

FY2022 Overview in Full year



Arisawa Mfg.Co.,Ltd
May 12th, 2023

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- FY2022 Review by consolidated basis
- FY2023 Forecast by consolidated basis
- Appendix

FY2022 Consolidated Performance



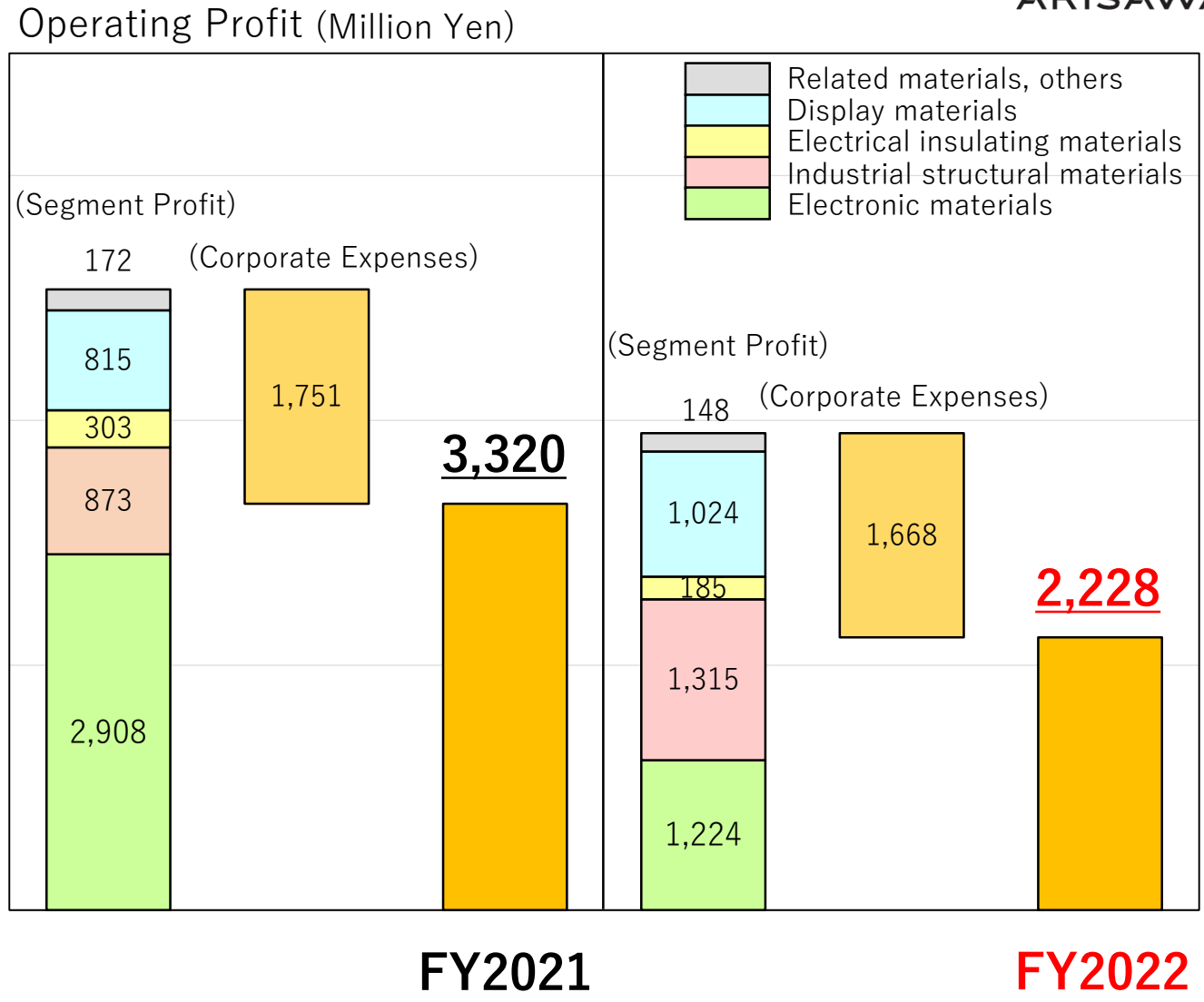
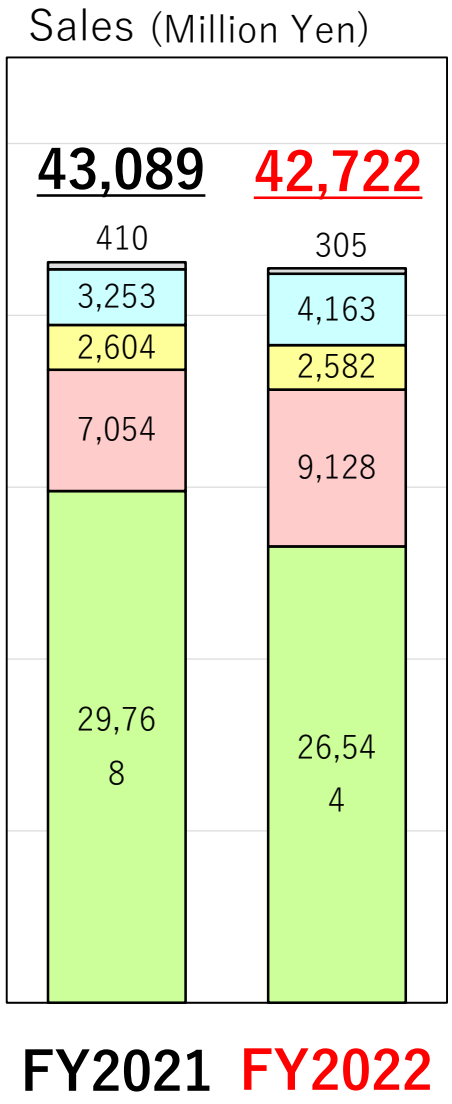
(unit: Million Yen)	FY2021 Full year result	FY2022 Full year result	vs. Prev. year
Sales	43,089	42,722	-0.9%
Operating Profit	3,320	2,228	-32.9%
Operating Margin	7.7%	5.2%	--
Ordinary Profit	4,204	2,717	-35.4%
Net Profit	3,911	2,856	-27.0%
Earnings per share (Yen)	117.40	86.46	-26.4%
Dividend (Yen)	95.00	90.00	--
Exchange rate (Yen / \$)			
average for the period	109.90	131.62	--
at end of period	122.39	133.53	--

