

Securities Code 5208

<http://www.arisawa.co.jp>

Oct 28th, 2021

Arisawa Mfg. Co., Ltd.

**FY2021 Overview
in First Half**

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- **FY2021 1H Review by consolidated basis**
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FY2021 1H Consolidated Performance

(unit: Million Yen)	Reference			vs. Prev. year [After application of Revenue Recognition Standard]
	FY2020 1H result	FY2020 1H result [After application of Revenue Recognition Standard]	FY2021 1H result	
Sales	22,203	21,061	21,744	-2.1% [3.2%]
Operating Income	1,375	1,387	2,048	49.0% [47.6%]
Operating Margin	6.2%	6.6%	9.4%	3.2% [2.8%]
Ordinary Income	1,347	1,360	2,287	69.7% [68.2%]
Net Income	853	862	1,745	104.5% [102.5%]
Earnings per share (Yen)	25.67		52.38	104.1% [--]
Dividend (Yen)	0		0	--
Exchange rate (Yen / \$) average for the period at end of period	108.23 105.80		107.82 111.92	

■ Highlights of FY2021 1H Consolidated Performance

- As for Sales, although Electronic materials and Display materials increased steadily, the consolidated sales decreased by 2.1% year-over-year due to the application of Revenue Recognition Standard.
- Operating income increased by 49.0% year-over-year due to an increase in sales of Electronic materials (FPC materials, ICGC and PWBPP) , Display materials (ColorLink Japan) and Industrial structural materials (FW for water treatment in Protec).
- Electronic materials increased the sales by 2.9% year-over-year due to steady increase in mobiles and data center use.
- Industrial structural materials decreased the sales by 22.5% year-over-year. Because, although FW for water treatment increased steadily, an adjustment phase continued for Honey-comb panel for aircraft.
- Display materials increased the sales by 17.9% year-over-year due to an increase in polarization utilization equipment of ColorLink Japan.
- Net Income increased by 104.5% year-over-year due to gain on sale of securities.

Reference [Comparison with After application of Revenue Recognition Standard of FY2020]

Sales : Increased by 3.2%, Operating income: Increased by 47.6%

Sales of Electronic materials : Increased by 8.7%

Sales of Industrial structural materials : Decreased by 19.4%

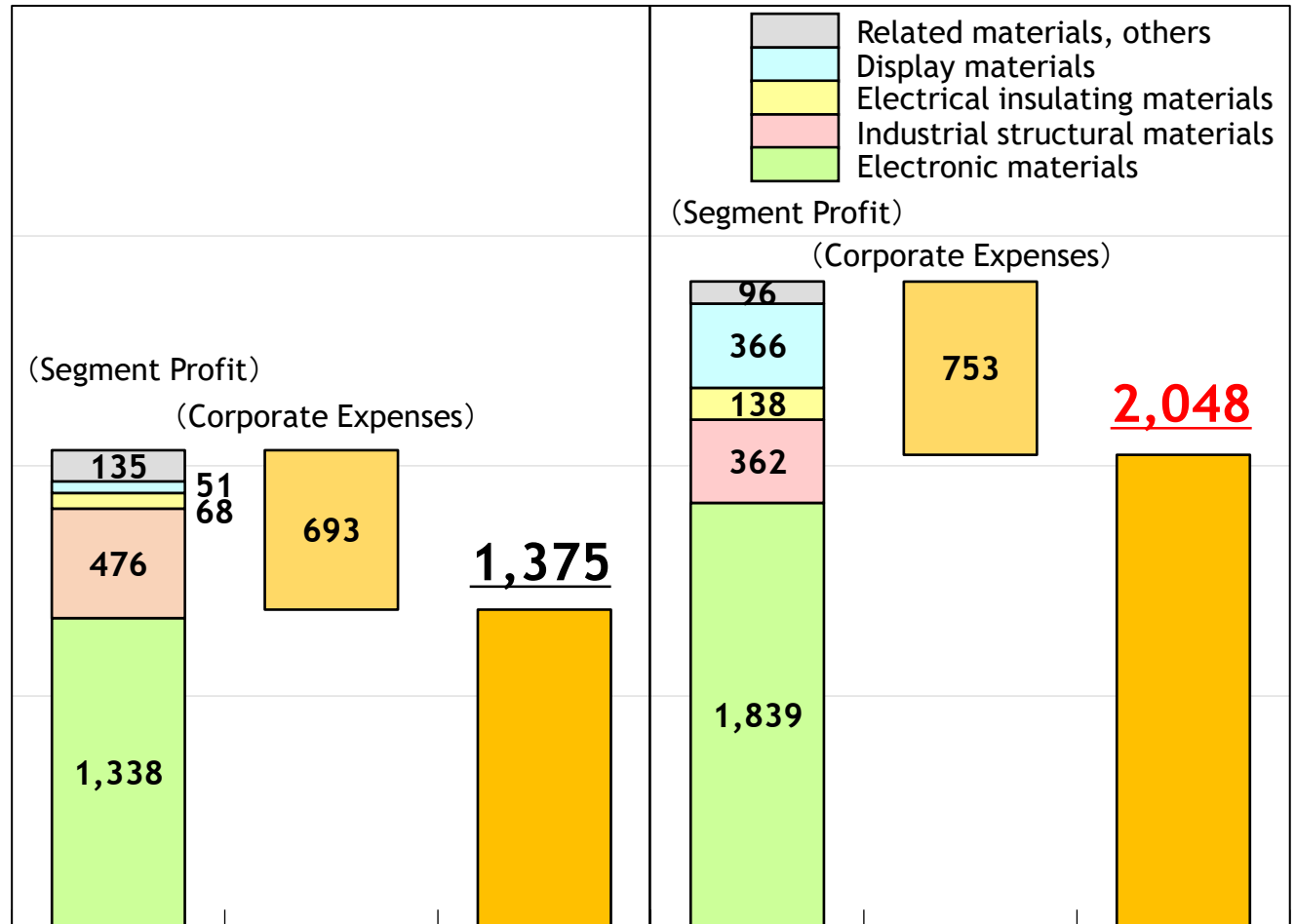
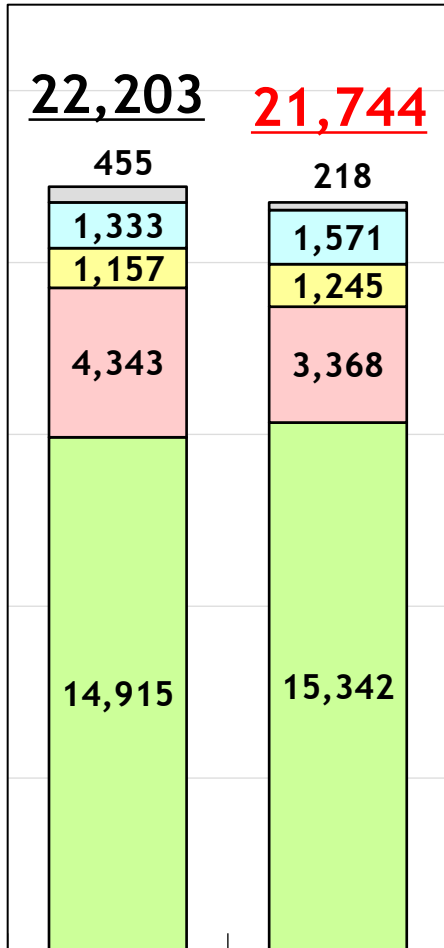
Sales of Display materials : Increased by 33.0%

FY2021 1H Segment Comparison (vs. FY2020 1H)

[Before application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)



FY2020 **FY2021**

[Before application of Revenue Recognition Standard]

FY2020

[Before application of Revenue Recognition Standard]

