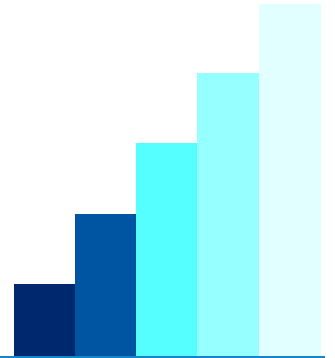


# DATA BOOK



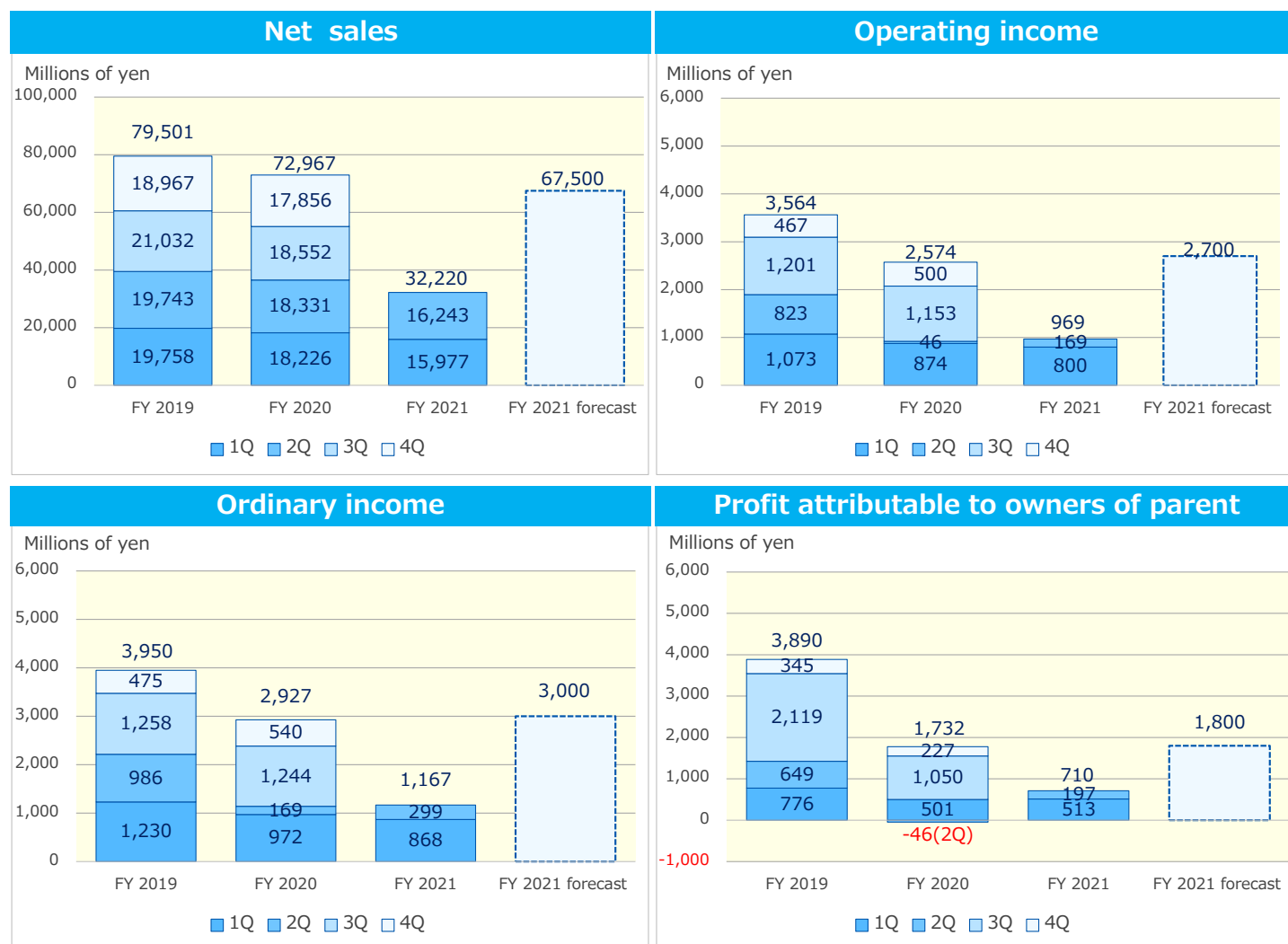
# FY2021

2nd Quarter ended September 30, 2020

November 2nd, 2020

ARAKAWA CHEMICAL INDUSTRIES, LTD.

## Achievement Transition (Consolidated)



| Consolidated                            | FY 2019 (2Q)    |          | FY 2020 (2Q)    |          | FY 2021 (2Q)    |          | FY 2019         |          | FY 2020         |          | FY 2021 forecast |          |
|---|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|------------------|----------|
|   | Millions of yen | % Change | Millions of yen | % Change | Millions of yen | % Change | Millions of yen | % Change | Millions of yen | % Change | Millions of yen  | % Change |
| Net sales                               | 39,501          | △ 1.0    | 36,558          | △ 7.5    | 32,220          | △ 11.9   | 79,501          | △ 1.6    | 72,967          | △ 8.2    | 67,500           | △ 7.5    |
| Operating income                        | 1,896           | △ 28.8   | 920             | △ 51.4   | 969             | 5.3      | 3,564           | △ 27.1   | 2,574           | △ 27.8   | 2,700            | 4.9      |
| Ordinary income                         | 2,216           | △ 22.0   | 1,142           | △ 48.5   | 1,167           | 2.2      | 3,950           | △ 24.3   | 2,927           | △ 25.9   | 3,000            | 2.5      |
| Profit attributable to owners of parent | 1,425           | △ 30.9   | 454             | △ 68.1   | 710             | 56.4     | 3,890           | 25.0     | 1,732           | △ 55.5   | 1,800            | 3.9      |