■ Highlights of FY2022 Consolidated Performance

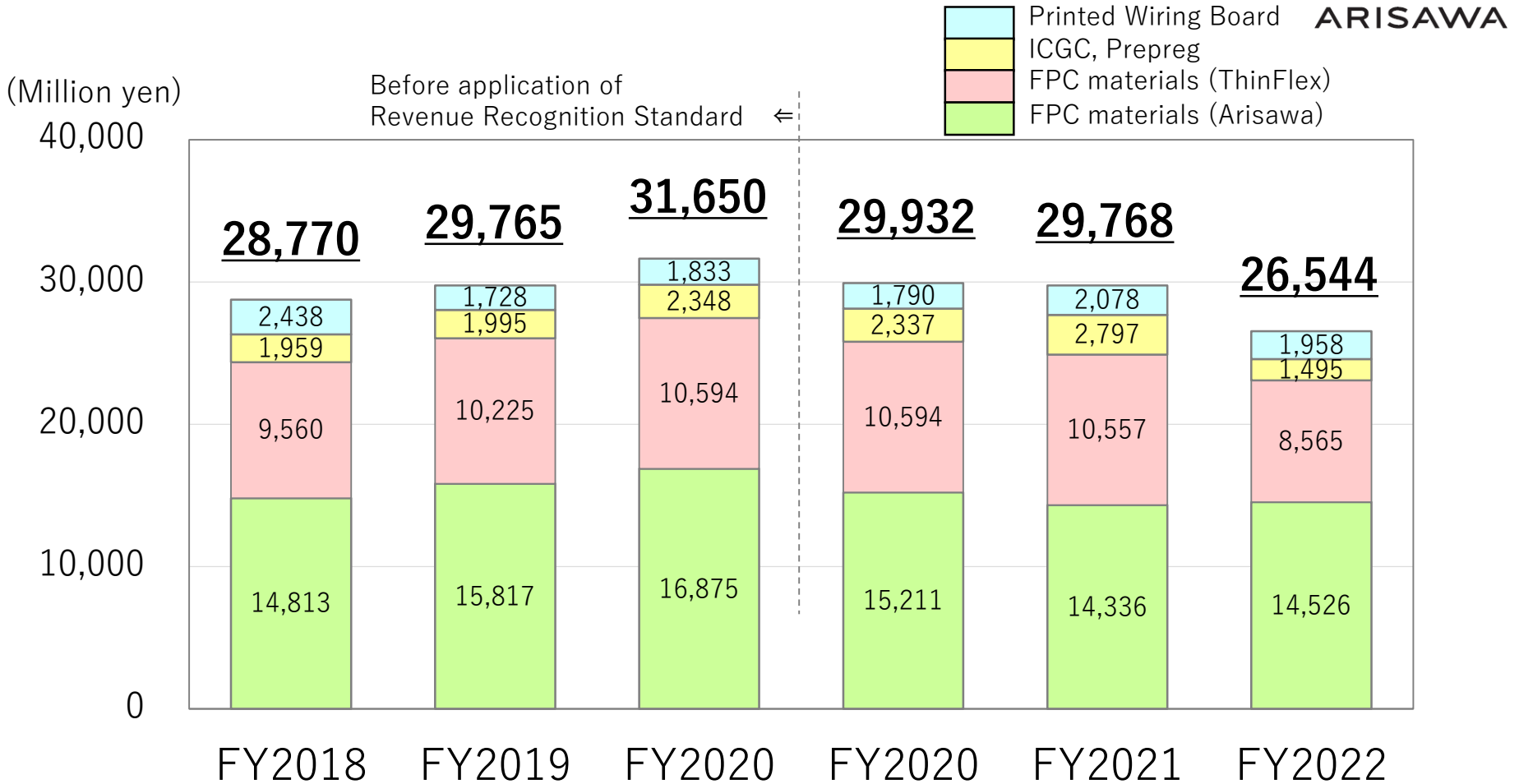


- Consolidated sales decreased by 0.9% YoY (year-over-year) due to decreases in those of electronic and electrical insulating materials despite increases in those of industrial structural and display materials.
- Operating profit decreased by 32.9% YoY due to the impact of soaring energy costs and raw material prices, etc. Segment profits of industrial structural and display materials increased, although those of electronic and electrical insulating materials decreased.
- Sales of electronic materials decreased by 10.8% YoY due to decreases in those of FPC materials of Thinflex, ICGC, and PWBPP.
- Sales of industrial structural materials increased by 29.4% YoY due to increases in those of FRP pressure vessel for water purification and automobile materials.
- Sales of display materials increased by 28.0% YoY due to increases in those of 3D display-related materials and polarization components.
- Ordinary profit decreased by 35.4% YoY due to decrease in foreign exchange gains, which was more than the rate of decline in the operating profit.
- Net profit decreased by 26.4% YoY which was less than the rate of decline in ordinary profit due to recording of gains on the sale of securities.

FY2022 Segment Comparison (vs. FY2021)



Electronic Materials Sales History

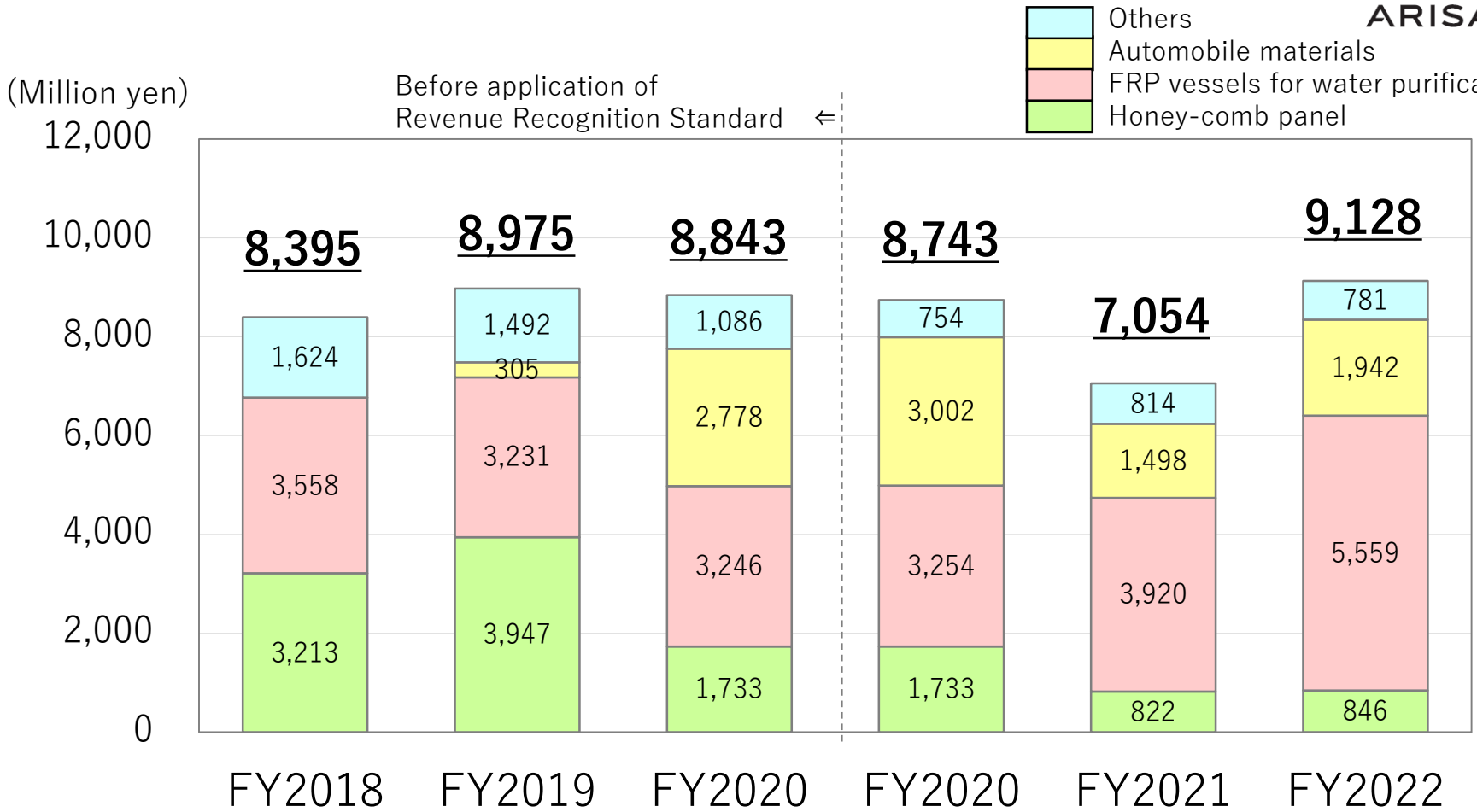


- Sales of FPC materials (ThinFlex) decreased by 18.9% YoY.
- Sales of ICGC and Prepreg decreased by 46.6% YoY.

Industrial Structural Materials Sales History



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- Sales of FRP vessels for water purification increased by 41.8% YoY
- Sales of automobile materials increased by 29.6% YoY

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FY2023 Sales and Profit Forecast



(unit: Million Yen)	FY2022 1H result	FY2022 Full year result	FY2023 1H FCT	vs. Prev. year	FY2023 Full year FCT	vs. Prev. year
Sales	22,994	42,722	20,300	-11.7%	45,300	6.0%
Operating Profit	1,861	2,228	300	-83.9%	2,100	-5.7%
Operating Margin	8.1%	5.2%	1.5%	--	4.6%	--
Ordinary Profit	2,408	2,717	200	-91.7%	2,100	-22.7%
Net Profit	2,563	2,856	100	-96.1%	1,800	-37.0%
Earnings per share (Yen)	77.37	86.46	3.01*	-96.1%	54.27*	-37.2%
Dividend (Yen)	0	90.00	20	--	45	--
Exchange rate(Yen/ \$) average for the period at end of period	123.14 144.81	131.62 133.53	131.30 122.50		127.00 120.00	

*Calculated by the number of shares as of Mar. 31.

