

# FY2024 Overview in Q1



Arisawa Mfg. Co., Ltd.

Aug 8th, 2024

## Contents

- FY2024 Q1 Review by Consolidated Basis
- FY2024 Forecast by Consolidated Basis
- Appendix

# ■ FY2024 Q1 Consolidated Performance



(Million Yen)

	FY2023 Q1 result	FY2024 Q1 result	vs. Prev. year
<b>Sales</b>	9,494	12,080	+27.2%
<b>Operating Profit</b>	-247	1,069	--
Operating Margin	-2.6%	8.8%	--
<b>Ordinary Profit</b>	-172	1,344	--
<b>Net Profit</b>	-201	970	--
Earnings per share(Yen)	-6.10	29.28	--
Exchange rate (Yen / \$) average for the period at end of period	132.42 144.99	148.63 161.07	--

- Consolidated sales increased by 2,586 million yen (+27.2% YoY) due to increases in those of electronic, industrial structural and display materials. As a result, operating profit, operating margin, ordinary profit, and net profit turned to surplus.
- Operating profit increased by 1,316 million yen YoY due to an increase in sales.
- Ordinary profit increased by 1,516 million yen YoY due to an increase in foreign exchange gains.
- Net profit increased by 1,171 million yen YoY.

# Balance Sheet



(Million Yen)

	Mar.2024	Jun. 2024	Change	
<b>(Assets)</b>				
Current assets	47,097	48,898	+1,801	Accounts receivable +1,579 Inventories +918
Property, plant and equipment, and intangible assets	18,345	18,884	+539	Capital investment
Investment securities	2,327	2,386	+59	
Other assets	1,047	990	-57	
<b>Total assets</b>	<b>68,816</b>	<b>71,158</b>	+2,342	
<b>(Liabilities)</b>				
Current liabilities	19,423	21,454	+2,031	Accounts payable +832 Bonus allowance +490 Accrued corporate taxes, etc. +221 Short-term borrowings +216
Non-current liabilities	3,147	3,148	+1	Long-term borrowings -188 Lease obligations +193
<b>Total liabilities</b>	<b>22,570</b>	<b>24,602</b>	+2,032	
Shareholder's equity	42,867	42,537	-330	Retained earnings -358
Other comprehensive income and share acquisition rights	3,379	4,019	+640	Foreign currency translation adjustment +548
<b>Total net assets</b>	<b>68,816</b>	<b>71,158</b>	+2,342	

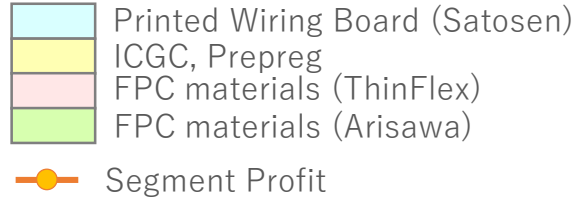
# FY2024 Q1 Segment Comparison (vs. FY2023)



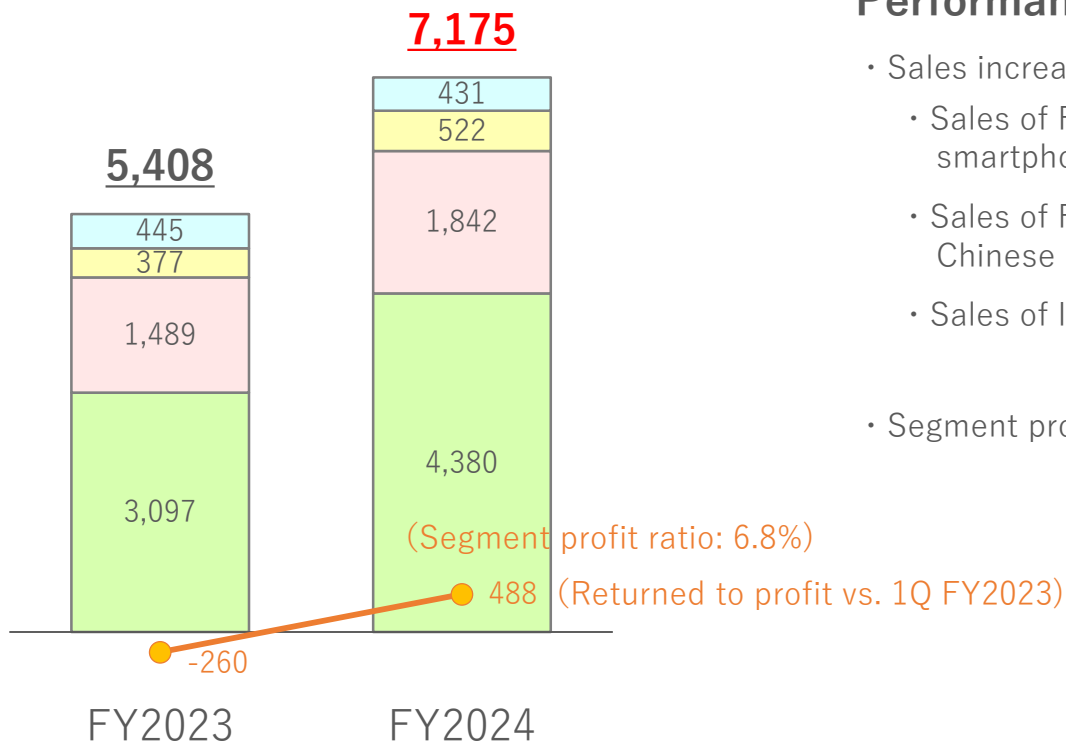
	Sales (Million Yen)			Segment Profit (Million Yen)		
	FY2023 result	FY2024 result	Change	FY2023 result	FY2024 result	Change
<b>Electronic materials</b>	5,408	7,175	+1,767	-260	488	+748
FPC materials (Arisawa)	3,097	4,380	+1,283			
FPC materials (ThinFlex)	1,489	1,842	+353			
ICGC, Prepreg	377	522	+145			
Printed Wiring Board (Satosen)	445	431	-14			
<b>Industrial structural materials</b>	2,654	2,888	+234	240	461	+221
Honey-comb panel	417	392	-25			
FRP pressure vessels for water treatment	1,654	1,885	+231			
Others	583	611	+28			
<b>Electrical insulating materials</b>	583	575	-8	16	-11	-27
<b>Display materials</b>	766	1,346	+580	126	515	+389
<b>Related materials, others</b>	83	96	13	49	57	+8
<b>Total</b>	9,494	12,080	+2,586	171	1,510	+1,339
		Corporate Expenses		-418	-441	
		<b>Operating Profit</b>		-247	1,069	+1,316

