

Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)



May 12, 2023

Company name:	Arisawa Mfg. Co., Ltd.	Stock exchange listing: Tokyo
Stock code:	5208	URL https://www.arisawa.co.jp
Representative:	Representative Director and CEO:	Yuta Arisawa
Inquiries:	Director and Senior Operating Officer:	Takeshi Masuda
Scheduled date of ordinary general meeting of shareholders:		TEL: 025-524-7101
		Scheduled date of commence dividend payments:
	June 29, 2023	June 30, 2023
Scheduled date to file Securities Report:	June 30, 2023	
Preparation of supplementary material on financial results:		Yes
Holding of financial results meeting :		Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	42,722	△0.9	2,228	△32.9	2,717	△35.4	2,856	△27.0
Year ended March 31, 2022	43,089	---	3,320	---	4,204	---	3,911	---

(Note) Comprehensive income: Year ended March 31, 2023: 2,578 million yen (△43.1%)
Year ended March 31, 2022: 4,530 million yen (19.0%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	86.46	86.24	6.0	4.0	5.2
Year ended March 31, 2022	117.40	117.32	8.3	6.2	7.7

(Reference) Equity method investment gain: Year ended March 31, 2023: 19 million yen
Year ended March 31, 2022: 15 million yen

(Note) "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Statement No.29, March 31, 2020), etc., have been applied from the beginning of the previous consolidated fiscal year. The percentages of year-on-year changes are not stated above since each figure for the year ended March 31, 2022 is based on the application of the relevant accounting standards, etc.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	67,659	47,107	69.5	1,422.43
As of March 31, 2022	68,689	47,965	69.6	1,434.46

(Reference) Total equity: Year ended March 31, 2023: 47,056 million yen
Year ended March 31, 2022: 47,786 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	3,471	508	△2,572	18,535
Year ended March 31, 2022	5,901	2,869	△4,042	16,893

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total			
Year ended March 31, 2022	---	5.00	---	90.00	95.00	3,173	80.9	6.7
Year ended March 31, 2023	---	0.00	---	90.00	90.00	2,985	104.1	6.3
Year ending March 31, 2024 (Forecast)	---	20.00	---	25.00	45.00		82.7	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	20,300	△11.7	300	△83.9	200	△91.7	100	△96.1	3.02
Full year	45,300	6.0	2,100	5.7	2,100	△22.7	1,800	△37.0	54.41

* Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2023
(changes in specified subsidiaries resulting in the changes in scope of consolidation): No
- New: --- (Company Name:)
Exclusion: --- (Company Name:)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
2) Changes in accounting policies due to other reasons: No
3) Changes in accounting estimates: No
4) Restatement of prior period financial statements: No
- (3) Number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
As of March 31, 2023: 33,541,124 shares
As of March 31, 2022: 33,614,824 shares
- 2) Number of treasury shares at the end of the period:
As of March 31, 2023: 459,279 shares
As of March 31, 2022: 301,575 shares
- 3) Average number of shares during the period
Year ended March 31, 2023: 33,036,799 shares
Year ended March 31, 2022: 33,312,484 shares

(Note) The shares of the Company (87,100 shares in the year ended March 31, 2023 and 88,600 shares in 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 shares 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 shares to be deducted in calculation of the average number of shares during the year (88,066 shares in the year ended March 31, 2023 and 56,483 shares in the year ended March 31, 2022).

(Reference) Summary of non-consolidated results

Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Earnings	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	25,752	Δ3.4	1,098	Δ16.9	2,365	Δ17.1	2,673	13.9
Year ended March 31, 2022	26,648	---	1,321	---	2,852	---	2,348	---

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2023	80.94		80.73	
Year ended March 31, 2022	70.49		70.44	

(Note) "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Statement No.29, March 31, 2020), etc., have been applied from the beginning of the previous consolidated fiscal year. The percentages of year-on-year changes are not stated above since each figure for the year ended March 31, 2022 is based on the application of the relevant accounting standards, etc.

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
Year ended March 31, 2023	49,365		39,573		80.1		1,194.67	
Year ended March 31, 2022	50,225		41,016		81.4		1,226.75	

(Reference) Total equity: Year ended March 31, 2023: 39,521 million yen
Year ended March 31, 2022: 40,866 million yen

* The Summary of Consolidated Financial Results is not subject to an audit 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. Summary of Business Results, etc.