■ Highlights of FY2023 Sales and Profit Forecast



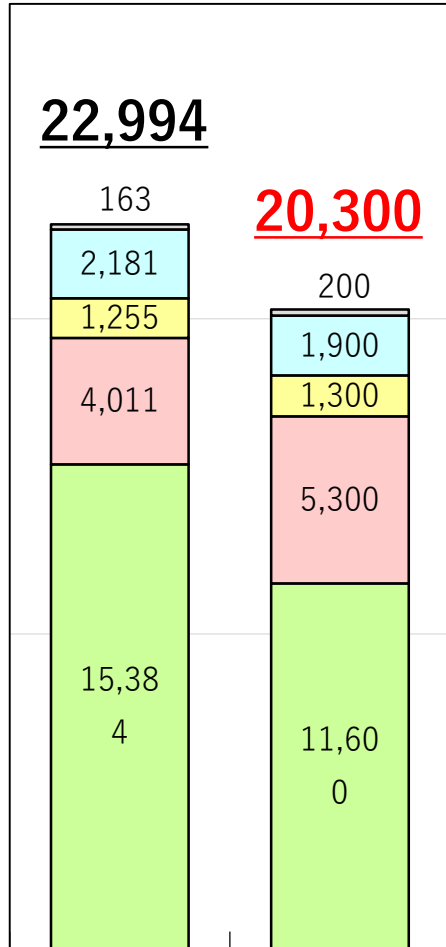
- Sales are expected to increase by 6.0% YoY due to steady increases in electronic materials, industrial structural materials and display materials.
However, that of electronic material in the 1st half is expected to decrease due to the impact of continued sluggish economic activity in China.
 - Sales of electronic materials are expected to increase by 2.8% YoY due to increases in those of FPC and semiconductor materials, ICGC, and PWBPP.
 - Sales of industrial structural materials are expected to increase by 13.9% YoY due to increases in those of honey-comb panel, automobile materials and FRP vessels for water purification.
 - Sales of display materials are expected to increase by 8.1% YoY due to increases in those of 3D display-related materials and polarization components.
- Operating profit is expected to decrease by 5.7% YoY due to the impact of soaring energy costs and raw material prices.

FY2023 1H Segment Comparison (vs. FY2022)



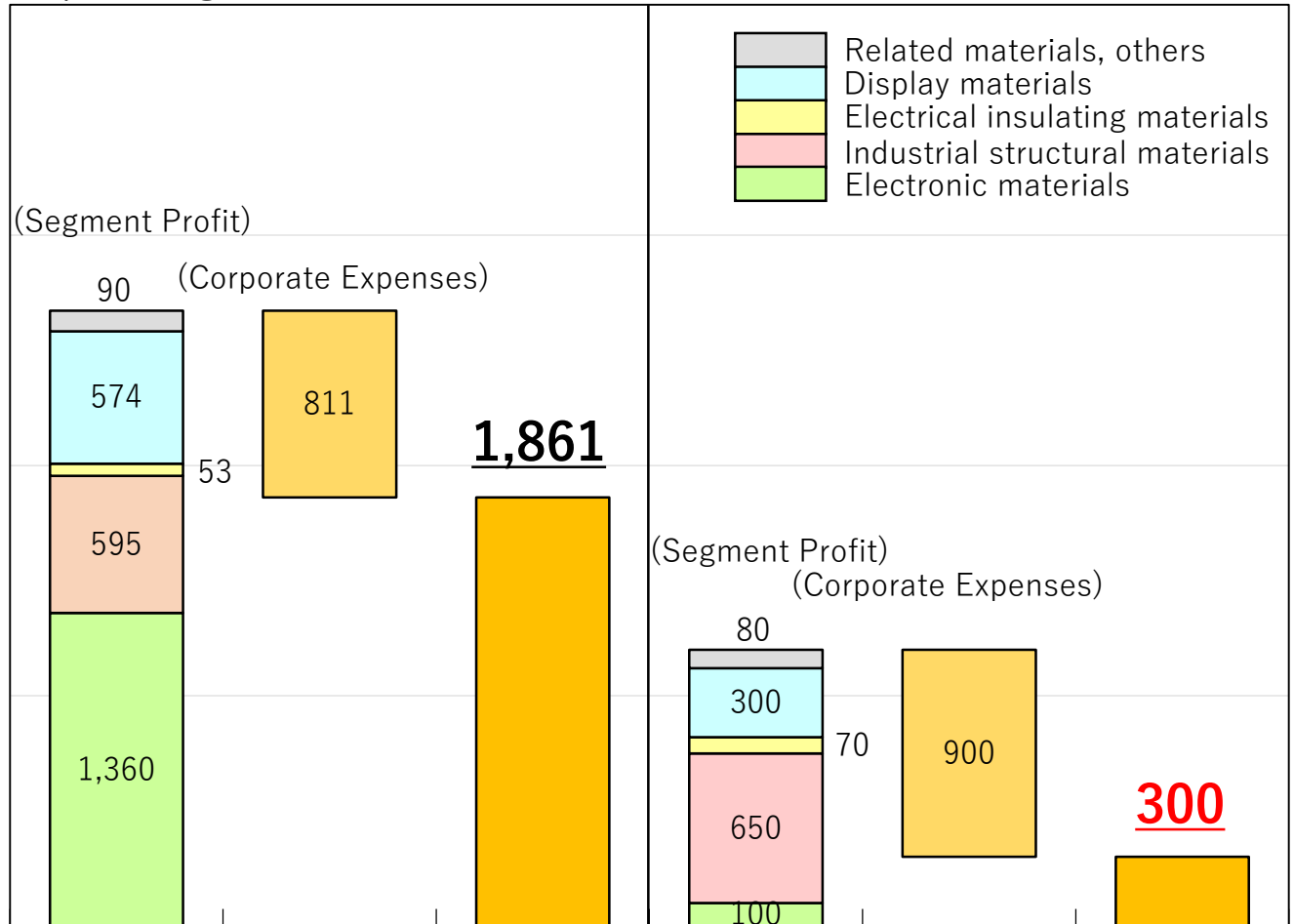
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Sales (Million Yen)



FY2022 **FY2023**
(Forecast)

Operating Profit (Million Yen)



FY2022

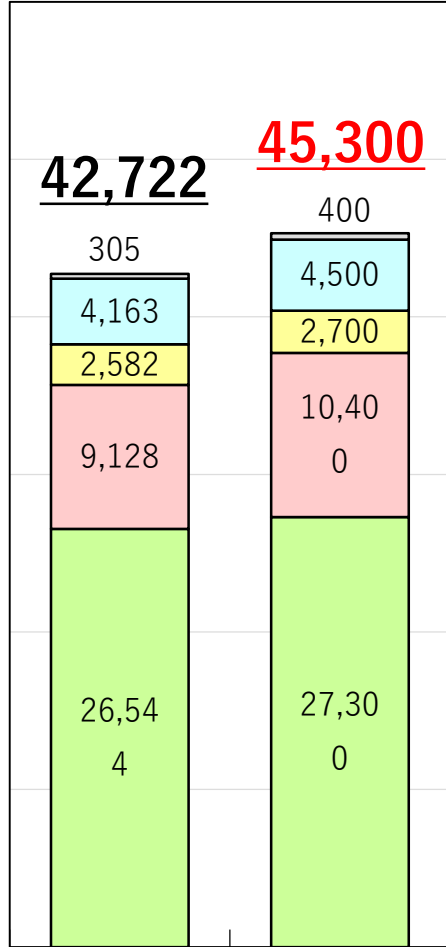
FY2023
(Forecast)