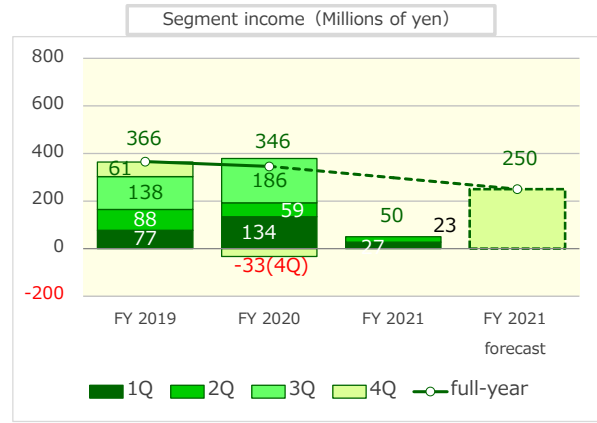
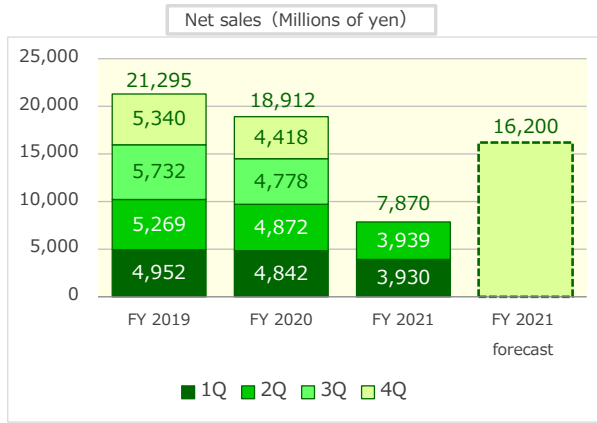
## Management index transition

| Consolidated                  | FY 2019 (2Q)    |                    | FY 2020 (2Q)    |                    | FY 2021 (2Q)    |                    | FY 2019         |                    | FY 2020         |                    | FY 2021 forecast |                    |
|-------------------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|------------------|--------------------|
|                               | Millions of yen | Increase /Decrease | Millions of yen | Increase /Decrease | Millions of yen | Increase /Decrease | Millions of yen | Increase /Decrease | Millions of yen | Increase /Decrease | Millions of yen  | Increase /Decrease |
| Capital investment            | 1,038           | 226                | 1,418           | 380                | 929             | △ 489              | 2,977           | 1,040              | 3,932           | 955                | 4,350            | 417                |
| Depreciation and amortization | 1,319           | 64                 | 1,323           | 4                  | 1,441           | 118                | 2,870           | 257                | 2,887           | 16                 | 3,050            | 162                |
| R&D expenses                  | 1,506           | △ 84               | 1,519           | 13                 | 1,569           | 49                 | 3,051           | △ 169              | 3,041           | △ 9                | 3,350            | 308                |
| Interest-bearing debt         | 10,873          | △ 679              | 15,767          | 4,893              | 21,704          | 5,936              | 14,349          | 3,080              | 19,045          | 4,695              | 23,000           | 3,954              |
| EBITDA                        | 3,215           | △ 701              | 2,244           | △ 971              | 2,411           | 166                | 6,435           | △ 1,070            | 5,461           | △ 973              | 5,750            | 288                |

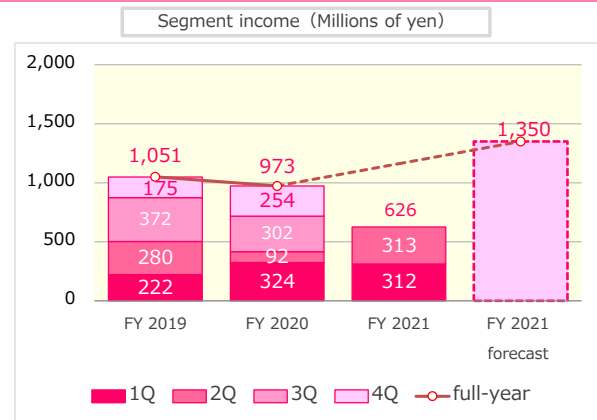
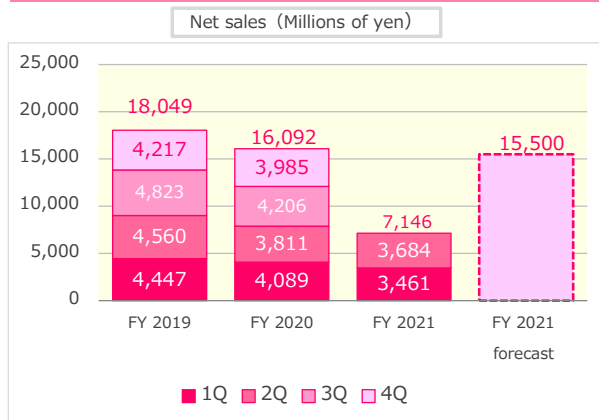
[ EBITDA ] Earnings Before Interest , Taxes , Depreciation and Amortization

## Segment Information (Consolidated)

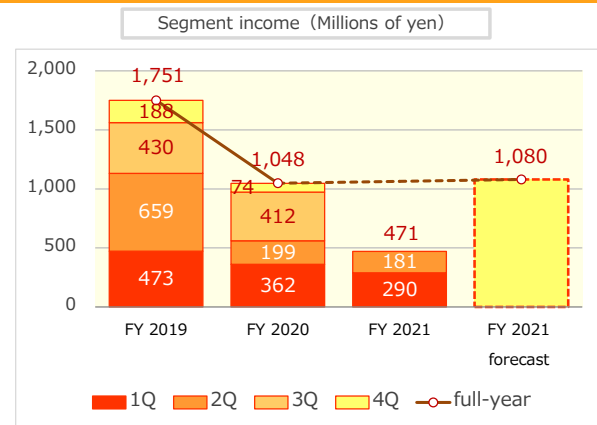
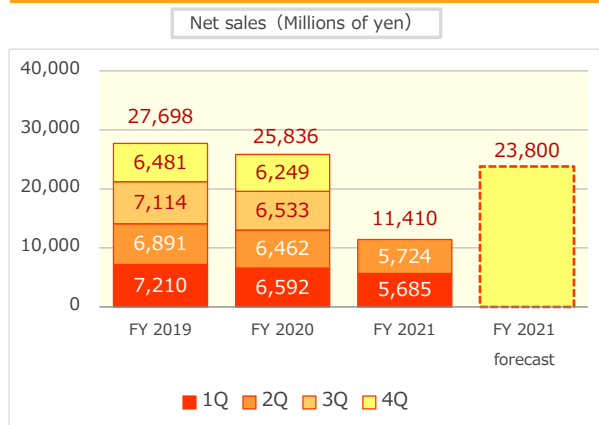
### Paper chemicals