- Consolidated sales increased by 2,586 million yen (+27.2% YoY) due to increases in those of electronic, industrial structural, and display materials.
- Operating profit increased by 1,316 million yen YoY due to an increase in sales of electronic, industrial structural, and display materials.
- The sales of electronic materials increased by 32.7% YoY due to an increase in demand for smartphones and tablets.
- The sales of industrial structural materials increased by 8.8% YoY due to strong demand for the FRP vessels for water treatment.
- The sales of display materials increased by 75.9% YoY due to an increase in sales of medical 3D monitor and polarization control optical components.

## Sales of electronic materials



(Million Yen)



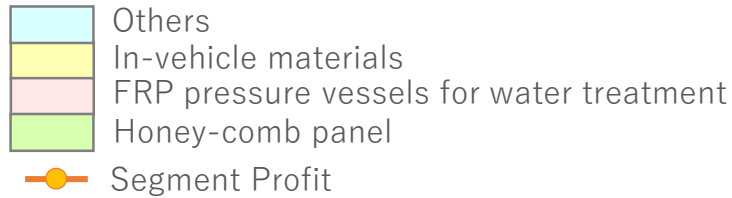
## Market

- Stagnant demand for Chinese smartphones and semiconductors has just begun to recover. However, it has not been recovered to the pre-COVID-19 levels yet.

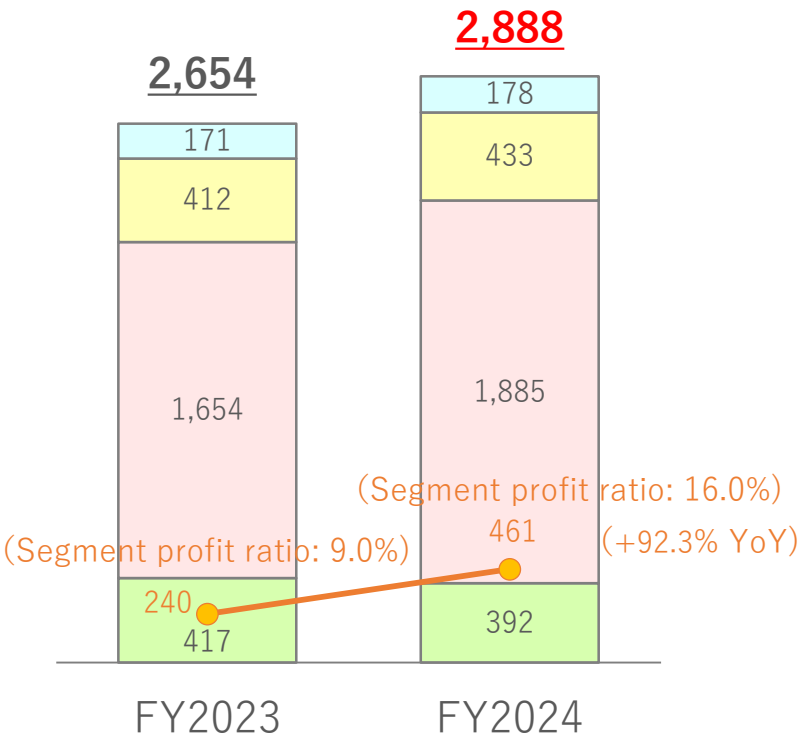
## Performance

- Sales increased by 1,767 million yen (+32.7% YoY) due to increases in those of FPC materials and ICGC.
  - Sales of FPC materials (Arisawa) increased by 41.4% due to an increase in demand for smartphones and tablets which is higher than expected.
  - Sales of FPC materials (ThinFlex) increased by 23.7% due to an increase in demand for Chinese smartphones.
  - Sales of ICGC and prepreg increased by 38.5% YoY.
- Segment profit turned to surplus due to an increase in sales.

## Sales of industrial structural materials



(Million Yen)



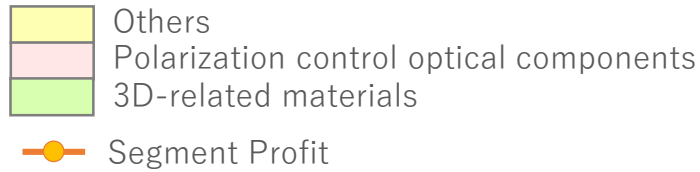
## Market

- The strong performance is continued in water treatment materials for drinking and industrial water, etc. due to an increase in global demand for water.
- Although the aircraft industry has begun to recover with economic normalization after the COVID-19 pandemic, the production of aircraft materials stayed in moderate recovery.
- Also, the development of new energy sources to reduce environmental impact is also becoming more active, and the number of development projects is increasing for the company.

