

FY2020 Financial Summary

This documents are outside the scope of audit.

1. Business Segment Information (vs. FY2019)

(Millions of yen)

	FY2019 Actual (①)							FY2020 Actual (②)							Changes (②-①)			FY2021 Forecast (③)			Changes (③-②)		
	1Q	2Q	1st half	3Q	4Q	2nd half	Full year	1Q	2Q	1st half	3Q	4Q	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st Half	2nd Half	Full year
Electric Wire and Cable Business	8,885	9,245	18,131	9,296	9,567	18,864	36,996	8,338	8,060	16,399	8,071	8,536	16,608	33,007	× 1,732	× 2,256	× 3,988	18,300	18,900	37,200	○1,900	○2,291	○4,192
Electronic Materials Business	4,103	5,942	10,046	4,992	4,090	9,083	19,129	4,644	5,485	10,130	5,241	4,223	9,464	19,595	○84	○381	○465	11,000	9,700	20,700	○869	○235	○1,104
Other Business	422	541	963	510	599	1,109	2,073	390	483	873	498	574	1,073	1,946	× 90	× 36	× 126	1,100	1,300	2,400	○226	○226	○453
Adjustment (Note)	▲ 6	▲ 7	▲ 14	▲ 7	▲ 6	▲ 13	▲ 27	▲ 8	▲ 8	▲ 16	▲ 7	▲ 8	▲ 15	▲ 32	× 2	× 2	× 4	-	-	-	○16	○15	○32
Net Sales	13,405	15,721	29,127	14,792	14,251	29,043	58,171	13,365	14,020	27,386	13,803	13,326	27,130	54,516	× 1,740	× 1,913	× 3,654	30,400	29,900	60,300	○3,013	○2,769	○5,783
Electric Wire and Cable Business	▲ 7	188	180	23	320	343	523	51	214	266	27	115	143	409	○85	× 200	× 114	400	550	950	○133	○406	○540
Electronic Materials Business	608	1,525	2,134	1,051	577	1,628	3,762	846	1,281	2,128	1,341	343	1,685	3,813	× 6	○56	○50	2,300	1,400	3,700	○171	× 285	× 113
Other Business	▲ 4	72	68	18	72	91	159	▲ 44	1	▲ 43	8	73	82	39	× 111	× 8	× 120	-	100	100	○43	○17	× 60
Adjustment (Note)	▲ 166	▲ 166	▲ 333	▲ 160	▲ 169	▲ 330	▲ 664	▲ 159	▲ 179	▲ 339	▲ 204	▲ 185	▲ 390	▲ 729	× 5	× 59	× 64	▲ 400	▲ 350	▲ 750	× 60	○40	× 20
Operating Income	429	1,619	2,048	932	800	1,732	3,781	693	1,318	2,011	1,173	347	1,521	3,532	× 37	× 211	× 249	2,300	1,700	4,000	○288	○178	○467
(Operating Profit Margin)	(3.2%)	(10.3%)	(7.0%)	(6.3%)	(5.6%)	(6.0%)	(6.5%)	(5.2%)	(9.4%)	(7.3%)	(8.5%)	(2.6%)	(5.6%)	(6.5%)				(7.6%)	(5.7%)	(6.6%)			
Ordinary Income	454	1,613	2,067	947	902	1,850	3,917	703	1,328	2,032	1,217	379	1,597	3,629	× 35	× 252	× 288	2,350	1,750	4,100	○317	○152	○470
(Ordinary Profit Margin)	(3.4%)	(10.3%)	(7.1%)	(6.4%)	(6.3%)	(6.4%)	(6.7%)	(5.3%)	(9.5%)	(7.4%)	(8.8%)	(2.8%)	(5.9%)	(6.7%)				(7.7%)	(5.9%)	(6.8%)			
Extraordinary income	59	-	59	106	-	106	166	-	0	0	0	17	17	18	× 58	× 89	× 147	-	-	-	× 0	× 17	× 18
Extraordinary losses	-	-	-	-	63	63	63	-	8	8	8	12	21	29	× 8	○41	○33	-	120	120	○ 8	× 98	× 90
Net Income	320	1,109	1,429	682	629	1,311	2,740	517	943	1,460	847	337	1,185	2,645	○31	× 126	× 94	1,700	1,200	2,900	○239	○14	○254

