

Securities Code 5208

May 12th, 2022

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

Arisawa Mfg. Co., Ltd.

FY2021 Overview in Full year

Contents

- **FY2021 Review by consolidated basis**
- FY2022 Forecast by consolidated basis
- Appendix

FY2021 Consolidated Performance

(unit: Million Yen)	Reference		FY2021 result	vs. Prev. year [After application of Revenue Recognition Standard]
	FY2020 result	FY2020 result [After application of Revenue Recognition Standard]		
Sales	46,439	44,165	43,089	-7.2% [-2.4%]
Operating Income	3,118	3,170	3,320	6.5% [4.8%]
Operating Margin	6.7%	7.2%	7.7%	1.0% [0.5%]
Ordinary Income	3,578	3,629	4,204	17.5% [15.8%]
Net Income	2,160	2,196	3,911	81.0% [78.0%]
Earnings per share (Yen)	64.94		117.40	80.8% [--]
Dividend (Yen)	39.00		95.00	243.6% [--]
Exchange rate (Yen / \$) average for the period at end of period	106.76 110.71		109.90 122.39	

■ Highlights of FY2021 Consolidated Performance

- As for Sales, although Display materials and Electrical insulating materials were good, Industrial structural materials decreased, and due to the application of Revenue Recognition Standard from this fiscal year, the consolidated sales decreased by 7.2% YoY (year-over-year).
- Operating income increased by 6.5% YoY due to an increase in Display materials (ColorLink Japan and 3D), and Electrical insulating materials.
- Electronic materials decreased the sales by 5.9% YoY due to slowing down for mobile use because of the supply chain constraints and the application of Revenue Recognition Standard.
- Industrial structural materials decreased the sales by 20.2% YoY. Because, although FW for water treatment increased steadily, an adjustment phase continued for Honey-comb panel for aircraft and automobile materials.
- Display materials increased the sales by 15.3% YoY due to an increase in the sales of ColorLink Japan (polarization utilization equipment) and 3D products.
- Net Income increased by 81.0% YoY due to foreign exchange profit and gain on sale of securities.

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

Sales : Decreased by 2.4%

Operating income: Increased by 4.8%

Electronic materials : Decreased by 0.5%

Industrial structural materials : Decreased by 19.3%

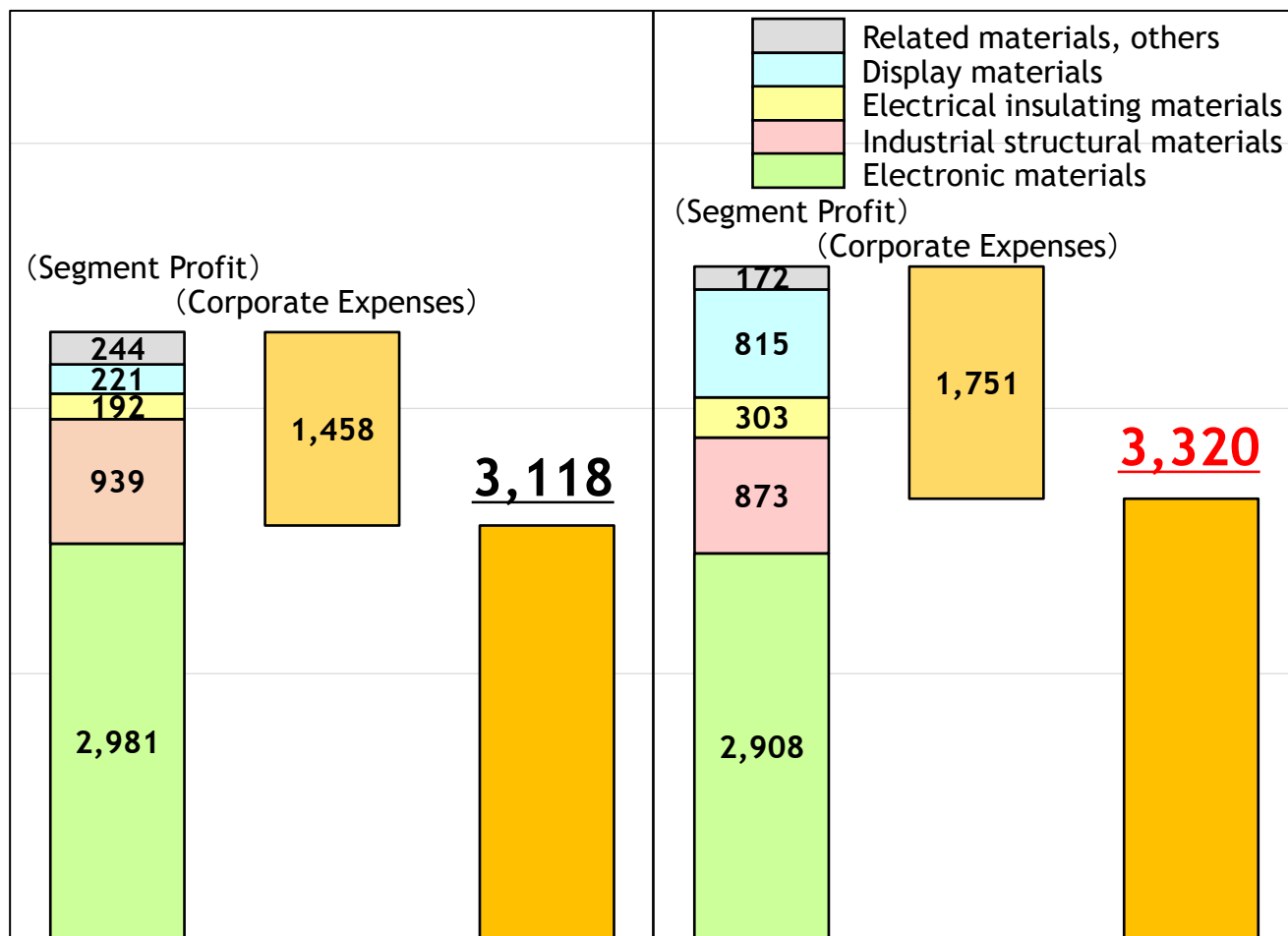
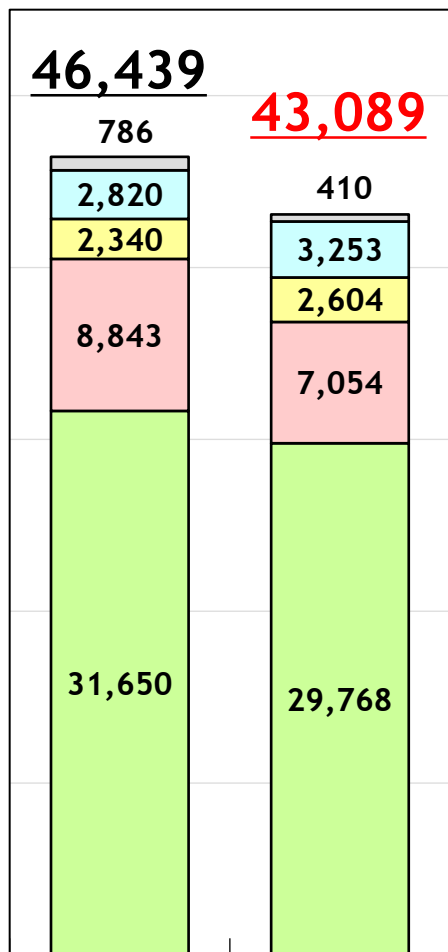
Display materials : Increased by 33.7%

FY2021 Segment Comparison (vs. FY2020)

[Before application of Revenue Recognition Standard]

Sales (Million Yen)

Operating Income (Million Yen)