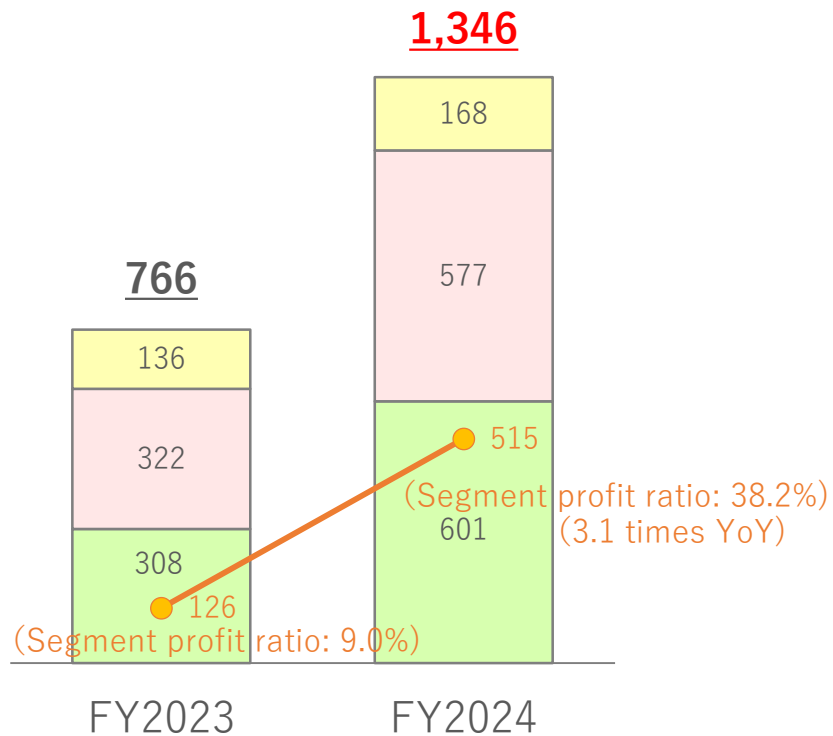
## Performance

- Sales of honey-comb panels for aircraft decreased by 5.8% YoY.
- Sales of FRP pressure vessel for water purification continued to be strong from the previous FY, with sales increasing by 13.9% YoY due to foreign exchange impact, etc.
- Sales of in-vehicle materials increased by 4.9%.
- Segment profit increased by 221 million yen YoY due to an increase in sales of FRP pressure vessel for water purification.

## Sales of display materials



(Million Yen)



## Market

- In 3D-related materials, orders for medical monitors were increased. We also have started developmental activities into the industrial field in order to enter into a market beyond the medial applications.
- In the AR and VR-related applications, demand for polarization control optical components is expanding.

## Performance

- Sales of 3D-related materials increased by 95.4% YoY due to orders received in advance, etc.
- Sales of polarization control optical components increased by 78.8% YoY due to the impact of foreign currency exchange, etc.
- Segment profit increased by 389 million yen due to an increase in sales.



## Contents

- FY2024 Q1 Review by Consolidated Basis
- FY2024 Forecast by Consolidated Basis
- Appendix

# FY2024 1H Consolidated Performance (vs. the previous year and FCT as of May 9)



(Million Yen)

	FY2023 1H result	FY2024 1H FCT (May 9)	FY2024 1H FCT (Aug. 8)	vs. Prev. year	vs. FCT
<b>Sales</b>	19,895	23,500	24,300	+22.1%	+3.4%
<b>Operating Profit</b>	169	1,500	1,900	11.2 times	+26.7%
Operating Margin	0.9%	6.4%	7.8%		
<b>Ordinary Profit</b>	218	1,600	2,100	9.6 times	+31.3%
<b>Net Profit</b>	563	1,100	1,500	2.7 times	+36.4%
Earnings per share(Yen)	17.02	33.10*	45.21**	+165.6%	+36.6%
Dividend (Yen)	20.00	42.00	42.00	--	--
Exchange rate (Yen / \$) average for the period at end of period	135.00 149.58	148.00 143.00	152.36 150.00	--	--

## Performance year-on-year

- Consolidated sales are expected to increase by 4,405 million yen (+22.1% YoY) due to increases in those of electronic, industrial structural, and display materials.
- Operating profit is expected to increase by 1,731 million yen (11.2 times YoY) due to an increase in sales.
- Ordinary profit is expected to increase by 9.6 times YoY.
- Net profit is expected to increase by 2.7 times YoY. In the 1<sup>st</sup> half of FY2023, net profit was higher than ordinary profit due to gains on the sale of securities.

## Versus the forecast as of May 9

- Consolidated sales are expected to increase by 800 million yen (+3.4% vs. the forecast as of May 9) due to mainly strong sales of electronic and display materials.
- Due to an increase in sales, operating profit is expected to increase by 26.7% YoY, ordinary profit is expected to increase by 31.3% YoY and net profit is expected to increase by 36.4% YoY, respectively.

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

\*\*Calculated by the number of shares as of Jun. 30

# FY2024 1H Segment Comparison (vs. FY2023)



	Sales (Million Yen )			Segment Profit (Million Yen )		
	FY2023 result	FY2024 FCT (Aug. 8)	vs. Prev. year	FY2023 result	FY2024 FCT (Aug. 8)	vs. Prev. year
<b>Electronic materials</b>	11,726	14,700	+2,974	-210	1,100	+1,310
FPC materials (Arisawa)	6,725	8,300	+1,575			
FPC materials (ThinFlex)	3,408	4,500	+1,092			
ICGC, Prepreg	740	1,000	+260			
Printed Wiring Board (Satosen)	853	900	+47			
<b>Industrial structural materials</b>	5,101	6,000	+899	572	950	+378
Honey-comb panel	913	800	-113			
FRP pressure vessels for water treatment	3,128	4,000	+872			
Others	1,060	1,200	140			
<b>Electrical insulating materials</b>	1,233	1,100	-133	114	50	-64
<b>Display materials</b>	1,667	2,300	+633	420	600	+180
<b>Related materials, others</b>	158	200	+42	99	100	+1
<b>Total</b>	19,895	24,300	+4,405	995	2,800	+1,805
		Corporate Expenses		-826	-900	
		<b>Operating Profit</b>		169	1,900	+1,731

## Market forecasts

- Stagnant demand for Chinese smartphones and semiconductors has just begun to recover.
- FRP pressure vessel for water purification, medical 3D monitors, and polarization control optical components will remain firm.

## Performance forecasts

- Consolidated sales are expected to increase by 22.1% YoY. Operating profit is expected to increase by 11.2 times YoY.
- Sales and profits are expected to increase due to increases in those of mainly FPC materials in electronic materials, FRP pressure vessel for water purification in industrial structural materials, and medical 3D monitors and polarization control optical components in display materials.

