

FY2024 Overview in Q3



Arisawa Mfg. Co., Ltd.

February 6, 2025

Contents

- FY2024 Q3 Review on a Consolidated Basis
- FY2024 Forecast on a Consolidated Basis
- Appendix

FY2024 Q3 Consolidated Performance



(million yen)

	FY2023 Q3 result	FY2024 Q3 result	YoY
Sales	30,859	37,782	+22.4%
Operating Profit	648	3,812	5.9 times
Operating Margin	2.1%	10.1%	--
Ordinary Profit	718	4,089	5.7 times
Net Profit	981	3,004	3.1 times
Earnings per share (Yen)	29.64	90.43	3.1 times
Exchange rate (Yen / \$) average for the period at end of period	138.24 141.83	151.46 158.18	--

- Consolidated sales increased by 6,922 million yen YoY (+22.4%) due to increases in those of electronic, industrial structural, and display materials.
- Operating profit increased by 3,163 million yen (5.9 times) YoY due to increases in sales and accompanying improved capacity utilization.
- Ordinary profit increased by 3,371 million yen YoY.
- Net profit increased by 2,022 million yen YoY.

■ Statement of Income



ARISAWA

(million yen)

	FY2023 Q3 result	FY2024 Q3 FCT (Nov.7)	FY2024 Q3 result	Change vs Prev. year	Remarks
Net sales	30,859	37,600	37,782	+6,922	An increase in sales of electronic, industrial structural, and display materials.
Gross profit	4,993		8,932		
Selling, general and administrative expenses	4,345		5,120		
Operation profit	648	3,500	3,812	+3,163	An increase in sales due to improved product mix.
Foreign exchange gains/loss	132	60	183		Share of loss of entities accounted for using equity method of 47 million yen and compensation expense of 57 million yen were recorded in FY 2023. Increase in subsidy income of 66 million yen was recorded in FY 2024.
Other non-operating income / expenses	-62	140	94		
Ordinary profit	718	3,700	4,089	+3,371	
Gain on sale of investment securities	656		2		A decrease in gain on sale of investment securities.
Other extraordinary income/loss	-26		-1		
Profit before income taxes	1,348	3,700	4,090	+2,741	
Income taxes, etc.	367	900	1,086		
Profit attributable to owners parent	981	2,800	3,004	+2,022	

Balance Sheet



(million yen)

	Mar. 2024	Dec. 2024	Change	Remarks
(Assets)				
Current assets	47,097	49,255	+2,158	Accounts receivable: +1,011 Inventories: +2,489
Property, plant and equipment, and intangible assets	18,345	18,760	+415	Capital investment
Investment securities	2,327	2,141	-186	
Other assets	1,047	1,104	+57	
Total assets	68,816	71,260	+2,443	
(Liabilities)				
Current liabilities	19,423	20,240	+817	Accounts payable: +1,238 Short-term borrowings: -1,301 Income taxes payable: +556
Non-current liabilities	3,147	4,334	+1,187	Long-term borrowings: +1,205
Total liabilities	22,570	24,574	+2,004	
Shareholder's equity	42,867	43,182	+315	Retained earnings: +276
Other comprehensive income and share acquisition rights	3,379	3,504	+125	Foreign currency translation adjustment: +91
Total net assets	68,816	71,260	+2,443	

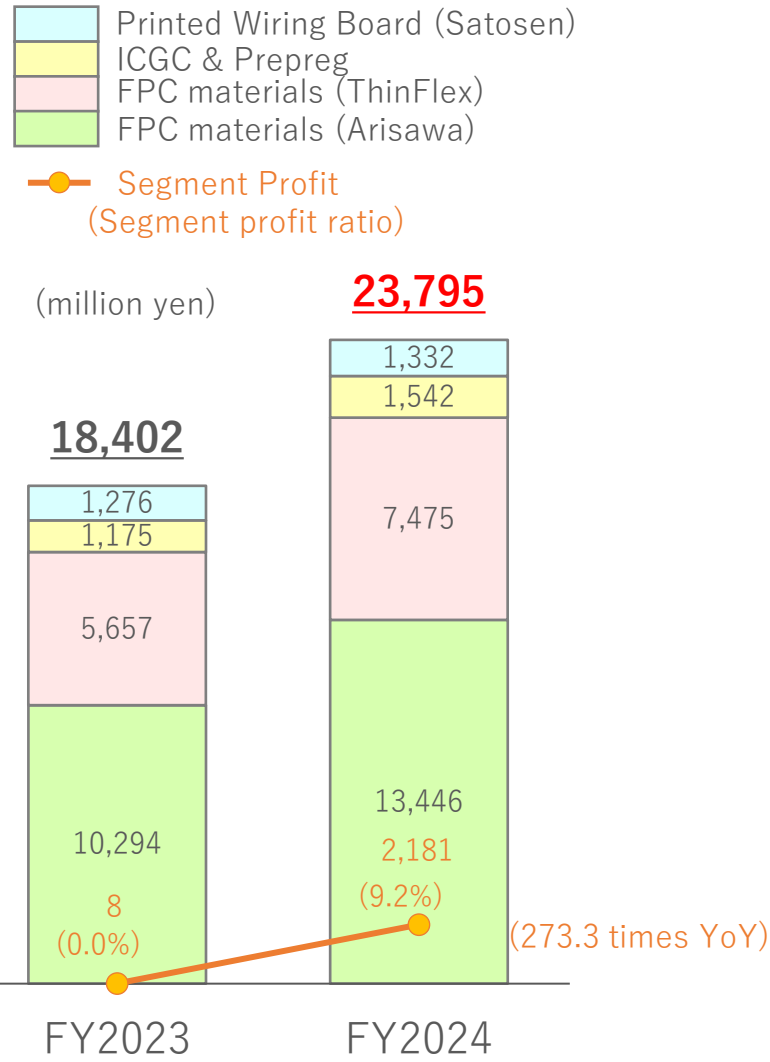
FY2024 Q3 Segment Comparison (vs. FY2023)