(1) Summary of Business Results for the Current Year

As for the Japanese economy in the current consolidated fiscal year, the economic activity was normalizing due to the relaxation of restrictions on activities from COVID-19 infections, etc. On the other hand, the future prospects still remain uncertain due to the persistent high energy and raw material prices caused by the prolonged situation in Ukraine, the rise in prices caused by global inflation in addition to a decrease in demand in the Chinese market. In particular, as for electronic materials, which is a main business field of our Company Group, inventory adjustments have continued since the second half of the fiscal year due to sluggish demand for personal computers, mobile devices, etc.

Under such circumstances, the results of operations of our Company Group for the current consolidated fiscal year showed net sales of 42,722 million yen (a decrease of 0.9% year-on-year) due to a decrease in sales of electronic materials despite an increase in sales of industrial application structural materials and display materials. Operating profit was 2,228 million yen (a decrease of 32.9% year-on-year) due to soaring energy costs and raw material prices. Ordinary profit remained 2,717 million yen (a decrease of 35.4% year-on-year) due to a decrease in the operating profit and a contraction in foreign exchange gains. On the other hand, profit attributable to owners of parent was 2,856 million yen (a decrease of 27.0% year-on-year) due to an increase in gain on sale of investment securities, etc.

Business results with respect to each segment are as follows.

(Electronic materials)

Net sales were 26,543 million yen (a decrease of 10.8% year-on-year) due to a decrease in sales of flexible printed circuit board materials and glass cloth for printed circuit board, while the segment profit was 1,223 million yen (a decrease of 57.9% year-on-year) caused by the impact from soaring energy costs and raw material prices in addition to a decrease in sales.

(Industrial application structural materials)

Net sales were 9,128 million yen (an increase of 29.4% year-on-year) due to an increase in sales of water treatment FRP pressure vessels, while the segment profit was 1,315 million yen (an increase of 50.7% year-on-year).

(Electric insulation materials)

Net sales were 2,582 million yen (a decrease of 0.8% year-on-year) due to a decrease in infrastructure-related sales, while the segment profit was 184 million yen (a decrease of 39.2% year-on-year).

(Display materials)

Net sales were 4,162 million yen (an increase of 28.0% year-on-year) due to an increase in sales of 3D-related materials and ColorLink Japan, Ltd.'s polarization control optical components, while the segment profit was 1,024 million yen (an increase of 25.6% year-on-year).

(Other)

Net sales were 305 million yen (a decrease of 25.7% year-on-year).

(2) Summary of Financial Position for the Current Year

Total assets as of the end of the current consolidated fiscal year were 67,659 million yen, a decrease of 1,029 million yen compared with the end of the previous year. This was largely due to an increase of 3,203 million

yen in cash and deposits, an increase of 1,123 million yen in merchandise and finished goods, an increase of 2,671 million yen in property, plant and equipment, a decrease of 2,891 million yen in notes and accounts receivable-trade, and contract assets, a decrease of 940 million yen in securities and a decrease of 5,330 million yen in investment securities, respectively.

Total liabilities as of the end of the current consolidated fiscal year were 20,552 million yen, a decrease of 171 million yen compared with the end of the previous year. This was largely due to a decrease of 424 million yen in notes and accounts payable-trade, etc.

Total net assets as of the end of the current consolidated fiscal year were 47,107 million yen, a decrease of 857 million yen compared with the end of the previous year. This was largely due to an increase of 586 million yen in foreign currency translation adjustment, a decrease of 643 million yen in retained earnings, and a decrease of 762 million yen in valuation difference on available-for-sale securities, respectively.

(3) Summary of Cash Flows for the Current Year

Cash and cash equivalents (hereinafter referred to as the “Funds”) as of the end of the current consolidated fiscal year were 18,535 million yen, an increase of 1,642 million yen compared with the end of the previous year.

The status of each cash flow for the current consolidated fiscal year and the major factors are as follows.

