,710
Total changes during the period	△339,930	△41,908	831,735	△4,775	445,120	△44,831	△935,998	480,944
Balance at the end of the period	1,229,118	△50,146	1,317,978	△8,734	2,488,215	149,131	29,998	47,965,702

## (4) Consolidated Cash Flow Statement

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Cash flow from operating activities		
Net profit before taxes, etc.	3,516,666	4,965,691
Depreciation expense	2,107,827	2,170,976
Loss on impairment	69,684	12,928
Stock compensation expenses	73,411	33,103
Increase/decrease in provision for product warranties ( $\Delta$ : decrease)	$\Delta$ 83	$\Delta$ 5,754
Increase/decrease in reserve for bonuses ( $\Delta$ : decrease)	$\Delta$ 34,761	$\Delta$ 28,223
Increase/decrease in reserve for officers' bonuses ( $\Delta$ : decrease)	$\Delta$ 923	633
Increase/decrease in allowance for doubtful accounts ( $\Delta$ : decrease)	35,975	16,261
Increase/decrease in provision for share-based remuneration ( $\Delta$ : decrease)	-	56,854
Increase/decrease in net defined benefit liabilities ( $\Delta$ : decrease)	65,982	$\Delta$ 30,538
Interest and dividend income	$\Delta$ 359,784	$\Delta$ 260,918
Subsidy income	$\Delta$ 147,490	$\Delta$ 69,973
Interest expenses	110,687	120,717
Bad debt loss	29,048	5,424
Foreign currency exchange profit/loss ( $\Delta$ : profit)	$\Delta$ 229,332	$\Delta$ 397,726
Investment profit/loss by equity method ( $\Delta$ : profit)	46,062	$\Delta$ 15,342
Profit/loss on sale of investment securities ( $\Delta$ : profit)	$\Delta$ 9,532	$\Delta$ 777,496
Profit/loss on redemption of investment securities ( $\Delta$ : profit)	2,304	$\Delta$ 211,764
Profit/loss on sale of fixed assets ( $\Delta$ : profit)	$\Delta$ 515	$\Delta$ 7,566
Loss on retirement of tangible fixed assets	6,255	18,337
Profit on reversal of new share subscription rights	$\Delta$ 27,550	$\Delta$ 45,938
Increase/decrease in accounts receivable ( $\Delta$ : increase)	985,325	1,597,125
Increase/decrease in inventories ( $\Delta$ : increase)	$\Delta$ 799,651	$\Delta$ 1,486,568
Increase/decrease in trades payable ( $\Delta$ : decrease)	$\Delta$ 283,709	$\Delta$ 1,268,486
Increase/decrease in consumption tax, etc., payable ( $\Delta$ : decrease)	$\Delta$ 163,601	108,975
Increase/decrease in other assets ( $\Delta$ : increase)	$\Delta$ 159,878	80,366
Increase/decrease in other liabilities ( $\Delta$ : decrease)	353,207	201,045
Subtotal	5,185,625	4,782,141
Interest and dividends received	410,659	294,691
Interest paid	$\Delta$ 162,805	$\Delta$ 135,227
Corporate income tax, etc., paid or refund ( $\Delta$ : paid)	$\Delta$ 4,970,454	889,594
Subsidy income received	147,490	69,973
Cash flow from operating activities	610,515	5,901,174