	Sales (million yen)			Segment Profit (million yen)		
	FY2023 result	FY2024 result	Change	FY2023 result	FY2024 result	Change
Electronic materials	18,402	23,795	+5,393	8	2,181	+2,173
FPC materials (Arisawa)	10,294	13,446	+3,152			
FPC materials (ThinFlex)	5,657	7,475	+1,818			
ICGC & Prepreg	1,175	1,542	+367			
Printed Wiring Board (Satosen)	1,276	1,332	+56			
Industrial structural materials	7,673	8,098	+425	890	1,412	+522
Honey-comb panel	1,425	904	-521			
FRP pressure vessels for water purification	4,362	5,552	+1,190			
Others	1,886	1,642	-244			
Electrical insulating materials	1,894	1,822	-72	211	101	-110
Display materials	2,625	3,796	+1,171	652	1,305	+653
Related materials, others	265	271	+6	152	157	+5
Total	30,859	37,782	+6,922	1,913	5,156	+3,243
Corporate Expenses				-1,265	-1,344	
Operating Profit				648	3,812	+3,163

- Consolidated sales increased by 6,922 million yen YoY (+22.4%) due to increases in those of electronic, industrial structural and display materials.
- Sales of electronic materials increased by 29.3% YoY due to a recovery in demand for semiconductors in addition to smartphones.
- The sales of industrial structural materials increased by 5.5% YoY due to strong demand for the FRP vessels for water purification.
- The sales of display materials increased by 44.6% YoY due to increases in sales of 3D-related materials and polarization control optical components.
- Operating profit increased by 5.9 times YoY due to increases in sales and improved capacity utilization.
Please refer to pages 7 to 9 for details.

Sales of electronic materials



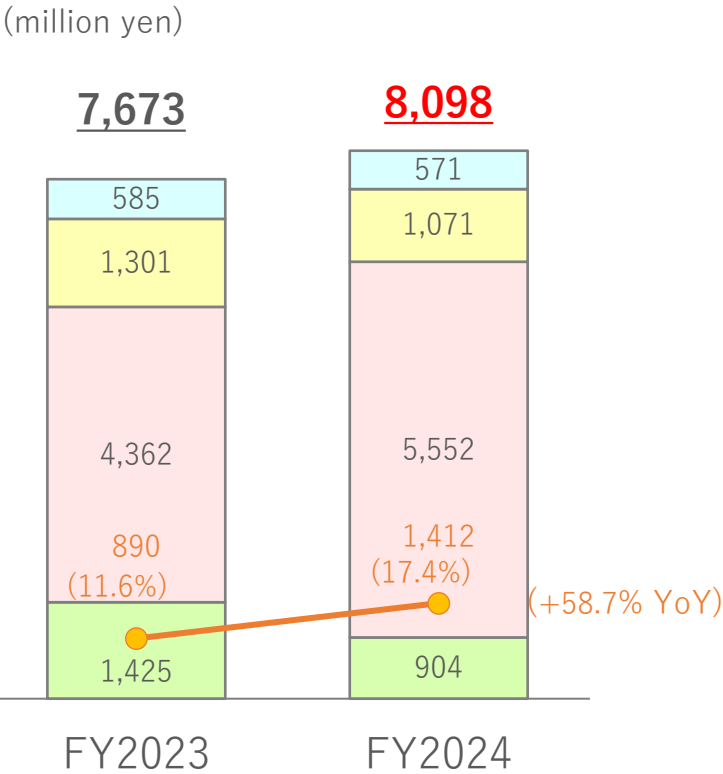
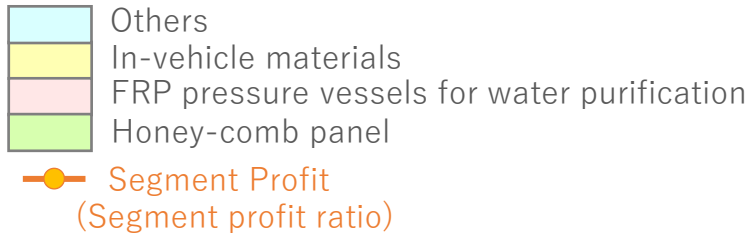
Market

- Sluggish demand for smartphones and semiconductors which became apparent in the second half of FY2022 has bottomed out and is continuing to recover.

Performance

- Sales increased by 5,392 million yen (+29.3% YoY) due to increases in those of FPC materials, ICGC & Prepreg, and printed wiring boards.
- Sales of FPC materials (Arisawa) increased by 30.6% due to a recovery in demand for smartphones and semiconductor applications
- Sales of FPC materials (ThinFlex) increased by 32.1% due to a recovery in demand for Chinese smartphones.
- Sales of ICGC & Prepreg increased by 31.2% YoY.
- Sales of printed wiring boards increased by 4.4% YoY.
- Segment profit increased by 2,173 million yen due to increases in sales and improved capacity utilization.