# FY2024 1H Segment Comparison (vs. FCT as of May 9)



	Sales (Million Yen)			Segment Profit (Million Yen)		
	FY2024 FCT (May 9)	FY2024 FCT (Aug. 8)	vs. Prev. year	FY2024 FCT (May 9)	FY2024 FCT (Aug. 8)	vs. Prev. year
<b>Electronic materials</b>	14,300	14,700	+400	900	1,100	+200
FPC materials (Arisawa)	7,700	8,300	+600			
FPC materials (ThinFlex)	4,500	4,500	0			
ICGC, Prepreg	1,200	1,000	-200			
Printed Wiring Board (Satosen)	900	900	0			
<b>Industrial structural materials</b>	5,900	6,000	+100	950	950	0
Honey-comb panel	850	800	-50			
FRP pressure vessels for water treatment	3,600	4,000	+400			
Others	1,450	1,200	-250			
<b>Electrical insulating materials</b>	1,200	1,100	-100	100	50	-50
<b>Display materials</b>	1,950	2,300	+350	350	600	+250
<b>Related materials, others</b>	150	200	+50	100	100	0
<b>Total</b>	23,500	24,300	+800	2,400	2,800	+400
		Corporate Expenses		-900	-900	
		<b>Operating Profit</b>		1,500	1,900	+400

## Market forecasts

- Stagnant demand for Chinese smartphones and semiconductors has just begun to recover.
- FRP pressure vessel for water purification, medical 3D monitors, and polarization control optical components will remain firm.

## Performance forecasts

- Consolidated sales are expected to increase by 3.4% vs. FCT of May 9. Operating profit is expected to increase by 26.7% vs. FCT.
- Sales and profits are expected to increase due to increases in those of FPC materials in electronic materials, FRP pressure vessel for water purification in industrial structural materials, and medical 3D monitors and polarization control optical components in display materials.

# FY2024 FY Consolidated Performance (vs. the previous year and FCT as of May 9)



(Million Yen)

	FY2023 FY result	FY2024 FY FCT (May 9)	FY2024 FY FCT (Aug. 8)	vs. Prev. year	vs. FCT
<b>Sales</b>	42,114	48,900	48,900	16.1%	0.0%
<b>Operating Profit</b>	1,483	3,200	3,200	2.2 times	0.0%
Operating Margin	3.5%	6.5%	6.5%		
<b>Ordinary Profit</b>	1,488	3,300	3,300	2.2 times	0.0%
<b>Net Profit</b>	1,639	2,400	2,400	46.4%	0.0%
Earnings per share(Yen)	49.51	72.30*	72.33**	46.1%	0.0%
Dividend (Yen)	Total 60.00	Total 84.00	Total 84.00	--	--
Exchange rate (Yen / \$) average for the period at end of period	140.67 151.41	145.00 143.00	145.00 143.00	-- --	-- --

## Performance year-on-year

- Consolidated sales are expected to increase by 6,786 million yen (+16.1% YoY) due to increases in those of electronic, industrial structural and display materials.
- Operating profit is expected to increase by 1,717 million yen (2.2 times YoY) due to an increase in sales.
- Ordinary profit is expected to increase by 2.2 times YoY.
- Net profit is expected to increase by 46.4% YoY. In FY2023, net profit was higher than ordinary profit due to the gains on the sale of securities.

## Versus the forecast as of May 9

- The FY forecast as of May 9 is maintained because future outlook is still uncertain as of this moment.

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

\*\*Calculated by the number of shares as of Jun. 30

# FY2024 FY Segment Comparison (vs. FY2023)



	Sales (Million Yen )			Segment Profit (Million Yen )		
	FY2023 result	FY2024 FCT (Aug. 8)	vs. Prev. year	FY2023 result	FY2024 FCT (Aug. 8)	vs. Prev. year
<b>Electronic materials</b>	25,105	29,800	+4,695	260	2,000	+1,740
FPC materials (Arisawa)	13,814	15,700	+1,886			
FPC materials (ThinFlex)	7,852	9,900	+2,048			
ICGC, Prepreg	1,741	2,300	+559			
Printed Wiring Board (Satosen)	1,698	1,900	+202			
<b>Industrial structural materials</b>	10,602	12,000	+1,398	1,476	1,800	+324
Honey-comb panel	1,818	1,800	-18			
FRP pressure vessels for water treatment	6,044	7,300	+1,256			
Others	2,740	2,900	+160			
<b>Electrical insulating materials</b>	2,533	2,400	-133	315	120	-195
<b>Display materials</b>	3,535	4,300	+765	940	900	-40
<b>Related materials, others</b>	339	400	+61	199	180	-19
<b>Total</b>	42,114	48,900	+6,786	3,190	5,000	+1,810
		Corporate Expenses		-1,707	-1,800	
		<b>Operating Profit</b>		1,483	3,200	+1,717

## Market forecasts

- Recovery of demand for Chinese smartphones and semiconductors continues.
- FRP pressure vessel for water purification, 3D-related materials, and polarization control optical components will remain firm.

## Performance forecasts

- Consolidated sales are expected to increase by 16.1% YoY. Operating profit is expected to increase by 2.2 times YoY.
- Sales and profits are expected to increase due to increases in those of mainly FPC materials in electronic materials and FRP pressure vessel for water purification in industrial structural materials.

# FY2024 FY Segment Comparison (vs. FCT as of May 9)



	Sales (Million Yen)			Segment Profit (Million Yen)		
	FY2024 FCT (May 9)	FY2024 FCT (Aug. 8)	vs. Prev. year	FY2024 FCT (May 8)	FY2024 FCT (Aug. 8)	vs. Prev. year
<b>Electronic materials</b>	30,000	29,800	-200	2,000	2,000	0
FPC materials (Arisawa)	15,200	15,700	+500			
FPC materials (ThinFlex)	10,400	9,900	-500			
ICGC, Prepreg	2,500	2,300	-200			
Printed Wiring Board (Satosen)	1,900	1,900	0			
<b>Industrial structural materials</b>	12,300	12,000	-300	2,000	1,800	-200
Honey-comb panel	1,850	1,800	-50			
FRP pressure vessels for water treatment	7,100	7,300	+200			
Others	3,350	2,900	-450			
<b>Electrical insulating materials</b>	2,500	2,400	-100	200	120	-80
<b>Display materials</b>	3,800	4,300	+500	600	900	+300
<b>Related materials, others</b>	300	400	+100	200	180	-20
<b>Total</b>	48,900	48,900	0	5,000	5,000	0
		Corporate Expenses		-1,800	-1,800	
		<b>Operating Profit</b>		3,200	3,200	0

## Market forecasts

- Recovery of demand for Chinese smartphones and semiconductors continues.
- FRP pressure vessel for water purification, 3D-related materials, and polarization control optical components will remain firm.