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Cash flow from investing activities		
Expenditure for placement in term deposits	△1,771,360	-
Revenue from refund of term deposits	200,000	1,673,970
Expenditure for acquisition of securities	△900,000	-
Revenue from sale of securities	1,100,000	-
Expenditure for acquisition of tangible fixed assets	△1,908,002	△1,907,427
Revenue from sale of tangible fixed assets	1,097	10,909
Expenditure for acquisition of intangible fixed assets	△75,825	△99,703
Expenditure for acquisition of investment securities	△672,081	△103,247
Revenue from sale of investment securities	5,610,543	3,339,166
Expenditure for lending	△29,000	△91,234
Revenue from collection of loans	41,020	87,427
Increase/decrease in investments and other assets (△: increase)	△29,040	△40,393
Cash flow from investing activities	1,567,351	2,869,467
Cash flow from financing activities		
Net increase/decrease in short-term borrowings (△: decrease)	△1,281,546	△324,835
Revenue from long-term borrowings	1,681,977	1,269,158
Expenditure for repayment of long-term borrowings	△478,069	△798,849
Expenditure for repayment of lease liabilities	△64,882	△81,838
Expenditure for repayment of long-term accrued amount	△99,170	△50,805
Expenditure for redemption of bonds	△36,800	△36,800
Proceeds from stocks issued	50,032	34,021
Expenditure for acquisition of treasury stock	△334	△82,621
Dividends paid	△995,340	△1,463,025
Dividends paid to non-controlling interests	△155,966	△68,154
Expenditure for acquisition of the shares of a subsidiary not accompanying a change in the scope of consolidation	△4,324,082	△2,439,158
Revenue from sale of the shares of a subsidiary not accompanying a change in the scope of consolidation	1,000	-
Cash flow from financing activities	△5,703,182	△4,042,908
Translation differences in cash and cash equivalents	287,618	677,087
Increase/decrease in cash and cash equivalents (△: decrease)	△3,237,696	5,404,820
Cash and cash equivalents at the beginning of the period	14,725,985	11,488,288
Cash and cash equivalents at the end of the period	11,488,288	16,893,109

## (5) Notes Related to Consolidated Financial Statements

(Notes on Going Concern)

No applicable matter.

(Changes in Accounting Policy)

(Application of the Accounting Standard for Revenue Recognition, etc.)

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the “Revenue Recognition Accounting Standard”), etc., have been applied from the beginning of the consolidated first quarter and the Company recognizes revenue at the amount expected to be received in exchange for goods or services when control of the promised goods or services is transferred to the customer.

As a result, for transactions where the role of the Company falls under an agent of sales of products to customers, total amount of considerations received from customers have previously been recognized as revenue, but the method has been changed to recognize revenue at the net amount, subtracting the amount paid to third parties from the total amount of considerations. In addition, with regard to transactions of providing parts to suppliers with compensation for which the Company bears a repurchase obligation, the amount equivalent to the ending inventory of those parts retained by suppliers are recognized as liabilities. Further, with regard to transactions related to purchasing parts from suppliers for which the Company bears a sell-back obligation, sales and cost of goods sold have previously been recorded at the time of sell-back to suppliers of parts, but the method was changed to recognize only the net amount equivalent to processing cost as revenue. Further, for sales to some customers, in connection with transfer of control over assets to customers for a certain period, the method of recognizing revenue for a certain period according to the progress of manufacture was adopted.

For application of the Revenue Recognition Accounting Standard, etc., the Company complies with the transitional treatment prescribed in the Revenue Recognition Accounting Standard, paragraph 84, proviso. The cumulative effects resulting from retroactive application of the new accounting policy before the beginning of the consolidated first quarter are added to or subtracted from earned surplus at the beginning of the consolidated first quarter and the new accounting policy has been applied from the balance at the beginning of the period; provided, however, that by applying the method prescribed in the Revenue Recognition Accounting Standard, paragraph 86, the new accounting policy has not been retroactively applied to contracts for which almost all revenue has been recognized in accordance with the previous accounting before the beginning of the consolidated first quarter. With respect to contract amendments which were made before the beginning of the consolidated first quarter, accounting was made under the terms of contract after reflecting all contract amendments by applying the method prescribed in the Revenue Recognition Accounting Standard, paragraph 86, (1) and the cumulative effects were added to or subtracted from earned surplus at the beginning of the consolidated first quarter.

