



## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

May 9, 2024

Company name:	Arisawa Mfg. Co., Ltd.	Stock exchange listing: Tokyo
Stock code:	5208	URL <a href="https://www.arisawa.co.jp">https://www.arisawa.co.jp</a>
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
	June 27, 2024	Scheduled date of commence dividend payments: June 28, 2024
Scheduled date to file Securities Report:	June 28, 2024	
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, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating result

(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, 2024	42,114	△1.4	1,483	△33.4	1,488	△45.2	1,639	△42.6
Year ended March 31, 2023	42,722	△0.9	2,228	△32.9	2,717	△35.4	2,856	△27.0

(Note) Comprehensive income: Year ended March 31, 2024: 2,761 million yen (7.1%)  
Year ended March 31, 2023: 2,578 million yen (△43.1%)

	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, 2024	49.51	49.46	3.5	2.2	3.5
Year ended March 31, 2023	86.46	86.24	6.0	4.0	5.2

(Reference) Equity method investment gain: Year ended March 31, 2024: △47 million yen  
Year ended March 31, 2023: 19 million yen

#### (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, 2024	68,816	46,246	67.2	1,394.08
As of March 31, 2023	67,659	47,107	69.5	1,422.43

(Reference) Total equity: Year ended March 31, 2024: 46,218 million yen  
Year ended March 31, 2023: 47,056 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, 2024	3,219	△1,061	△3,415	17,700
Year ended March 31, 2023	3,471	508	△2,572	18,535

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Fiscal year-end	Total			
Year ended March 31, 2023	---	0.00	---	90.00	90.00	2,985	104.1	6.3
Year ended March 31, 2024	---	20.00	---	40.00	60.00	1,994	121.2	4.3
Year ending March 31, 2025 (Forecast)	---	42.00	---	42.00	84.00		116.2	

### 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2024	23,500	18.1	1,500	783.3	1,600	632.6	1,100	95.2	33.10
Full year	48,900	16.1	3,200	115.7	3,300	121.7	2,400	46.4	72.30

\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the changes in scope of consolidation): None

Newly included: --- (Company Name: )  
 Excluded: --- (Company Name: )

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None  
 2) Changes in accounting policies due to other reasons: None  
 3) Changes in accounting estimates: Yes  
 4) Restatement: None

- (3) Number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares):  
 2) Number of treasury shares at the end of the period:  
 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of March 31, 2024:	33,566,924 shares	As of March 31, 2023:	33,541,124 shares
As of March 31, 2024:	413,233 shares	As of March 31, 2023:	459,279 shares
Fiscal year ended March 31, 2024:	33,121,675 shares	Fiscal year ended March 31, 2023:	33,036,799 shares

(Note) The shares of the Company (82,300 shares in the year ended March 31, 2024 and 87,100 shares in the year ended March 31, 2023) 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 (83,536 shares in the year ended March 31, 2024 and 88,066 shares in the year ended March 31, 2023).

(Reference) Overview of non-consolidated results

Non-consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Earnings	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	26,560	3.1	905	△17.5	1,382	△41.6	1,494	△44.1
March 31, 2023	25,752	△3.4	1,098	△16.9	2,365	△17.1	2,673	13.9

Fiscal year ended	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
March 31, 2024	45.11		45.07	
March 31, 2023	80.94		80.73	

(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, 2024	48,837		37,492		76.7		1,130.03	
Year ended March 31, 2023	49,365		39,573		80.1		1,194.67	

(Reference) Total equity: Year ended March 31, 2024: 37,464 million yen  
 Year ended March 31, 2023: 39,521 million yen

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Descriptions and statements concerning estimates and forecasts in this material are based on information currently available to the Company and certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. Please refer to “1. Summary of Business Results, etc., (4) Future Outlook” of the attached materials on page 4 for information concerning business forecast.

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1. Summary of Business Results, etc.