FY2020 **FY2021**

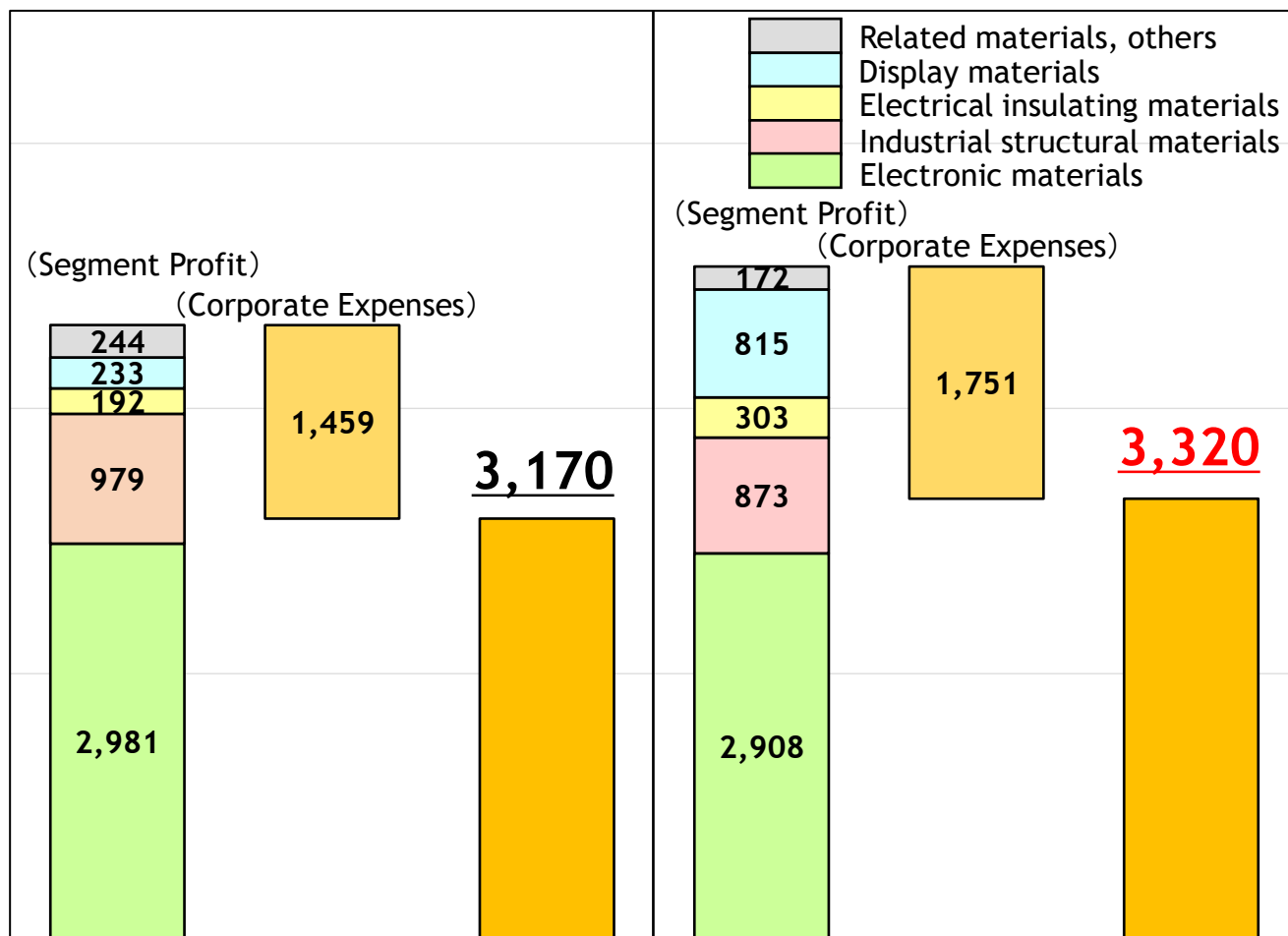
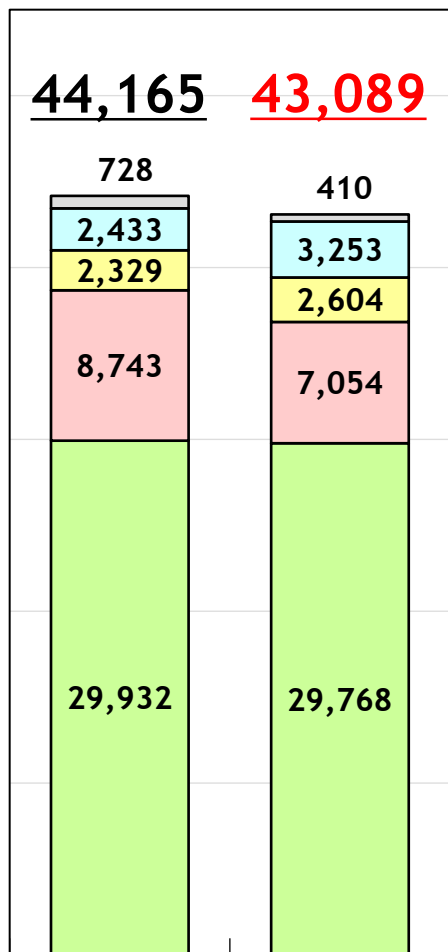
FY2021

FY2021 Segment Comparison (vs. FY2020)

[After application of Revenue Recognition Standard]

Sales (Million Yen)

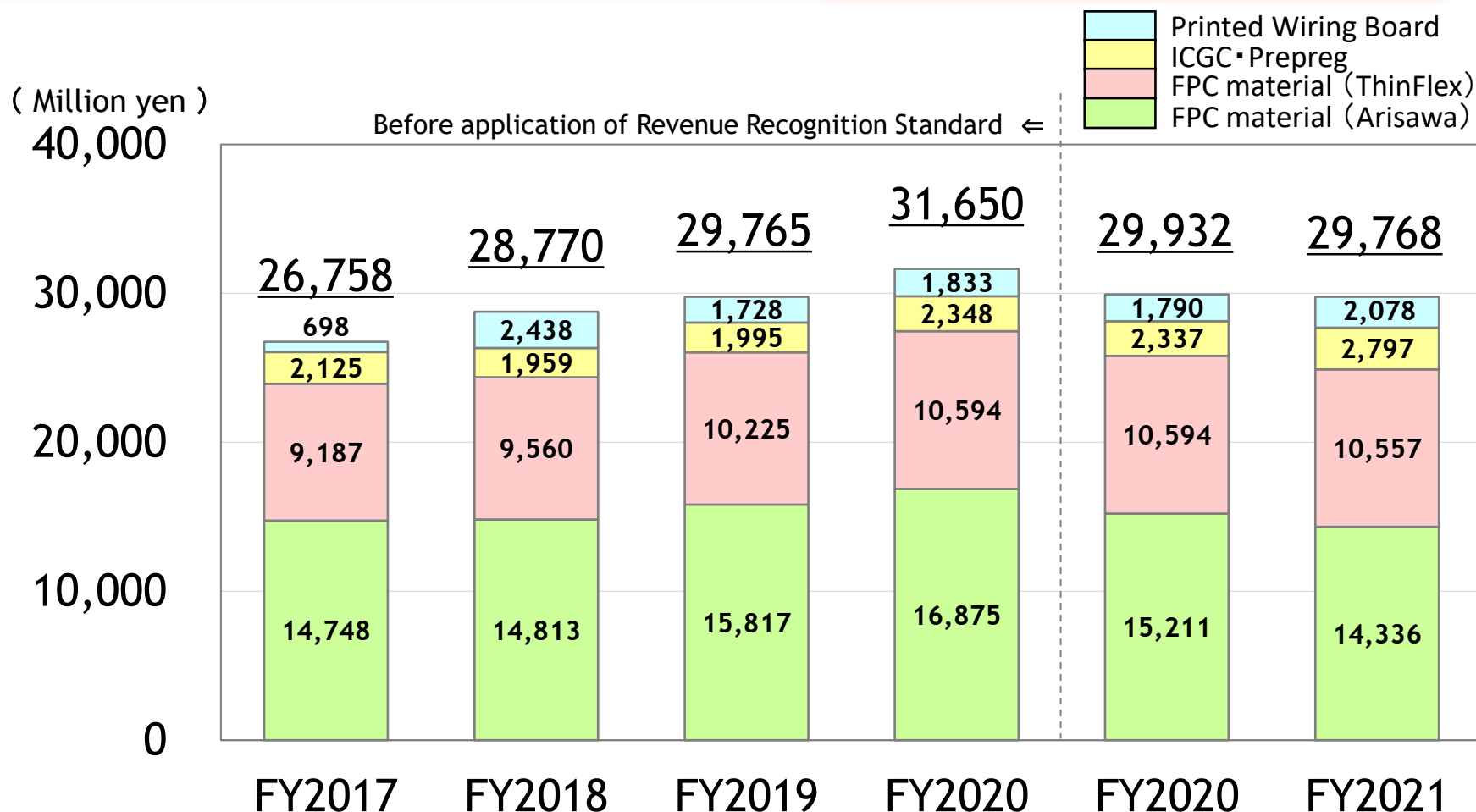
Operating Income (Million Yen)