As a result, in the current consolidated fiscal year, sales decreased by ¥3,575,029 thousand and cost of goods sold decreased by ¥3,546,941 thousand and operating profit, ordinary profit and net profit before taxes, etc., decreased by ¥28,087 thousand respectively. The balance of earned surplus at the beginning of the current quarter increased by ¥39,939 thousand.

As the Revenue Recognition Accounting Standard, etc., have been applied, “notes and accounts receivable” indicated in “current assets” in the consolidated balance sheet for the previous consolidated fiscal year are included in “notes receivable, accounts receivable and contract assets” from the consolidated first quarter. According to the transitional treatment prescribed in the Revenue Recognition Accounting Standards, paragraph 89-2, reclassification has not been made by the new indication method regarding the previous consolidated fiscal year. In addition, in accordance with the transitional treatment prescribed in the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), paragraph 28-15, the information related to the disaggregation of the revenue accruing from contracts with customers for the previous consolidated fiscal year was not stated.

(Application of Accounting Standard for Fair Value Measurement, etc.)

“Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the “Fair Value Measurement Standard”), etc., have been applied from the beginning of the consolidated first quarter. In accordance with the transitional treatment prescribed in the Fair Value Measurement Standard, paragraph 19 and the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), paragraph 44-2, the new accounting policy prescribed in the Fair Value Measurement Standard, etc., is applied into the future. There is no impact due to this application.

(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 parts, 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.

In addition, as stated in the changes in accounting policy, the Accounting Standard for Revenue Recognition, etc., have been applied from the beginning of the consolidated first quarter to change the accounting of revenue recognition, measurement method of profit or loss of business segment was changed in a similar manner.

As a result, as compared with the previous method, sales of electronic materials decreased by ¥2,204,067 thousand, sales of industrial application structural materials decreased by ¥569,319 thousand, segment profit decreased by ¥37,425 thousand, sales of electric insulation materials decreased by ¥17,938 thousand, sales of display materials decreased by ¥783,704 thousand and segment profit increased by ¥9,337 thousand.

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, 2020 to March 31, 2021)

(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	31,650,346	8,842,592	2,340,444	2,820,157	45,653,540	786,008	46,439,548
Intersegment sales or transfers	---	---	---	---	---	836,354	836,354
Total	31,650,346	8,842,592	2,340,444	2,820,157	45,653,540	1,622,363	47,275,903
Segment profit	2,981,124	939,199	192,241	221,311	4,333,877	243,688	4,577,566
Segment assets	30,226,999	8,632,419	2,746,374	3,197,787	44,803,580	1,280,605	46,084,186
Other							
Depreciation expense	1,491,153	255,026	88,710	115,033	1,949,923	21,680	1,971,604
Investment in companies to which the equity method is applied	---	---	---	173,640	173,640	---	173,640
Increase in tangible fixed assets and intangible fixed assets	1,466,520	244,778	98,476	37,110	1,846,886	74,567	1,921,453

(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, 2021 to March 31, 2022)

(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	29,768,120	7,053,787	2,604,011	3,253,011	42,678,931	410,644	43,089,576
Intersegment sales or transfers	---	---	---	---	---	841,914	841,914
Total	29,768,120	7,053,787	2,604,011	3,253,011	42,678,931	1,252,559	43,931,491
Segment profit	2,907,853	872,934	303,709	815,392	4,899,889	172,152	5,072,042
Segment assets	35,050,267	9,028,816	2,848,872	4,213,533	51,141,489	1,239,760	52,381,249
Other							
Depreciation expense	1,583,170	192,068	82,494	134,192	1,991,926	23,375	2,015,301
Investment in companies to which the equity method is applied	---	---	---	212,996	212,996	---	212,996
Increase in tangible fixed assets and intangible fixed assets	1,887,184	205,290	90,019	84,650	2,267,144	23,810	2,290,954