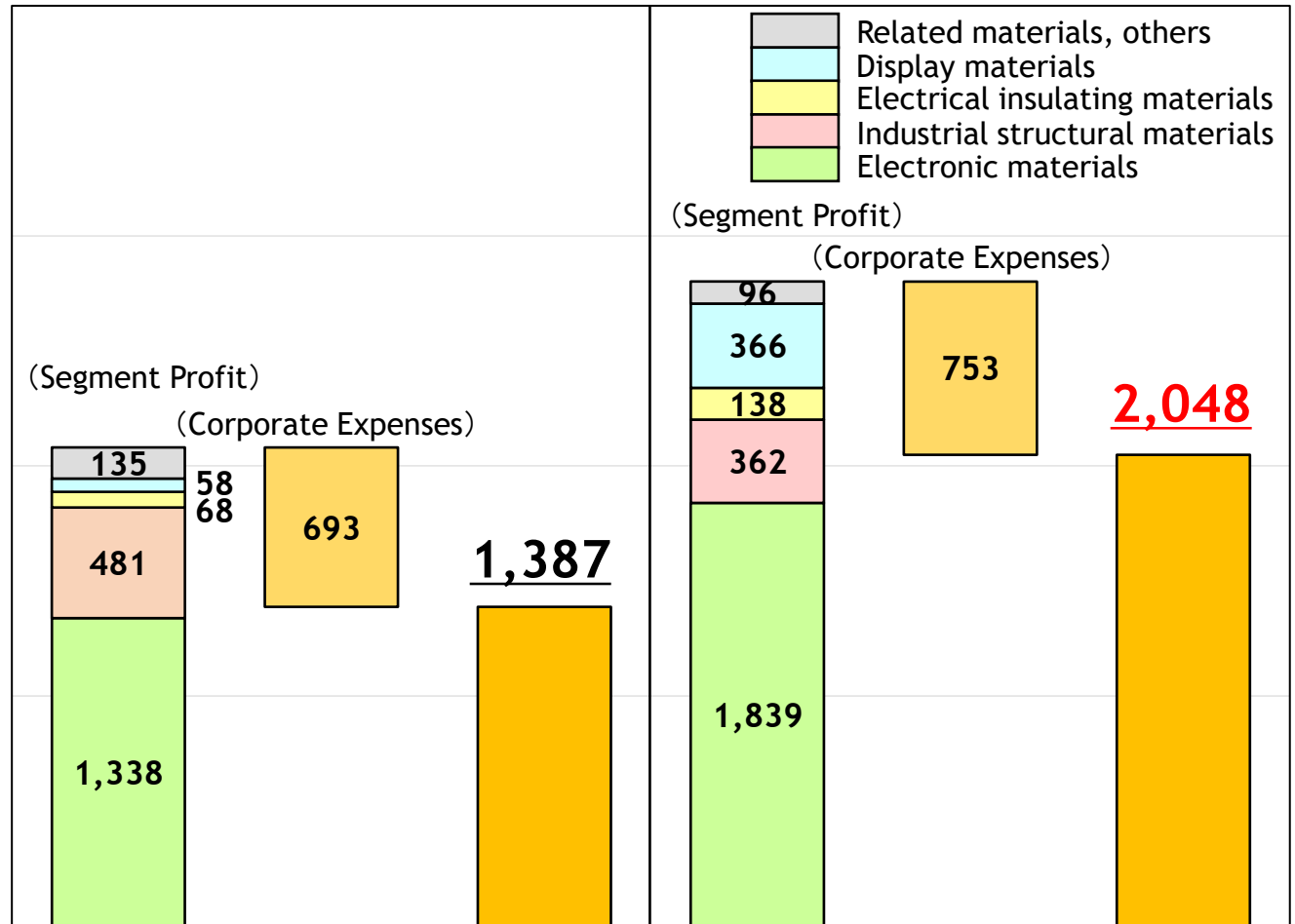
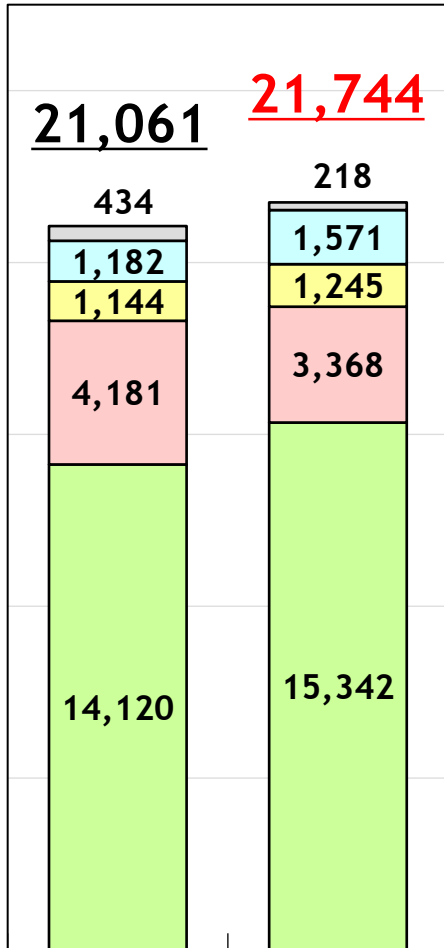
FY2021

FY2021 1H Segment Comparison (vs. FY2020 1H)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)



FY2020 **FY2021**

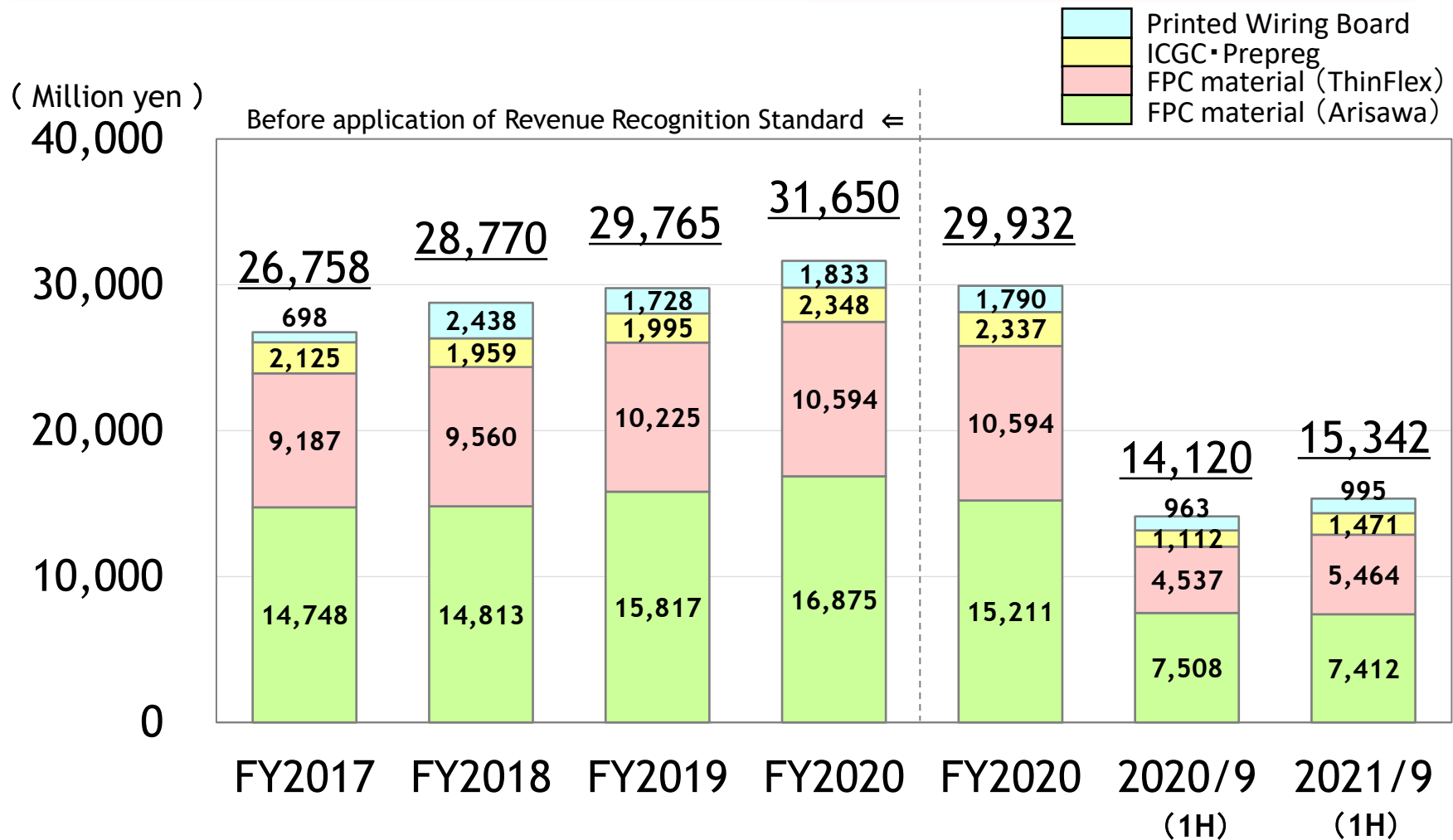
[After application of Revenue Recognition Standard]

FY2020

[After application of Revenue Recognition Standard]