FY2020 **FY2021**

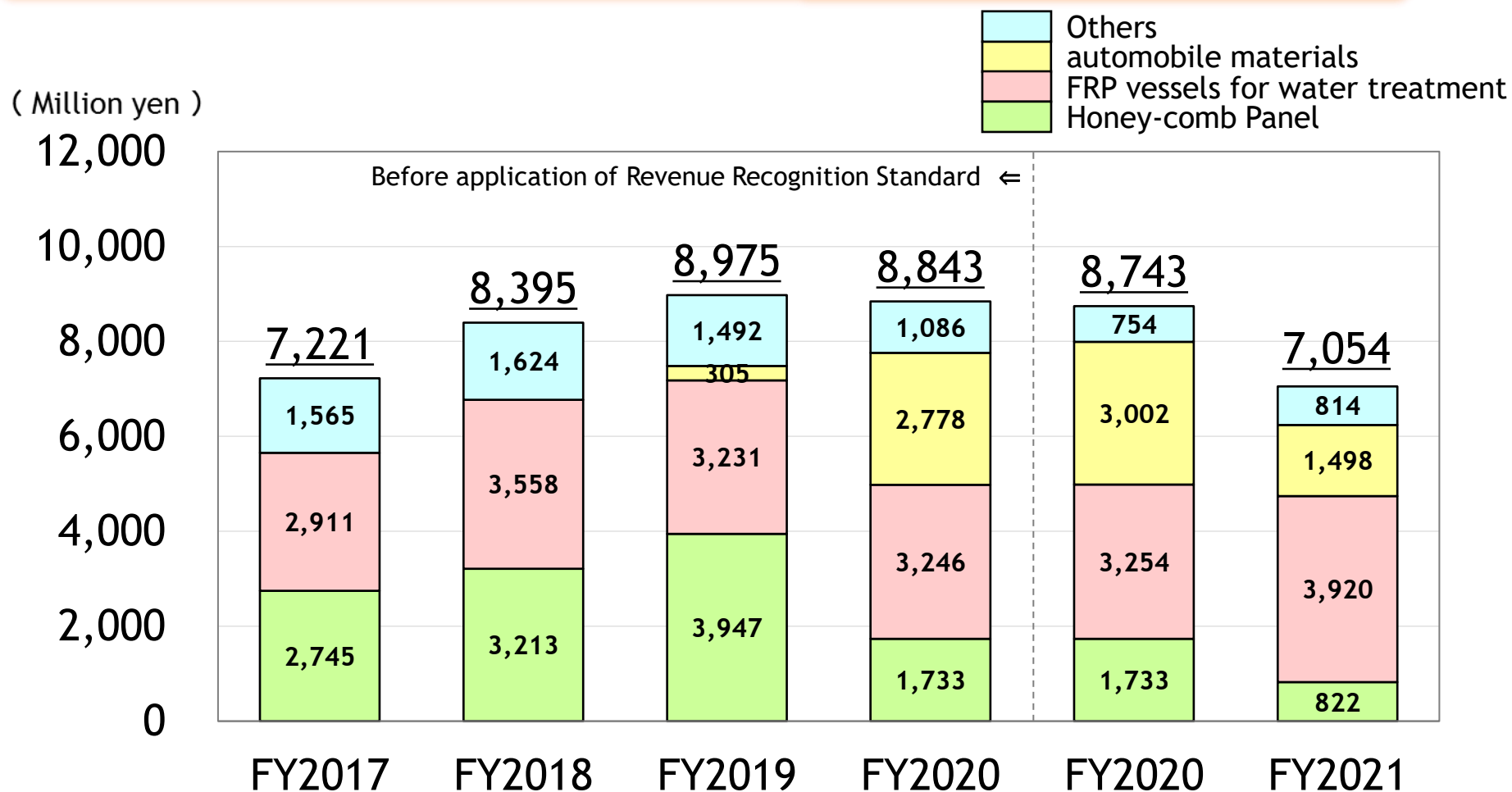
FY2021

Electronic materials Sales history



- FPC (Arisawa) : Decreased by 5.8% YoY
- ICGC／Prepreg : Increased by 19.7% YoY

Industrial structural materials Sales history



- Honey-comb panel : Decreased by 52.5% YoY
- FW for water treatment : Increased by 20.5% YoY

Contents

- FY2021 Review by consolidated basis
- FY2022 Forecast by consolidated basis**
- Appendix

FY2022 Sales and Profit Forecast

After application of Revenue Recognition Standard

(unit: Million Yen)	FY2021 1H result	FY2021 Full year result	FY2022 1H FCT	vs. Prev. year	FY2022 Full year FCT	vs. Prev. year
Sales	21,744	43,089	23,400	7.6%	48,400	12.3%
Operating Income	2,048	3,320	1,600	-21.9%	3,400	2.3%
Operating Margin	9.4%	7.7%	6.8%	-2.6%	7.0%	-0.7%
Ordinary Income	2,287	4,204	2,000	-12.6%	4,000	-4.9%
Net Income	1,745	3,911	1,300	-25.5%	2,800	-28.4%
(Yen) Earnings per share	52.38	117.40	39.02*	-25.5%	84.05*	-28.4%
Dividend (Yen)	0	95.00	0	--	Undecided	--
Exchange rate (Yen / \$) average for the period at end of period	107.82 111.92	109.90 122.39	125.00 125.00		125.00 125.00	