(Cash Flows from Operating Activities)

Funds earned from operating activities were 3,471 million yen (5,901 million yen was earned in the previous consolidated fiscal year). This was largely due to an increase in the Funds comprising 3,902 million yen in profit before income taxes and 2,290 million yen in depreciation, etc. as well as a decrease in the Funds comprising 1,328 million yen in increase in inventories, etc.

(Cash Flows from Investing Activities)

Funds earned for investing activities were 508 million yen (2,869 million yen was earned in the previous consolidated fiscal year). This was largely due to an increase of 6,783 million yen, etc. from sales of investment securities, etc. as well as a decrease in the Funds comprising the expenditure of 4,324 million yen for purchases of property, plant and equipment, etc.

(Cash Flows from Financing Activities)

Funds disbursed from financing activities were 2,572 million yen (4,042 million yen was disbursed in the previous consolidated fiscal year). This was largely due to a decrease of 3,000 million yen for payment of dividends, etc.

(Reference) Transitions of Cash Flows related Index

	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Equity ratio (%)	68.8	69.6	69.5
Equity ratio on a basis of market price (%)	49.6	46.4	61.3
Ratio of cash flows to interest bearing debt (year)	13.6	1.5	3.0
Interest coverage ratio (times)	3.7	43.6	23.2

(Note) Equity ratio: Net worth / Total assets

Equity ratio on a basis of market price: Total market value of shares / Total assets

Ratio of cash flows to interest bearing debt: Interest bearing debts / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest paid

1. Each index is based on financial figures on a consolidated basis.
2. Total market value of shares is calculated by final share price at the end of the period × total number of outstanding shares at the end of the period (after deducting treasury shares).

3. As for operating cash flows, “Cash flows from operating activities” in the consolidated cash flows statement is used.
4. Interest bearing debts cover all the debts appropriated on the consolidated balance sheet, on which interest is paid. As for interest, “Interest paid” in the consolidated cash flows statement is used.

(4) Future Outlook

The future outlook for the economy remains uncertain due to soaring resource prices caused by the prolonged conflict in Ukraine, global monetary tightening, concerns about an economic recession, etc.

Based on such circumstances, we expect net sales of 45,300 million yen, operating profit of 2,100 million yen, ordinary profit of 2,100 million yen and profit attributable to owners of the parent of 1,800 million yen for the consolidated business results for the year ending March 31, 2024.

2. Basic Concept of Selection of Accounting Standards

For the time being, our Company Group will maintain the policy of preparing consolidated financial statements in compliance with Japanese standards, considering the possibility of comparison of consolidated financial statements for multiple periods and among companies.

In this regard, we will properly respond to application of the IFRS, considering the situations in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	Previous consolidated fiscal year (As of March 31, 2022)	Current consolidated fiscal year (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	17,341,765	20,545,580
Notes and accounts receivable - trade, and contract assets	16,073,835	13,182,106
Securities	1,040,342	100,150
Merchandise and finished goods	4,401,727	5,525,035
Work in process	2,112,503	2,373,079
Raw materials and supplies	4,123,818	4,263,762
Other	797,960	1,441,020
Allowance for doubtful accounts	△15,947	△10,786
Total current assets	45,876,007	47,419,946
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,307,346	21,934,719
Accumulated depreciation	△15,245,779	△15,857,218
Buildings and structures, net	6,061,567	6,077,500
Machinery, equipment and vehicles	30,636,775	31,821,077
Accumulated depreciation	△27,199,168	△28,134,902
Machinery, equipment and vehicles, net	3,437,606	3,686,175
Land	1,889,417	1,993,700
Construction in progress	1,180,188	3,534,967
Other	3,544,674	3,730,038
Accumulated depreciation	△2,338,379	△2,576,201
Other, net	1,206,294	1,153,836
Total property, plant and equipment	13,775,074	16,446,181
Intangible assets	279,191	244,197
Investments and other assets		
Investment securities	7,875,645	2,545,474
Long-term loans receivable	51,785	41,434
Deferred tax assets	359,450	678,791
Other	522,473	329,670
Allowance for doubtful accounts	△50,428	△45,969
Total investments and other assets	8,758,926	3,549,401
Total non-current assets	22,813,192	20,239,780
Total assets	68,689,199	67,659,726