FY2021

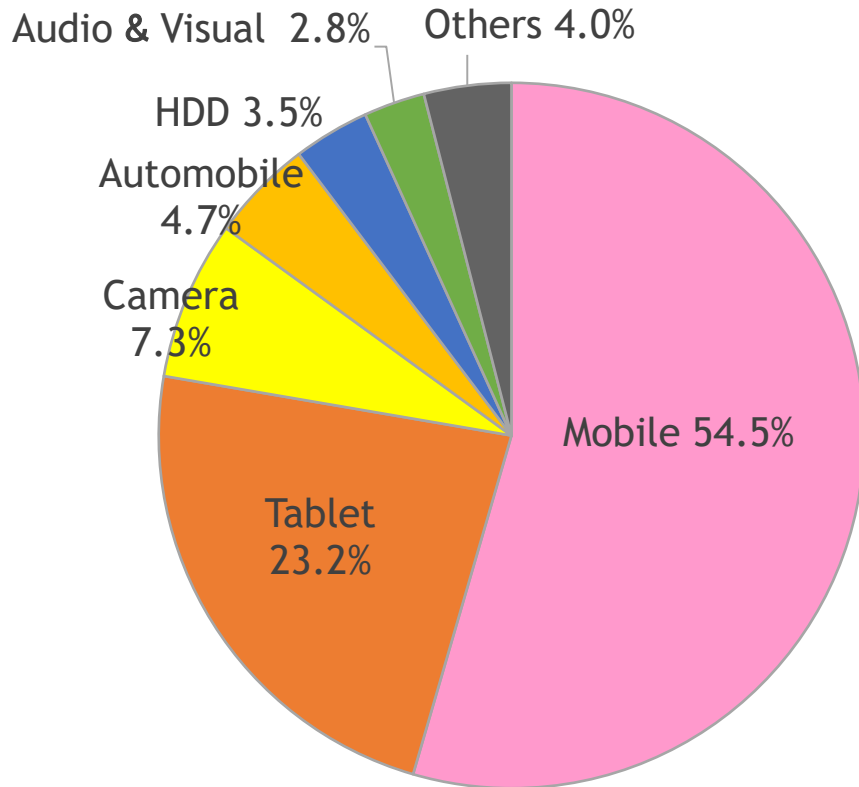
Electronic materials Sales history



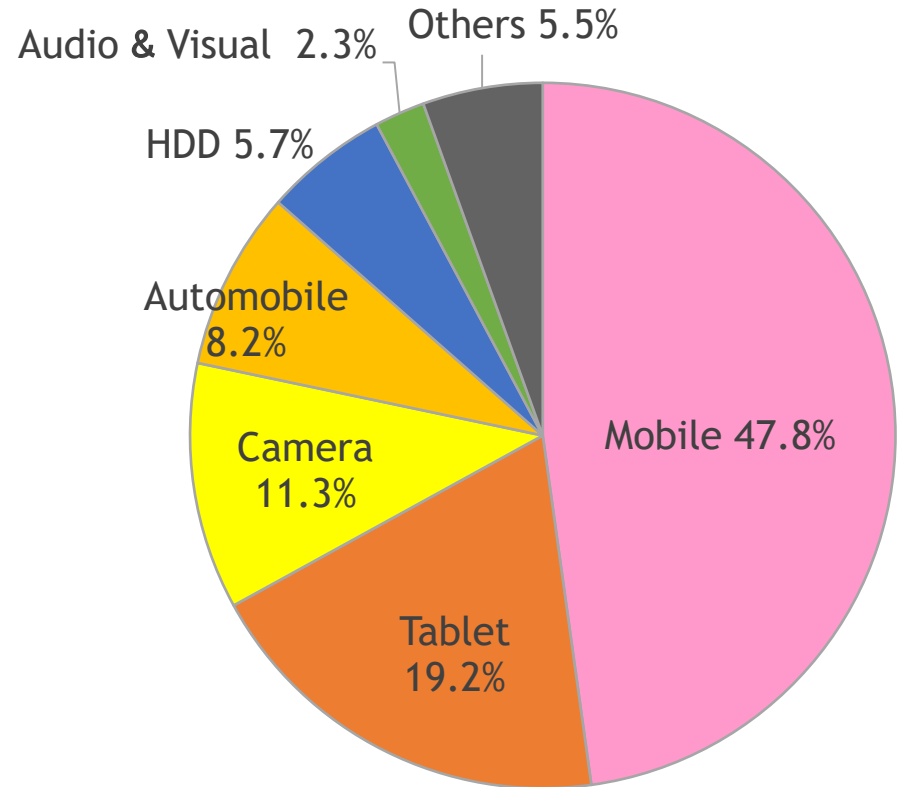
- Sales of ThinFlex increased by 20.4% year-over-year.
- Sales of ICGC and Prepreg increased by 32.3% year-over-year.

Our FPC's major applications

FY2020 1H



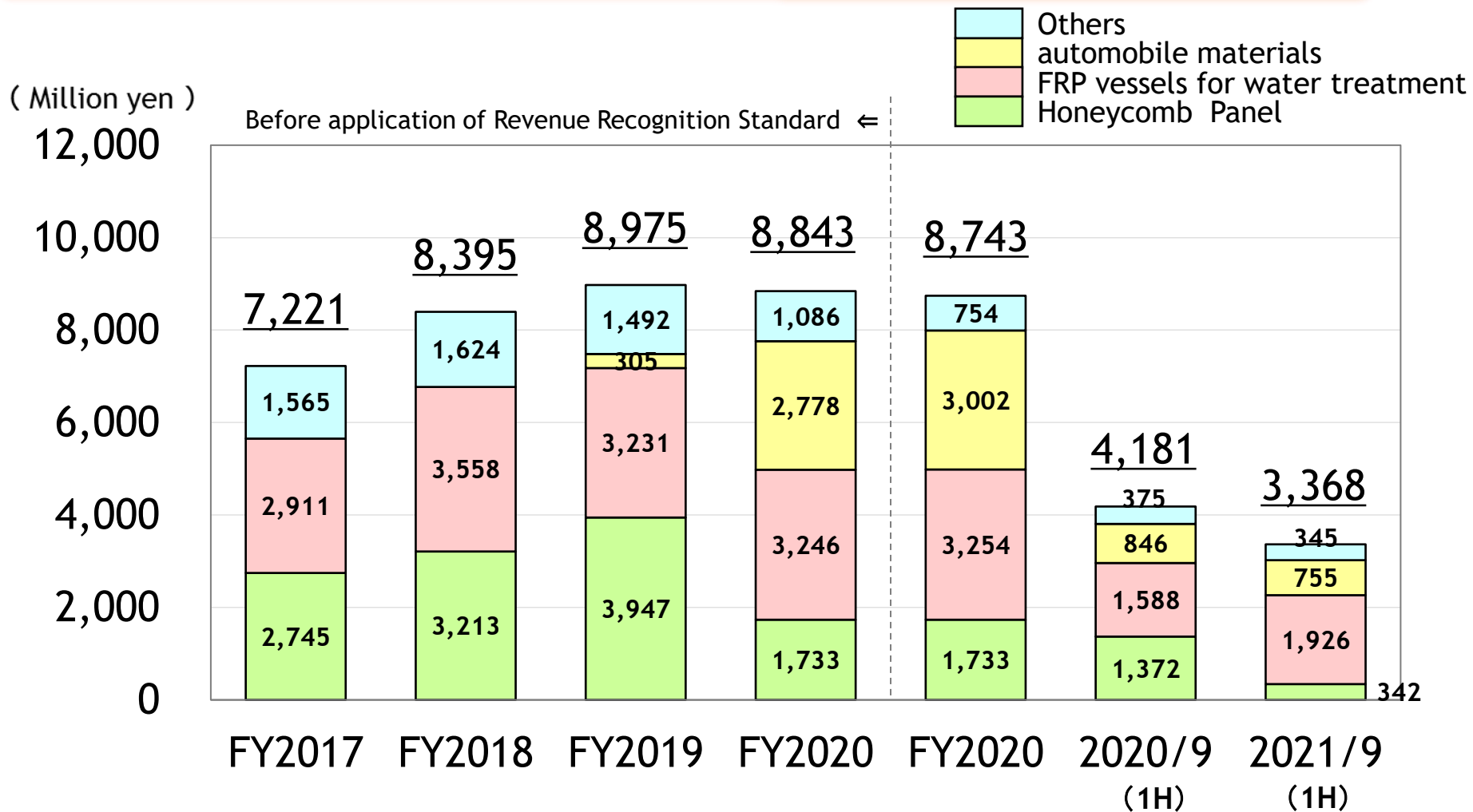
FY2021 1H



in volume terms

Source : Arisawa Mfg. estimates

Industrial structural materials Sales history



- Sales of Honeycomb panel decreased by 75.1% year-over-year.
- Sales of FRP vessels for water treatment increased by 21.3% year-over-year.