Sales of industrial structural materials



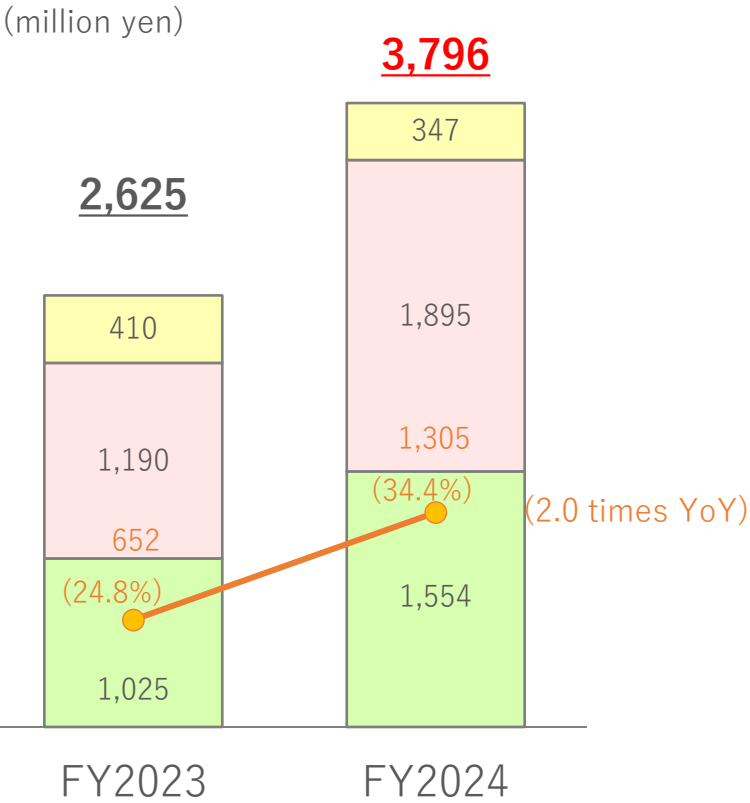
Market

- The strong performance continued in water purification materials for drinking and industrial water, etc. due to an increase in global demand for water.
- The development of new energy sources to reduce environmental impact is becoming more active, and the number of development projects for the Company is increasing.

Performance

- Sales of honey-comb panels for aircraft decreased by 36.5% YoY due to the impact of market trends.
- Sales of FRP pressure vessel for water purification continued to be strong from the previous FY, with sales increasing by 27.3% YoY due to foreign exchange impact, etc.
- Sales of in-vehicle materials decreased by 17.7%.
- Segment profit increased by 522 million yen YoY mainly due to an increase in sales of FRP pressure vessel for water purification.

Sales of display materials



Market

- In 3D-related materials, orders for medical monitors increased. The development for the industrial field is also promoted in order to enter into a market beyond 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 51.6% YoY due to orders received in advance and the impact of foreign currency exchange, etc.
- Sales of polarization control optical components increased by 59.2% YoY due to the impact of foreign currency exchange, etc.
- Segment profit increased by 652 million yen due to the increase in sales.

FY2024 Q3 Segment Comparison (vs. FCT as of Nov. 7)



	Sales (million yen)			Segment Profit (million yen)		
	FY2024 FCT (Nov. 7)	FY2024 result	Change vs. FCT	FY2024 FCT (Nov. 7)	FY2024 result	Change vs. FCT
Electronic materials	23,400	23,795	+395	1,850	2,181	+331
FPC materials (Arisawa)	13,100	13,446	+346			
FPC materials (ThinFlex)	7,500	7,475	-25			
ICGC & Prepreg	1,500	1,542	+42			
Printed Wiring Board (Satosen)	1,300	1,332	+32			
Industrial structural materials	8,200	8,098	-102	1,400	1,412	+12
Honey-comb panel	900	904	+4			
FRP pressure vessels for water purification	5,600	5,552	-48			
Others	1,700	1,642	-58			
Electrical insulating materials	1,800	1,822	+22	50	101	+51
Display materials	3,900	3,796	-104	1,300	1,305	+5
Related materials, others	300	271	-29	150	157	+7
Total	37,600	37,782	+182	4,750	5,156	+406
Corporate Expenses				1,250	-1,344	
Operating Profit				3,500	3,812	+312

• The sales and profit of electronic materials exceeded the FCT.
(Other segments are almost in line with the FCT)

Contents

- ☐ FY2024 Q3 Review on a Consolidated Basis
- ☒ FY2024 Forecast on a Consolidated Basis
- ☐ Appendix

FY2024 FY Consolidated Performance (vs. the previous year and FCT as of Nov. 7)



			(million yen)		
	FY2023 FY result	FY2024 FY FCT (Nov. 7)	FY2024 FY FCT (Feb. 6)	vs. Prev. year	vs. FCT (Nov. 7)
Sales	42,114	49,200	49,200	+16.8%	± 0.0%
Operating Profit	1,483	4,200	4,500	3.0 times	+7.1%
Operating Margin	3.5%	8.5%	9.1%		
Ordinary Profit	1,488	4,300	5,000	3.4 times	+16.3%
Net Profit	1,639	3,200	3,500	2.1 times	+9.4%
Earnings per share(Yen)	49.51	96.11*	105.36**	2.1 times	+9.6%
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	150.00 142.50	151.69 153.00	--	--

*Calculated by the number of shares as of Sep. 30

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

Performance

YoY

- Consolidated sales are expected to increase by 7,085 million yen (+16.8% YoY) due to increases in sales of electronic and display materials.
- Operating profit is expected to increase by 3,016 million yen (3.0 times YoY) due to an increase in sales.
- Ordinary profit is expected to increase by 3.4 times YoY.
- Net profit is expected to increase by 2.1 times YoY due to a decrease in gain on sale of securities.

vs. FCT as of Nov. 7

- The sales forecast remains unchanged from the previous forecasts.
- The operating profit is expected to increase by 300 million yen due to the improved product mix.

FY2024 FY Segment Comparison (vs. FY2023)



	Sales (million yen)			Segment Profit (million yen)		
	FY2023 result	FY2024 FCT (Feb. 6)	Change	FY2023 result	FY2024 FCT (Feb. 6)	Change
Electronic materials	25,105	31,000	+5,895	260	2,600	+2,340
FPC materials (Arisawa)	13,814	16,900	+3,086			
FPC materials (ThinFlex)	7,852	10,200	+2,348			
ICGC & Prepreg	1,741	2,100	+359			
Printed Wiring Board (Satosen)	1,698	1,800	+102			
Industrial structural materials	10,602	10,500	-102	1,476	1,650	+174
Honey-comb panel	1,818	1,100	-718			
FRP pressure vessels for water purification	6,044	7,250	+1,206			
Others	2,740	2,150	-590			
Electrical insulating materials	2,533	2,400	-133	315	150	-165
Display materials	3,535	4,950	+1,415	940	1,700	+760
Related materials, others	339	350	+11	199	200	+1
Total	42,114	49,200	+7,085	3,190	6,300	+3,110
Corporate Expenses				-1,707	-1,800	
Operating Profit				1,483	4,500	+3,016

Market forecasts

- Strong demand for smartphones and semiconductors continues.
- Water purification materials for drinking and industrial water, etc., continue with strong growth due to an increase in demand.
- Honey-comb panels for aircraft are expected to remain weak during the 2nd half of FY2024.
- Demand for medical 3D monitors and polarization control optical components is also expected to remain firm.