	(Thousands of yen)	
	Previous consolidated fiscal year (As of March 31, 2022)	Current consolidated fiscal year (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,637,609	5,213,263
Current portion of bonds payable	26,800	16,800
Short-term borrowings	3,562,272	5,056,253
Current portion of long-term borrowings	957,962	1,843,441
Lease liabilities	118,578	129,172
Income taxes payable	1,087,828	658,615
Provision for product warranties	73,525	42,184
Provision for bonuses	507,532	526,795
Provision for bonuses for directors (and other officers)	4,503	2,162
Other	3,214,127	2,788,015
Total current liabilities	15,190,739	16,276,705
Non-current liabilities		
Bonds payable	27,600	10,800
Long-term borrowings	3,845,199	2,723,471
Provision for share awards	29,802	50,449
Lease liabilities	556,302	460,601
Deferred tax liabilities	250,681	137,916
Retirement benefit liability	583,365	700,883
Asset retirement obligations	92,521	97,119
Other	147,282	94,066
Total non-current liabilities	5,532,757	4,275,306
Total liabilities	20,723,496	20,552,012
Net assets		
Shareholders' equity		
Share capital	7,643,777	7,847,873
Capital surplus	3,017,461	3,198,618
Retained earnings	34,936,822	34,293,471
Treasury shares	△299,704	△512,975
Total shareholders' equity	45,298,357	44,826,987
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,229,118	466,417
Deferred gains or losses on hedges	△50,146	△13,657
Foreign currency translation adjustment	1,317,978	1,904,093
Remeasurements of defined benefit plans	△8,734	△127,370
Total accumulated other comprehensive income	2,488,215	2,229,483
Share acquisition rights	149,131	51,243
Non-controlling interests	29,998	—
Total net assets	47,965,702	47,107,714
Total liabilities and net assets	68,689,199	67,659,726

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Thousands of yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Net sales	43,089,576	42,722,145
Cost of sales	34,422,042	34,913,005
Gross profit	8,667,533	7,809,139
Selling, general and administrative expenses		
Freight and packing costs	776,839	758,204
Salaries and allowances	1,847,331	1,862,094
Provision for bonuses	136,860	119,060
Provision for bonuses for directors (and other officers)	4,503	2,162
Retirement benefit expenses	72,589	66,609
Provision of allowance for doubtful accounts	6,504	1,135
Other	2,501,959	2,771,767
Total selling, general and administrative expenses	5,346,587	5,581,034
Operating profit	3,320,946	2,228,105
Non-operating income		
Interest income	186,541	141,797
Dividend income	74,377	58,572
Foreign exchange gains	445,378	215,421
Share of profit of entities accounted for using equity method	15,342	19,839
Subsidy income	69,471	76,585
Other	366,310	208,996
Total non-operating income	1,157,421	721,214
Non-operating expenses		
Interest expenses	120,717	155,066
Rent expenses	82,617	46,499
Other	70,541	30,262
Total non-operating expenses	273,875	231,828
Ordinary profit	4,204,492	2,717,491
Extraordinary income		
Gain on sale of non-current assets	7,566	4,104
Gain on sale of investment securities	809,606	1,305,245
Other	45,938	41,140
Total extraordinary income	863,110	1,350,490
Extraordinary losses		
Impairment loss	12,928	19,332
Loss on retirement of non-current assets	42,774	90,263
Loss on sale of investment securities	32,110	55,871
Provision for share-based remuneration	14,098	—
Total extraordinary losses	101,911	165,467
Profit before income taxes	4,965,691	3,902,515
Income taxes – current	1,156,959	1,098,866
Income taxes – deferred	△195,472	△55,298
Total income taxes	961,486	1,043,567
Profit	4,004,205	2,858,947
Profit attributable to non-controlling interests	93,204	2,465
Profit attributable to owners of parent	3,911,000	2,856,481

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Profit	4,004,205	2,858,947
Other comprehensive income		
Valuation difference on available-for-sale securities	△339,881	△762,700
Deferred gains or losses on hedges	△41,908	36,488
Foreign currency translation adjustment	888,805	556,682
Remeasurements of defined benefit plans, net of tax	△4,775	△118,635
Share of other comprehensive income of entities accounted for using equity method	24,013	7,824
Total other comprehensive income	526,253	△280,340
Comprehensive income	4,530,458	2,578,607
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	4,356,120	2,597,749
Comprehensive income attributable to non-controlling interests	174,337	△19,142