## Performance forecasts

- Forecasts for both sales and operating profit as of May 9 are maintained.
- Sales for FPC materials in electronic materials, FRP pressure vessel for water purification in industrial structural materials, and medical 3D monitors and polarization control optical components in display materials will remain firm.
- Breakdown of sales and operating profit among segments are adjusted based on the progress of each segment as of this moment.

## Contents

- FY2023 Review by Consolidated Basis
- FY2024 Forecast by Consolidated Basis
- Appendix



# FY2024 Q1 Segment Comparison (vs. FCT as of May 9)



	Sales (Million Yen )			Segment Profit (Million Yen )		
	FY2024 FCT (May 9)	FY2024 result	+/- vs. FCT	FY2024 FCT (May 9)	FY2024 result	+/- vs. FCT
<b>Electronic materials</b>	6,600	7,175	+575	350	488	+138
FPC materials (Arisawa)	3,650	4,380	+730			
FPC materials (ThinFlex)	1,900	1,842	-58			
ICGC, Prepreg	600	522	-78			
Printed Wiring Board (Satosen)	450	431	-19			
<b>Industrial structural materials</b>	2,900	2,888	-12	500	461	-39
Honey-comb panel	400	392	-8			
FRP pressure vessels for water treatment	1,850	1,885	+35			
Others	650	611	-39			
<b>Electrical insulating materials</b>	600	575	-25	50	-11	-61
<b>Display materials</b>	1,000	1,346	+346	200	515	+315
<b>Related materials, others</b>	100	96	-4	50	57	+7
<b>Total</b>	11,200	12,080	+880	1,150	1,510	+360
		Corporate Expenses		-450	-441	
		<b>Operating Profit</b>		700	1,069	+369

• Sales for electronic and display materials were much higher than expected.

# FY2024 Q1 Segment Comparison

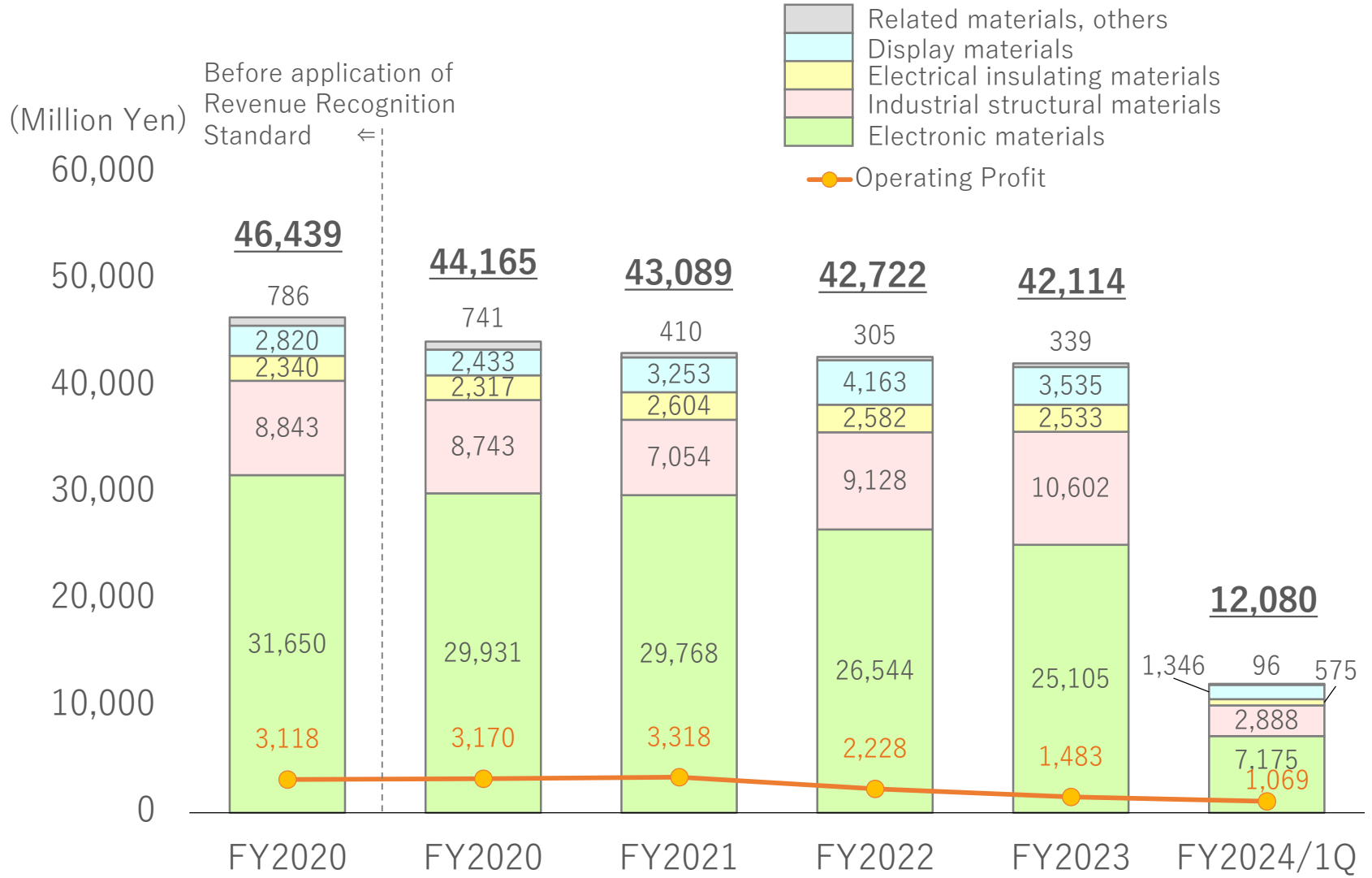


ARISAWA

(Million Yen)