- Related materials, others
- Display materials
- Electrical insulating materials
- Industrial structural materials
- Electronic materials

FY2023 Segment Comparison (vs. FY2022)

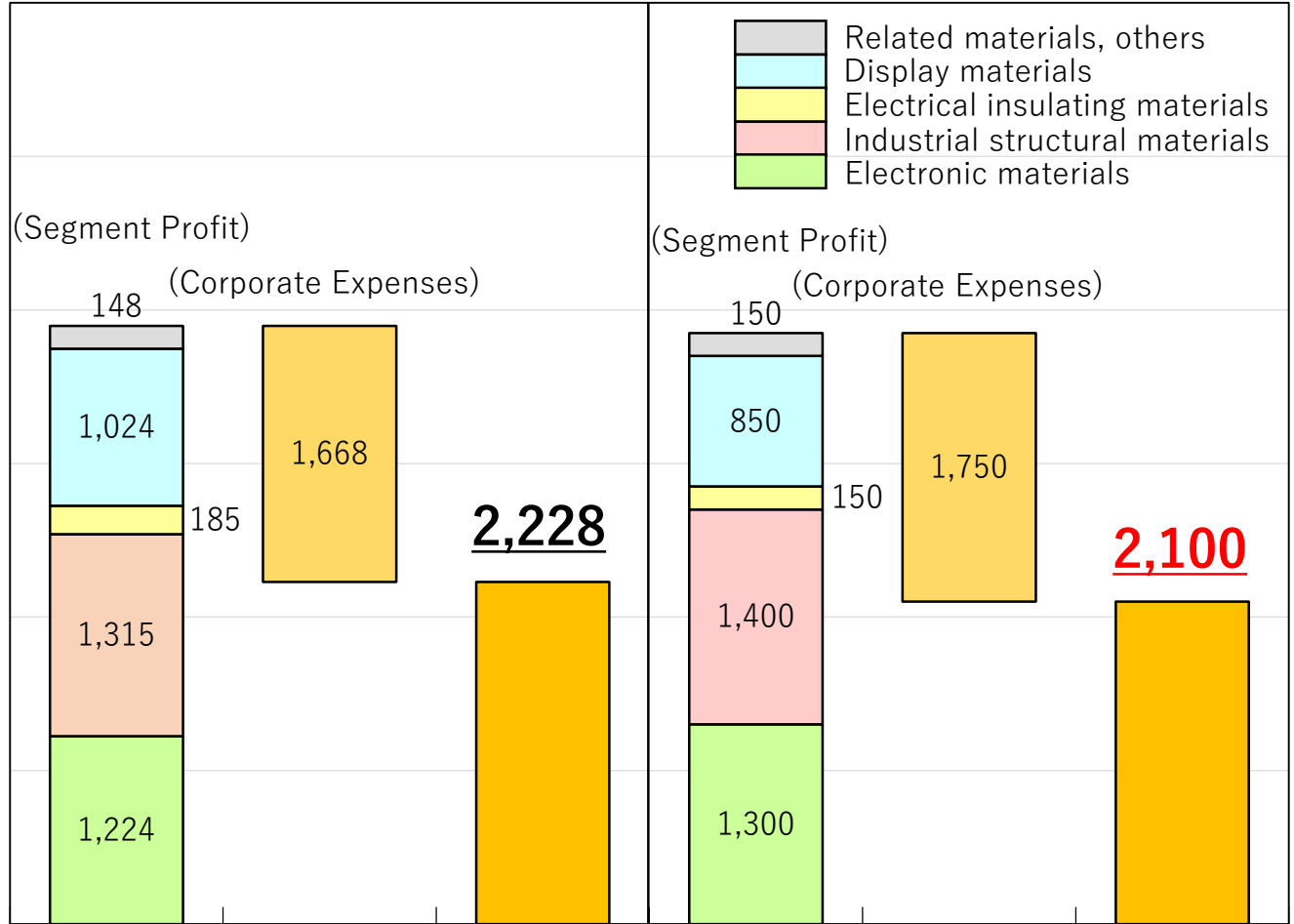


Sales (Million Yen)



FY2022 **FY2023**
(Forecast)

Operating Profit (Million Yen)



FY2022

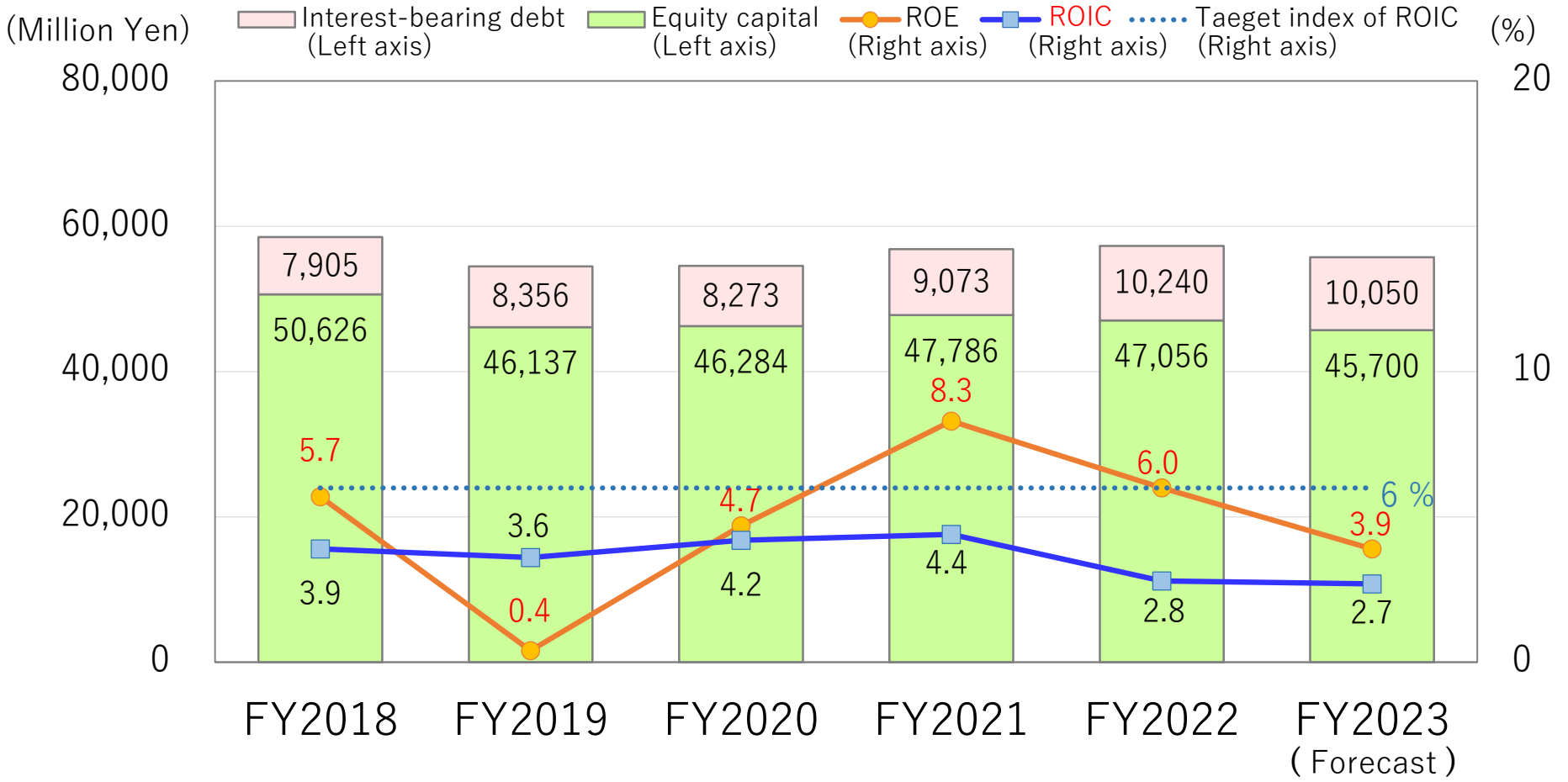
FY2023
(Forecast)