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FY2021 Sales and Profit Forecast (vs. FY2020)

FCT = Forecast

(unit: Million Yen)	FY2020 Full year result	FY2020 Full year result [After application of Revenue Recognition Standard]	FY2021 Full year FCT (28 Oct)	vs. Prev. year [After application of Revenue Recognition Standard]
Sales	46,439	44,165	43,400	-6.5% [-1.7%]
Operating Income	3,118	3,170	3,300	5.8% [4.1%]
Operating Margin	6.7%	7.2%	7.6%	0.9% [0.4%]
Ordinary Income	3,578	3,629	3,700	3.4% [1.9%]
Net Income	2,160	2,196	2,700	25.0% [22.9%]
Earnings per share (Yen)	64.94		81.11*	24.9% [--]
Dividend (Yen)	39.00		48.00	23.1% [--]
Exchange rate (Yen / \$) average for the period at end of period	106.76 110.71		108.93 110.00	

* Calculated by the number of shares as of 30 Sep 11/25

■ Highlights of FY2021 Consolidated Performance

(FCT is compared with Prev.year of After application of Revenue Recognition Standard)

- Sales is expected to decrease by 1.7% year-over-year. Because, although Electronic materials, Display materials and Electrical insulating materials increase steadily, Industrial structural materials decrease.

Electronic materials increase by 3.1% year-over-year due to an increase in PWBPP and Satosen.

Display materials increase by 27.4% year-over-year due to an increase in 3D products and ColorLink Japan.

- Operating Income is expected to increase by 4.1% year-over-year. Because, although Industrial structural materials decrease, Electronic materials and Display materials increase steadily.

Electronic materials increase the profit by 7.3% year-over-year due to steady increase in mobiles and data center use.

Display materials increase the profit by 170.4% year-over-year due to an increase in 3D products and ColorLink Japan.

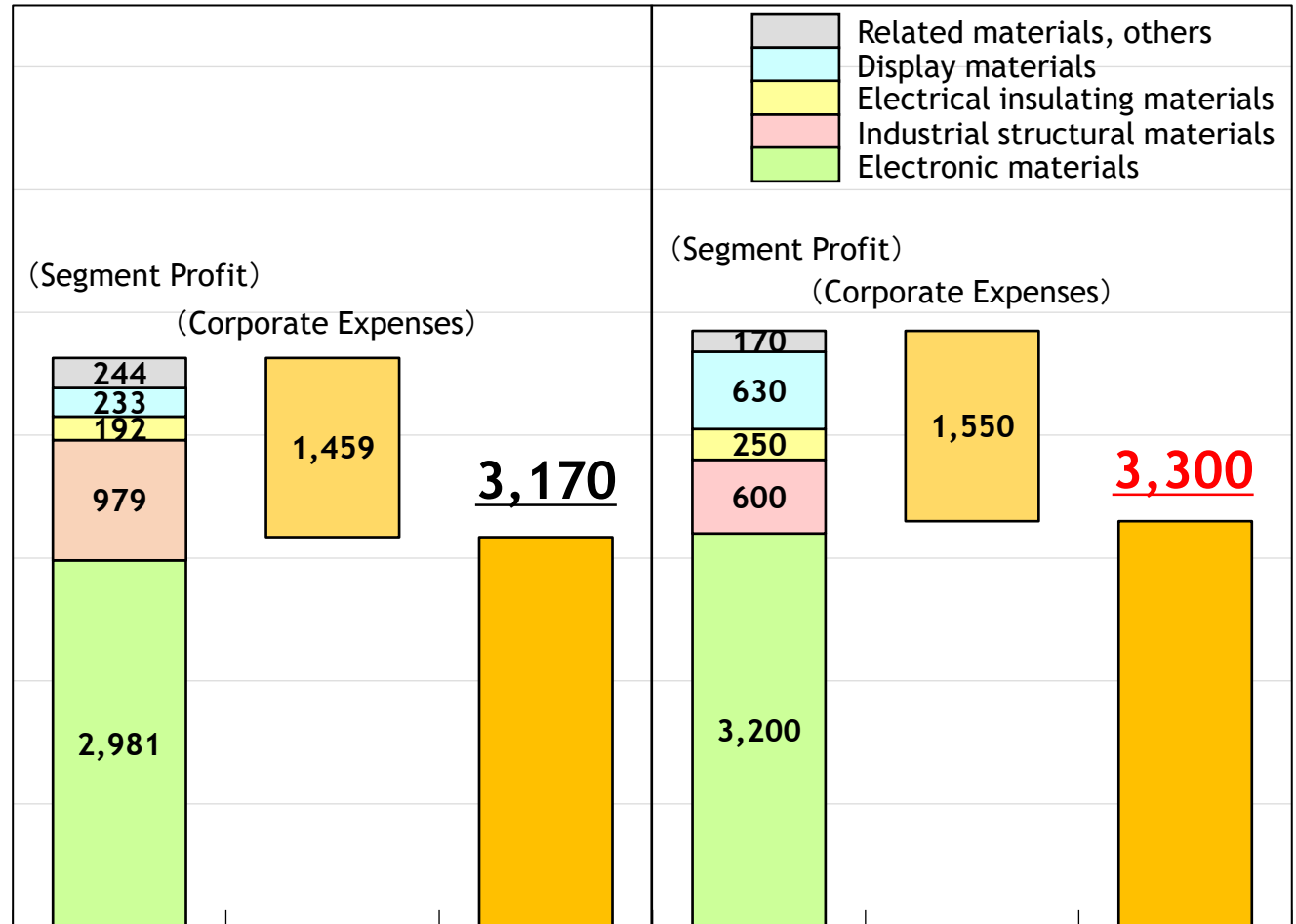
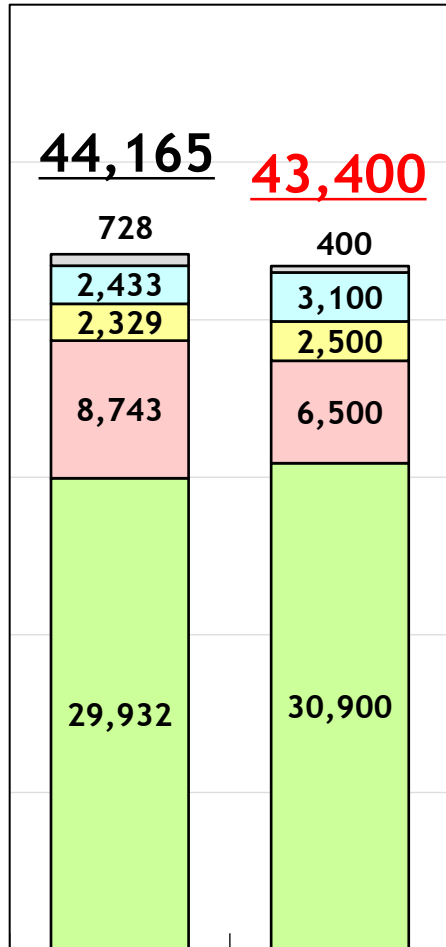
- Industrial structural materials decrease both sale and profit year-over-year. Because, although Protec increases, an adjustment phase continues for aircraft materials and automobile materials.

