



# Closing Announcement of First Quarter of the Fiscal Year Ending March 31, 2023 [Japanese Standards] (Consolidated)

August 4, 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
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Scheduled Date of Submitting Financial Report: August 10, 2022  
 Scheduled Date of Commencement of Dividend Payment: ---  
 Whether supplementary explanation materials for the closing are prepared: No  
 Whether explanation meeting is held for the closing: No

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

## 1. Consolidated Results in First Quarter of the Fiscal Year Ending March 31, 2023 (From April 1, 2022 to June 30, 2022)

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

(% indication shows the increase or decrease rate from the same quarter of previous year)

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of the parent	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
First Quarter of the Fiscal Year Ending March 31, 2023	11,321	5.0	705	△31.7	1,177	11.0	1,167	50.2
First Quarter of the Fiscal Year Ended March 31, 2022	10,785	---	1,032	---	1,060	---	777	---

(Note) Comprehensive income: First Quarter of the Fiscal Year Ending March 31, 2023: 1,479 million yen (83.1%)  
 First Quarter of the Fiscal Year Ended March 31, 2022: 807 million yen (---%)

	Net profit per share		Fully diluted net profit per share	
	(Yen, Sen)		(Yen, Sen)	
First Quarter of the Fiscal Year Ending March 31, 2023	35.11		35.08	
First Quarter of the Fiscal Year Ended March 31, 2022	23.31		23.28	

(Note) From the beginning of the previous consolidated fiscal year, the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc., has been applied. As each figure for the first quarter for the year ended March 31, 2022 is the figure after application of the Accounting Standard, the rate of increase or decrease from the previous year for full-year and from the same quarter in the previous year for each quarter has not been stated.

### (2) Consolidated Financial Conditions

	Total assets	Net assets	Net worth ratio	Net asset per share
	(million yen)	(million yen)	%	(Yen, Sen)
First Quarter of the Fiscal Year Ending March 31, 2023	68,882	46,173	66.8	1,390.65
Fiscal Year Ended March 31, 2022	68,689	47,965	69.6	1,434.46

(Reference) Net worth: First Quarter of the Fiscal Year Ending March 31, 2023: 46,029 million yen  
 Fiscal Year Ended March 31, 2022: 47,786 million yen

## 2. Status of Dividend

	Annual dividend				
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	End of year	Annual
	(Yen, Sen)	(Yen, Sen)	(Yen, Sen)	(Yen, Sen)	(Yen, Sen)
Fiscal Year Ended March 31, 2022	---	5.00	---	90.00	95.00
Fiscal Year Ending March 31, 2023	---				
Fiscal Year Ending March 31, 2023 (Forecast)		0.00	---	90.00	90.00

(Note) Existence of adjustment from the most recently announced dividend forecast: Yes

For dividends at the year-end, refer to the “Notice of Adjustment of the Forecast of Business Results and the Forecast of Dividend” which was disclosed on this day (August 4, 2022).

## 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 of 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)
Second Quarter (Cumulative)	23,400	7.6	1,800	△12.1	2,300	0.6	2,100	20.3	63.28
Full Year	48,400	12.3	3,400	2.4	4,000	△4.9	3,400	△13.1	102.45

(Note) Existence of adjustment from the most recently announced forecast of business results: Yes

For details of adjustment of Forecast of Consolidated Business Results, please refer to the “Notice of Adjustment of the Forecast of Business Results and the Forecast of Dividend” released as of this day (August 4, 2022).

\* Notes

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

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

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

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

(4) Number of outstanding shares (common stocks)

1) Number of outstanding shares at the end of year (including treasury stocks):	1Q of Fiscal Year Ending March 31, 2023:	33,648,924 shares	Fiscal Year Ended March 31, 2022:	33,614,824 shares
2) Number of treasury stocks at the end of year:	1Q of Fiscal Year Ending March 31, 2023:	549,675 shares	Fiscal Year Ended March 31, 2022:	301,575 shares
3) Average number of shares during the year (cumulative quarter)	1Q of Fiscal Year Ending March 31, 2023:	33,245,408 shares	1Q of Fiscal Year Ended March 31, 2022:	33,340,548 shares

(Note) The shares of the Company (88,500 shares in 1Q of the year ended March 31, 2023, 88,600 shares in 1Q of 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 (88,575 shares in 1Q of the year ended March 31, 2023, - shares in 1Q of the year ended March 31, 2022).

\* The quarterly closing announcement is not subject to quarterly review by a certified public accountant or an audit corporation.

\* Explanation about Appropriate Use of the Forecast of Business Results and other Matters to be Noted

Description regarding the future such as the forecast of business results stated in this material is based on information which the Company has currently obtained and certain assumptions that the Company determines to be reasonable, although actual results may significantly differ from the forecast depending on various factors.