* Calculated by the number of shares as of 31 Mar

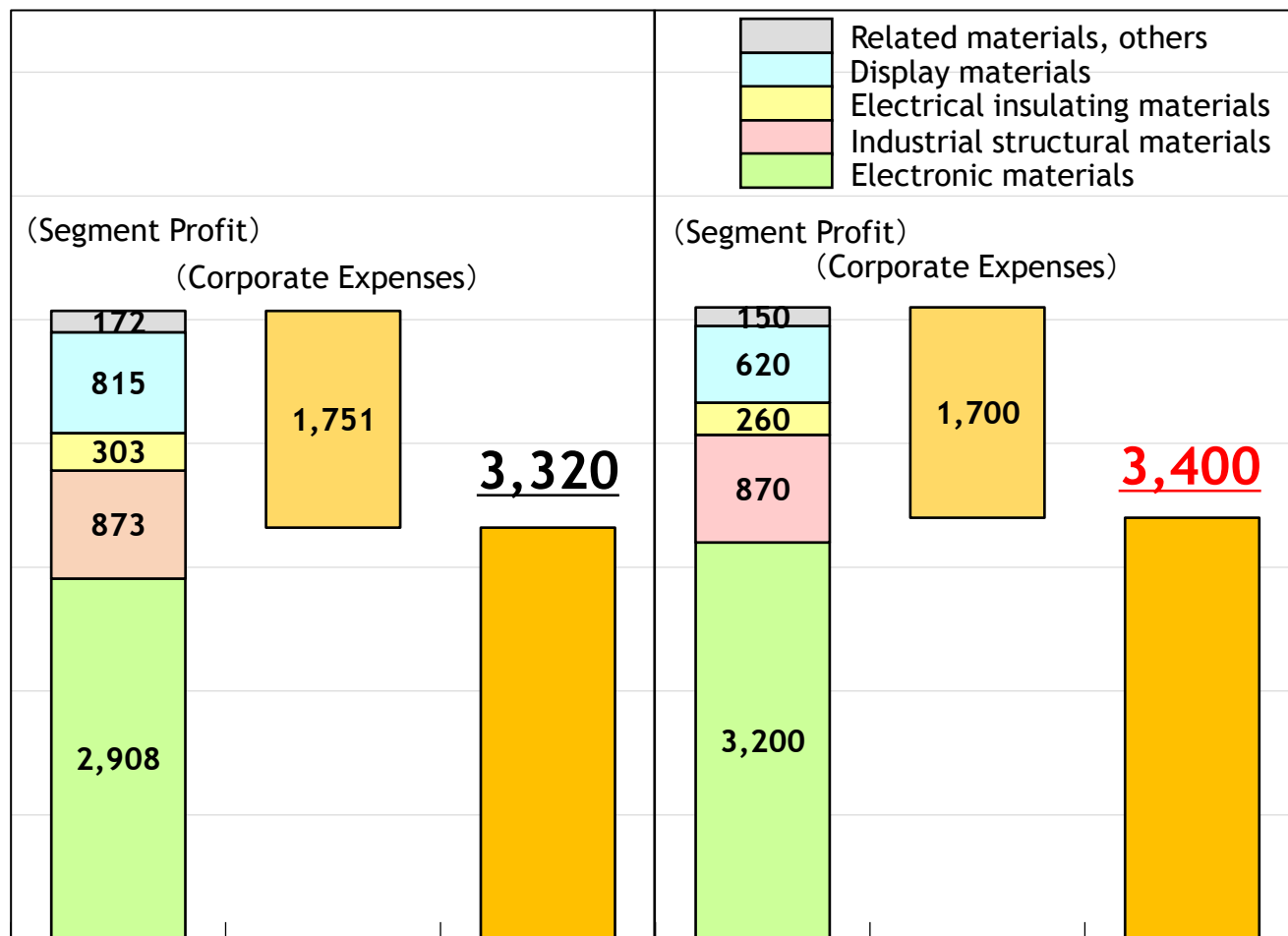
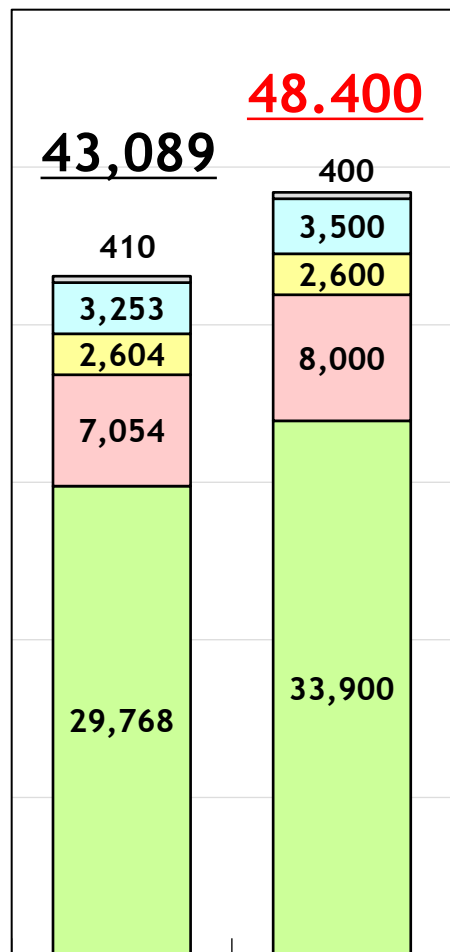
■ Highlights of FY2022 Consolidated Performance

- Sales is expected to increase by 12.3% YoY due to steady increase in Electronic materials, Industrial structural materials and Display materials.
 - Electronic materials increase the sales by 13.9% YoY due to an increase in FPC materials, semiconductor materials and ICGC.
 - Industrial structural materials increase the sales by 13.4% YoY due to an increase in Protec and automobile materials.
 - Display materials increase the sales by 7.6% YoY due to an increase in ColorLink Japan and 3D.
- Operating Income is expected to increase by only 2.3% YoY due to rising energy cost and raw material prices.

FY2022 Segment Comparison (vs. FY2021)

Sales (Million Yen)

Operating Income (Million Yen)



FY2021 **FY2022**
(Forecast)

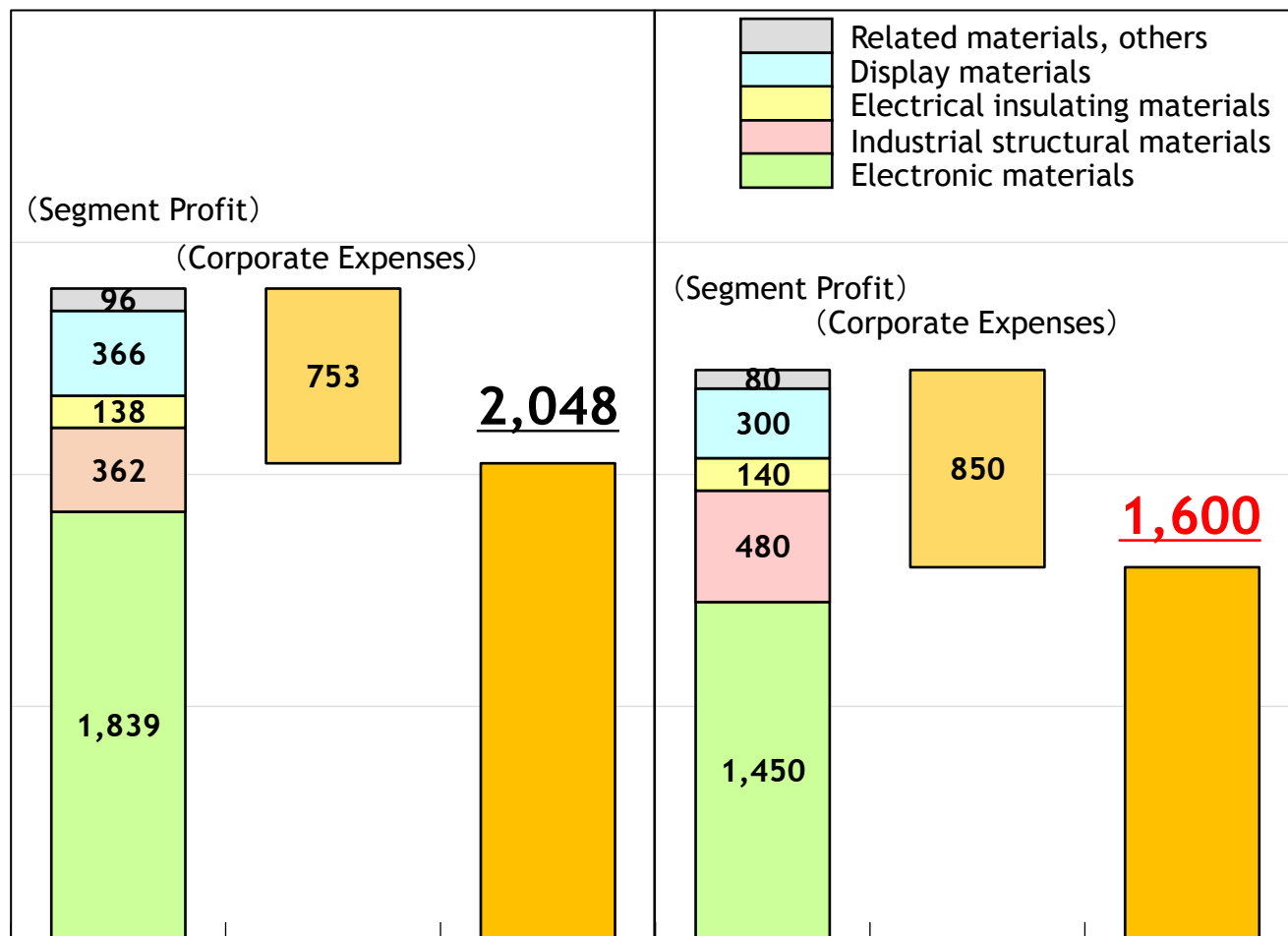
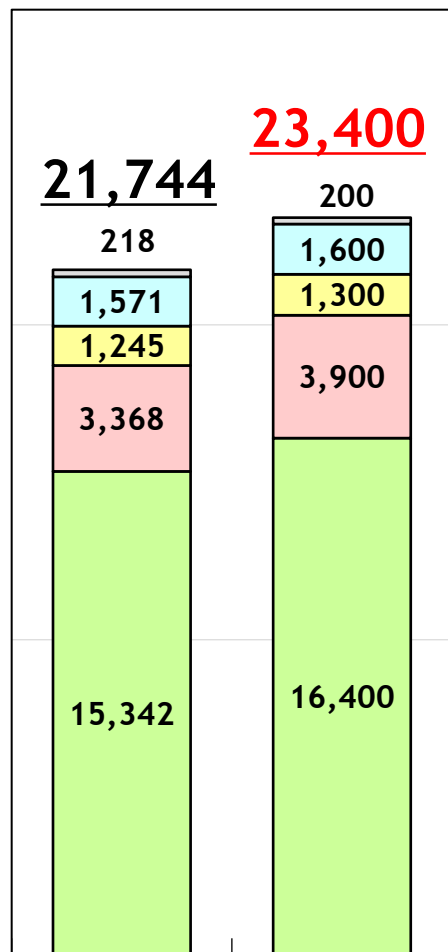
FY2021