(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	45,653,540	42,678,931
Sales in category "Other"	1,622,363	1,252,559
Elimination of intersegment transactions	△836,354	△841,914
Sales in consolidated financial statements	46,439,548	43,089,576

(Unit: thousand yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	4,333,877	4,899,889
Profit in category "Other"	243,688	172,152
Elimination of intersegment transactions	3,666	14,456
Expenses of entire company (Note)	△1,440,791	△1,725,483
Adjustment of inventories	△21,954	△40,068
Operating profit in consolidated financial statements	3,118,486	3,320,946

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	44,803,580	51,141,489
Assets in category "Other"	1,280,605	1,239,760
Elimination by setoff of the claims to the administrative department of head office	△782,751	△756,467
Assets of entire company (Note)	21,977,937	17,104,485
Adjustment of inventories	△21,954	△40,068
Total assets in consolidated financial statements	67,257,417	68,689,199

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	1,949,923	1,991,926	21,680	23,375	136,223	155,674	2,107,827	2,170,976
Increase in tangible fixed assets and intangible fixed assets	1,846,886	2,267,144	74,567	23,810	298,926	77,320	2,220,379	2,368,275

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, 2020 to March 31, 2021)

## 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	31,650,346	8,842,592	2,340,444	2,820,157	786,008	46,439,548

## 2. Information by region

## (1) Sales

(Unit: thousand yen)

Japan	China	Other Region	Total
19,419,125	15,474,946	11,545,477	46,439,548

(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
9,271,469	3,191,195	754,730	13,217,395

## 3. Information by major customer

(Unit: thousand yen)

Name of Customer	Sales	Related segment name
Sumitomo Shoji Chemicals Co., Ltd.	4,986,141	Electronic materials business

Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)

## 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	29,768,120	7,053,787	2,604,011	3,253,011	410,644	43,089,576

## 2. Information by region

## (1) Sales

(Unit: thousand yen)

Japan	China	Other Region	Total
17,323,899	12,872,209	12,893,467	43,089,576

(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
9,239,517	3,674,498	861,058	13,775,074

## 3. Information by major customer

Out of sales to external customers, as there is no business party who accounts for more than 10% of sales in the Consolidated Profit and Loss Statement, description is omitted.

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

Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Loss on impairment	---	69,684	---	---	---	---	69,684

Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Unit: thousand yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Entire company/ Elimination	Total
Loss on impairment	---	12,928	---	---	---	---	12,928

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

Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)

No applicable matter.

Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)

No applicable matter.

[Information about profit on negative goodwill by reportable segment]

No applicable matter.

(Per Share Information)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Net asset per share	¥1,388.50	¥1,434.46
Net profit per share	¥64.94	¥117.40
Fully diluted net profit per share	¥64.84	¥117.32

(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, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Net profit per share		
Net profit attributable to owners of the parent (thousand yen)	2,160,640	3,911,000
Amounts that are not attributable to common stockholders (thousand yen)	---	---
Net profit attributable to owners of the parent for common stock (thousand yen)	2,160,640	3,911,000
Average number of shares during the year (shares)	33,271,733	33,312,484
Fully diluted net profit per share		
Adjustment of net profit attributable to owners of the parent (thousand yen)	---	---
Increase in number of common stock (shares)	52,798	23,631
(Of those, number of new share subscription rights (shares))	(52,798)	(23,631)
The outline of potential shares not included in the calculation of fully diluted net profit per share due to the absence of dilutive effects	Eight types of new share subscription rights (1,270,500 shares)	Four types of new share subscription rights (497,500 shares)

(Note) In calculation of quarterly net profit per share, the shares of the Company held by the trust account of the Employee Stock Ownership Plan, which are recorded as treasury stock in shareholders' equity, are included in the treasury stock to be deducted in calculation of the average number of shares during the year (-- shares in the previous consolidated fiscal year and 56,483 shares in the current consolidated fiscal year).

(Important Events after Closing the Accounts)

No applicable matter.