2. Business Segment Information (vs. 2020 Forecast)

	FY2020 Forecast (④) *			Changes (②-④)		
	1st half	2nd half	Full year	1st half	2nd half	Full year
Electric Wire and Cable Business	16,399	16,900	33,300	-	× 292	× 292
Electronic Materials Business	10,130	9,169	19,300	-	○295	○295
Other Business	873	1,026	1,900	-	○46	○46
Adjustment (Note)	▲ 16	16	-	-	× 32	× 32
Net Sales	27,386	27,113	54,500	-	○16	○16
Electric Wire and Cable Business	266	183	450	-	× 40	× 40
Electronic Materials Business	2,128	1,571	3,700	-	○113	○113
Other Business	▲ 43	▲ 6	▲ 50	-	○89	○89
Adjustment (Note)	▲ 339	▲ 360	▲ 700	-	× 29	× 29
Operating Income	2,011	1,388	3,400	-	○132	○132
(Operating Profit Margin)	(7.3%)	(5.1%)	(6.2%)			
Ordinary Income	2,032	1,467	3,500	-	○129	○129
(Ordinary Profit Margin)	(7.4%)	(5.4%)	(6.4%)			
Extraordinary income	0	-	0	-	○17	○17
Extraordinary losses	8	8	16	-	× 12	× 12
Net Income	1,460	1,039	2,500	-	○145	○145

(Note)

The adjustment is inter-segment eliminations and corporate expenses, which consist of general and administrative expenses and research expenses not attributable to reportable segments.

* Disclosed on Jan 26, 2021

3. Consolidated Financial Statements 【Comparison of Consolidated Statements of Income】

	(A)		(B)		(Millions of yen)	
	FY2019 (From April 1, 2019 to March 31, 2020)		FY2020 (From April 1, 2020 to March 31, 2021)		Changes (B)-(A)	Percent change ((B)-(A))/(A)
Net sales	58,171	100.0%	54,516	100.0%	△3,654	-6.3%
Cost of sales	44,367	76.3%	41,301	75.8%	△3,065	-6.9%
Gross profit	13,803	23.7%	13,215	24.2%	△588	-4.3%
Total selling, general and administrative expenses	10,021	17.2%	9,682	17.8%	△339	-3.4%
Operating profit	3,781	6.5%	3,532	6.5%	△249	-6.6%
Non-operating income						
Interest income	7		15		7	
Dividend income	23		18		△4	
Royalty income	18		18		△0	
Subsidy income	89		24		△65	
Other	30		42		12	
Total non-operating income	168	0.3%	119	0.2%	△49	-29.6%
Non-operating expenses						
Interest expenses	9		6		△3	
Foreign exchange losses	15		6		△8	
Other	7		8		1	
Total non-operating expenses	32	0.1%	22	0.0%	△10	-32.0%
Ordinary profit	3,917	6.7%	3,629	6.7%	△288	-7.4%
Extraordinary income						
Gain on sales of investment securities	106		0		△105	
Gain on sales of non-current assets	-		17		17	
Insurance claim income	59		-		△59	
Total extraordinary income	166	0.3%	18	0.0%	△147	-88.9%
Extraordinary losses						
Loss on valuation of investment securities	57		-		△57	
Impairment loss	5		-		△5	
Loss on abandonment of non-current assets	-		29		29	
Total extraordinary losses	63	0.1%	29	0.1%	△33	-53.3%
Profit before income taxes	4,020	6.9%	3,618	6.6%	△402	-10.0%
Income taxes - current	1,336		1,075		△260	
Income taxes - deferred	△56		△102		△46	
Total income taxes	1,279	2.2%	972	1.8%	△307	-24.0%
Profit	2,740		2,645		△94	
Profit attributable to owners of parent	2,740	4.7%	2,645	4.9%	△94	-3.5%