ROE,ROIC history

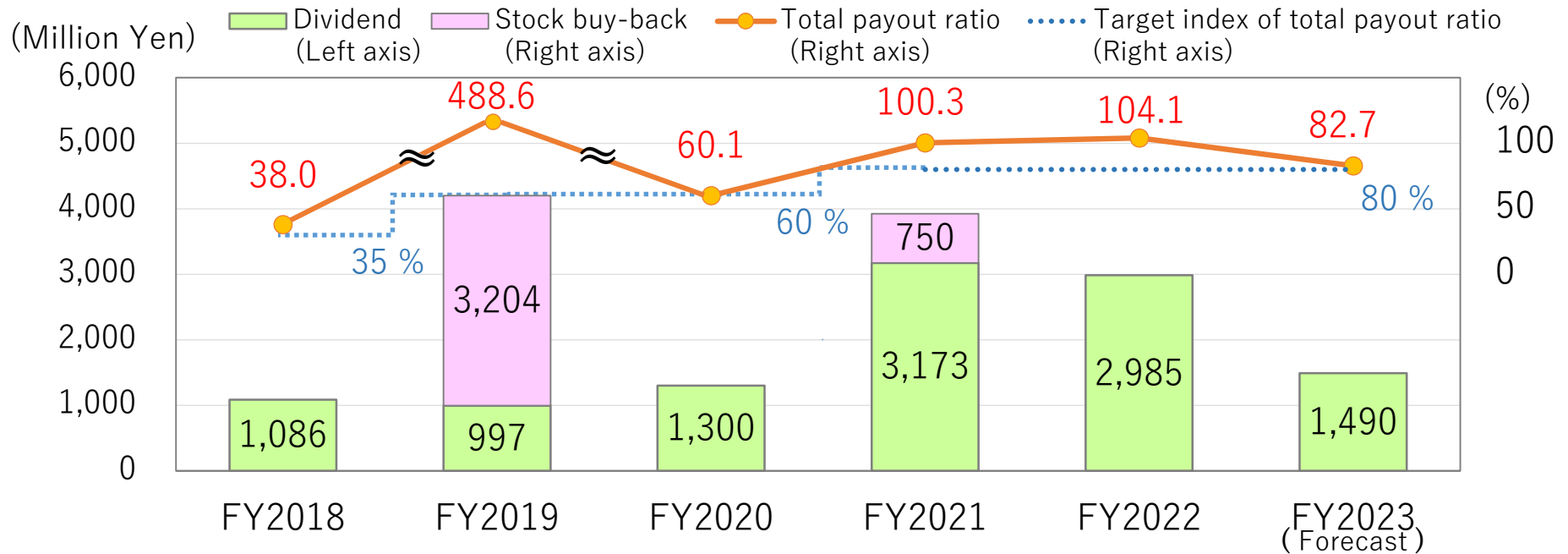


ROE= Net Profit / Equity capital

ROIC= NOPLAT(Net Operating Profit Less Adjusted Tax) / Equity capital + Interest-bearing debt



Dividend and Total Payout Ratio History



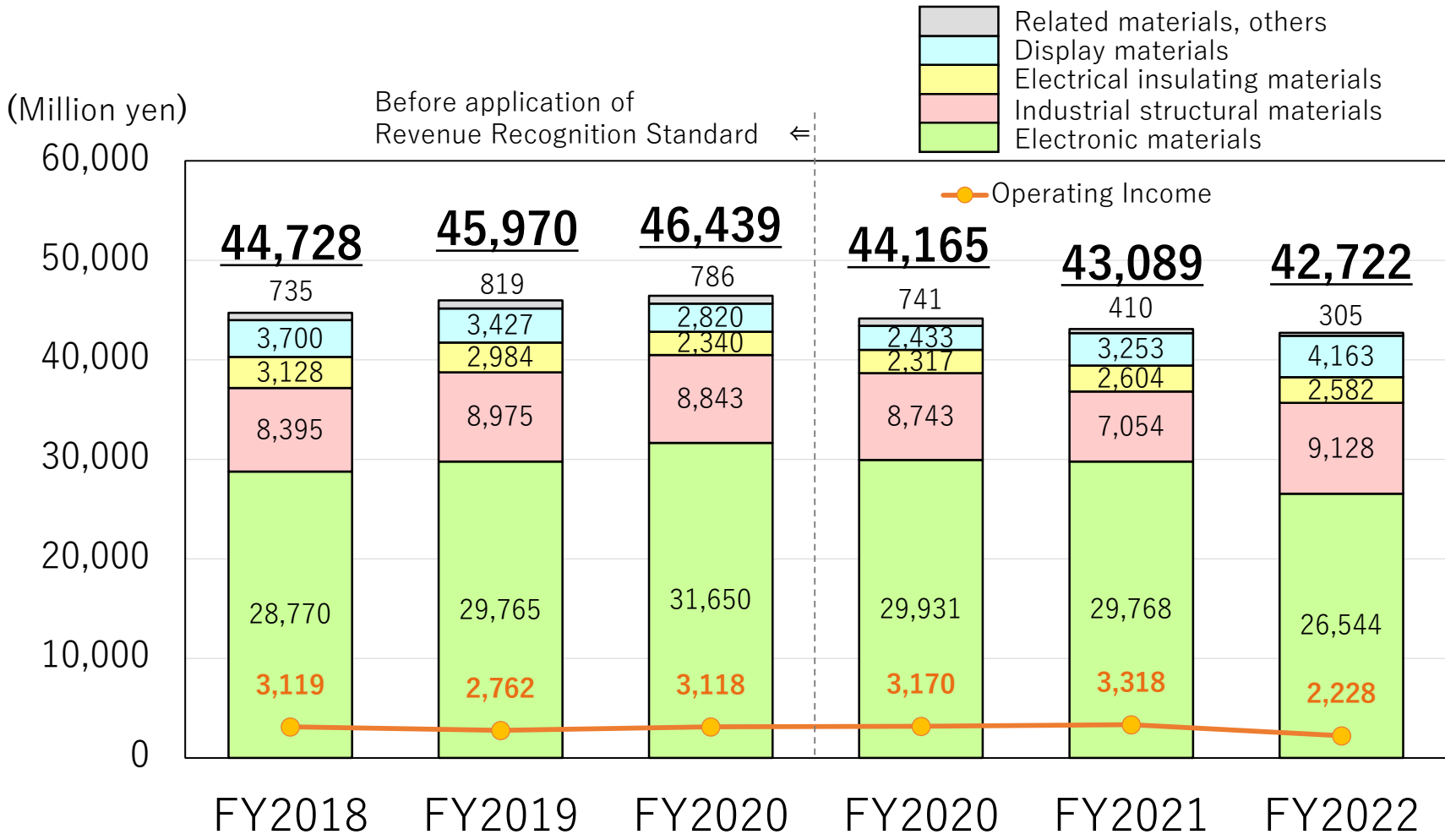
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Share Price (Yen/Share)*	793	802	1,000	957	1,254	—
Dividend (Yen/Share)	30	30	39	95	90	45 (Forecast)
Dividend yield (%)	3.8	3.7	3.9	9.9	7.2	—

* Closing price at the end of each FY

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Segment Comparison History (Sales and Operating Profit)