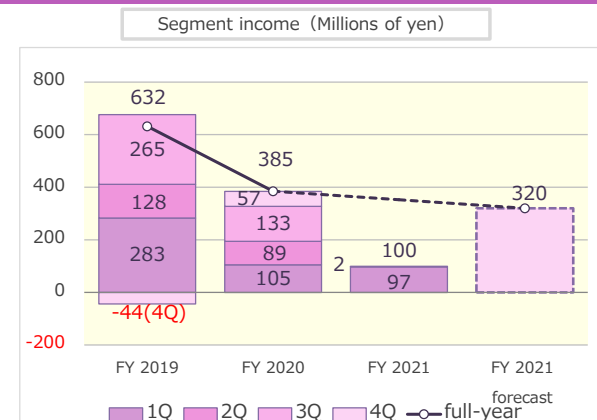
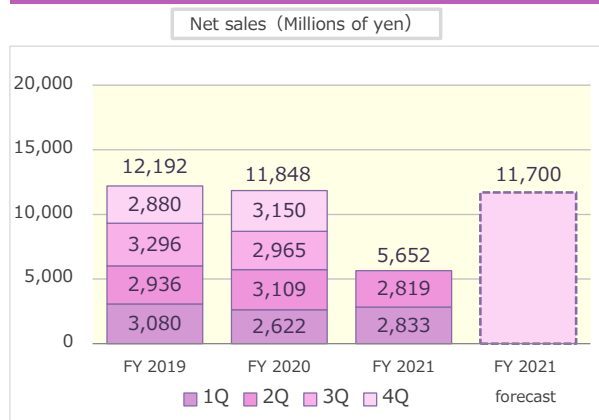
### Coating chemicals



### Adhesive Materials



### Functional Materials



## Segment Information (Consolidated)

| Consolidated         |                        | FY 2019 (2Q)    |          | FY 2020 (2Q)    |          | FY 2021 (2Q)    |               | FY 2019         |          | FY 2020         |          | FY 2021 forecast |          |
|----------------------|------------------------|-----------------|----------|-----------------|----------|-----------------|---------------|-----------------|----------|-----------------|----------|------------------|----------|
|                      |                        | Millions of yen | % Change | Millions of yen | % Change | Millions of yen | % Change      | Millions of yen | % Change | Millions of yen | % Change | Millions of yen  | % Change |
| Paper chemicals      | Net sales              | 10,222          | 3.3      | 9,715           | △ 5.0    | <b>7,870</b>    | <b>△ 19.0</b> | 21,295          | 7.3      | 18,912          | △ 11.2   | 16,200           | △ 14.3   |
|                      | Segment income         | 166             | △ 71.8   | 193             | 16.5     | <b>50</b>       | <b>△ 73.8</b> | 366             | △ 60.8   | 346             | △ 5.3    | 250              | △ 27.9   |
|                      | Segment income/sales   | 1.6%            |          | 2.0%            |          | <b>0.6%</b>     |               | 1.7%            |          | 1.8%            |          | 1.5%             |          |
| Coating chemicals    | Net sales              | 9,008           | △ 4.6    | 7,900           | △ 12.3   | <b>7,146</b>    | <b>△ 9.5</b>  | 18,049          | △ 5.7    | 16,092          | △ 10.8   | 15,500           | △ 3.7    |
|                      | Segment income         | 503             | △ 4.3    | 417             | △ 17.1   | <b>626</b>      | <b>50.0</b>   | 1,051           | △ 4.8    | 973             | △ 7.4    | 1,350            | 38.6     |
|                      | Segment income/sales   | 5.6%            |          | 5.3%            |          | <b>8.8%</b>     |               | 5.8%            |          | 6.1%            |          | 8.7%             |          |
| Adhesive Materials   | Net sales              | 14,102          | △ 3.9    | 13,054          | △ 7.4    | <b>11,410</b>   | <b>△ 12.6</b> | 27,698          | △ 7.4    | 25,836          | △ 6.7    | 23,800           | △ 7.9    |
|                      | Segment income         | 1,132           | △ 21.3   | 561             | △ 50.4   | <b>471</b>      | <b>△ 16.0</b> | 1,751           | △ 29.3   | 1,048           | △ 40.1   | 1,080            | 3.0      |
|                      | Segment income/sales   | 8.0%            |          | 4.3%            |          | <b>4.1%</b>     |               | 6.3%            |          | 4.1%            |          | 4.5%             |          |
| Functional Materials | Net sales              | 6,016           | 5.0      | 5,732           | △ 4.7    | <b>5,652</b>    | <b>△ 1.4</b>  | 12,192          | 5.0      | 11,848          | △ 2.8    | 11,700           | △ 1.2    |
|                      | Segment income         | 411             | 43.1     | 194             | △ 52.8   | <b>100</b>      | <b>△ 48.5</b> | 632             | 2.1      | 385             | △ 39.1   | 320              | △ 17.0   |
|                      | Segment income/sales   | 6.8%            |          | 3.4%            |          | <b>1.8%</b>     |               | 5.2%            |          | 3.3%            |          | 2.7%             |          |
| Others               | Net sales              | 151             | 5.0      | 155             | 2.5      | <b>141</b>      | <b>△ 9.2</b>  | 266             | 0.3      | 277             | 4.2      | 300              | 8.1      |
|                      | Segment income         | 16              | 6.3      | 16              | 4.4      | <b>11</b>       | <b>△ 29.0</b> | 26              | 7.2      | 31              | 17.6     | 20               | △ 36.2   |
|                      | Segment income/sales   | 10.5%           |          | 10.7%           |          | <b>8.4%</b>     |               | 10.0%           |          | 11.3%           |          | 6.7%             |          |
| Subtotal             | Net sales              | 39,501          | △ 1.0    | 36,558          | △ 7.5    | <b>32,220</b>   | <b>△ 11.9</b> | 79,501          | △ 1.6    | 72,967          | △ 8.2    | 67,500           | △ 7.5    |
|                      | Segment income         | 2,229           | △ 22.0   | 1,383           | △ 37.9   | <b>1,260</b>    | <b>△ 8.9</b>  | 3,828           | △ 25.8   | 2,786           | △ 27.2   | 3,020            | 8.4      |
|                      | Segment income/sales   | 5.6%            |          | 3.8%            |          | <b>3.9%</b>     |               | 4.8%            |          | 3.8%            |          | 4.5%             |          |
| Consolidated total   | Development Investment | △ 165           | —        | △ 147           | —        | <b>△ 188</b>    | <b>—</b>      | △ 352           | —        | △ 294           | —        | △ 350            | —        |
|                      | Segment income         | 2,063           | △ 22.8   | 1,236           | △ 40.1   | <b>1,071</b>    | <b>△ 13.3</b> | 3,476           | △ 27.4   | 2,491           | △ 28.3   | 2,670            | 7.1      |
|                      | Segment income/sales   | 5.2%            |          | 3.4%            |          | <b>3.3%</b>     |               | 4.4%            |          | 3.4%            |          | 4.0%             |          |

\*Applied research and development expense that will be the source of growth in the medium to long term.