Performance forecasts

- Consolidated sales are expected to increase by 7,086 million yen due to increases in sales of mainly electronic materials and display materials (+16.8% YoY).
- Operating profit is expected to increase by 3,016 million yen (3.0 times YoY) due to an increase in sales.

FY2024 FY Segment Comparison (vs. FCT as of Nov. 7)



	Sales (million yen)			Segment Profit (million yen)		
	FY2024 FCT (Nov. 7)	FY2024 FCT (Feb. 6)	Change	FY2024 FCT (Nov. 7)	FY2024 FCT (Feb. 6)	Change
Electronic materials	30,700	31,000	+300	2,300	2,600	+300
FPC materials (Arisawa)	17,000	16,900	-100			
FPC materials (ThinFlex)	9,800	10,200	+400			
ICGC & Prepreg	2,100	2,100	0			
Printed Wiring Board (Satosen)	1,800	1,800	0			
Industrial structural materials	10,600	10,500	-100	1,750	1,650	-100
Honey-comb panel	1,000	1,100	+100			
FRP pressure vessels for water purification	7,400	7,250	-150			
Others	2,200	2,150	-50			
Electrical insulating materials	2,400	2,400	0	50	150	+100
Display materials	5,100	4,950	-150	1,600	1,700	+100
Related materials, others	400	350	-50	200	200	0
Total	49,200	49,200	0	5,900	6,300	+400
Corporate Expenses				-1,700	-1,800	
Operating Profit				4,200	4,500	+300

Performance forecasts

- Forecast for the total sales remains unchanged from the previous forecasts.
- The operating profit is expected to increase by 300 million yen due to improved product mix.
- In electronic materials, the profit is expected to increase by 300 million yen due to increases in sales of smartphone and semiconductor applications.
- In industrial structural materials, the profit is expected to decrease by 100 million yen due to decrease in sales of FRP pressure vessels for water purification, etc.
- In display materials, the sales of polarization control optical components are expected to be firm, and those of 3D-related materials decrease. As a result of the improved product mix, the profit is expected to increase by 100 million yen.

Contents

- ☐ FY2024 Q3 Review on a Consolidated Basis
- ☐ FY2024 Forecast on a Consolidated Basis
- ☒ Appendix