FY2021 Segment Comparison (vs. FY2020)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)



FY2020 (After application of Revenue Recognition Standard)
FY2021 (Forecast)

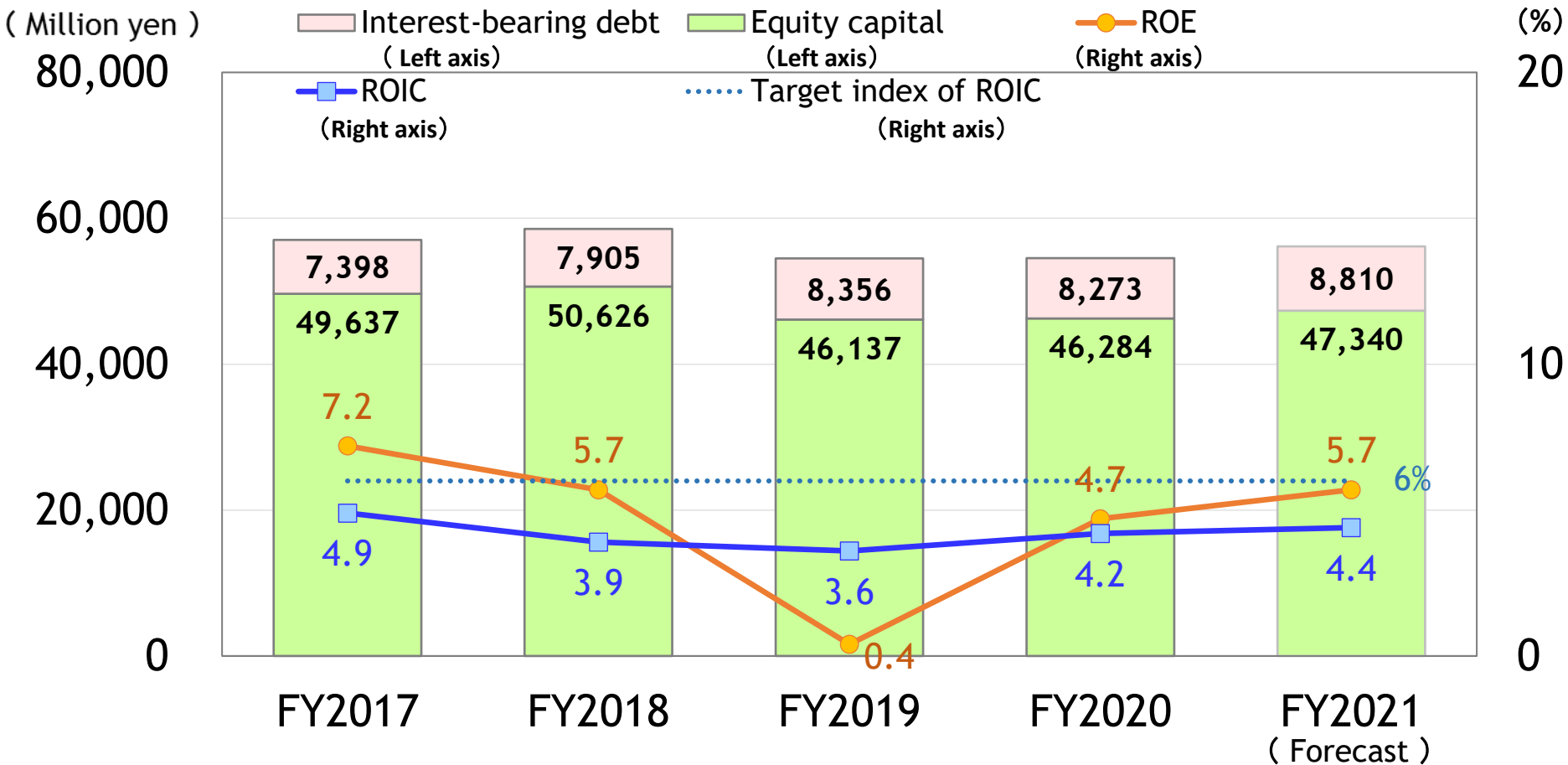
FY2020 (After application of Revenue Recognition Standard)

FY2021 (Forecast)

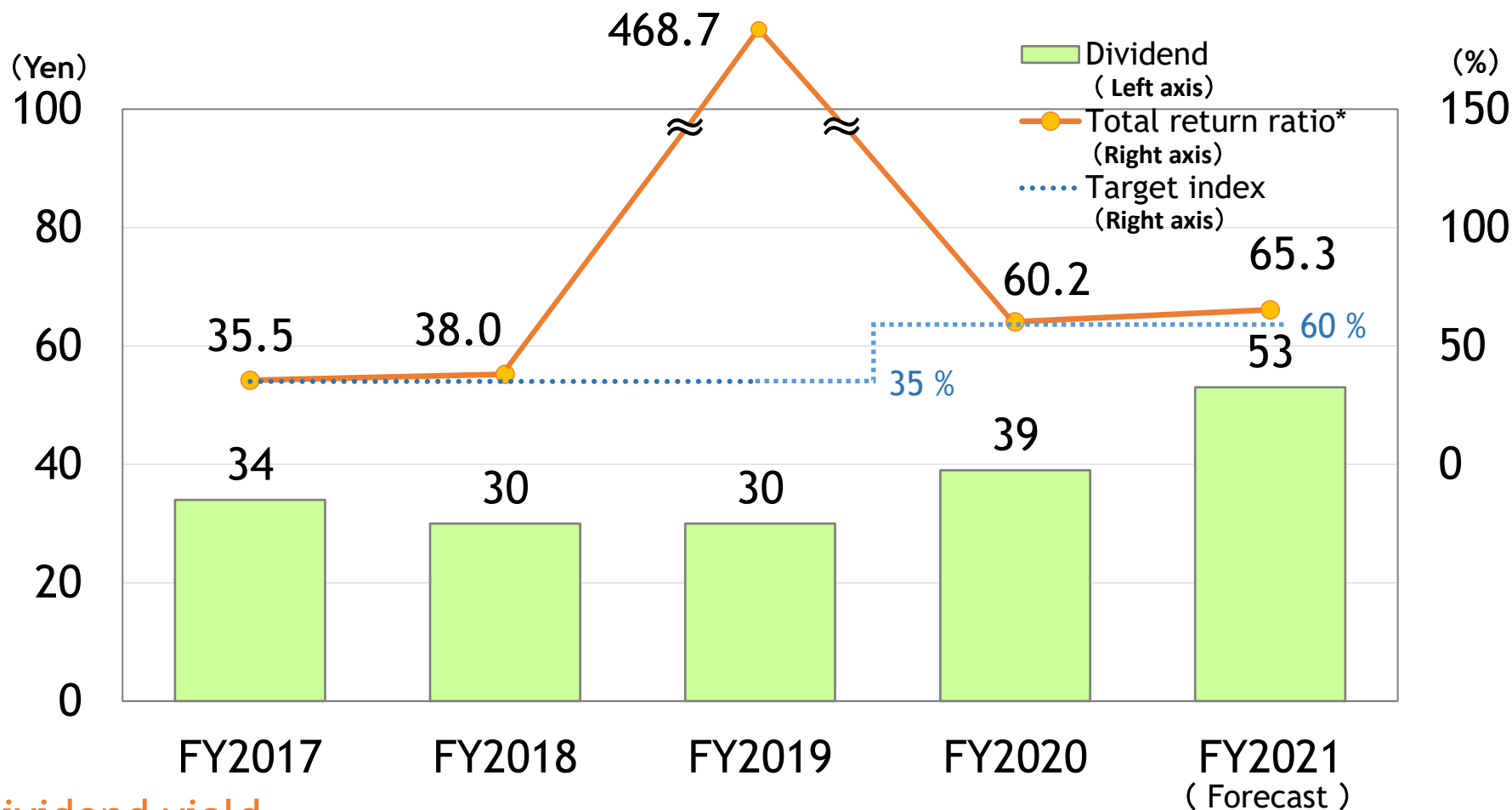
ROE・ROIC history

ROE= Net Income / Equity capital

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



Dividend and Total return ratio history



Dividend yield

3.4%

3.8%

3.7%

3.9%

5.9%

* Total return ratio has been applied from the 2021/3. (Dividend payout ratio was applied until the 2020/3.)