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## 1. Qualitative Information concerning Current Quarterly Closing Announcement

### (1) Explanation about Business Results

Although the Japanese economy saw progress in the easing of activities and travel restrictions in relation to the novel coronavirus, the outlook for the Japanese economy in the current first quarter consolidated cumulative period continues to remain uncertain due to concerns about the resurgence of infections as a result of mutant strains, the zero-COVID-19 infection policy in China, the prolonged conflict in Ukraine, and soaring energy costs and raw material prices due to the rapid depreciation of yen, etc.

Under such circumstances, as for business results in the current first quarter cumulative period, sales were ¥11,321 million (an increase of 5% as compared with the same period in the previous year) due to steady sales of electronic materials. On the other hand, operating profit remained at ¥705 million (a decrease of 31.7% of the same) due to the impact of soaring energy costs and raw material prices. Ordinary profit was ¥1,177 million (an increase of 11.0% of the same) due to foreign currency exchange profit and quarterly net profit attributable to owners of the parent was ¥1,167 million (an increase of 50.2% of the same).

Business results of each segment were as follows.

#### (Electronic materials)

Due to steady sales of flexible printed circuit board materials, etc., sales were ¥7,765 million (an increase of 1.3% of the same) and segment profit was ¥715 million (a decrease of 25.4% of the same).

#### (Industrial application structural materials)

Due to an increase in sales of FRP pressure vessels for water treatment, etc., sales were ¥1,748 million (an increase of 7.4% of the same) and segment profit was ¥81 million (a decrease of 52.8% of the same).

#### (Electric insulation materials)

Due to steady infrastructure-related sales, etc., sales were ¥625 million (an increase of 5.7 % of the same) and segment profit was ¥40 million (a decrease of 25.8% of the same).

#### (Display materials)

Due to an increase in sales of 3D-related materials, etc., sales were ¥1,093 million (an increase of 42.0% of the same) and segment profit was ¥262 million (an increase of 27.7% of the same).

#### (Other)

Sales were ¥87 million (a decrease of 32.9% of the same).

## (2) Explanation about Financial Conditions

Total assets at the end of the current first quarter consolidated period were ¥68,882 million, an increase of ¥193 million as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥1,005 million in notes receivable and accounts receivable and contract assets, an increase of ¥2,508 million in securities, an increase of ¥652 million in raw materials and stores, a decrease of ¥2,756 million in cash and deposits, and a decrease of ¥2,450 million in investment securities, etc. Total liabilities were ¥22,709 million, an increase of ¥1,985 million, etc., as compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥1,639 million in notes payable and accounts payable. Net assets were ¥46,173 million, a decrease of ¥1,792 million as compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease of ¥1,838 million in earned surplus, etc.

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

Forecast of consolidated business results for the second quarter (cumulative) and the forecast of consolidated business results for the full-year of the fiscal year ending March 31, 2023, which was announced on May 12, 2022, will be adjusted as follows.

Adjustment of forecasted figures of consolidated (cumulative) business results for the second quarter of the fiscal year ending March 31, 2023

(From April 1, 2022 to September 30, 2022)

	Sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net profit attributable to owners of the parent (million yen)	Net profit per share (yen)
Previously announced forecast (A)	23,400	1,600	2,000	1,300	39.02
This forecast adjustment (B)	23,400	1,800	2,300	2,100	63.28
Increase or decrease (B-A)	0	200	300	800	
Increase or decrease ratio (%)	0.0	12.5	15.0	61.5	
(Reference) Results of the 2 <sup>nd</sup> quarter of the previous year (Fiscal Year Ended March 31, 2022)	21,744	2,048	2,287	1,745	52.38

## Adjustment of forecasted figures of consolidated business results for the full-year of the fiscal year ending March 31, 2023

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

	Sales (million yen)	Operating profit (million yen)	Ordinary profit (million yen)	Net profit attributable to owners of the parent (million yen)	Net profit per share (yen)
Previously announced forecast (A)	48,400	3,400	4,000	2,800	84.05
This forecast adjustment (B)	48,400	3,400	4,000	3,400	102.45
Increase or decrease (B-A)	0	0	0	600	
Increase or decrease ratio (%)	0.0	0.0	0.0	21.4	
(Reference) Results of the previous year (Fiscal Year Ended March 31, 2022)	43,089	3,320	4,204	3,911	117.40

## (Reason for Adjustment)

For the second quarter (cumulative), we expect an increase in revenue due to favorable sales of display materials. In addition, net profit attributable to owners of the parent is expected to exceed the previous forecast due to expected gains on the sale of investment securities.