(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	7,623,638	4,403,396	33,374,092	△1,159,364	44,241,763
Cumulative effects of changes in accounting policies			39,939		39,939
Restated balance	7,623,638	4,403,396	33,414,032	△1,159,364	44,281,702
Changes during period					
Issuance of new shares	20,139	20,139			40,278
Dividends of surplus			△1,466,926		△1,466,926
Profit attributable to owners of parent			3,911,000		3,911,000
Purchase of treasury shares				△82,621	△82,621
Disposal of treasury shares			△2,973	23,971	20,997
Cancellation of treasury shares			△918,310	918,310	—
Purchase of shares of consolidated subsidiaries		△1,406,074			△1,406,074
Net changes in items other than shareholders' equity					
Total changes during period	20,139	△1,385,935	1,522,790	859,660	1,016,654
Balance at the end of period	7,643,777	3,017,461	34,936,822	△299,704	45,298,357

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,569,049	△8,237	486,242	△3,959	2,043,095	193,962	965,997	47,444,819
Cumulative effects of changes in accounting policies								39,939
Restated balance	1,569,049	△8,237	486,242	△3,959	2,043,095	193,962	965,997	47,484,758
Changes during period								
Issuance of new shares								40,278
Dividends of surplus								△1,466,926
Profit attributable to owners of parent								3,911,000
Purchase of treasury shares								△82,621
Disposal of treasury shares								20,997
Cancellation of treasury shares								—
Purchase of shares of consolidated subsidiaries								△1,406,074
Net changes in items other than shareholders' equity	△339,930	△41,908	831,735	△4,775	445,120	△44,831	△935,998	△535,710
Total changes during period	△339,930	△1,908	831,735	△4,775	445,120	△44,831	△935,998	480,944
Balance at the end of period	1,229,118	△50,146	1,317,978	△8,734	2,488,215	149,131	29,998	47,965,702

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	7,643,777	3,017,461	34,936,822	△299,704	45,298,357
Cumulative effects of changes in accounting policies					
Restated balance	7,643,777	3,017,461	34,936,822	△299,704	45,298,357
Changes during period					
Issuance of new shares	204,095	204,095			408,191
Dividends of surplus			△3,006,166		△3,006,166
Profit attributable to owners of parent			2,856,481		2,856,481
Purchase of treasury shares				△750,332	△750,332
Disposal of treasury shares			△1,106	44,501	43,394
Cancellation of treasury shares			△492,559	492,559	—
Purchase of shares of consolidated subsidiaries		△22,938			△22,938
Net changes in items other than shareholders' equity					
Total changes during period	204,095	181,157	△643,351	△213,271	△471,369
Balance at the end of period	7,847,873	3,198,618	34,293,471	△512,975	44,826,987

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,229,118	△50,146	1,317,978	△8,734	2,488,215	149,131	29,998	47,965,702
Cumulative effects of changes in accounting policies								
Restated balance	1,229,118	△50,146	1,317,978	△8,734	2,488,215	149,131	29,998	47,965,702
Changes during period								
Issuance of new shares								408,191
Dividends of surplus								△3,006,166
Profit attributable to owners of parent								2,856,481
Purchase of treasury shares								△750,332
Disposal of treasury shares								43,394
Cancellation of treasury shares								—
Purchase of shares of consolidated subsidiaries								△22,938
Net changes in items other than shareholders' equity	△762,700	36,488	586,115	△118,635	△258,731	△97,887	△29,998	△386,618
Total changes during period	△762,700	36,488	586,115	△118,635	△258,731	△97,887	△29,998	△857,988
Balance at the end of period	466,417	△13,657	1,904,093	△127,370	2,229,483	51,243	—	47,107,714