The sales of business segmentation do not include intersegment sales.

[Paper chemicals] Size agent, Paper strengthening agent, Latex, etc.

[Coating chemicals] Printing ink resin, Paint resin, Polymerization emulsifier, UV/EB curable resin, etc.

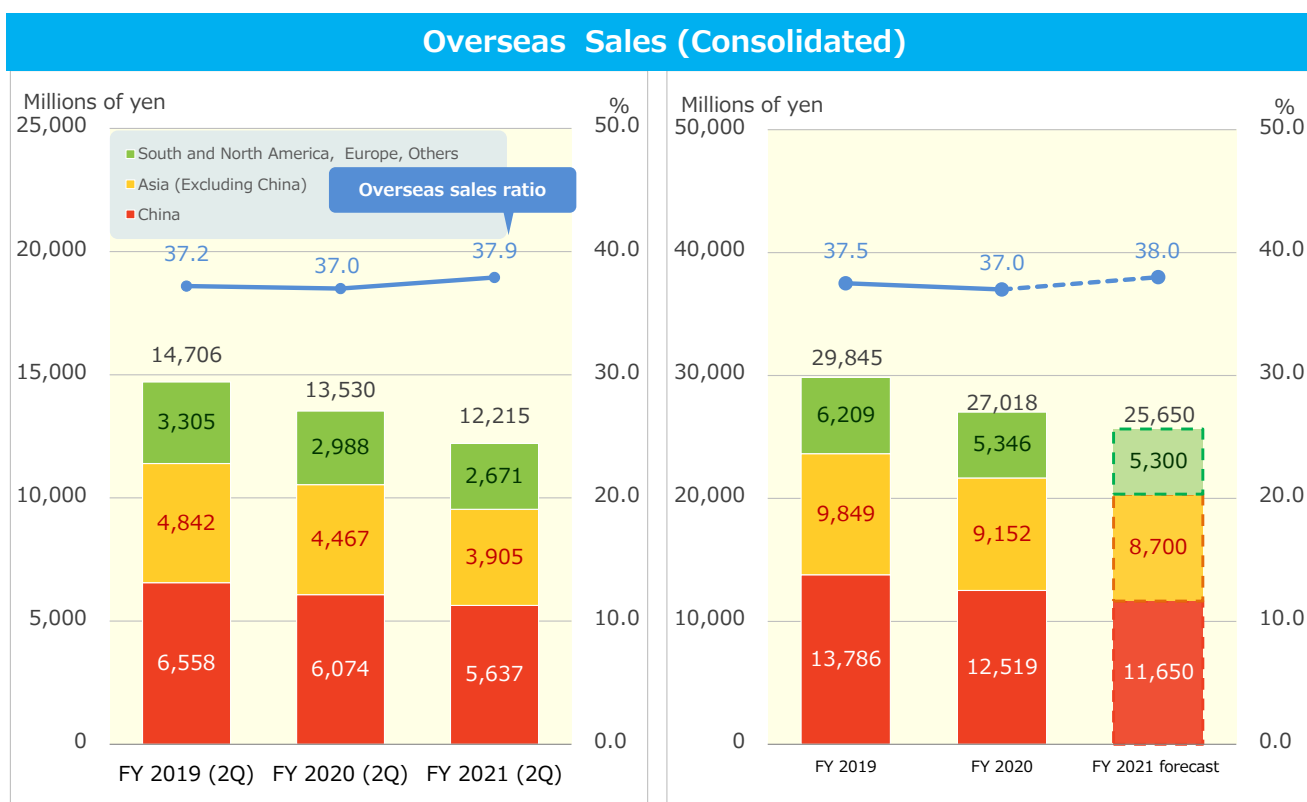
[Adhesive Materials] Adhesive resin, Colorless rosin derivatives, etc.

[Functional Materials] Compound materials for electronics, Fine chemical materials, Polishing agent for hard disk substrates, Flux cleanig System, etc.

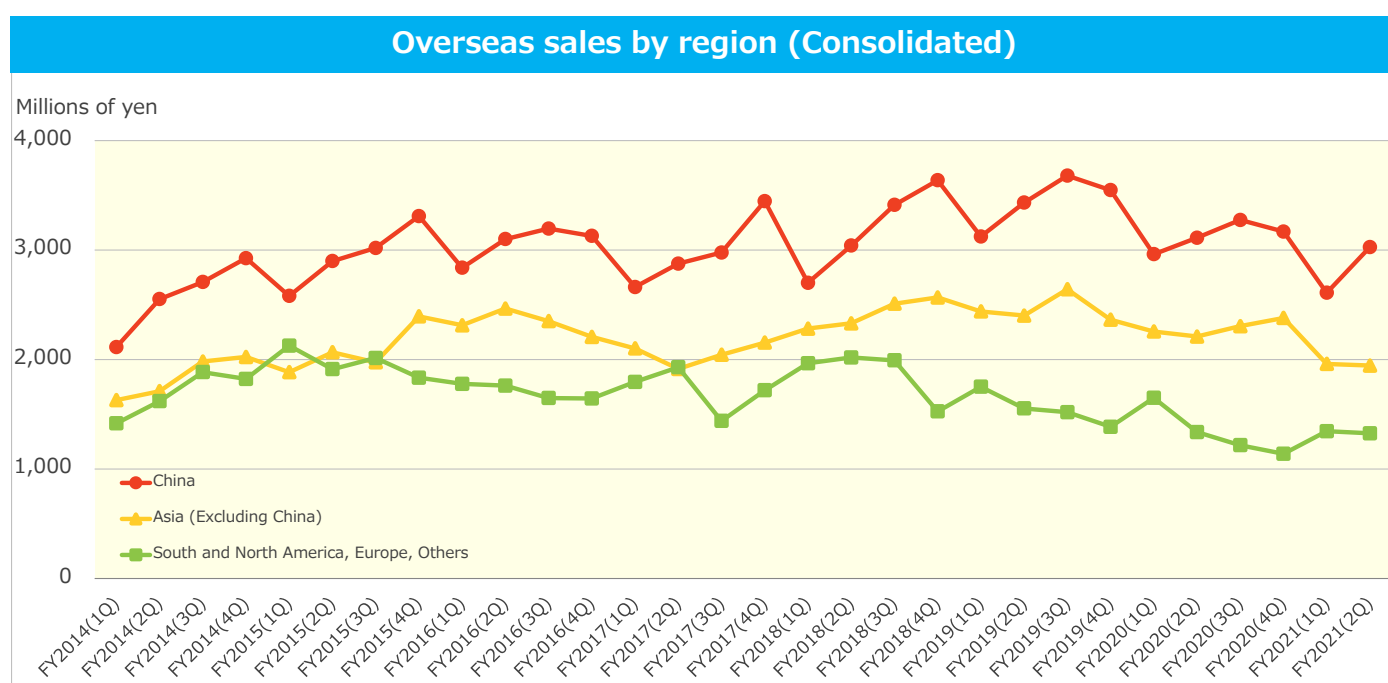
[Others] Insurance business, Real estate management, etc.