【Comparison of Consolidated Balance Sheets】

	(A)		(B)		Changes (B)-(A)	(Millions of yen)		(A)		(B)		Changes (B)-(A)	(Millions of yen)
	FY2019 (As of March 31, 2020)		FY2020 (As of March 31, 2021)					FY2019 (As of March 31, 2020)		FY2020 (As of March 31, 2021)			
Assets													
Current assets													
Cash and deposits	1,462		1,444		△18								
Notes and accounts receivable - trade	16,682		14,457		△2,224								
Inventory	7,923		9,040		1,116								
Short-term loans receivable	10,660		12,579		1,918								
Other	339		1,271		931								
Allowance for doubtful accounts	△205		△13		192								
Total current assets	36,864	67.1%	38,780	68.1%	1,915								
Non-current assets													
Property, plant and equipment													
Buildings and structures, net	7,876		7,610		△265								
Machinery, equipment and vehicles, net	2,562		3,357		794								
Tools, furniture and fixtures, net	371		355		△15								
Land	3,799		3,799		-								
Construction in progress	947		606		△341								
Total property, plant and equipment	15,556	28.3%	15,728	27.6%	172								
Intangible assets													
Software	143		138		△5								
Software in progress	7		9		1								
Right to use facilities	5		5		△0								
Other	8		5		△2								
Total intangible assets	165	0.3%	158	0.3%	△6								
Investments and other assets													
Investment securities	815		922		107								
Long-term prepaid expenses	23		11		△12								
Deferred tax assets	1,433		986		△447								
Other	118		566		448								
Allowance for doubtful accounts	△7		△193		△186								
Total investments and other assets	2,384	4.3%	2,293	4.0%	△90								
Total non-current assets	18,106	32.9%	18,181	31.9%	74								
Total assets	54,970	100.0%	56,961	100.0%	1,990								
Liabilities													
Current liabilities													
Notes and accounts payable - trade	3,963		3,757		△206								
Current portion of long-term borrowings	1,000		-		△1,000								
Accounts payable - other	926		928		2								
Accrued expenses	1,493		1,469		△23								
Income taxes payable	843		541		△301								
Other	721		979		258								
Total current liabilities	8,948	16.3%	7,676	13.5%	△1,271								
Non-current liabilities													
Long-term borrowings	-		900		900								
Provision for environmental measures	110		-		△110								
Retirement benefit liability	1,599		1,301		△297								
Asset retirement obligations	62		70		8								
Deferred tax liabilities	0		1		0								
Other	110		109		△1								
Total non-current liabilities	1,883	3.4%	2,383	4.2%	500								
Total liabilities	10,831	19.7%	10,060	17.7%	△771								
Net assets													
Shareholders' equity													
Share capital	6,676		6,676		-								
Capital surplus	4,516		4,516		-								
Retained earnings	36,183		37,717		1,533								
Treasury shares	△2,458		△2,458		△0								
Total shareholders' equity	44,918	81.7%	46,452	81.6%	1,533								
Accumulated other comprehensive income													
Valuation difference on available-for-sale securities	142		212		69								
Deferred gains or losses on hedges	△308		414		723								
Foreign currency translation adjustment	△57		△62		△5								
Remeasurements of defined benefit plans	△555		△114		440								
Total accumulated other comprehensive income	△779	-1.4%	449	0.8%	1,228								
Total net assets	44,139	80.3%	46,901	82.3%	2,762								
Total liabilities and net assets	54,970	100.0%	56,961	100.0%	1,990								

4. Capital expenditure, Depreciation, and other

(Millions of yen)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Forecast	
Electric Wire and Cable Business	1,570	1,199	729	926	890	Major Items of capital investment <u>FY 2019</u> ・Investment to strengthen the business foundation and enhance the productive capacity of electric wire business ・Investment to enhance the performance of functional film ・Maintenance of working environment at Kizugawa factory area (Renovation of welfare facilities,etc.) <u>FY2020</u> ・Investment to strengthen the business foundation and enhance the productive capacity of electric wire business ・R&D investment for functional film ・Investment in product development for sensor and medical products business (equipment systems・optical components・medical equipment materials) <u>FY2021 Plan</u> ・Investment to strengthen the business foundation and rationalize production of electric wire business ・R&D investment for functional film ・Maintenance at each location of electronic materials business ・Investment to startups and related business development,etc.
Electronic Materials Business	375	665	1,141	479	1,150	
Other Business	43	84	158	145	160	
Corporate	721	1,480	98	396	1,000	
Capital expenditure	2,711	3,429	2,128	1,947	3,200	
Electric Wire and Cable Business	642	683	812	798	920	
Electronic Materials Business	897	804	749	701	920	
Other Business	72	79	95	101	190	
Corporate	82	108	178	169	230	
Depreciation	1,695	1,676	1,836	1,770	2,260	
R&D						
R&D expenses	1,310	1,523	1,517	1,560	1,690	
R&D expenses as a percentage of net sales	2.4%	2.6%	2.6%	2.9%	2.8%	

5. Trends in the number of employees

	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)	FY2021 Forecast (As of March 31, 2022)	
Electric Wire and Cable Business	505	535	560	578	590	Human Resource Plan (Main change factors from March 31,2021 to March 31,2022) ・Electric Wire and Cable Business : enhancement of production capability,etc. ・Electronic Materials Business : enhancement of film business foundation,etc. ・Corporate: enhancement of management system,etc.
Electronic Materials Business	181	197	201	221	250	
Other Business	99	97	96	97	100	
Corporate	67	77	79	81	90	
Number of employees	852	906	936	977	1,030	

Note:

Figures indicate number of employees including those seconded from outside the group and excluding those seconded to outside the group. Part-time and temporary employees are also excluded.