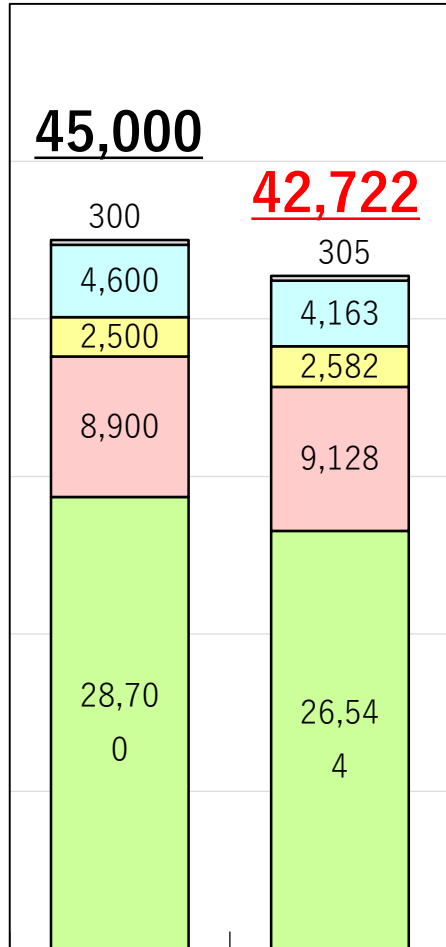


FY2022 Segment Comparison (vs. FCT)



FCT = Forecast as of Nov. 4

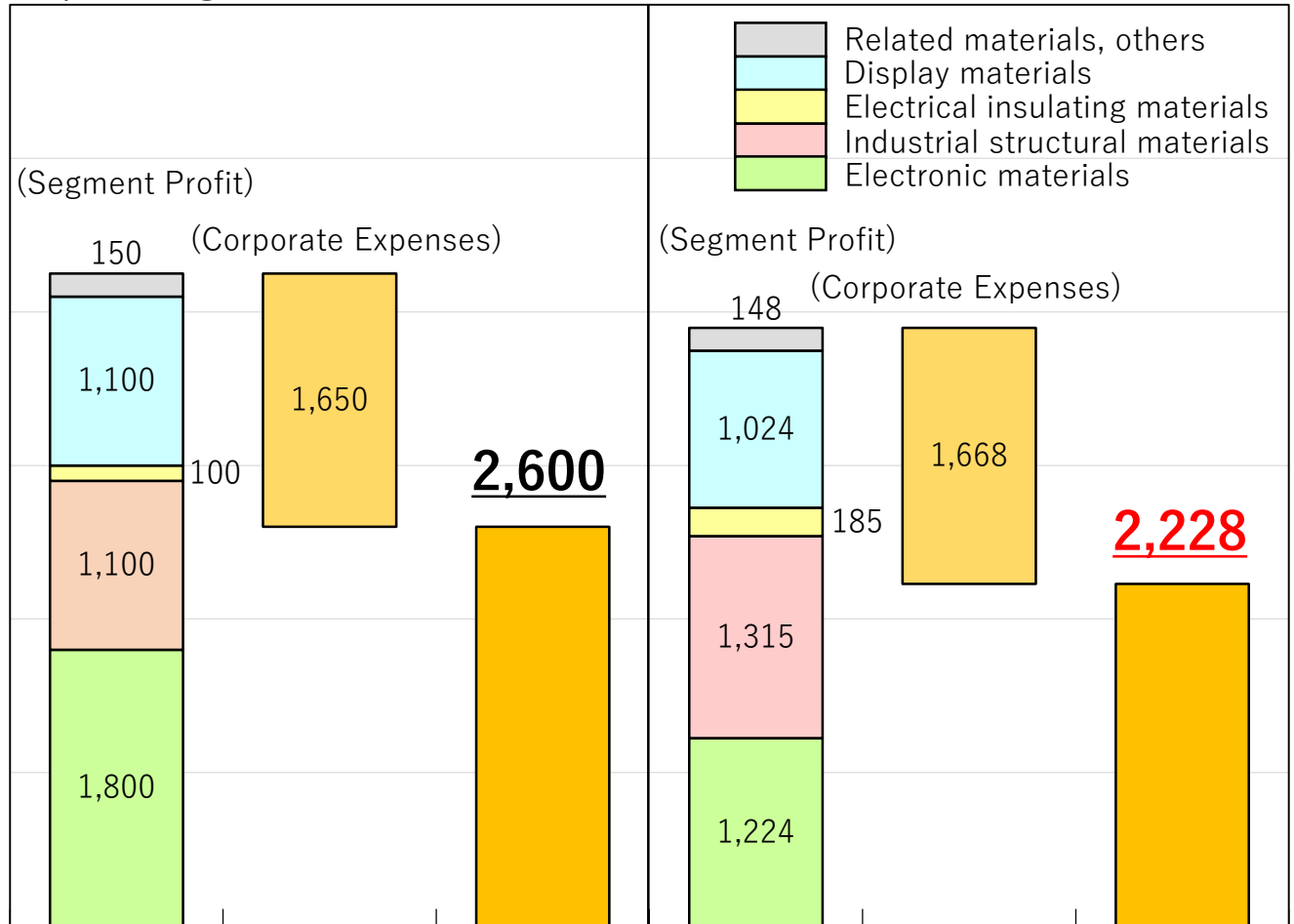
Sales (Million Yen)



FCT

Result

Operating Profit (Million Yen)



FCT

Result

FY2022 Segment Comparison (vs. FY2021)



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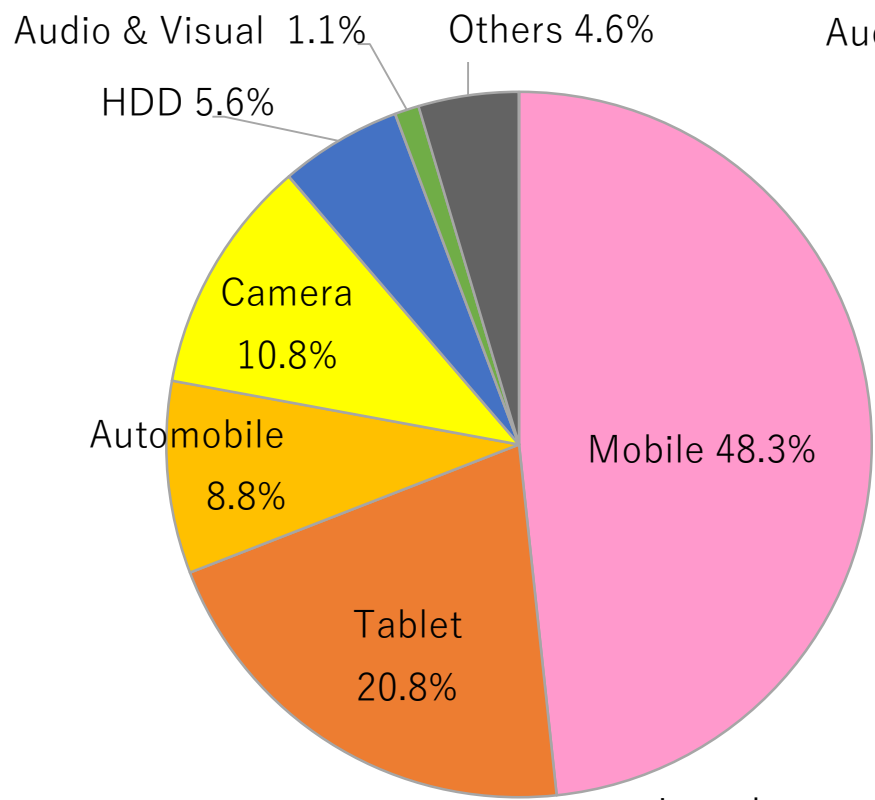
(unit: Million Yen)

	Sales					Operating Profit				
	FY2021 Full year Result	FY2022 Full year FCT (Nov. 4)	FY2022 Full year Result	+/- vs. Prev. year		FY2021 Full year Result	FY2022 Full year FCT (Nov. 4)	FY2022 Full year Result	+/- vs. Prev. year	
				vs. FCT					vs. FCT	
Parent										
Arisawa Mfg.	26,648	27,400	25,752	(896)	(1,648)	1,319	1,500	1,098	(221)	(402)
Consolidated										
ThinFlex	10,598	10,200	9,661	(937)	(539)	638	(150)	(30)	(668)	120
Satosan	2,079	2,100	1,958	(121)	(142)	64	50	24	(40)	(26)
Arisawa Fiber Glass	2,501	1,700	1,657	(844)	(43)	187	(150)	(135)	(322)	15
Protec	3,813	5,400	5,369	1,556	(31)	639	860	907	268	47
Arisawa Sogyo	1,696	1,600	1,563	(133)	(37)	97	60	36	(61)	(24)
Arisawa Jushi Kogyo	262	250	263	1	13	30	10	15	(15)	5
ColorLink Japan	1,796	2,650	2,257	461	(393)	196	420	282	86	(138)
(Adjustment)	(6,304)	(6,300)	(5,758)			148	0	31		
Total	43,089	45,000	42,722	(367)	(2,278)	3,318	2,600	2,228	(1,090)	(372)