From FY2019, classification of some products has been changed from Functional Materials to Adhesive Materials.

## Overseas Sales (Consolidated)



| Consolidated                | FY 2019 (2Q)    |          | FY 2020 (2Q)    |          | FY 2021 (2Q)    |          | FY 2019         |          | FY 2020         |          | FY 2021 forecast |          |
|-----------------------------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|-----------------|----------|------------------|----------|
|                             | Millions of yen | % Change | Millions of yen | % Change | Millions of yen | % Change | Millions of yen | % Change | Millions of yen | % Change | Millions of yen  | % Change |
| <b>Overseas sales</b>       | 14,706          | 2.5      | 13,530          | △ 8.0    | <b>12,215</b>   | △ 9.7    | 29,845          | △ 0.6    | 27,018          | △ 9.5    | 25,650           | △ 5.1    |
| Overseas sales in Asia      | 11,400          | 10.1     | 10,542          | △ 7.5    | <b>9,543</b>    | △ 9.5    | 23,635          | 4.9      | 21,672          | △ 8.3    | 20,350           | △ 6.1    |
| Overseas sales in China     | 6,558           | 14.2     | 6,074           | △ 7.4    | <b>5,637</b>    | △ 7.2    | 13,786          | 7.5      | 12,519          | △ 9.2    | 11,650           | △ 6.9    |
| <b>Overseas sales ratio</b> | 37.2%           |          | 37.0%           |          | <b>37.9%</b>    |          | 37.5%           |          | 37.0%           |          | 38.0%            |          |



## Balance Sheets (Consolidated)

(Unit: Millions of yen)

| Item   | FY2020 (2Q)                |                           | FY2021 (2Q)                |                           | FY2020                 |                           | Increase /Decrease<br>(A) - (B) |
|--|----------------------------|---------------------------|----------------------------|---------------------------|------------------------|---------------------------|---------------------------------|
|  | (As of September 30, 2019) |                           | (As of September 30, 2020) |                           | (As of March 31, 2020) |                           |                                 |
|  | Amount                     | Com-<br>position<br>ratio | Amount (A)                 | Com-<br>position<br>ratio | Amount (B)             | Com-<br>position<br>ratio |                                 |
| (Assets)   |                            | %                         |                            | %                         |                        | %                         |                                 |
| <b>I Current assets</b>                                |                            |                           |                            |                           |                        |                           |                                 |
| 1. Cash and deposits                                   | 7,091                      |                           | 10,526                     |                           | 9,636                  |                           | 889                             |
| 2. Notes and accounts receivable - trade               | 21,742                     |                           | 19,687                     |                           | 22,789                 |                           | △ 3,101                         |
| 3. Electronically recorded monetary claims - operating | 1,665                      |                           | 1,518                      |                           | 1,656                  |                           | △ 138                           |
| 4. Merchandise and finished goods                      | 8,185                      |                           | 8,792                      |                           | 8,803                  |                           | △ 11                            |
| 5. Work in process                                     | 826                        |                           | 996                        |                           | 912                    |                           | 83                              |
| 6. Raw materials and supplies                          | 6,745                      |                           | 6,752                      |                           | 6,399                  |                           | 352                             |
| 7. Other   | 2,501                      |                           | 1,091                      |                           | 1,248                  |                           | △ 156                           |
| Allowance for doubtful accounts                        | △ 103                      |                           | △ 104                      |                           | △ 109                  |                           | 4                               |
| <b>Total Current assets</b>                            | <b>48,655</b>              | <b>55.1</b>               | <b>49,259</b>              | <b>53.4</b>               | <b>51,337</b>          | <b>56.8</b>               | <b>△ 2,077</b>                  |
| <b>II Non-current assets</b>                           |                            |                           |                            |                           |                        |                           |                                 |
| 1. Property, plant and equipment                       |                            |                           |                            |                           |                        |                           |                                 |
| (1) Buildings and structures                           | 7,800                      |                           | 8,069                      |                           | 8,227                  |                           | △ 157                           |
| (2) Machinery, equipment and vehicles                  | 5,818                      |                           | 6,285                      |                           | 6,729                  |                           | △ 443                           |
| (3) Land   | 5,142                      |                           | 4,994                      |                           | 5,147                  |                           | △ 152                           |
| (4) Construction in progress                           | 10,668                     |                           | 13,238                     |                           | 10,310                 |                           | 2,928                           |
| (5) Other  | 568                        |                           | 730                        |                           | 630                    |                           | 99                              |
| <b>Total property, plant and equipment</b>             | <b>29,998</b>              | <b>33.9</b>               | <b>33,318</b>              | <b>36.1</b>               | <b>31,044</b>          | <b>34.4</b>               | <b>2,274</b>                    |
| 2. Intangible assets                                   |                            |                           |                            |                           |                        |                           |                                 |
| (1) Goodwill   | 402                        |                           | 153                        |                           | 262                    |                           | △ 108                           |
| (2) Other  | 437                        |                           | 1,092                      |                           | 988                    |                           | 103                             |
| <b>Total intangible assets</b>                         | <b>840</b>                 | <b>1.0</b>                | <b>1,245</b>               | <b>1.4</b>                | <b>1,250</b>           | <b>1.4</b>                | <b>△ 5</b>                      |
| 3. Investments and other assets                        |                            |                           |                            |                           |                        |                           |                                 |
| (1) Investment securities                              | 6,968                      |                           | 7,184                      |                           | 5,919                  |                           | 1,264                           |
| (2) Retirement benefit asset                           | 1,160                      |                           | 254                        |                           | 264                    |                           | △ 10                            |
| (3) Deferred tax assets                                | 300                        |                           | 294                        |                           | 268                    |                           | 26                              |
| (4) Other  | 355                        |                           | 342                        |                           | 349                    |                           | △ 7                             |
| Allowance for doubtful accounts                        | △ 64                       |                           | △ 60                       |                           | △ 63                   |                           | 3                               |
| <b>Total investments and other assets</b>              | <b>8,720</b>               | <b>9.9</b>                | <b>8,015</b>               | <b>8.7</b>                | <b>6,738</b>           | <b>7.4</b>                | <b>1,277</b>                    |
| <b>Total noncurrent assets</b>                         | <b>39,558</b>              | <b>44.8</b>               | <b>42,579</b>              | <b>46.2</b>               | <b>39,034</b>          | <b>43.2</b>               | <b>3,545</b>                    |
| <b>III Deferred Assets</b>                             |                            |                           |                            |                           |                        |                           |                                 |
| 1. Business commencement expenses                      | 99                         |                           | 393                        |                           | 228                    |                           | 164                             |
| <b>Total deferred assets</b>                           | <b>99</b>                  | <b>0.1</b>                | <b>393</b>                 | <b>0.4</b>                | <b>228</b>             | <b>0.3</b>                | <b>164</b>                      |
| <b>Total assets</b>                                    | <b>88,313</b>              | <b>100.0</b>              | <b>92,233</b>              | <b>100.0</b>              | <b>90,600</b>          | <b>100.0</b>              | <b>1,633</b>                    |