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FY2021 1H Consolidated Performance (vs. FCT)

FCT = Forecast

(unit: Million Yen)	FY2020 1H result [After application of Revenue Recognition Standard]	FY2021 1H FCT (7/29)	FY2021 1H result	vs. Prev. year	vs. FCT
Sales	21,061	21,800	21,744	3.2%	-0.3%
Operating Income	1,387	1,900	2,048	47.6%	7.8%
Operating Margin	6.6%	8.7%	9.4%	2.8%	0.7%
Ordinary Income	1,360	1,900	2,287	68.2%	20.4%
Net Income	862	1,150	1,745	102.5%	51.7%
Earnings per share (Yen)		34.48*	52.38	--	51.9%
Dividend (Yen)	0	0	0	--	--
Exchange rate (Yen / \$) average for the period	108.23	107.82	107.82		
at end of period	105.80	107.00	111.92		

* Calculated by the number of shares as of 30 Jun 17/25

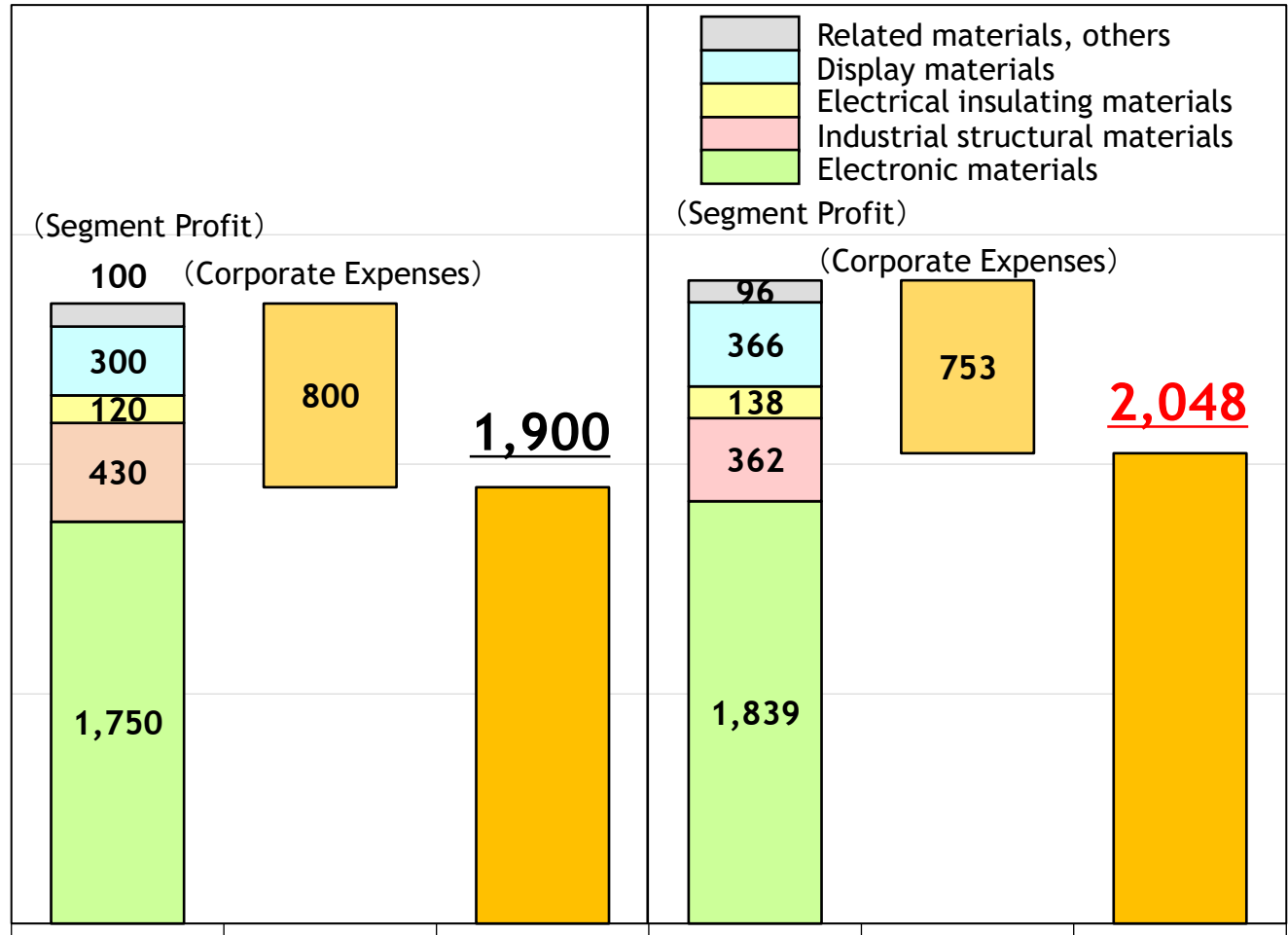
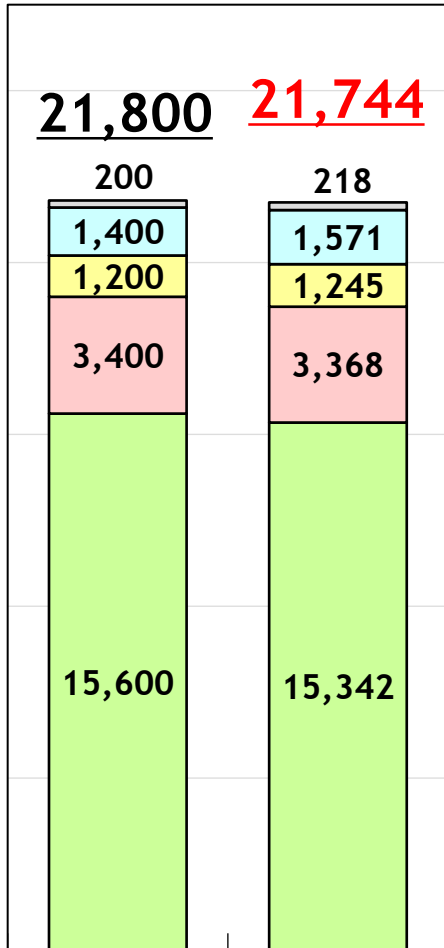
FY2021 1H Segment Comparison (vs. FCT)

[After application of Revenue Recognition Standard]

FCT = Forecast as of 29 Jul

Sales (Million Yen)

Operating Income (Million Yen)



FCT

Result

FCT

Result

FY2021 Full year Consolidated Performance (vs. FCT)

FCT = Forecast

(unit: Million Yen)	FY2020 FY result [After application of Revenue Recognition Standard]	FY2021 FY FCT (29 Jul)	FY2021 FY FCT (28 Oct)	vs. Prev. year	vs. FCT
Sales	44,165	43,900	43,400	-1.7%	-1.1%
Operating Income	3,170	3,300	3,300	4.1%	0.0%
Operating Margin	7.2%	7.5%	7.6%	0.3%	0.1%
Ordinary Income	3,629	3,500	3,700	1.9%	5.7%
Net Income	2,196	2,100	2,700	22.9%	28.6%
Earnings per share (Yen)		62.96*	81.11**	--	28.8%
Dividend (Yen)		Undecided	48.00	--	--
Exchange rate (Yen / \$) average for the period	106.76	107.41	108.93		
at end of period	110.71	107.00	110.00		

* Calculated by the number of shares as of 30 Jun ** Calculated by the number of shares as of 30 Sep 19/25