In this regard, as for the forecast of business results for the full-year, the previously announced forecast for sales, operating profit, and ordinary profit remain unchanged due to uncertainties such as fluctuations in energy costs, raw material prices, and exchange rate trends. In the future, if it becomes necessary to adjust our business results, we will promptly make an announcement.

(Note) The above forecast of business results are based on information which the Company has currently obtained and certain assumptions determined to be reasonable by the Company, although actual results may vary significantly depending on various factors in the future.

## 2. Quarterly Consolidated Financial Statements and Major Notes

## (1) Quarterly Consolidated Balance Sheet

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2022)	Current Consolidated First Quarter (As of June 30, 2022)
Assets		
Current Assets		
Cash and deposits	17,341,765	14,585,346
Notes receivable, accounts receivable and contract assets	16,073,835	17,079,619
Securities	1,040,342	3,549,267
Merchandise and finished goods	4,401,727	4,694,501
Work-in-progress	2,112,503	2,114,969
Raw materials and stores	4,123,818	4,775,995
Other	797,960	910,088
Allowance for doubtful accounts	△15,947	△13,289
Total Current Assets	45,876,007	47,696,499
Fixed Assets		
Tangible fixed assets	13,775,074	14,262,358
Intangible fixed assets	279,191	269,033
Investments and other assets		
Investment securities	7,875,645	5,424,961
Other	933,709	1,279,699
Allowance for doubtful accounts	△50,428	△49,813
Total investments and other assets	8,758,926	6,654,846
Total Fixed Assets	22,813,192	21,186,238
Total Assets	68,689,199	68,882,738

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (As of March 31, 2022)	Current Consolidated First Quarter (As of June 30, 2022)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable	5,637,609	7,277,116
Bonds to be redeemed within a year	26,800	16,800
Short-term borrowings	3,562,272	2,762,676
Current portion of long-term borrowings	957,962	1,173,460
Corporate income tax, etc., payable	1,087,828	560,170
Provision for product warranties	73,525	83,674
Reserve for bonuses	507,532	870,260
Reserve for officers' bonuses	4,503	496
Other	3,332,705	3,925,318
<b>Total Current Liabilities</b>	<b>15,190,739</b>	<b>16,669,973</b>
<b>Fixed Liabilities</b>		
Bonds payable	27,600	19,200
Long-term borrowings	3,845,199	4,480,400
Net defined benefit liabilities	583,365	568,330
Asset retirement obligations	92,521	94,408
Provision for share-based remuneration	29,802	35,301
Other	954,267	841,629
<b>Total Fixed Liabilities</b>	<b>5,532,757</b>	<b>6,039,270</b>
<b>Total Liabilities</b>	<b>20,723,496</b>	<b>22,709,244</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Capital	7,643,777	7,664,025
Capital surplus	3,017,461	3,014,769
Earned surplus	34,936,822	33,098,024
Treasury stock	△299,704	△566,534
<b>Total shareholders' equity</b>	<b>45,298,357</b>	<b>43,210,284</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on other securities	1,229,118	1,136,332
Deferred hedge profit or loss	△50,146	△47,512
Foreign currency translation adjustments	1,317,978	1,737,582
Accumulated adjustment for retirement benefits	△8,734	△7,292
<b>Total accumulated other comprehensive income</b>	<b>2,488,215</b>	<b>2,819,110</b>
Stock acquisition right	149,131	144,098
Non-controlling interest	29,998	-
<b>Total Net Assets</b>	<b>47,965,702</b>	<b>46,173,493</b>
<b>Total Liabilities and Net Assets</b>	<b>68,689,199</b>	<b>68,882,738</b>



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

(Unit: thousand yen)

	Previous Consolidated Cumulative First Quarter (From April 1, 2021 to June 30, 2021)	Current Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)
Sales	10,785,102	11,321,623
Cost of Goods Sold	8,449,150	9,215,011
Gross Profit on Sales	2,335,951	2,106,611
Selling, General and Administrative Expenses	1,302,972	1,400,776
Operating Profit	1,032,979	705,835
Non-operating Income		
Interest income	47,871	41,930
Dividend income	36,273	40,106
Foreign exchange profit	-	378,779
Other	70,572	62,894
Total Non-operating Income	154,716	523,710
Non-operating Expenses		
Interest expenses	28,481	30,554
Foreign currency exchange loss	45,474	-
Rent expenses	20,924	13,159
Other	32,209	8,487
Total Non-operating Expenses	127,089	52,202
Ordinary Profit	1,060,606	1,177,344
Extraordinary Profits		
Profit on sale of fixed assets	1,478	461
Profit on sale of investment securities	-	506,977
Other	37,409	1,479
Total Extraordinary Profits	38,887	508,917
Extraordinary Losses		
Loss on sale of investment securities	-	51,223
Other	4,166	781
Total Extraordinary Losses	4,166	52,004
Net profit before taxes, etc.	1,095,327	1,634,257
Corporate income tax, etc.	268,535	464,423
Net profit	826,791	1,169,834
Net profit attributable to non-controlling interests	49,571	2,465
Net profit attributable to owners of the parent	777,220	1,167,368