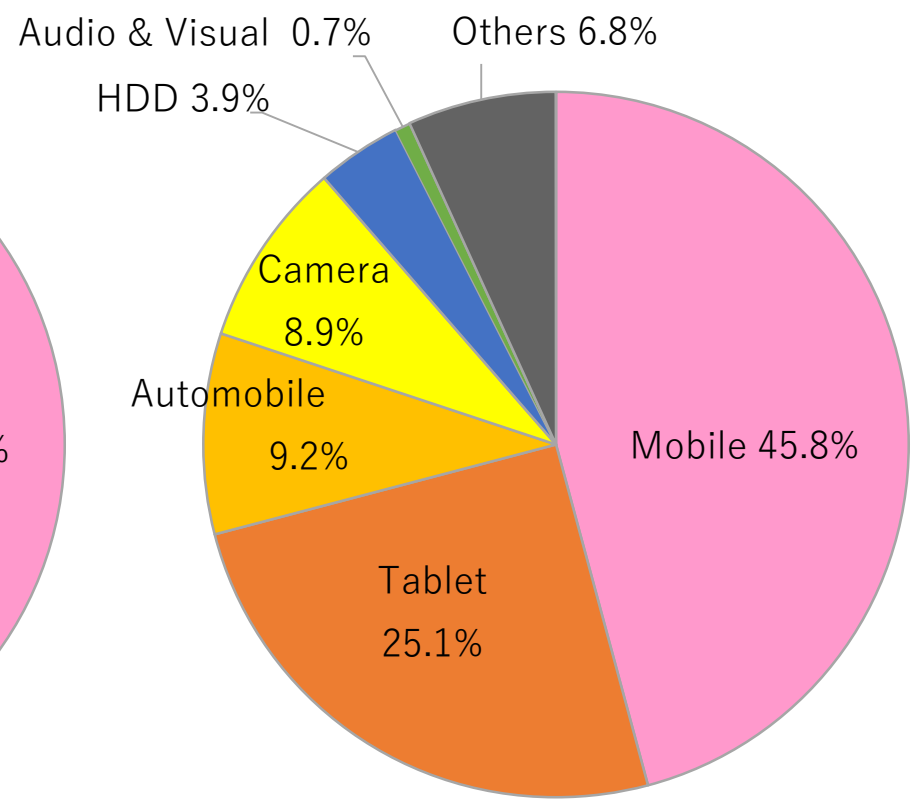
Our FPC's Major Applications



FY2021

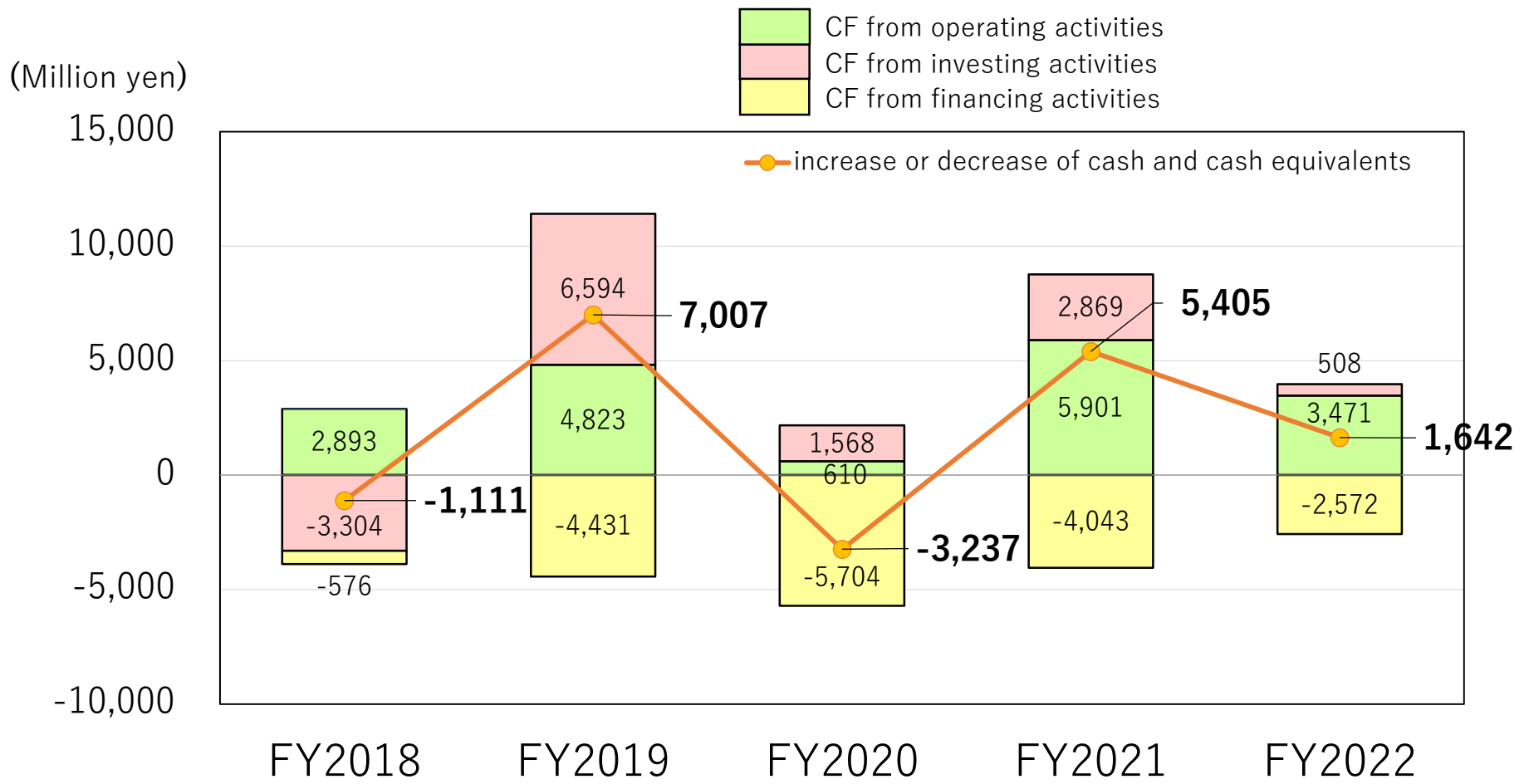


FY2022



In volume terms
Source: Arisawa Mfg. estimates

Cash Flow History



Consolidated Balance Sheets (Summary) History

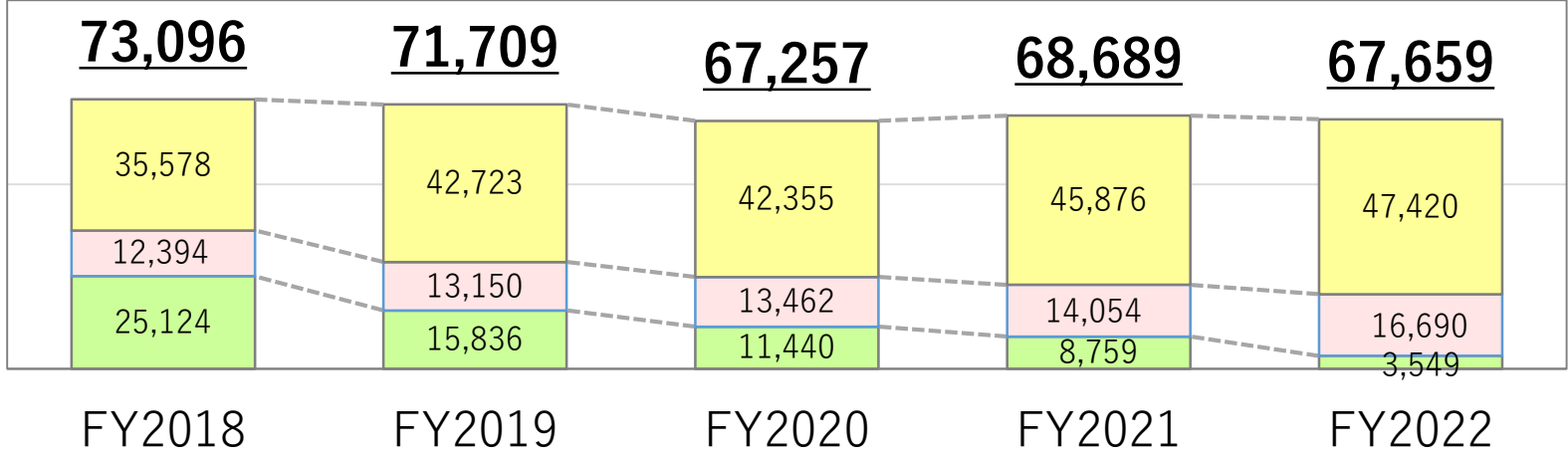


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(Million yen)
100,000

Assets