(Unit: Millions of yen)

| Item  | FY2020 (2Q)                |                           | FY2021 (2Q)                |                           | FY2020                 |                           | Increase / Decrease<br>(A) - (B) |
|---|----------------------------|---------------------------|----------------------------|---------------------------|------------------------|---------------------------|----------------------------------|
|   | (As of September 30, 2019) |                           | (As of September 30, 2020) |                           | (As of March 31, 2020) |                           |                                  |
|   | Amount                     | Com-<br>position<br>ratio | Amount (A)                 | Com-<br>position<br>ratio | Amount (B)             | Com-<br>position<br>ratio |                                  |
| (Liabilities)   |                            | %                         |                            | %                         |                        | %                         |                                  |
| I Current liabilities                                       |                            |                           |                            |                           |                        |                           |                                  |
| 1. Notes and accounts payable - trade                       | 8,712                      |                           | 7,572                      |                           | 9,174                  |                           | △ 1,602                          |
| 2. Short-term borrowings                                    | 6,902                      |                           | 7,825                      |                           | 5,100                  |                           | 2,724                            |
| 3. Income taxes payable                                     | 301                        |                           | 375                        |                           | 293                    |                           | 81                               |
| 4. Accrued consumption taxes                                | 110                        |                           | 67                         |                           | 212                    |                           | △ 145                            |
| 5. Provision for bonuses                                    | 1,180                      |                           | 1,086                      |                           | 1,177                  |                           | △ 91                             |
| 6. Provision for bonuses for directors (and other officers) | 15                         |                           | 15                         |                           | 45                     |                           | △ 30                             |
| 7. Provision for repairs                                    | -                          |                           | 75                         |                           | -                      |                           | 75                               |
| 8. Notes payable - facilities                               | 168                        |                           | 108                        |                           | 227                    |                           | △ 118                            |
| 9. Other  | 4,692                      |                           | 4,185                      |                           | 4,780                  |                           | △ 594                            |
| Total current liabilities                                   | 22,082                     | 25.0                      | 21,310                     | 23.1                      | 21,011                 | 23.2                      | 298                              |
| II Non-current liabilities                                  |                            |                           |                            |                           |                        |                           |                                  |
| 1. Bonds payable  | 5,000                      |                           | 10,000                     |                           | 10,000                 |                           | -                                |
| 2. Long-term borrowings                                     | 3,865                      |                           | 3,879                      |                           | 3,945                  |                           | △ 66                             |
| 3. Deferred tax liabilities                                 | 1,168                      |                           | 976                        |                           | 602                    |                           | 374                              |
| 4. Provision for repairs                                    | 15                         |                           | -                          |                           | 45                     |                           | △ 45                             |
| 5. Retirement benefit liability                             | 312                        |                           | 318                        |                           | 322                    |                           | △ 3                              |
| 6. Asset retirement obligations                             | 324                        |                           | 337                        |                           | 339                    |                           | △ 1                              |
| 7. Other  | 288                        |                           | 308                        |                           | 307                    |                           | 1                                |
| Total noncurrent liabilities                                | 10,974                     | 12.4                      | 15,819                     | 17.2                      | 15,560                 | 17.2                      | 259                              |
| Total liabilities   | 33,057                     | 37.4                      | 37,129                     | 40.3                      | 36,572                 | 40.4                      | 557                              |
| (Net assets)  |                            |                           |                            |                           |                        |                           |                                  |
| I Shareholders' equity                                      |                            |                           |                            |                           |                        |                           |                                  |
| 1. Share capital  | 3,343                      |                           | 3,343                      |                           | 3,343                  |                           | -                                |
| 2. Capital surplus  | 3,564                      |                           | 3,564                      |                           | 3,564                  |                           | -                                |
| 3. Retained earnings  | 44,138                     |                           | 45,243                     |                           | 44,969                 |                           | 274                              |
| 4. Treasury shares  | △ 452                      |                           | △ 1,210                    |                           | △ 1,210                |                           | -                                |
| Total shareholders' equity                                  | 50,593                     | 57.3                      | 50,939                     | 55.2                      | 50,665                 | 55.9                      | 274                              |
| II Accumulated other comprehensive income                   |                            |                           |                            |                           |                        |                           |                                  |
| 1. Valuation difference on available-for-sale securities    | 2,582                      |                           | 2,697                      |                           | 1,886                  |                           | 810                              |
| 2. Foreign currency translation adjustment                  | 380                        |                           | 270                        |                           | 494                    |                           | △ 224                            |
| 3. Remeasurements of defined benefit plans                  | 157                        |                           | △ 486                      |                           | △ 499                  |                           | 13                               |
| Total accumulated other comprehensive income                | 3,120                      | 3.5                       | 2,481                      | 2.7                       | 1,881                  | 2.1                       | 600                              |
| III Non-controlling interests                               | 1,542                      | 1.8                       | 1,681                      | 1.8                       | 1,480                  | 1.6                       | 200                              |
| Total net assets  | 55,256                     | 62.6                      | 55,103                     | 59.7                      | 54,027                 | 59.6                      | 1,075                            |
| Total liabilities and net assets                            | 88,313                     | 100.0                     | 92,233                     | 100.0                     | 90,600                 | 100.0                     | 1,633                            |