FY2022
(Forecast)

FY2022 1H Segment Comparison (vs. FY2021)

Sales (Million Yen)

Operating Income (Million Yen)



FY2021 **FY2022**
(Forecast)

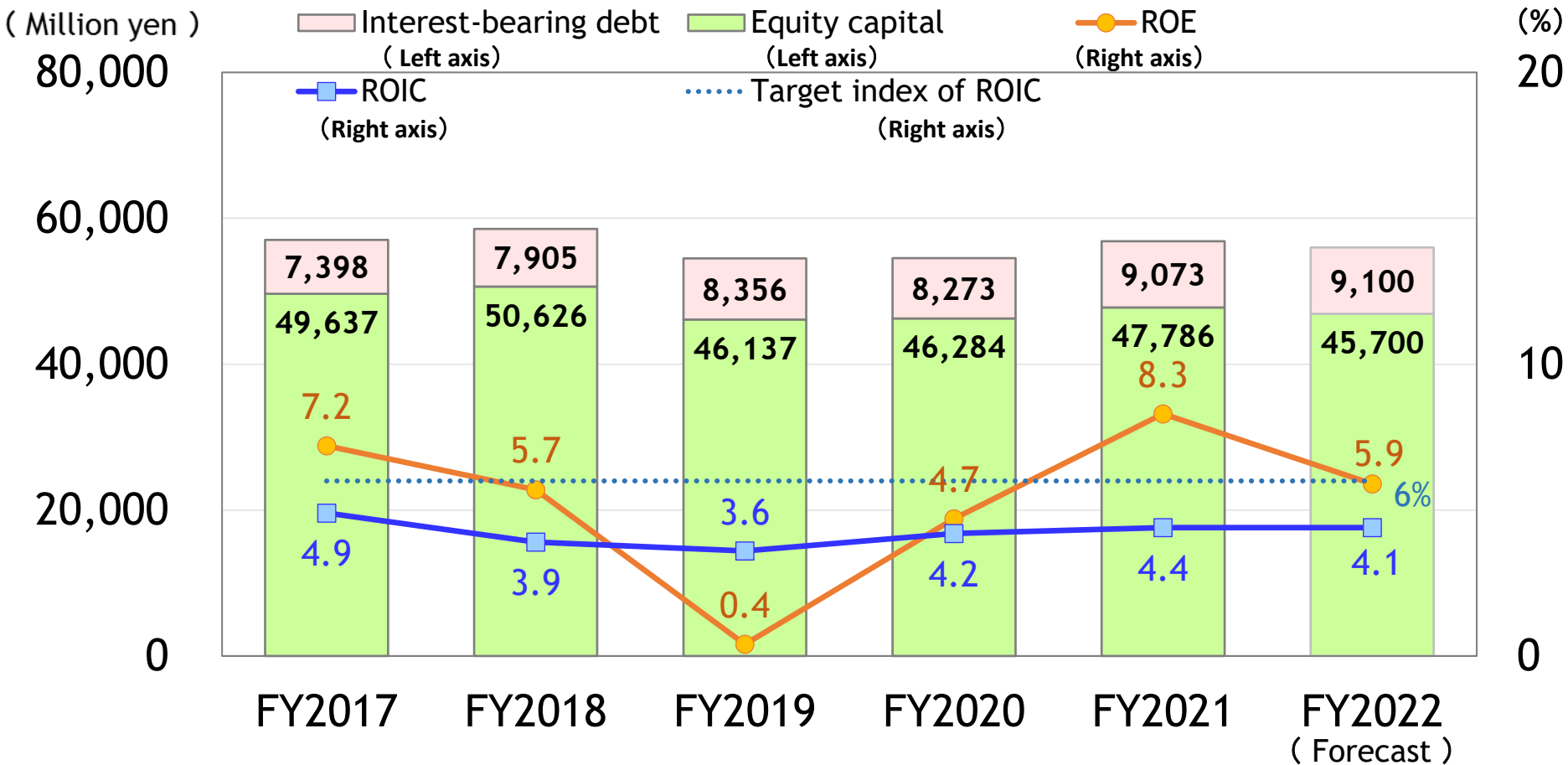
FY2021

FY2022
(Forecast)