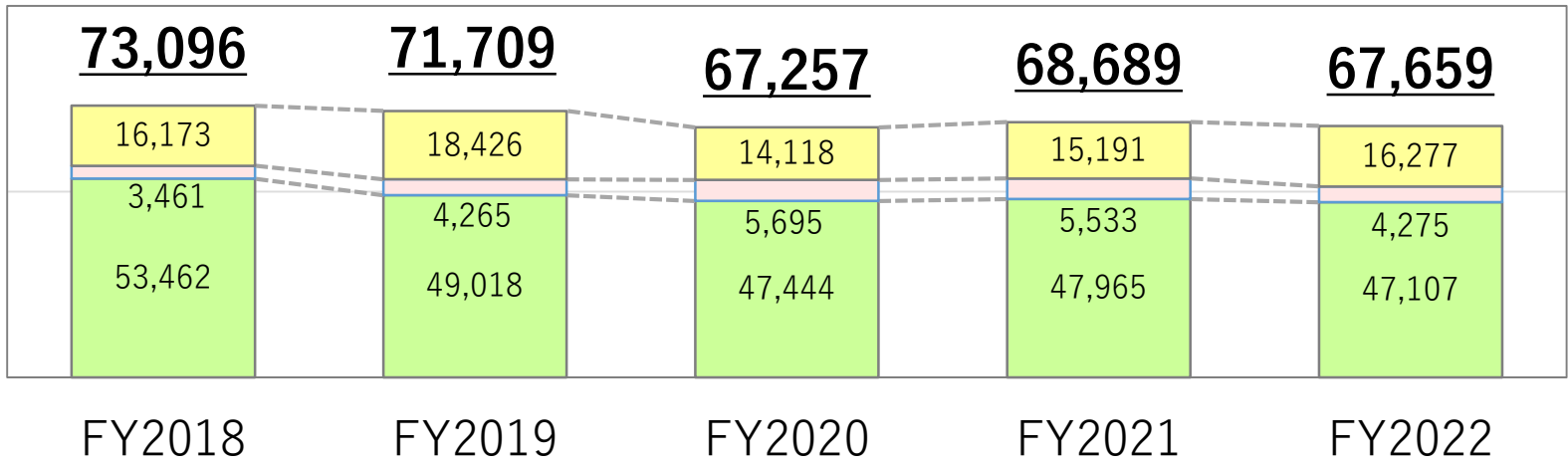
Investment and other assets Non-current assets Current assets



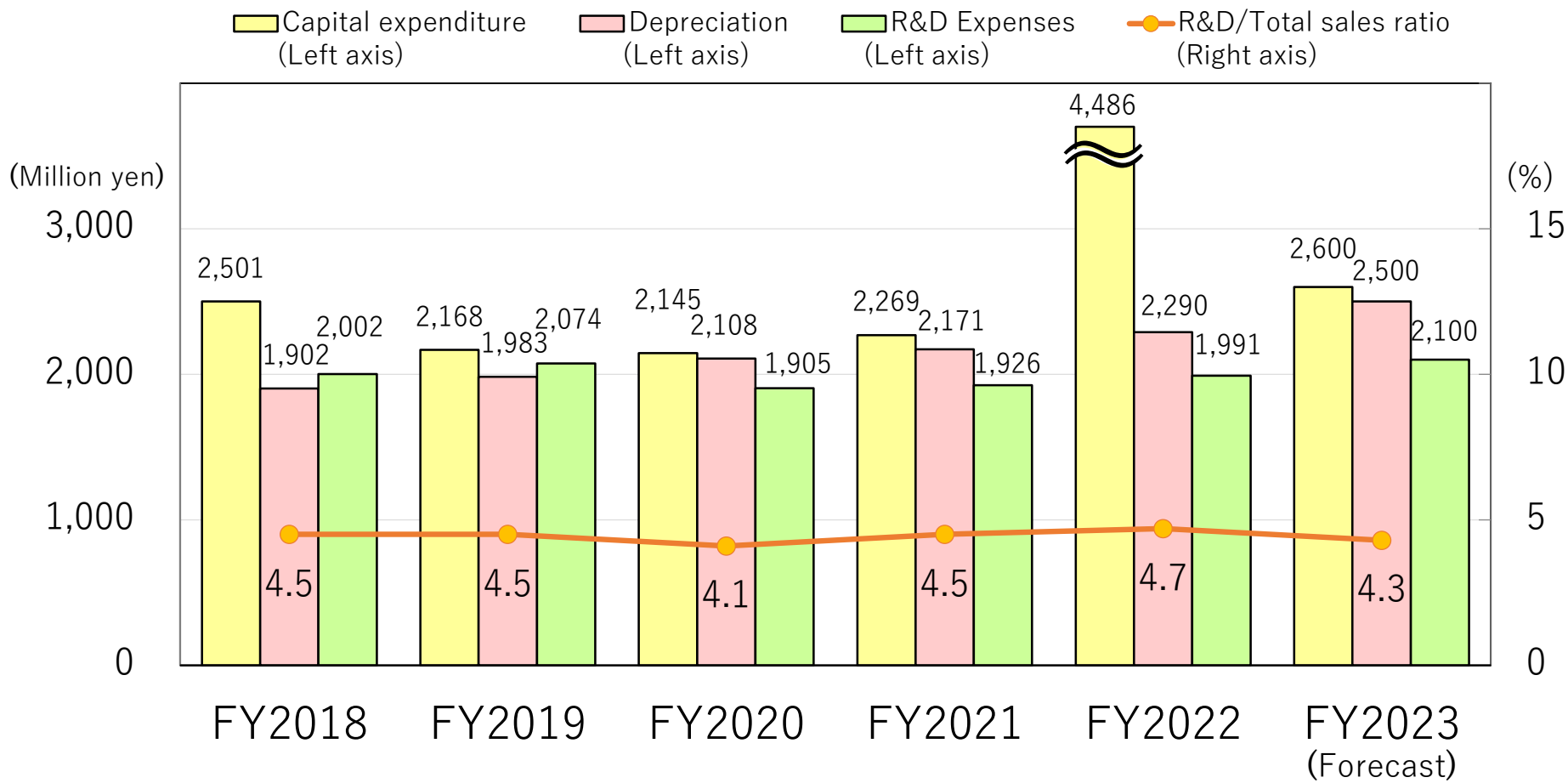
(Million yen)
100,000

Liabilities and net assets

Net assets Non-current liabilities Current liabilities



Capital Expenditure, Depreciation and R&D Expenses History



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