## Statements of Income (Consolidated)

(Unit: Millions of yen)

| Item  | FY2020 (2Q)<br>'19/4-'19/9 |       | FY2021 (2Q)<br>'20/4-'20/9 |       | Increase/<br>Decrease |                   | FY2020<br>'19/4-'20/3 |       |
|---|----------------------------|-------|----------------------------|-------|-----------------------|-------------------|-----------------------|-------|
|   | Amount                     | Ratio | Amount                     | Ratio | Amount                | Rate of<br>Change | Amount                | Ratio |
|   |                            |       |                            |       |                       |                   |                       |       |
| I Net Sales   | 36,558                     | 100.0 | 32,220                     | 100.0 | △ 4,338               | △ 11.9            | 72,967                | 100.0 |
| II Cost of sales  | 28,922                     | 79.1  | 24,785                     | 76.9  | △ 4,137               | △ 14.3            | 57,014                | 78.1  |
| Gross profit  | 7,636                      | 20.9  | 7,435                      | 23.1  | △ 200                 | △ 2.6             | 15,953                | 21.9  |
| III Selling, general and administrative expenses              | 6,715                      | 18.4  | 6,465                      | 20.1  | △ 249                 | △ 3.7             | 13,378                | 18.4  |
| Operating profit  | 920                        | 2.5   | 969                        | 3.0   | 48                    | 5.3               | 2,574                 | 3.5   |
| IV Non-operating income                                       |                            |       |                            |       |                       |                   |                       |       |
| Interest income   | 15                         |       | 24                         |       |                       |                   | 33                    |       |
| Dividend income   | 114                        |       | 99                         |       |                       |                   | 210                   |       |
| Rental income from real estate                                | 49                         |       | 46                         |       |                       |                   | 98                    |       |
| Foreign exchange gains  | -                          |       | -                          |       |                       |                   | 3                     |       |
| Insurance claim income  | 146                        |       | 28                         |       |                       |                   | 147                   |       |
| Compensation income   | 5                          |       | 82                         |       |                       |                   | 8                     |       |
| Other   | 50                         | 382   | 65                         | 348   | △ 34                  | △ 9.0             | 99                    | 600   |
| V Non-operating expenses                                      |                            |       |                            |       |                       |                   |                       |       |
| Interest expenses   | 79                         |       | 69                         |       |                       |                   | 150                   |       |
| Bond issuance costs   | -                          |       | -                          |       |                       |                   | 25                    |       |
| Foreign exchange losses                                       | 41                         |       | 26                         |       |                       |                   | -                     |       |
| Other   | 39                         | 161   | 54                         | 150   | △ 10                  | △ 6.3             | 71                    | 247   |
| Ordinary income   |                            | 1,142 |                            | 1,167 | 24                    | 2.2               |                       | 2,927 |
| VI Extraordinary income                                       |                            |       |                            |       |                       |                   |                       |       |
| Gain on sales of non-current assets                           | 0                          |       | 5                          |       |                       |                   | 0                     |       |
| Gain on sales of investment securities                        | 21                         |       | 163                        |       |                       |                   | 473                   |       |
| Reversal of provision foreign currency translation adjustment | 7                          | 29    | -                          | 169   | 139                   | 469.7             | 7                     | 482   |
| VII Extraordinary loss  |                            |       |                            |       |                       |                   |                       |       |
| Loss on sales and retirement of non-current assets            | 13                         |       | 48                         |       |                       |                   | 153                   |       |
| Loss on valuation of non-current assets                       | -                          |       | -                          |       |                       |                   | 1                     |       |
| Loss on valuation of investment securities                    | -                          |       | -                          |       |                       |                   | 26                    |       |
| Loss on sales of investments in capital                       | 15                         |       | -                          |       |                       |                   | 15                    |       |
| Loss on valuation of investments in capital                   | -                          |       | 2                          |       |                       |                   | -                     |       |
| Expenses for suspension of operation                          | 91                         | 119   | -                          | 50    | △ 69                  | △ 57.9            | 89                    | 286   |
| Income before income taxes                                    |                            | 1,052 |                            | 1,286 | 233                   | 22.2              |                       | 3,122 |
| Income taxes-current  | 309                        |       | 402                        |       |                       |                   | 846                   |       |
| Income taxes-deferred   | 95                         | 405   | △ 17                       | 385   | △ 20                  | △ 5.1             | 158                   | 1,004 |
| Net income  |                            | 647   |                            | 901   | 253                   | 39.2              |                       | 2,117 |
| Income before minority interests                              |                            | 192   |                            | 190   | △ 2                   | △ 1.4             |                       | 385   |
| Profit attributable to owners of parent                       |                            | 454   |                            | 710   | 256                   | 56.4              |                       | 1,732 |