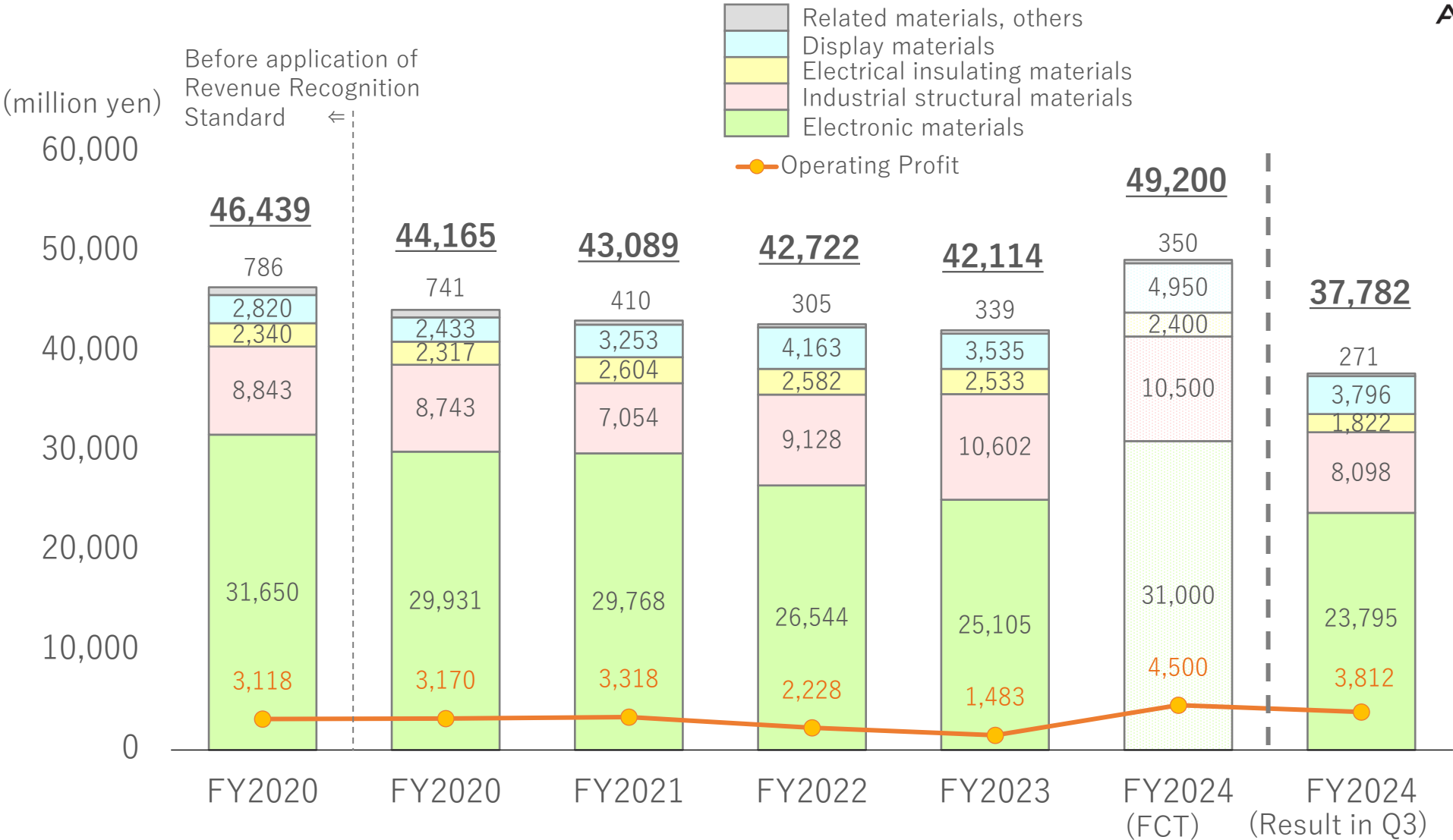
FY2024 Q3 Segment Comparison



(million yen)

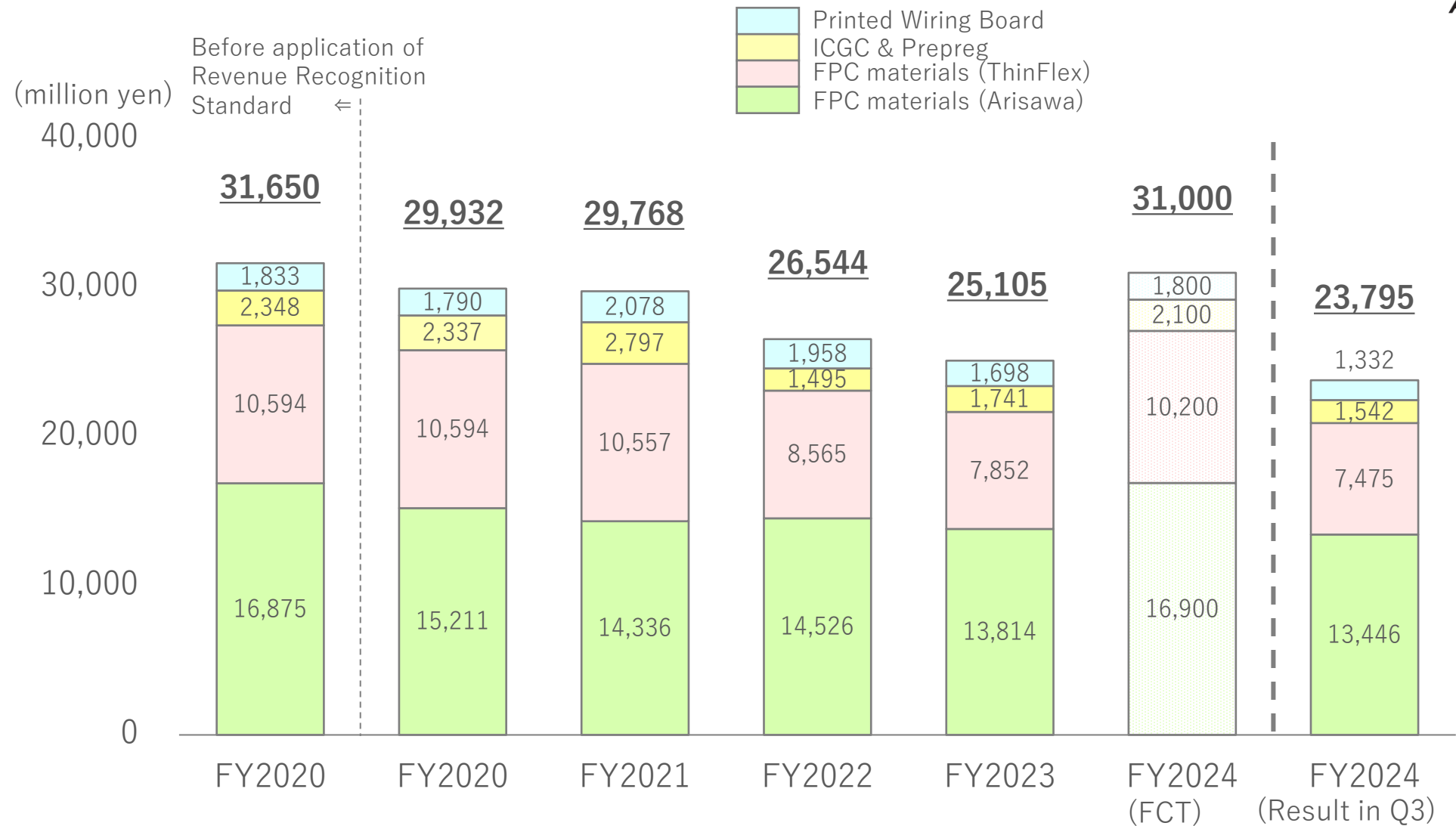
	Sales					Operating Profit				
	FY2023 Result	FY2024 FCT (Nov. 7)	FY2024 Result	Change vs. Prev. year	vs. FCT	FY2023 result	FY2024 FCT (Nov.7)	FY2024 Result	Change vs. Prev. year	vs. FCT
Non-consolidated										
Arisawa Mfg.	19,735	22,900	23,179	+3,444	+279	539	1,700	2,068	+1,529	+368
Consolidated										
ThinFlex	6,100	8,900	8,885	+2,785	-15	-502	260	254	+756	-6
Satosan	1,278	1,350	1,333	+55	-17	8	50	37	+29	-13
Arisawa Fiber Glass	1,321	1,650	1,681	+360	+31	-94	50	57	+151	+7
Protec	4,355	5,450	5,435	+1,080	-15	521	960	955	+434	-5
Arisawa Sogyo	1,340	1,400	1,433	+93	+33	81	80	83	+2	+3
Arisawa Jushi Kogyo	217	200	176	-41	-24	25	0	1	-24	+1
ColorLink Japan	1,192	1,950	1,895	+703	-55	51	400	324	+273	-76
(Adjustment)	-4,679	-6,200	-6,235			19	0	33		
Total	30,859	37,600	37,782	+6,922	+182	648	3,500	3,812	+3,163	+312