(4) Consolidated Statements of Cash Flows

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	4,965,691	3,902,515
Depreciation	2,170,976	2,290,388
Impairment loss	12,928	19,332
Share-based payment expenses	33,103	39,577
Increase (decrease) in provision for product warranties	△5,754	△35,179
Increase (decrease) in provision for bonuses	△28,223	19,262
Increase (decrease) in provision for bonuses for directors (and other officers)	633	△2,341
Increase (decrease) in allowance for doubtful accounts	16,261	△10,710
Increase (decrease) in provision for share awards	56,854	△32,358
Increase (decrease) in retirement benefit liability	△30,538	△53,180
Interest and dividend income	△260,918	△200,370
Subsidy income	△69,973	△76,585
Interest expenses	120,717	155,066
Bad debts expenses	5,424	—
Foreign exchange losses (gains)	△397,726	△104,182
Share of loss (profit) of entities accounted for using equity method	△15,342	△19,839
Loss (gain) on sale of investment securities	△777,496	△1,249,374
Loss (gain) on redemption of investment securities	△211,764	△40,063
Loss (gain) on sale of non-current assets	△7,566	△4,104
Loss on retirement of property, plant and equipment	18,337	732
Gain on reversal of share acquisition rights	△45,938	△40,970
Other extraordinary loss (income)	—	△169
Decrease (increase) in trade receivables	1,597,125	3,363,943
Decrease (increase) in inventories	△1,486,568	△1,328,338
Increase (decrease) in trade payables	△1,268,486	△544,516
Increase (decrease) in accrued consumption taxes	108,975	△439,241
Decrease (increase) in other assets	80,366	△303,405
Increase (decrease) in other liabilities	201,045	△412,756
Subtotal	4,782,141	4,893,129
Interest and dividends received	294,691	238,848
Interest paid	△135,227	△149,538
Income taxes refund (paid)	889,594	△1,588,013
Subsidies received	69,973	76,585
Net cash provided by (used in) operating activities	5,901,174	3,471,010

(Thousands of yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Cash flows from investing activities		
Payments into time deposits	—	△1,619,726
Proceeds from withdrawal of time deposits	1,673,970	132,389
Purchase of property, plant and equipment	△1,907,427	△4,324,762
Proceeds from sale of property, plant and equipment	10,909	5,509
Purchase of intangible assets	△99,703	△50,511
Purchase of investment securities	△103,247	△341,769
Proceeds from sale of investment securities	3,339,166	6,783,255
Loan advances	△91,234	△31,097
Proceeds from collection of loans receivable	87,427	22,672
Decrease (increase) in investments and other assets	△40,393	△67,333
Net cash provided by (used in) investing activities	2,869,467	508,625
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△324,835	1,403,950
Proceeds from long-term borrowings	1,269,158	1,183,299
Repayments of long-term borrowings	△798,849	△1,552,282
Repayments of lease liabilities	△81,838	△118,379
Payments for long-term accounts payable - other	△50,805	△5,179
Redemption of bonds	△36,800	△26,800
Proceeds from issuance of shares	34,021	348,446
Purchase of treasury shares	△82,621	△748,937
Dividends paid	△1,463,025	△3,000,754
Dividends paid to non-controlling interests	△68,154	△9,589
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△2,439,158	△45,813
Net cash provided by (used in) financing activities	△4,042,908	△2,572,040
Effect of exchange rate change on cash and cash equivalents	677,087	235,149
Net increase (decrease) in cash and cash equivalents	5,404,820	1,642,744
Cash and cash equivalents at the beginning of period	11,488,288	16,893,109
Cash and cash equivalents at the end of period	16,893,109	18,535,854

(5) Notes Related to Consolidated Financial Statements

(Notes on Going Concern Assumption)

No applicable matter

(Changes in Accounting Policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

“Implementation Guidance on Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan Guidance No. 31, June 17, 2021; hereinafter referred to as “Implementation Guidance”), etc. have been applied from the beginning of the current consolidated fiscal first quarter. In accordance with the transitional treatment set forth in paragraph 27-2 of Implementation Guidance, the new accounting policy set forth in Implementation Guidance was applied prospectively. There is no impact due to this application.

(Segment Information, etc.)

[Segment Information]

1. Outline of reportable segments

Reportable segments of the Company are those constituent units of the Company who make available separate financial information and also are subject to periodic review by the board of directors aimed at determining the distribution of management resources and evaluating business results.

The Company has manufacturing and sales systems in place for each category of product and service at its head office, etc. and conducts business activities based on the comprehensive strategies that the Company develops for the domestic and overseas markets as to its products and services.