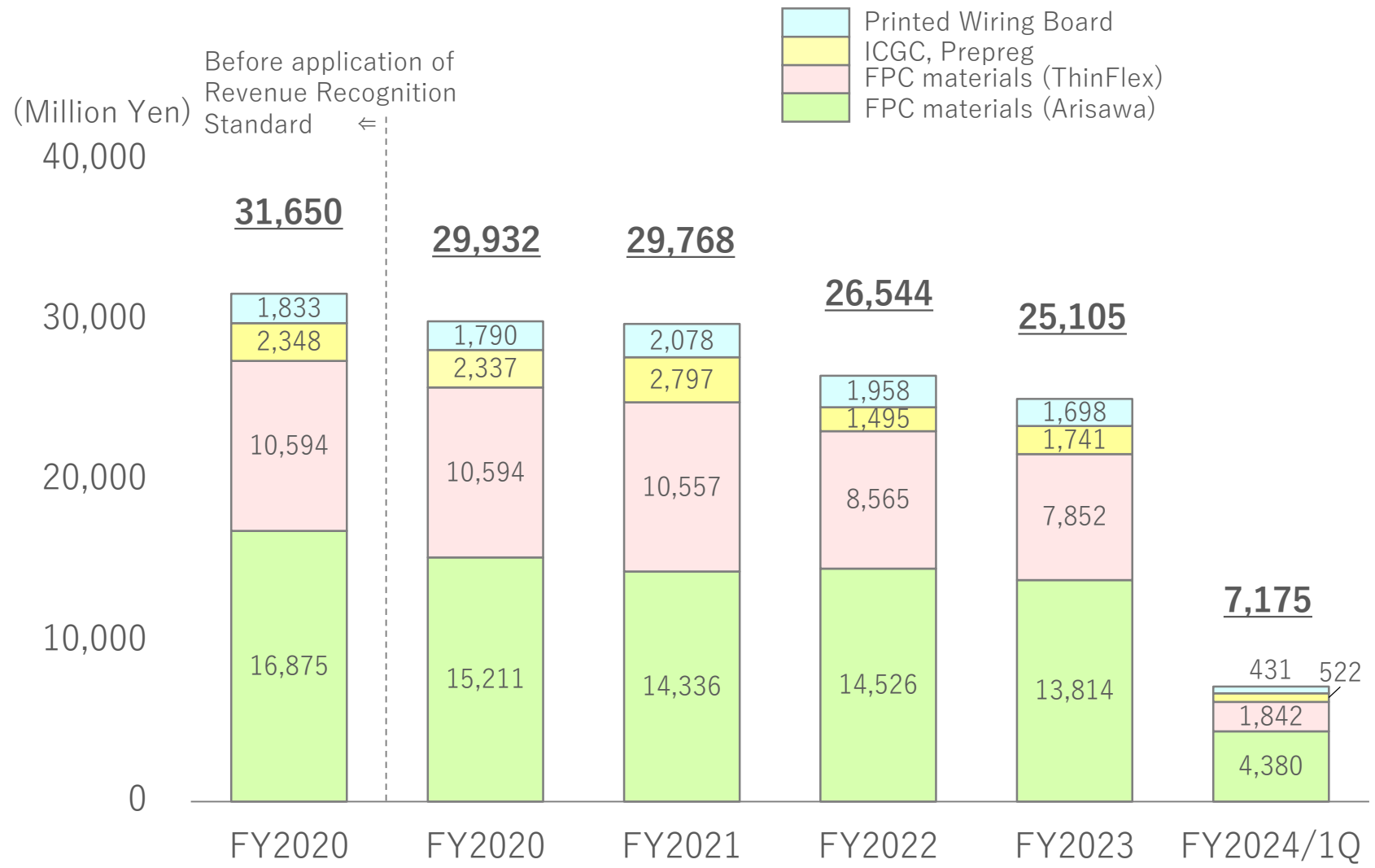
	Sales					Operating Profit				
	FY2023 Result	FY2024 FCT (May 9)	FY2024 Result	+/- vs. Prev. year	+/- vs. FCT	FY2023 result	FY2024 FCT (May 9)	FY2024 Result	+/- vs. Prev. year	+/- vs. FCT
Non-consolidated										
Arisawa Mfg.	5,968	7,100	7,971	+2,003	+871	-119	320	625	+744	+305
Consolidated										
ThinFlex	1,480	2,200	2,211	+731	+11	-248	-55	-53	+195	+2
Satosan	445	450	431	-14	-19	-9	15	14	+23	-1
Arisawa Fiber Glass	344	550	540	+196	-10	-136	10	-14	+122	-24
Protec	1,622	1,850	1,834	+212	-16	261	360	356	+95	-4
Arisawa Sogyo	394	450	462	+68	+12	27	10	25	-2	+15
Arisawa Jushi Kogyo	67	50	53	-14	+3	13	5	-4	-17	-9
ColorLink Japan	323	450	576	+253	+126	-15	35	121	+136	+86
(Adjustment)	-1,149	-1,900	-1,998			-21	0	-1		
<b>Total</b>	<b>9,494</b>	<b>11,200</b>	<b>12,080</b>	+2,586	+780	<b>-247</b>	<b>700</b>	<b>1,069</b>	+1,316	+369