■ Segment Comparison History (sales and operating profit)



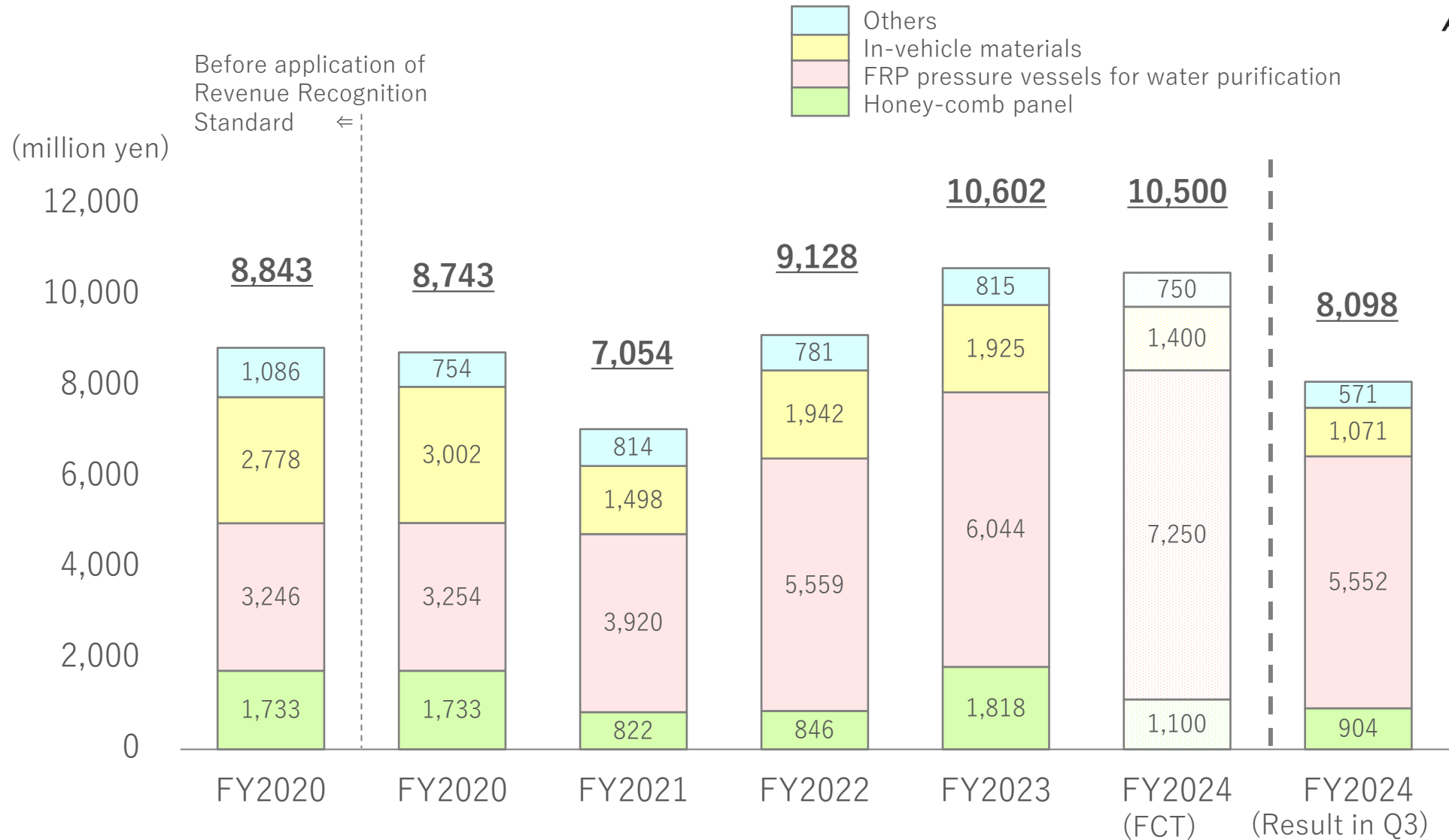
Revenue recognition standards have been applied since FY2021 (Retroactively applied for FY2020, as a reference).