The Company’s business, therefore, consists of several segments that represent each category of product and service and are based on the said manufacturing and sales systems. Such segments are the four (4) reportable segments of the Company, i.e. “Electronic materials business”, “Industrial application structural materials business”, “Electrical insulating materials business” and “Display materials business”.

“Electronic materials business” produces materials for flexible and rigid printed circuit boards, etc. “Industrial application structural materials business” produces filament winding molded products, honeycomb panels and prepregs for aircraft, pultrusion molded products and FRP ski sheets, etc. “Electrical insulating materials business” produces glass cloth, glass tapes and prepregs for electrical insulation, etc. “Display materials business” produces 3D display filters and special optical components, etc.

2. Method of calculating the amount of net sales, profit or loss, assets, liabilities and other items with respect to each reportable segment

The accounting methods applied to the reported business segments are basically the same as those stated in the “Important Matters Underlying Preparation of Consolidated Financial Statements” of the Financial Report.

The amount of profit or loss recorded for each reportable segment is based on the operating profit or loss (before amortization of goodwill).

Inter-segment revenues and transfers are based on the prevailing market price.

3. Information on the amount of net sales, profit or loss, assets, liabilities and other items with respect to each reportable segment

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Reportable segment					Other (See Note)	Total
	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Subtotal		
Sales							
Sales to external customers	29,768,120	7,053,787	2,604,011	3,253,011	42,678,931	410,644	43,089,576
Inter-segment sales or transfers	—	—	—	—	—	841,914	841,914
Net sales	29,768,120	7,053,787	2,604,011	3,253,011	42,678,931	1,252,559	43,931,491
Segment profit	2,907,853	872,934	303,709	815,392	4,899,889	172,152	5,072,042
Segment assets	35,050,267	9,028,816	2,848,872	4,213,533	51,141,489	1,239,760	52,381,249
Other							
Depreciation	1,583,170	192,068	82,494	134,192	1,991,926	23,375	2,015,301
Investment in companies accounted for under the equity method	—	—	—	212,996	212,996	—	212,996
Increase in property, plant and equipment and intangible assets	1,887,184	205,290	90,019	84,650	2,267,144	23,810	2,290,954

Note: The column “Other” represents business operations that do not fall under any of the reportable segments and includes the related goods sales, the logistics-related operations and other businesses, etc.

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segment					Other (See Note)	Total
	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Subtotal I		
Sales							
Sales to external customers	26,543,787	9,128,002	2,582,435	4,162,832	42,417,058	305,087	42,722,145
Inter-segment sales or transfers	—	—	—	—	—	838,889	838,889
Net sales	26,543,787	9,128,002	2,582,435	4,162,832	42,417,058	1,143,977	43,561,035
Segment profit	1,223,631	1,315,614	184,705	1,024,005	3,747,957	148,085	3,896,042
Segment assets	33,759,023	10,358,447	3,404,018	3,779,705	51,301,195	1,198,161	52,499,356
Other							
Depreciation	1,683,250	187,682	136,616	91,611	2,099,161	21,565	2,120,726
Investment in companies accounted for under the equity method	—	—	—	240,660	240,660	—	240,660
Increase in property, plant and equipment and intangible assets	3,145,938	627,528	401,486	176,033	4,350,987	21,307	4,372,295

Note: The column “Other” represents business operations that do not fall under any of the reportable segments and includes the related goods sales, the logistics-related operations and other businesses, etc.

4. Difference between the total amount of reportable segments and the pertinent amount shown on the consolidated financial statements as well as the key components of such difference (Matters concerning difference adjustment)
(Thousands of yen)

Net sales	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	42,678,931	42,417,058
Net sales in the category "Other"	1,252,559	1,143,977
Elimination of inter-segment transactions	△841,914	△838,889
Net sales shown on the consolidated financial statements	43,089,576	42,722,145

(Thousands of yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	4,899,889	3,747,957
Profit in the category "Other"	172,152	148,085
Elimination of inter-segment transactions	14,456	4,297
Unallocated corporate expenses (See Note)	△1,725,483	△1,640,820
Adjustment of inventories	△40,068	△31,414
Operating profit shown on the consolidated financial statements	3,320,946	2,228,105

Note: "Unallocated corporate expenses" are mostly general and administrative expenses that are not attributable to any of the reportable segments.