ROE, ROIC history

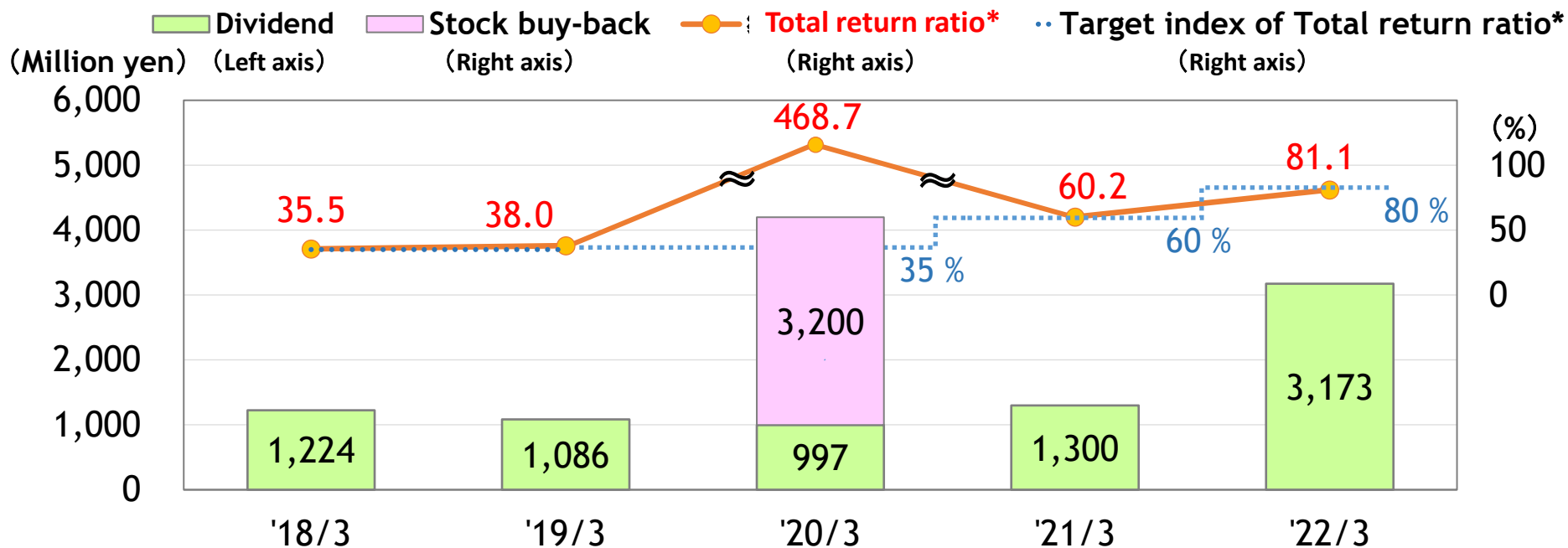
ROE= Net Income / Equity capital

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



Dividend and Total return ratio history

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



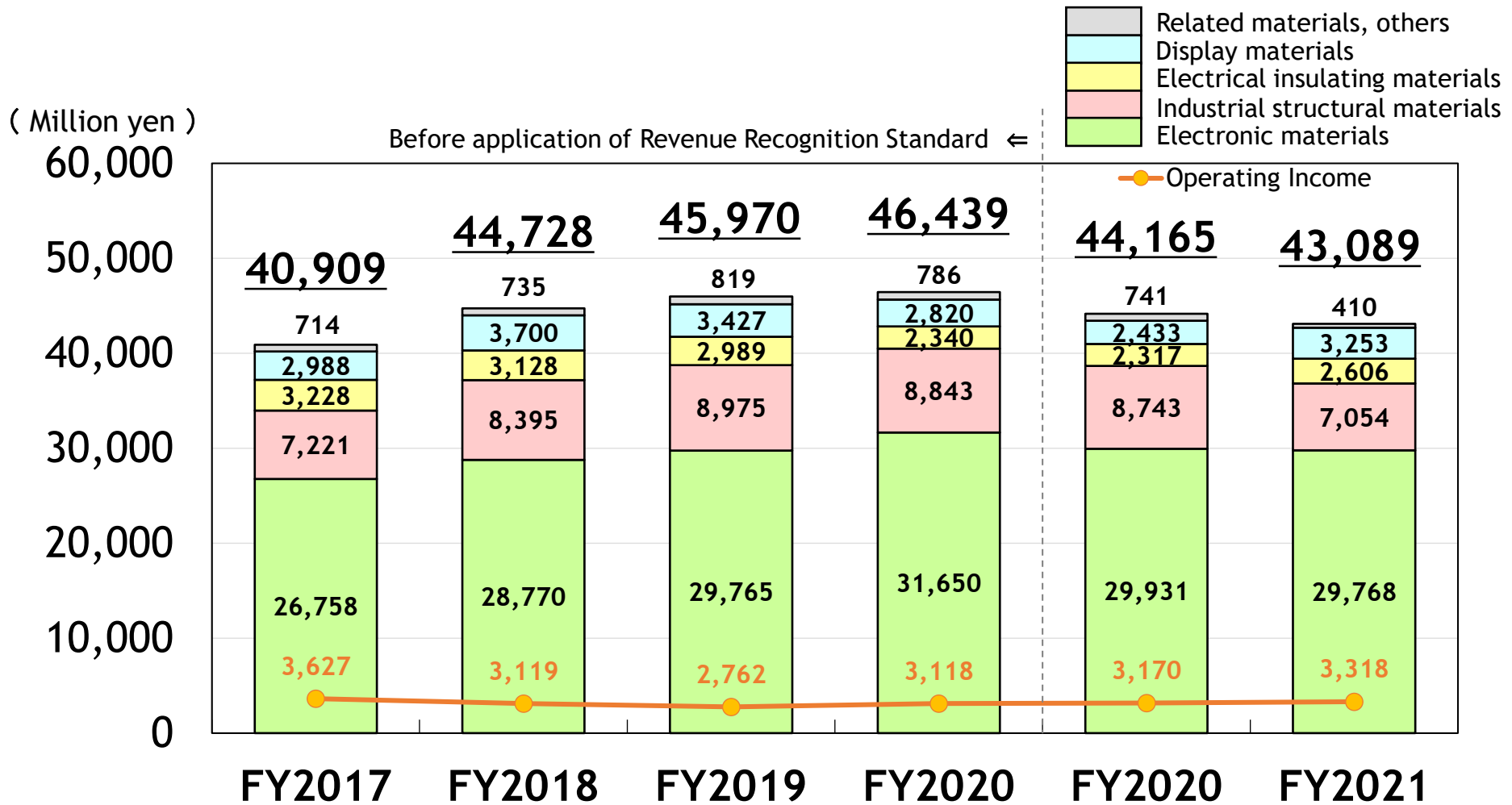
	'18/3	'19/3	'20/3	'21/3	'22/3
Share price (Yen/Share)**	986	793	802	1,000	957
Dividend (Yen/Share)	34	30	30	39	95
Dividend yield (%)	3.4	3.8	3.7	3.9	9.9

* * Closing price at the end of period

Contents

- FY2021 Review by consolidated basis
- FY2022 Forecast by consolidated basis
- Appendix**

■ Segment Comparison history (Sales, Income)



FY2021 Full year Consolidated Comparison

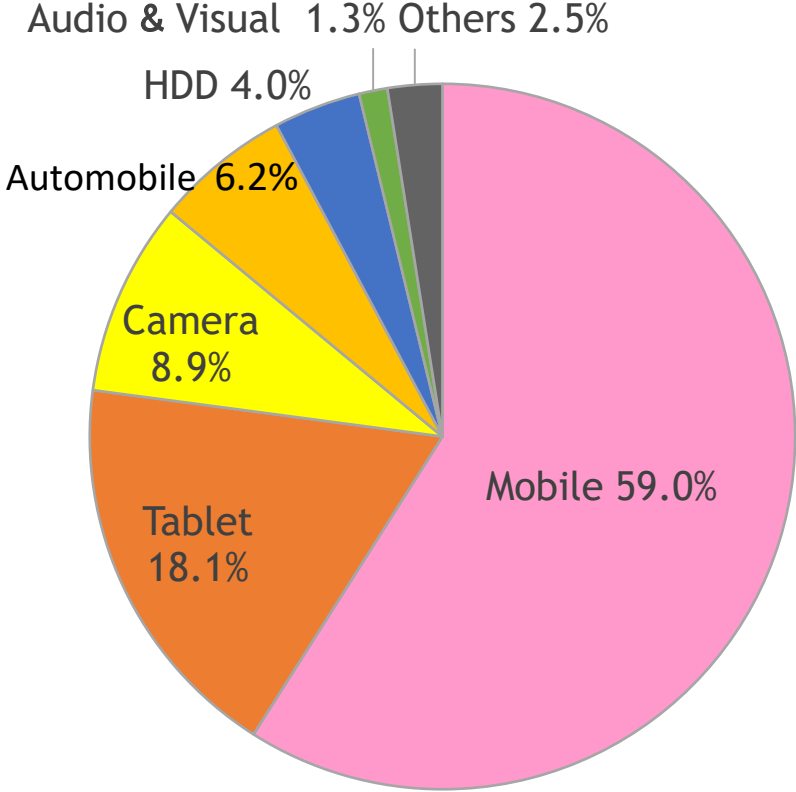
[FY2020 : Before application of Revenue Recognition Standard]