## &lt;Reference&gt; Statements of Comprehensive Income (Consolidated)

|   |  |       |  |       |  |       |      |         |       |
|---|--|-------|--|-------|--|-------|------|---------|-------|
| Net income  |  | 647   |  | 901   |  | 253   | 39.2 |         | 2,117 |
| Other comprehensive income                            |  |       |  |       |  |       |      |         |       |
| Valuation difference on available-for-sale securities |  | △ 214 |  | 810   |  | 1,025 |      | △ 910   |       |
| Foreign currency translation adjustment               |  | △ 409 |  | △ 213 |  | 196   |      | △ 227   |       |
| Remeasurements of defined benefit plans, net of tax   |  | △ 17  |  | 13    |  | 30    |      | △ 679   |       |
| Total other comprehensive income                      |  | △ 641 |  | 611   |  | 1,252 |      | △ 1,818 |       |
| Comprehensive income                                  |  | 5     |  | 1,512 |  | 1,506 | -    | 299     |       |



## Statements of Cash Flows (Consolidated)

(Units: Millions of yen)

| Item  | FY2020 (20)   | FY2021 (20)   | Increase /<br>Decrease | FY2020        |
|---|---------------|---------------|------------------------|---------------|
|   | ' 19/4-' 19/9 | ' 20/4-' 20/9 |                        | ' 19/4-' 20/3 |
|   | Amount        | Amount        |                        | Amount        |
| <b>I Cash flows from operating activities</b>                                   |               |               |                        |               |
| Income before income taxes  | 1,052         | 1,286         | 233                    | 3,122         |
| Depreciation  | 1,323         | 1,441         | 118                    | 2,887         |
| Amortization of goodwill  | 140           | 108           | △ 31                   | 281           |
| Increase (decrease) in allowance for doubtful accounts                          | △ 9           | △ 5           | 4                      | △ 4           |
| Increase (decrease) in provision for bonuses                                    | △ 40          | △ 88          | △ 48                   | △ 43          |
| Increase (decrease) in provision for bonuses for directors (and other officers) | △ 45          | △ 30          | 15                     | △ 15          |
| Increase (decrease) in retirement benefit liability                             | 7             | △ 3           | △ 10                   | 15            |
| Decrease (increase) in retirement benefit asset                                 | △ 55          | 10            | 65                     | 840           |
| Loss (gain) on sales and retirement of non-current assets                       | 13            | 42            | 29                     | 153           |
| Loss on valuation of non-current assets   | -             | -             | -                      | 1             |
| Loss (gain) on sales of investment securities                                   | △ 21          | △ 163         | △ 141                  | △ 473         |
| Loss on valuation of investment securities                                      | -             | -             | -                      | 26            |
| Loss (gain) on sales of investments in capital                                  | 15            | -             | △ 15                   | 15            |
| Loss on valuation of investments in capital                                     | -             | 2             | 2                      | -             |
| Gain on reversal of foreign currency translation adjustment                     | △ 7           | -             | 7                      | △ 7           |
| Expenses for suspension of operation  | 91            | -             | △ 91                   | 89            |
| Interest and dividend income  | △ 129         | △ 124         | 5                      | △ 244         |
| Interest expenses   | 79            | 69            | △ 10                   | 176           |
| Decrease (increase) in trade receivables  | 5,423         | 3,119         | △ 2,303                | 4,452         |
| Decrease (increase) in inventories  | 1,888         | △ 503         | △ 2,392                | 1,559         |
| Increase (decrease) in trade payables   | △ 3,382       | △ 1,551       | 1,830                  | △ 2,934       |
| Increase (decrease) in accrued consumption taxes                                | 92            | △ 137         | △ 229                  | 201           |
| Other   | △ 1,058       | △ 531         | 526                    | △ 1,176       |
| Subtotal  | 5,376         | 2,940         | △ 2,435                | 8,924         |
| Interest and dividends received   | 129           | 129           | 0                      | 245           |
| Interest paid   | △ 58          | △ 73          | △ 14                   | △ 135         |
| Income taxes (paid) refund  | △ 928         | △ 85          | 842                    | △ 1,500       |
| Cash flows from operating activities  | 4,519         | 2,910         | △ 1,608                | △ 1,500       |
| <b>II Cash flows from investing activities</b>                                  |               |               |                        |               |
| Purchase of property, plant and equipment                                       | △ 5,852       | △ 4,067       | 1,784                  | △ 8,493       |
| Proceeds from sales of property, plant and equipment                            | 10            | 158           | 147                    | 11            |
| Purchase of investment securities   | △ 23          | △ 117         | △ 94                   | △ 40          |
| Proceeds from sales of investment securities                                    | 30            | 165           | 134                    | 517           |
| Purchase of intangible assets   | △ 66          | △ 161         | △ 94                   | △ 658         |
| Payments for deferred assets  | △ 82          | △ 164         | △ 82                   | △ 211         |
| Decrease (increase) in other investments  | 1             | 0             | △ 0                    | 2             |
| Other   | △ 9           | △ 31          | △ 21                   | △ 128         |
| Cash flows from investing activities  | △ 5,992       | △ 4,217       | 1,774                  | △ 9,001       |
| <b>III Cash flows from financing activities</b>                                 |               |               |                        |               |
| Net increase (decrease) in short-term borrowings                                | 1,523         | 2,793         | 1,269                  | △ 338         |
| Proceeds from long-term borrowings  | -             | -             | -                      | 200           |
| Repayments of long-term borrowings  | △ 30          | △ 66          | △ 36                   | △ 78          |
| Proceeds from issuance of bonds   | -             | -             | -                      | 4,974         |
| Purchase of treasury shares   | △ 439         | -             | 439                    | △ 1,197       |
| Repayments to non-controlling shareholders                                      | △ 173         | -             | 173                    | △ 170         |
| Dividends paid  | △ 454         | △ 436         | 17                     | △ 901         |
| Dividends paid to non-controlling interests                                     | △ 0           | -             | 0                      | △ 317         |
| Other   | △ 804         | △ 42          | 761                    | △ 86          |
| Cash flows from financing activities  | △ 377         | 2,248         | 2,625                  | 2,084         |
| <b>IV Effect of exchange rate change on cash and cash equivalents</b>           | △ 117         | △ 51          | 66                     | △ 43          |
| <b>V Net increase (decrease) in cash and cash equivalents</b>                   | △ 1,968       | 889           | 2,857                  | 574           |
| <b>VI Cash and cash equivalents at beginning of period</b>                      | 8,970         | 9,545         | 574                    | 8,970         |
| <b>VII Cash and cash equivalents at end of period</b>                           | 7,002         | 10,434        | 3,432                  | 9,545         |