Electronic Materials Sales History



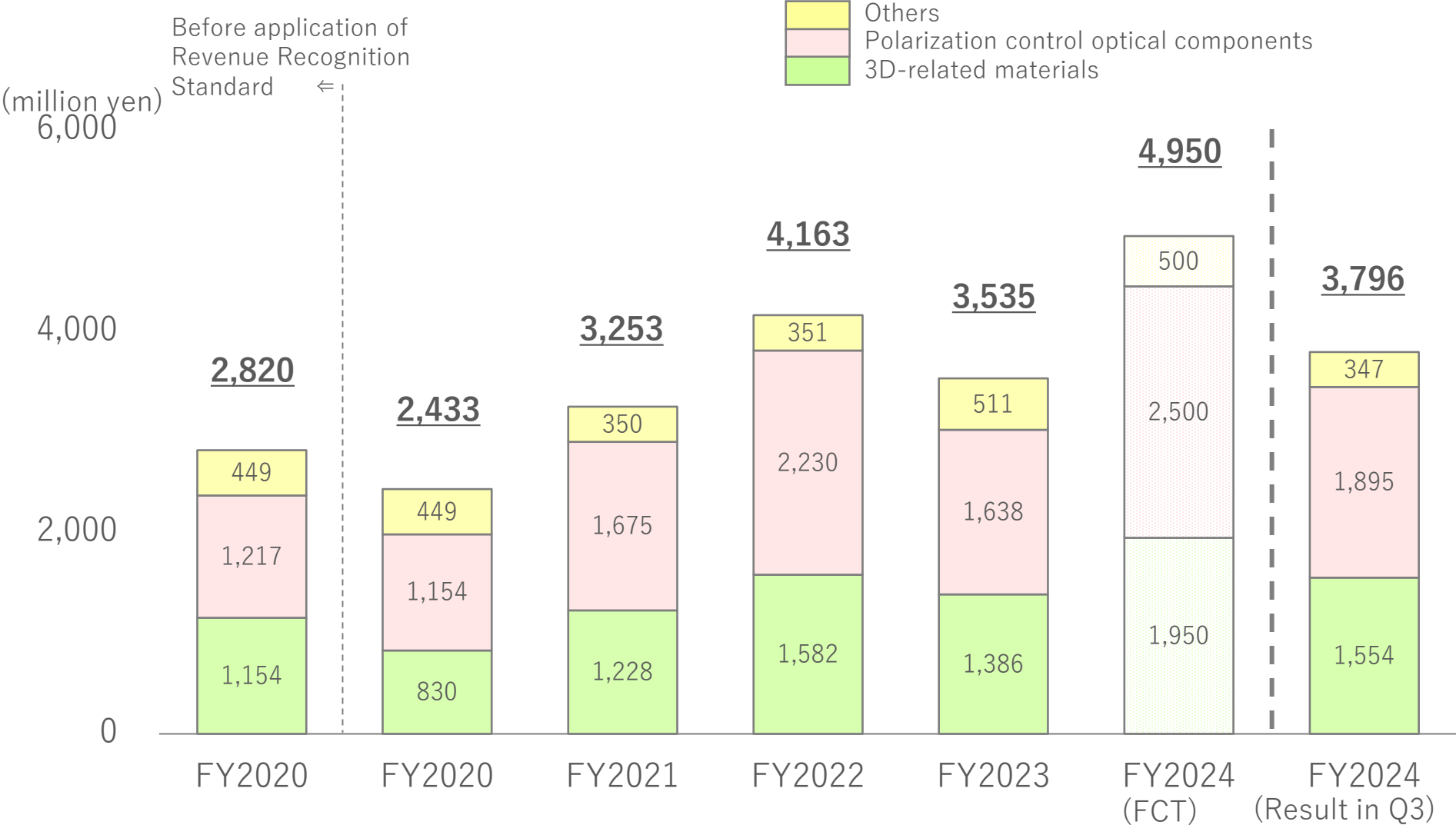
Revenue recognition standards have been applied since FY2021 (Retroactively applied for FY2020, as a reference).

Industrial Structural Materials Sales History



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

■ Display Materials Sales History

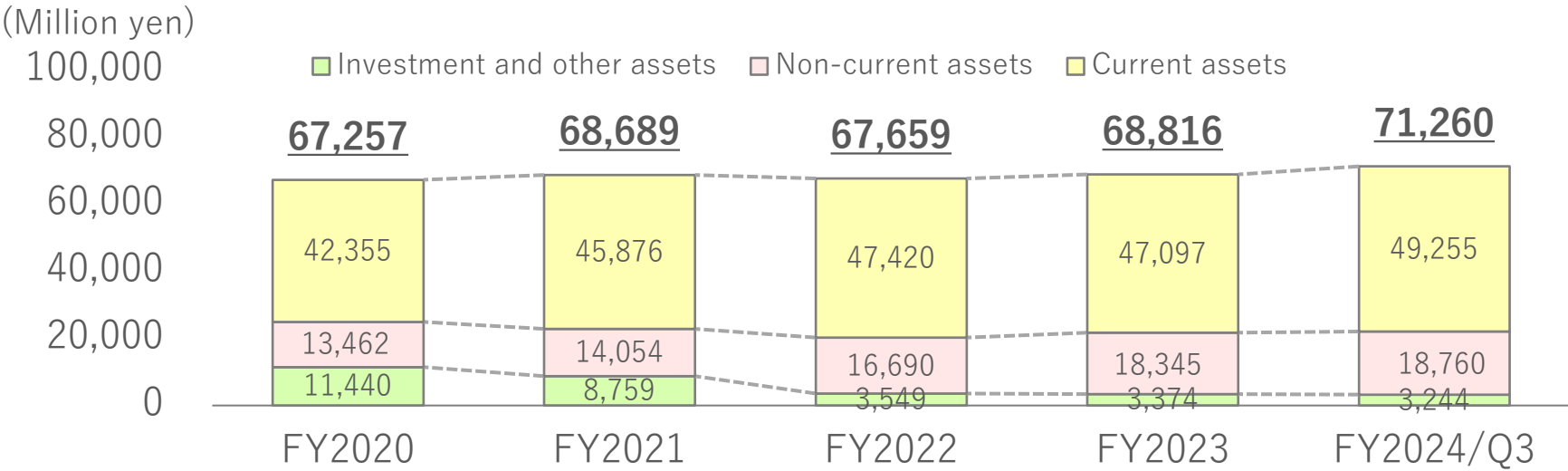


Revenue recognition standards have been applied since FY2021 (Retroactively applied for FY2020, as a reference).