(unit: Million Yen)

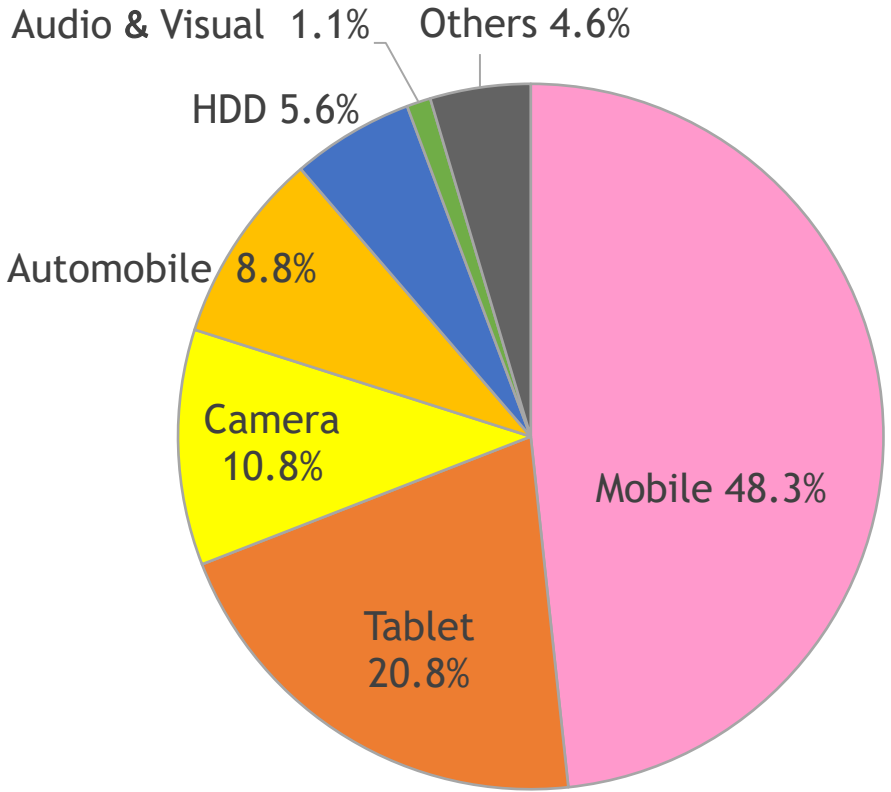
	Sales					Operating Income				
	FY2020 Full year Result	FY2021 Full year FCT (1/27)	FY2021 Full year Result	+/- vs. Prev. vs. FCT year		FY2020 Full year Result	FY2021 Full year FCT (1/27)	FY2021 Full year Result	+/- vs. Prev. vs. FCT year	
Parent										
Arisawa Mfg.	31,668	26,950	26,648	(5,020)	(302)	1,215	1,400	1,319	104	(81)
Consolidated										
ThinFlex	10,583	10,550	10,598	15	48	916	630	638	(278)	8
Satosan	1,835	2,000	2,079	244	79	12	50	64	52	14
Arisawa Fiber Glass	2,351	2,550	2,501	150	(49)	177	200	187	10	(13)
Protec	3,025	3,750	3,813	788	63	436	720	639	203	(81)
Arisawa Sogyo	1,799	1700	1,696	(103)	(4)	234	80	97	(137)	17
Arisawa Jushi Kogyo	233	200	262	29	62	(33)	30	30	63	0
ColorLink Japan	1,379	1,800	1,796	417	(4)	13	190	196	183	6
(Adjustment)	(6,434)	(6,100)	(6,304)			148		148		
Total	46,439	43,400	43,089	(3350)	(311)	3,118	3,300	3,318	200	18