# Segment Comparison History (Sales and Operating Profit)



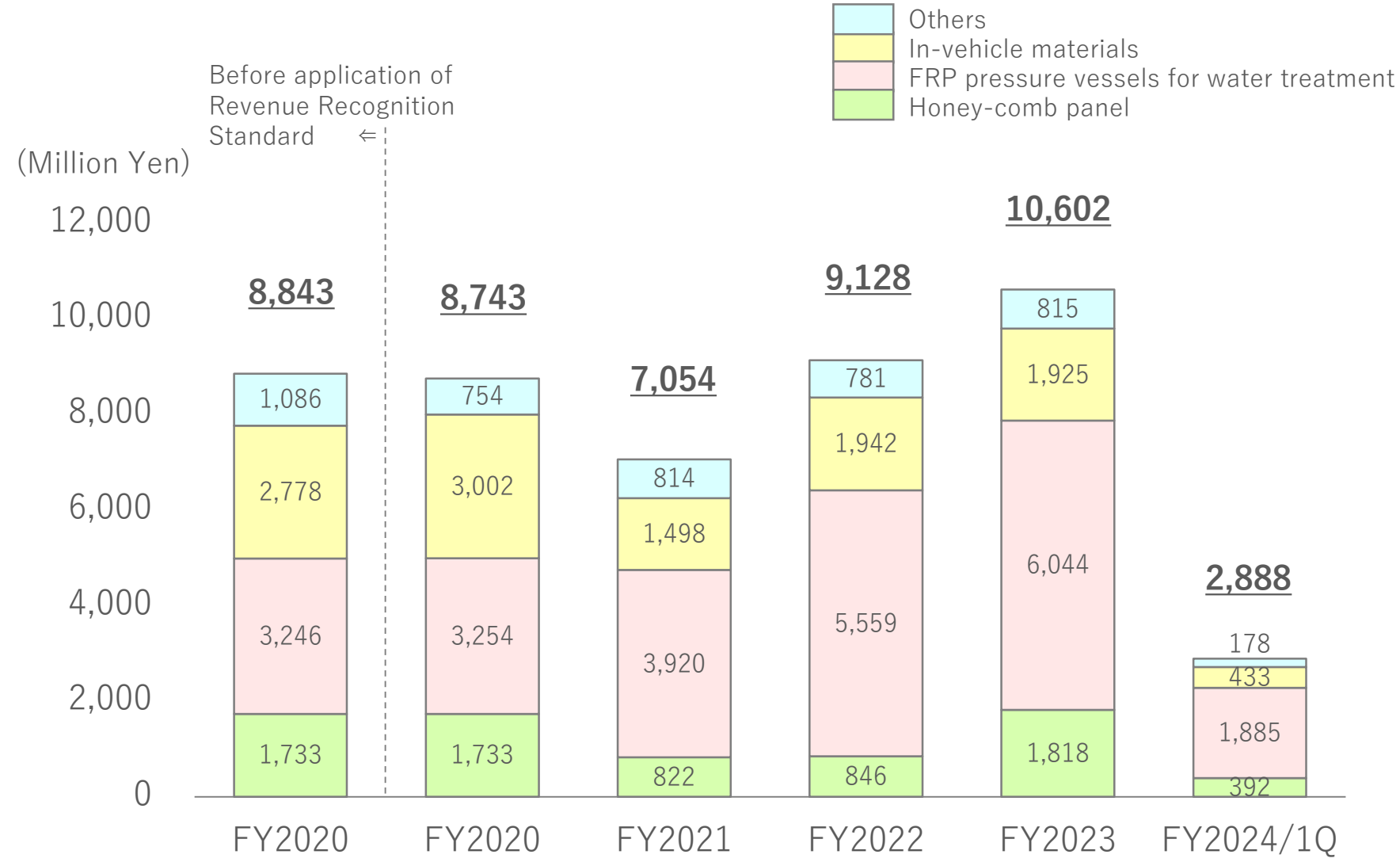
Revenue recognition standards have been applied since FY2021 (Retroactively applied for FY2020, as a reference).

# Electronic Materials Sales History



Revenue recognition standards have been applied since FY2021 (Retroactively applied for FY2020, as a reference).

# Industrial Structural Materials Sales History



Revenue recognition standards have been applied since FY2021 (Retroactively applied for FY2020, as a reference).

# Consolidated Balance Sheets History (outline)

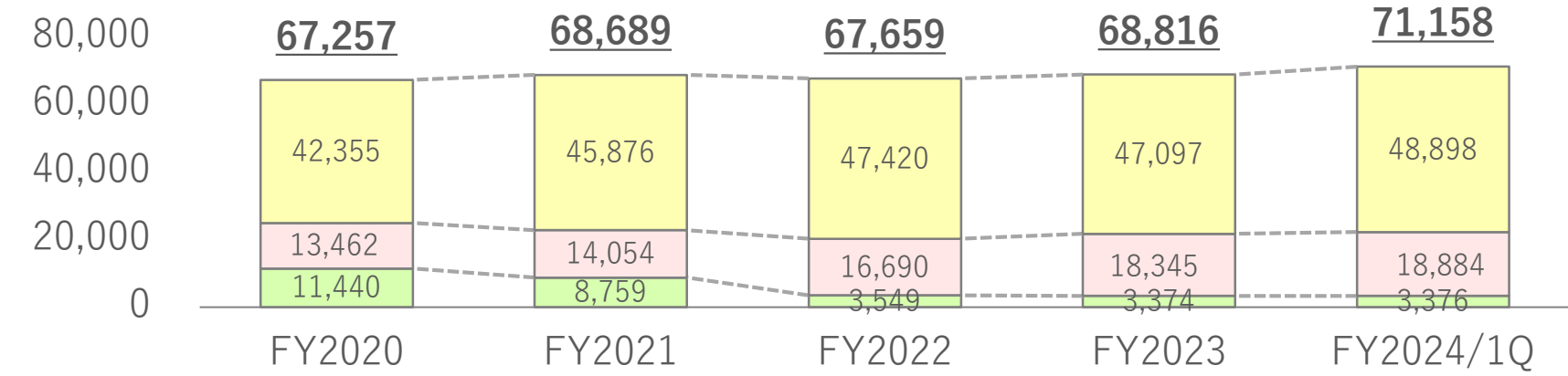


## Assets

(Million yen)