(Thousands of yen)

Assets	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	51,141,489	51,301,195
Assets in the category "Other"	1,239,760	1,198,161
Elimination of claims to administrative departments of the head office	△756,467	△348,554
Unallocated corporate assets (See Note)	17,104,485	15,540,339
Adjustment of inventories	△40,068	△31,414
Total assets shown on the consolidated financial statements	68,689,199	67,659,726

Note: "Unallocated corporate assets" are mostly investment securities, etc. that are not attributable to any of the reportable segments.

(Thousands of yen)

Other item	Total of reportable segments		Other		Adjustment		Amount shown on the consolidated financial statements	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation	1,991,926	2,099,161	23,375	21,565	155,674	169,662	2,170,976	2,290,388
Increase in property, plant and equipment and intangible assets	2,267,144	4,350,987	23,810	21,307	77,320	165,160	2,368,275	4,537,455

Note: The adjustment to "Increase in property, plant and equipment and intangible assets" represents capital investment in the assets used for the common corporate purpose.

[Related Information]

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

1. Information by product and service

(Thousands of yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Total
Net sales to external customers	29,768,120	7,053,787	2,604,011	3,253,011	410,644	43,089,576

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	P.R. China	Other country or region	Total
17,323,899	12,872,209	12,893,467	43,089,576

Note: Net sales are categorized by country or region on the basis of customer locations.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Taiwan	Other country or region	Total
9,239,517	3,674,498	861,058	13,775,074

3. Information by major customer

Out of net sales to external customers, as there is no customer who accounts for 10% or more of the net sales in the consolidated statements of income, statement is omitted.

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

1. Information by product and service

(Thousands of yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Total
Net sales to external customers	26,543,787	9,128,002	2,582,435	4,162,832	305,087	42,722,145

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	P.R. China	Other country or region	Total
18,604,068	11,099,226	13,018,850	42,722,145

Note: Net sales are categorized by country or region on the basis of customer locations.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Taiwan	P.R. China	Other country or region	Total
10,645,611	3,509,912	1,650,680	639,975	16,446,181

3. Information by major customer

(Thousands of yen)

Customer name	Net sales	Relevant segment
Ajinomoto Fine-Techno Co., Inc.	4,327,570	Electronic materials business

[Information on impairment loss on non-current assets with respect to each reportable segment]

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Unallocated/ Eliminated	Total
Impairment loss	—	12,928	—	—	—	—	12,928

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Unallocated/ Eliminated	Total
Impairment loss	—	19,332	—	—	—	—	19,332

[Information on amortization of goodwill and unamortized balance with respect to each reportable segment]

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

No applicable matter

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

No applicable matter

[Information on gain on bargain purchase with respect to each reportable segment]

No applicable matter

(Per Share Information)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Net assets per share	1,434.46 yen	1,422.43 yen
Basic earnings per share	117.40 yen	86.46 yen
Diluted earnings per share	117.32 yen	86.24 yen

Note: The bases of calculation of net income per share and fully diluted net income per share are as follows.

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	3,911,000	2,856,481
Amount not attributable to common stockholders (Thousands of yen)	—	—
Profit attributable to owners of parent pertaining to common stock (Thousands of yen)	3,911,000	2,856,481
Average number of shares of common stock during the year	33,312,484	33,036,799
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (Thousands of yen)	—	—
Increase in the number of shares of common stock	23,631	85,741
(Number of shares subject to stock acquisition rights included in the figure above)	(23,631)	(85,741)
Outline of dilutive shares that were not included in the calculation of fully diluted net income per share due to a lack of dilutive effect	Four (4) types of stock acquisition rights (497,500 shares)	—

Note: The Company's shares which are shown as treasury shares in shareholders' equity and which a trust account for employee stock ownership plan holds are included in the number of treasury shares excluded in the calculation of the average number of shares of common stock during the period when net income (or loss) per share is calculated (56,483 shares for the previous consolidated fiscal year and 88,066 shares for the current consolidated fiscal year).

(Significant Subsequent Events)

No applicable matter