■ Our FPC's major applications

FY2020

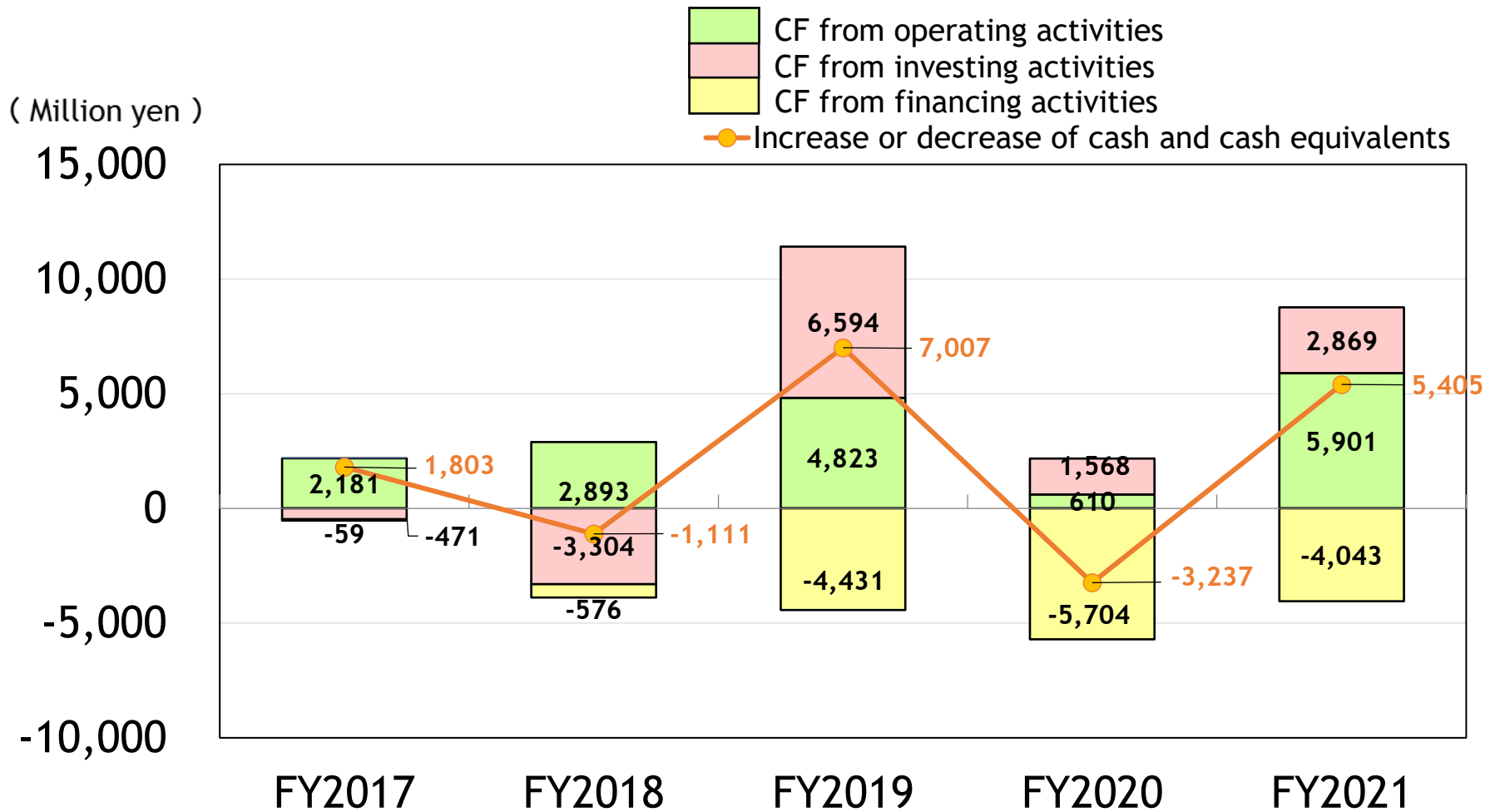


FY2021



in volume terms
Source : Arisawa Mfg. estimates

Cash Flow (Summary) history

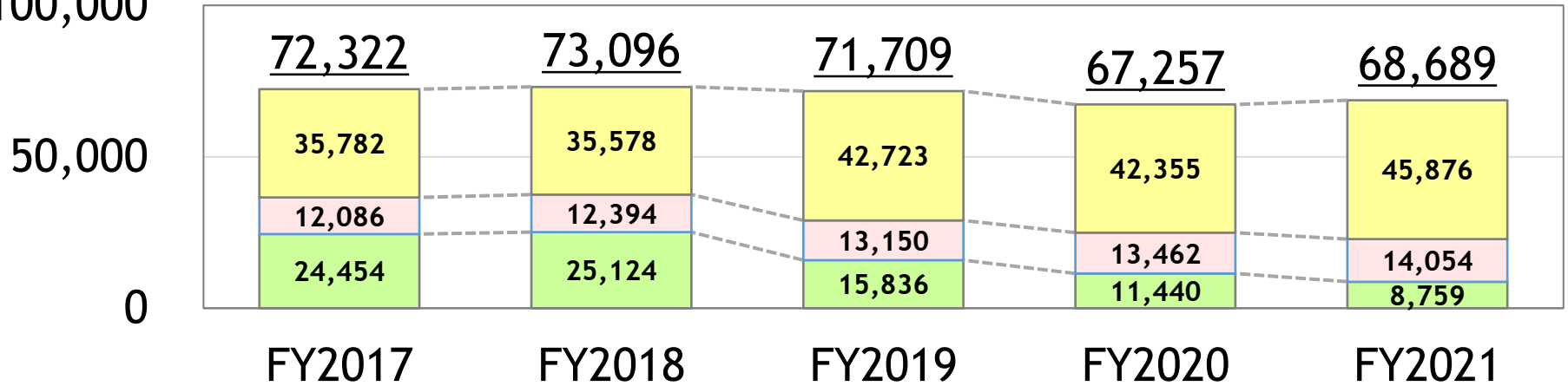


Consolidated balance sheets (Summary) history

Assets

(Million yen)
100,000

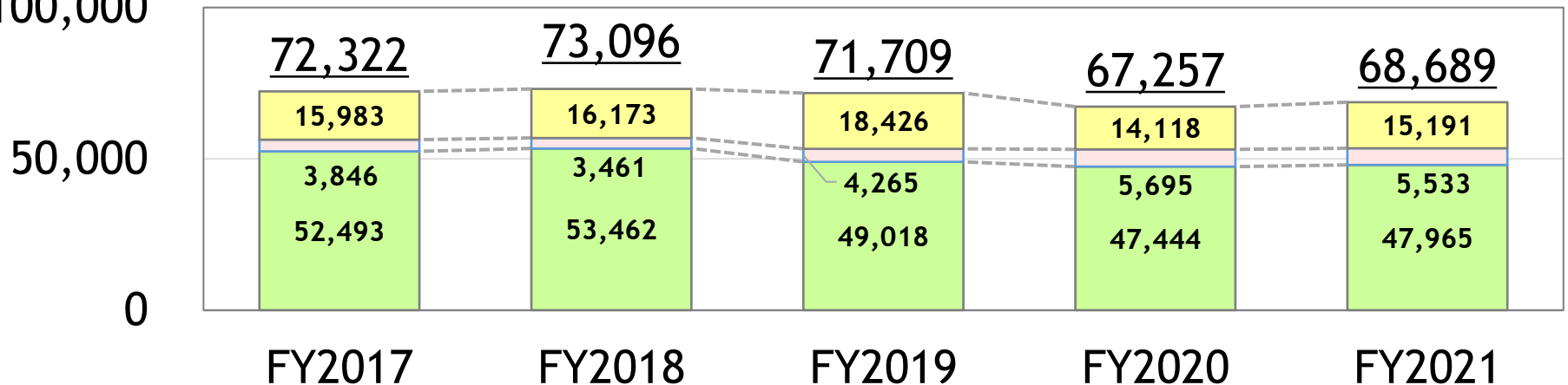
Investment and other assets Non-current assets Current assets



Liabilities and net assets

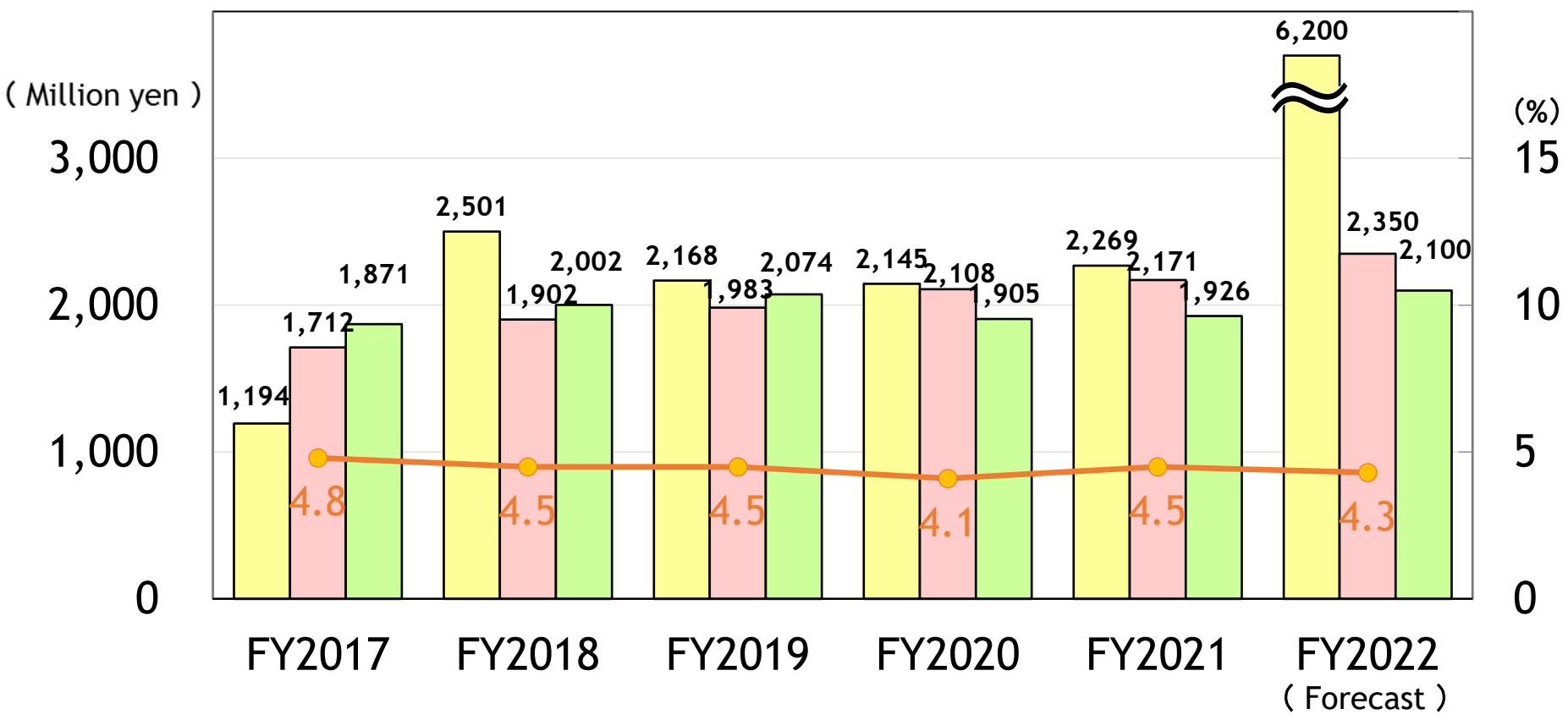
(Million yen)
100,000

Net assets Non-current liabilities Current liabilities



Capital expenditure, Depreciation and R & D Expenses history

■ Capital expenditure (Left axis) ■ Depreciation (Left axis) ■ R & D Expenses (Left axis) ● R & D / Total sales ratio (Right axis)



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