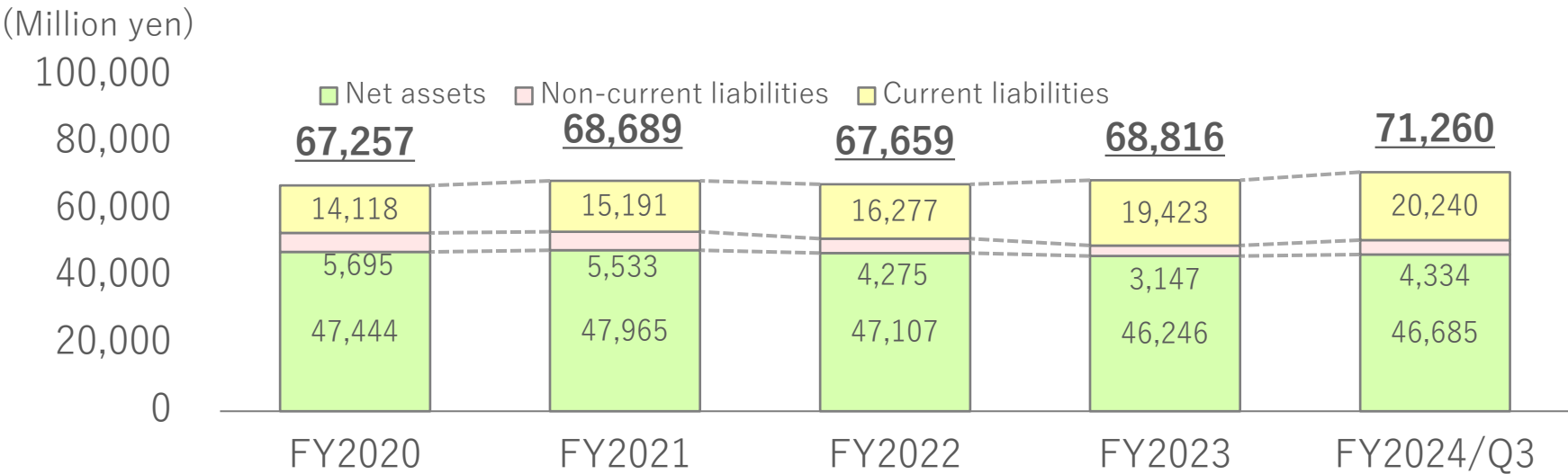
Consolidated Balance Sheets History (outline)



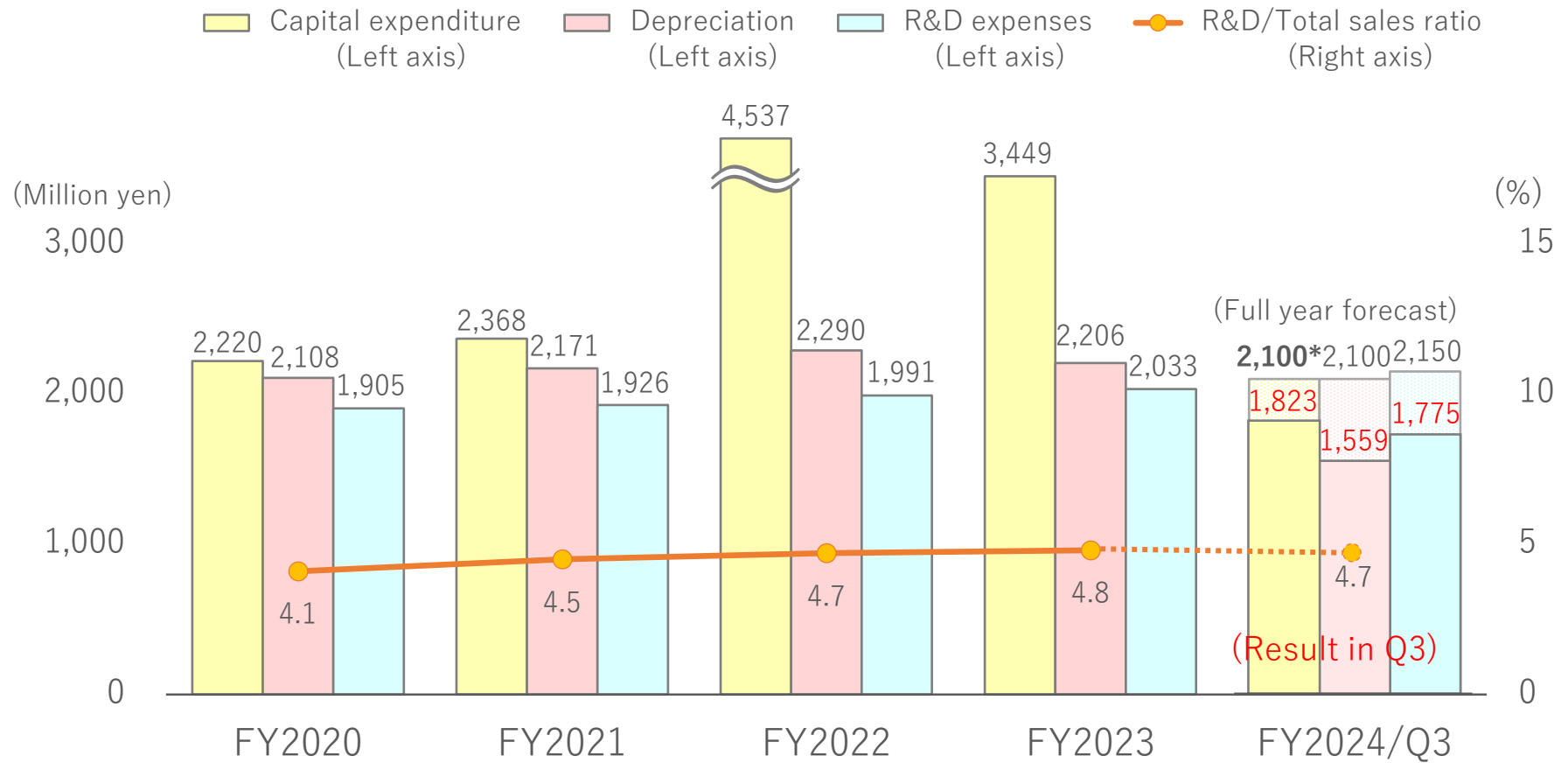
Assets



Liabilities and net assets



Capital Expenditure, Depreciation and R&D Expenses History



The information and opinions in this presentation were prepared by Arisawa Manufacturing Company, Ltd.(hereinafter called “Arisawa”). In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources, provided to Arisawa, or otherwise reviewed by Arisawa.

This presentation is for discussion purposes only and incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Arisawa. Neither this presentation nor any of its contents may be used for any other purpose without the prior written consent of Arisawa.