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

(Unit: thousand yen)

	Previous Consolidated Cumulative First Quarter (From April 1, 2021 to June 30, 2021)	Current Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)
Net profit	826,791	1,169,834
Other comprehensive income		
Valuation difference on other securities	△140,994	△92,785
Deferred hedge profit or loss	122	2,633
Foreign currency translation adjustments	108,914	391,234
Adjustment for retirement benefits	3,757	1,442
Share of other comprehensive income of companies to which equity method is applied	9,194	6,762
Total other comprehensive income	△19,005	309,287
Comprehensive income	807,786	1,479,121
(Breakdown)		
Comprehensive income attributable to owners of the parent	979,812	1,498,263
Comprehensive income attributable to non- controlling interests	△172,025	△19,142

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Assumptions on a Going Concern)

No applicable matter.

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

(Acquisition of Treasury Stock)

The Company adopted, at the board of directors' meeting held on May 12, 2022, a resolution on the matters concerning acquisition of treasury stock under the provisions of Article 156 of the Companies Act, applied pursuant to paragraph 3 of Article 165 of the Companies Act. The Company has been acquiring treasury stock through market purchases on the Tokyo Stock Exchange during the period from May 13, 2022 to December 30, 2022, setting an upper limit of 820,000 shares to be acquired at an acquisition price of ¥750,000 thousand. As a result, treasury stock increased by ¥266,923 thousand during the current first quarter consolidated cumulative period and treasury stock amounted to ¥566,534 thousand at the end of the current first quarter consolidated fiscal period.

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

(Calculation of tax expenses)

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

(Changes in Accounting Policy)

(Application of Application Guidelines for Accounting Standard for Fair Value Measurement)

“Application Guidelines for Accounting Standard for Fair Value Measurement” (Application Guidelines for ASBJ Statement No. 31, June 17, 2021; hereinafter referred to as the “Application Guidelines for Fair Value Measurement Standard”) have been applied from the beginning of the current first quarter consolidated period. In accordance with the transitional treatment prescribed in the Application Guidelines for Fair Value Measurement Standard, paragraph 27-2, the new accounting policy prescribed in the Application Guidelines for Fair Value Measurement Standard is applied into the future. There is no impact due to this application.

(Additional Information)

(Accounting Estimate)

There was no material change in the assumptions, including the timing of the convergence of the novel coronavirus infections etc., and accounting estimates, which were stated in the Financial Report for previous business year.

(Segment Information, etc.)

[Segment Information]

I Previous consolidated cumulative first quarter (From April 1, 2021 to June 30, 2021)

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

(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	7,664,109	1,627,799	592,168	769,940	10,654,017	131,084	10,785,102
Intersegment sales or transfers	---	---	---	---	---	205,543	205,543
Total	7,664,109	1,627,799	592,168	769,940	10,654,017	336,627	10,990,645
Segment profit	959,309	173,085	54,241	205,851	1,392,488	55,305	1,447,793

(Note) The category "Other" means business segments which are not included in the reportable segments and includes related goods sales, logistics related businesses and other businesses, etc.

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

(Unit: thousand yen)

Profit	Amount
Total of reportable segments	1,392,488
Profit in category "Other"	55,305
Elimination of intersegment transactions	4,426
Expenses of entire company (Note)	△394,719
Adjustment of inventories	△24,521
Operating profit in quarterly consolidated profit and loss statement	1,032,979

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

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

No applicable matter.

## II Current consolidated cumulative first quarter (From April 1, 2022 to June 30, 2022)

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

(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	7,765,809	1,748,413	625,759	1,093,658	11,233,642	87,981	11,321,623
Intersegment sales or transfers	---	---	---	---	---	219,208	219,208
Total	7,765,809	1,748,413	625,759	1,093,658	11,233,642	307,189	11,540,831
Segment profit	715,289	81,655	40,254	262,934	1,100,132	47,304	1,147,437

(Note) The category "Other" means business segments which are not included in the reportable segments and includes related goods sales, logistics related businesses and other businesses, etc.

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

(Unit: thousand yen)

Profit	Amount
Total of reportable segments	1,100,132
Profit in category "Other"	47,304
Elimination of intersegment transactions	2,411
Expenses of entire company (Note)	△382,296
Adjustment of inventories	△61,716
Operating profit in quarterly consolidated profit and loss statement	705,835

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

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

No applicable matter.