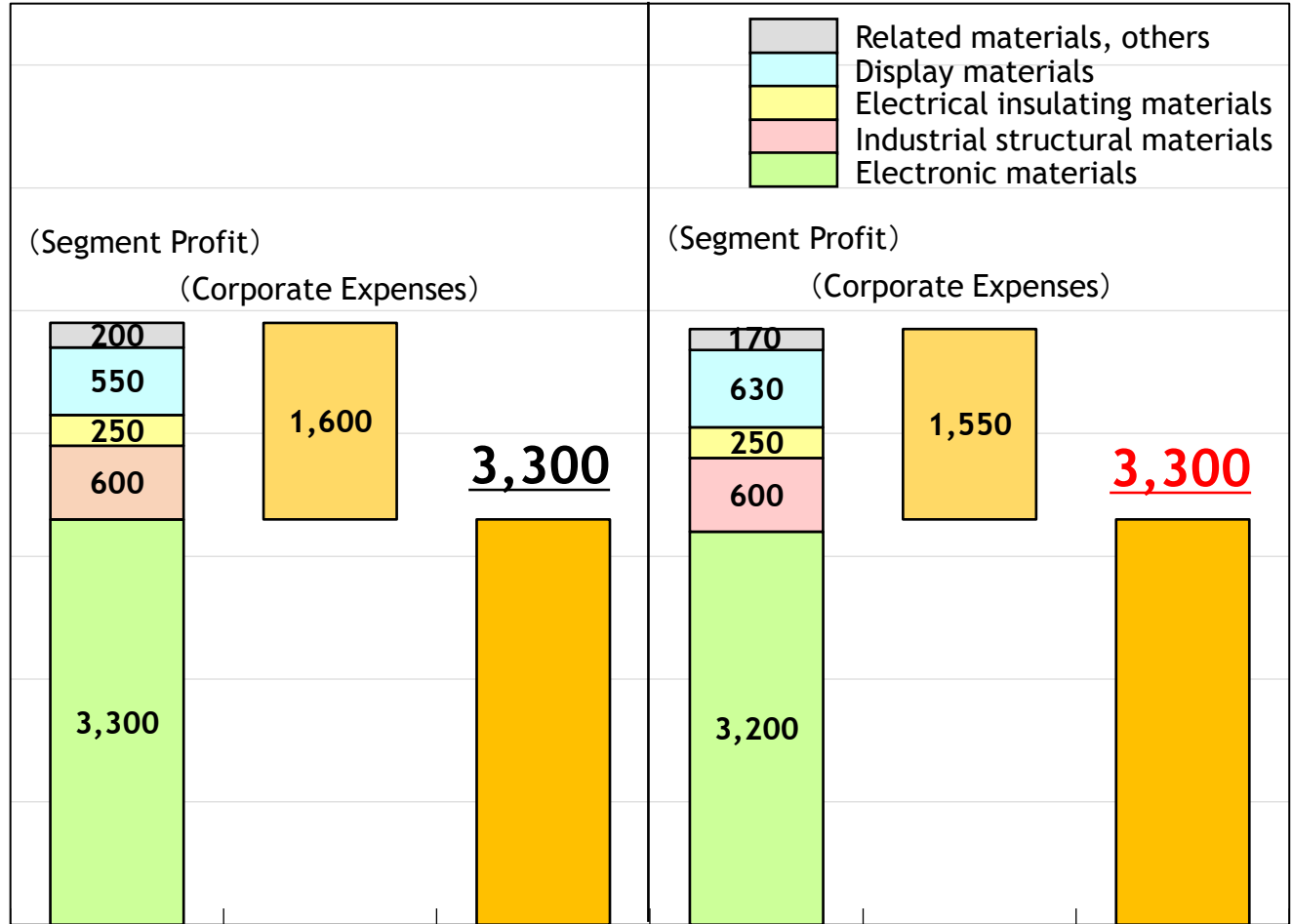
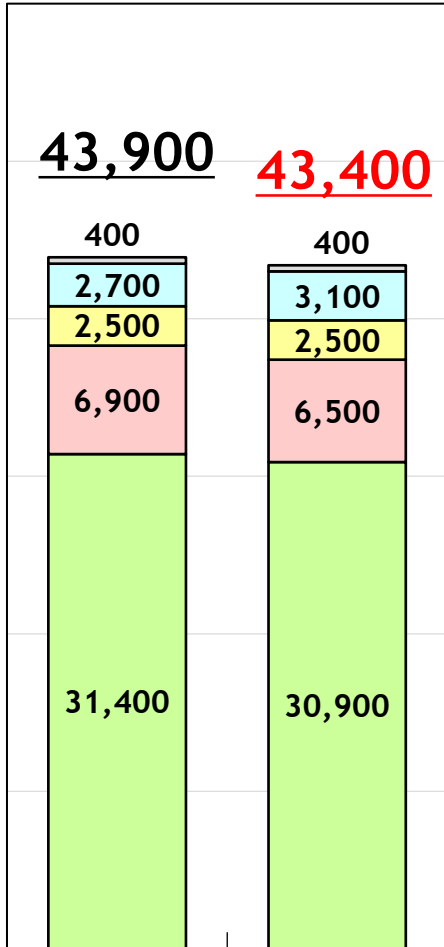
FY2021 Segment Comparison (vs. FCT)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)

FCT = Forecast



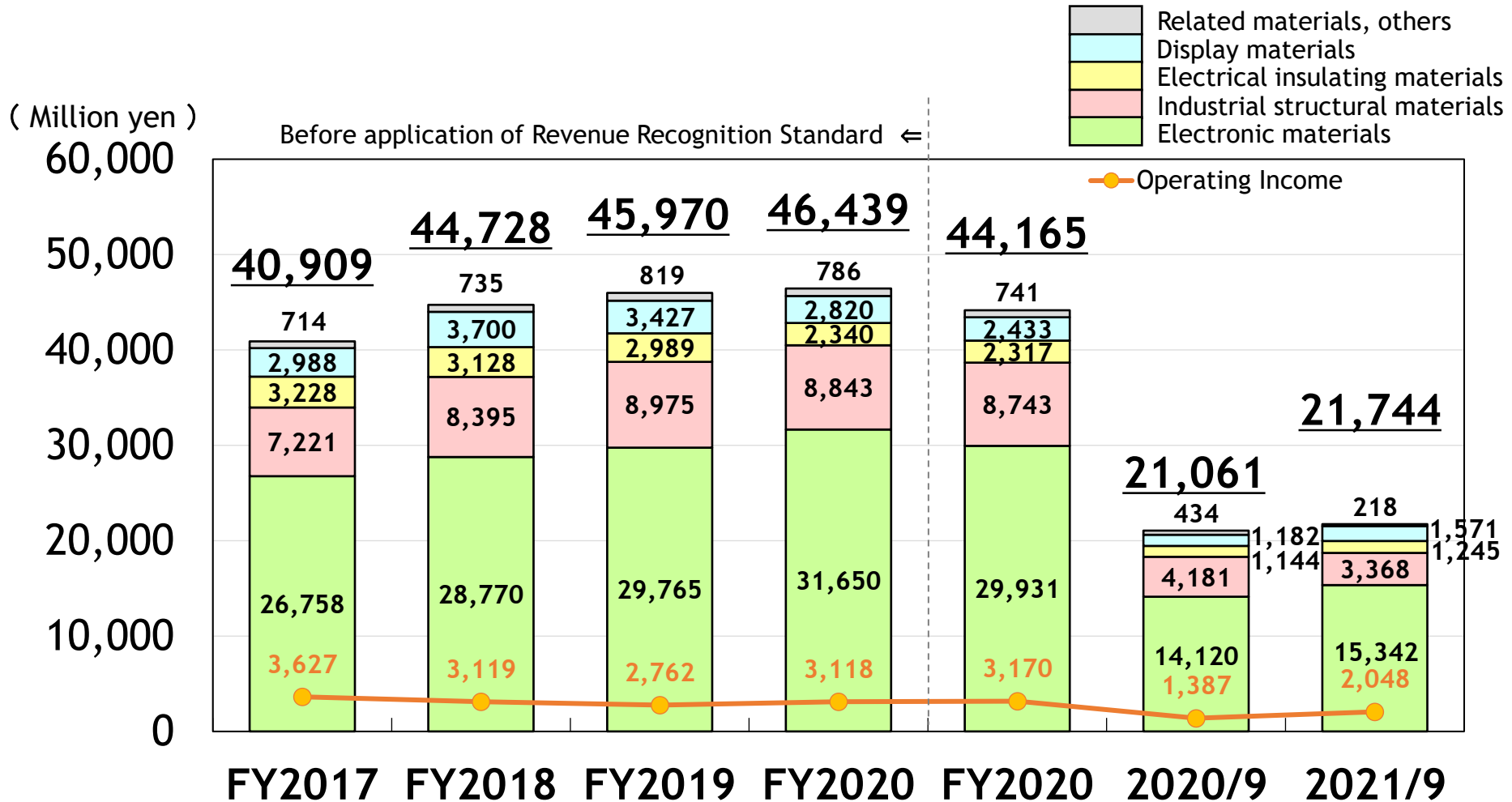
FCT
(29 Jul)

FCT
(28 Oct)

FCT
(29 Jul)

FCT
(28 Oct)

■ Segment Comparison history (Sales, Income)



・Electronic materials and Industrial structural materials are the driving force for the growth.