100,000

Investment and other assets Non-current assets Current assets

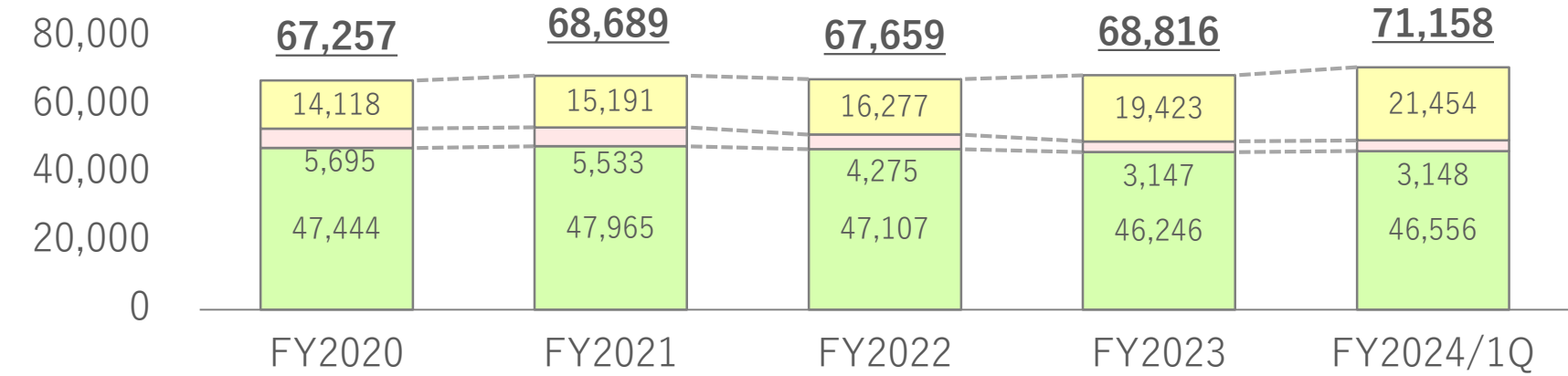


## Liabilities and net assets

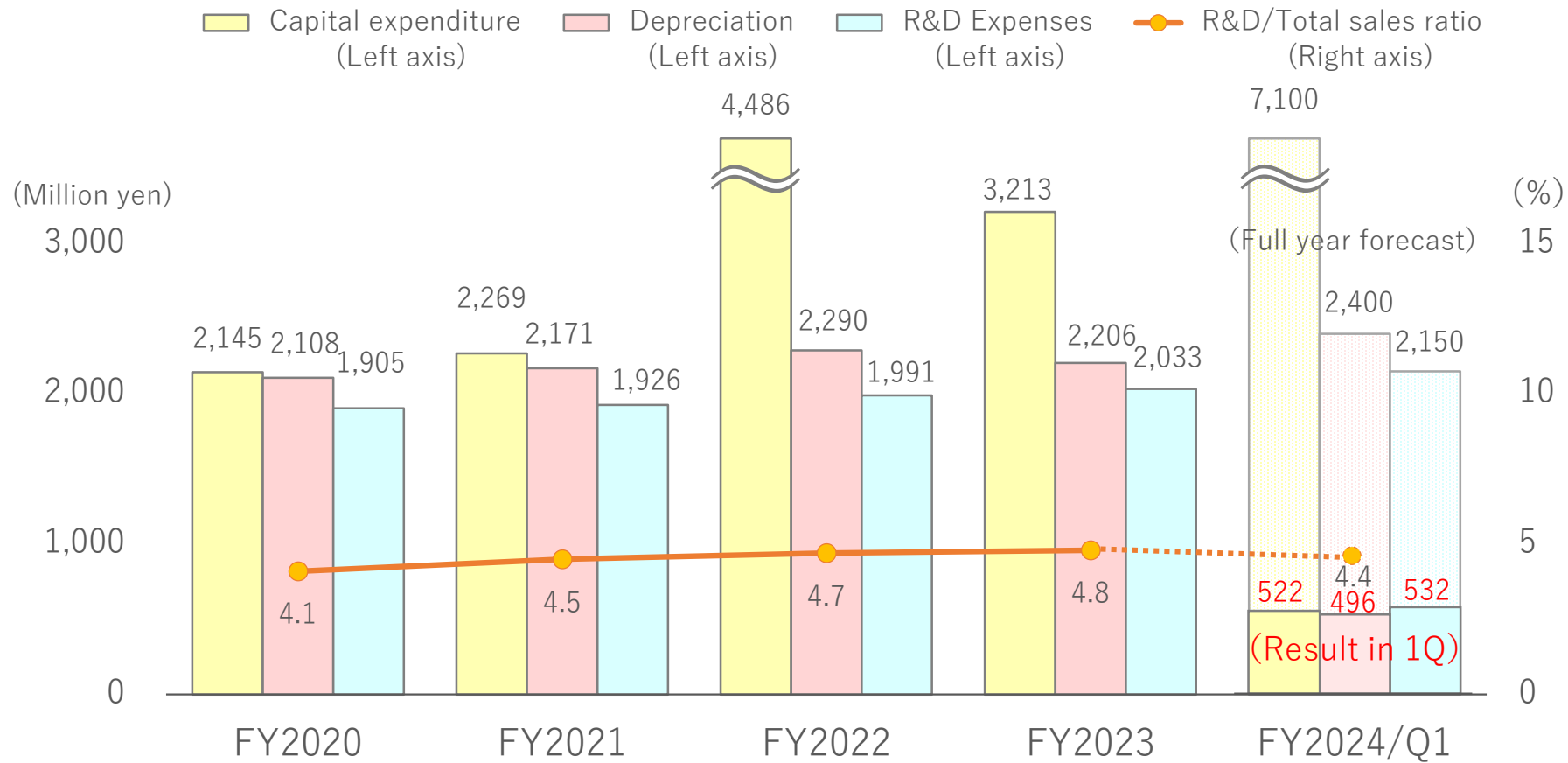
(Million yen)

100,000

Net assets Non-current liabilities Current liabilities



# Capital Expenditure, Depreciation and R&D Expenses History



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