FY2020 1H Consolidated Comparison

[FY2020 1H : Before application of Revenue Recognition Standard]

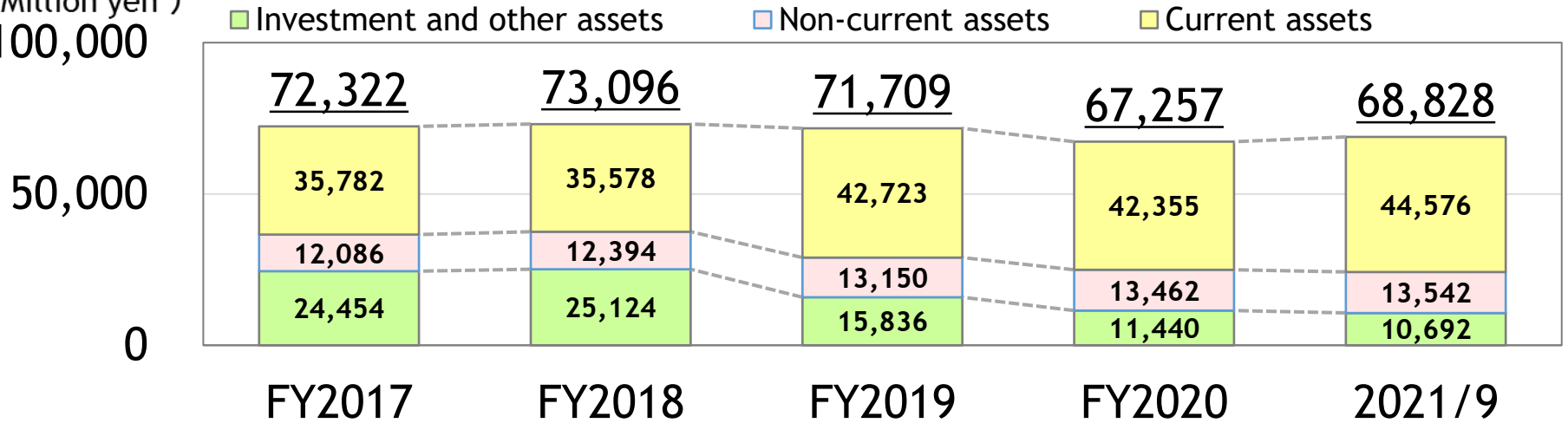
(unit: Million Yen)

	Sales			Operating Income			Net Income		
	FY2020 1H Result	FY2021 1H Result	+/-	FY2020 1H Result	FY2021 1H Result	+/-	FY2020 1H Result	FY2021 1H Result	+/-
Parent									
Arisawa Mfg.	16,173	13,444	(2,749)	631	768	137	712	1,499	787
Consolidated									
ThinFlex	4,525	5,474	949	317	531	214	114	385	271
Satosan	1,007	996	(11)	(6)	17	23	(21)	13	34
Arisawa Fiber Glass	1,137	1,273	136	90	135	45	62	95	33
Protec	1,474	1,915	441	182	351	169	132	263	131
Arisawa Sogyo	968	858	(110)	189	64	(125)	144	63	(81)
Arisawa Jushi Kogyo	114	118	4	(21)	5	26	(17)	7	24
ColorLink Japan	563	930	367	(72)	137	209	(68)	122	190
(Adjustment)	(3,758)	(3,264)		65	40		(165)	(702)	
Equity method income							(40)	0	40
Total	22,203	21,744	(459)	1,375	2,048	673	853	1,745	892

Consolidated balance sheets (Summary) history

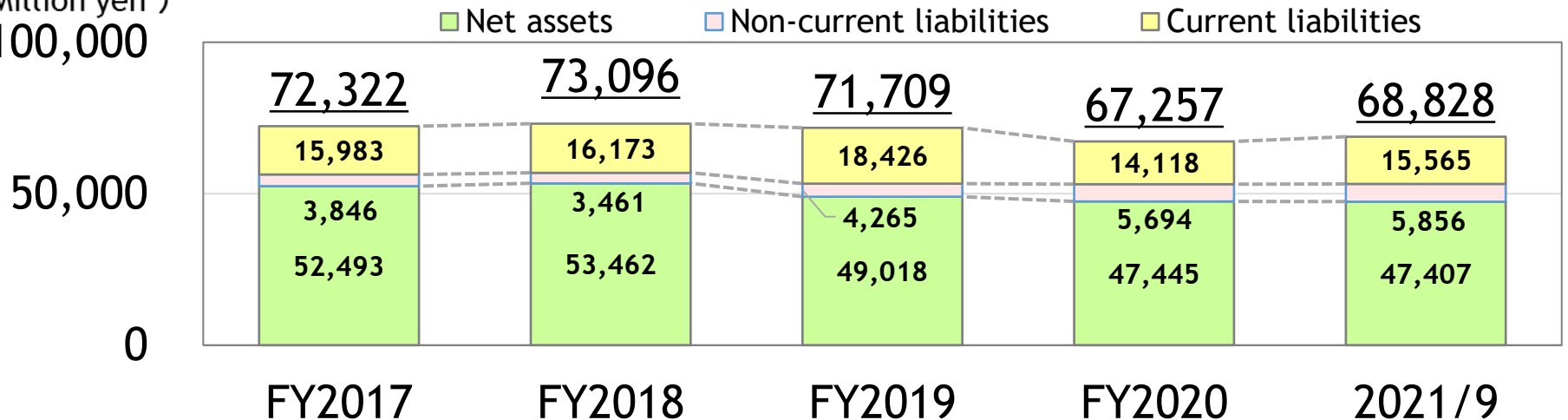
Assets

(Million yen)
100,000

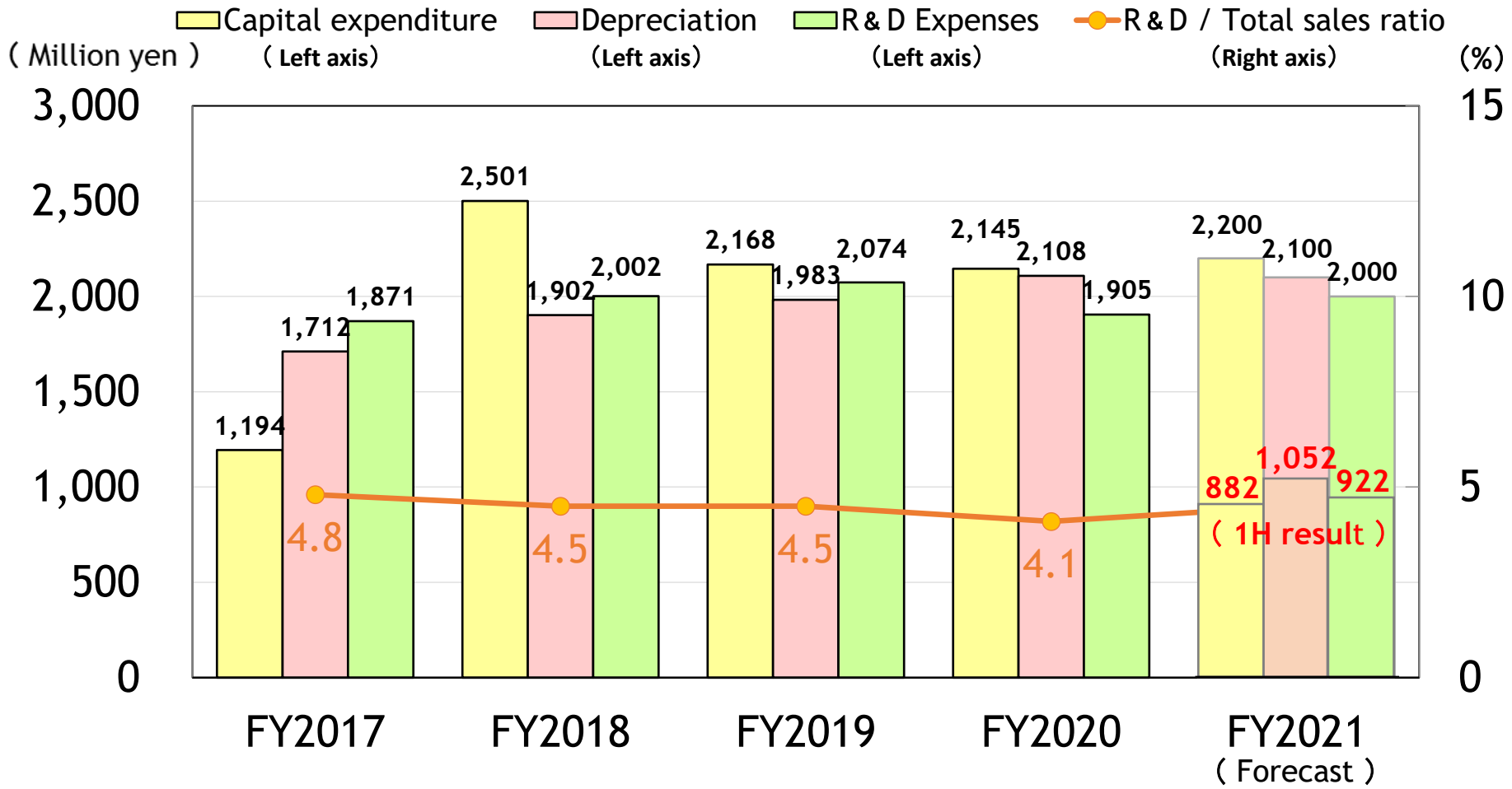


Liabilities and net assets

(Million yen)
100,000



Capital expenditure, Depreciation and R & D Expenses history



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