(1) Summary of Business Results for the Current Year

During the current consolidated fiscal year, the Japanese economy showed a moderate recovery trend due to the lifting of restrictions on economic activities from COVID-19 infections. Meanwhile, there is still an uncertain outlook for the economy due to the depreciation of yen caused by the widening interest rate differential between Japan and the U.S., the continued price increases, the geopolitical risks in Ukraine and the Middle East, and the stagnant economy in China, etc.

Under such circumstances, the results of operations of our Company Group for the current consolidated fiscal year showed net sales of 42,114 million yen (a decrease of 1.4% year-on-year) due to a decrease in net sales of display materials and electronic materials which are one of our group's main business fields, despite an increase in net sales of industrial application structural materials. The results in terms of profit and loss are as follows: operating profit was 1,483 million yen (a decrease of 33.4% year-on year); ordinary profit was 1,488 million yen (a decrease of 45.2% year-on year); and profit attributable to owners of parent was 1,639 million yen (a decrease of 42.6% year-on year).

Operating results with respect to each segment are as follows.

(Electronic materials)

Net sales were 25,105 million yen (a decrease of 5.4% year-on-year) due to a decrease in net sales of flexible printed circuit board materials and glass cloth for printed circuit board, while the segment profit was 260 million yen (a decrease of 78.7% year-on-year) caused by the impact from decrease in production in response to a decrease in demand in addition to a decrease in net sales.

(Industrial application structural materials)

Net sales were 10,601 million yen (an increase of 16.1% year-on-year) due to an increase in net sales of FRP vessels for water purification and honey-comb panel for aircraft, while the segment profit was 1,476 million yen (an increase of 12.2% year-on-year).

(Electric insulation materials)

Net sales were 2,532 million yen (a decrease of 1.9% year-on-year) due to a decrease in infrastructure-related net sales, while the segment profit was 314 million yen (an increase of 70.4% year-on-year).

(Display materials)

Net sales were 3,535 million yen (a decrease of 15.1% year-on-year) due to a decrease in net sales of 3D-related materials and polarization control optical components, while the segment profit was 940 million yen (a decrease of 8.2% year-on-year).

(Other)

Net sales were 338 million yen (an increase of 11.1% 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 68,816 million yen, an increase of 1,156 million yen compared with the end of the previous fiscal year. This was largely due to an increase of 3,333 million yen in notes and accounts receivable-trade, and contract assets, an increase of 1,515 million yen in property, plant and equipment, a decrease of 2,382 million yen in cash and deposits, a decrease of 937 million yen in merchandise and finished goods, respectively.

Total liabilities were 22,570 million yen, an increase of 2,018 million yen compared with the end of the previous fiscal year. This was largely due to an increase of 1,800 million yen in notes and accounts payable-trade, and an increase of 1,277 million yen in current portion of long-term borrowings, and a decrease of 752 million yen in long-term borrowings, respectively.

Total net assets were 46,246 million yen, a decrease of 861 million yen compared with the end of the previous fiscal year. This was largely due to an increase of 966 million yen in foreign currency translation adjustment and a decrease of 2,040 million yen in retained earnings, 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 17,700 million yen, a decrease of 835 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 3,219 million yen (3,471 million yen was earned in the previous consolidated fiscal year). This was largely due to an increase in the Funds comprising 2,072 million yen in profit before income taxes and 2,206 million yen in depreciation, etc. as well as a decrease in the Funds comprising 2,875 million yen in increase in trade receivables, etc.

## (Cash Flows from Investing Activities)

Funds disbursed from investing activities were 1,061 million yen (508 million yen was earned in the previous consolidated fiscal year). This was largely due to an increase of 1,757 million yen, etc. in proceeds from withdrawal of time deposits, etc. as well as a decrease in the Funds comprising the expenditure of 3,544 million yen for purchases of property, plant and equipment, etc.

## (Cash Flows from Financing Activities)

Funds disbursed from financing activities were 3,415 million yen (2,572 million yen was disbursed in the previous consolidated fiscal year). This was largely due to a decrease of 3,641 million yen for dividends paid, etc.

## (Reference) Transitions of Cash Flows related Index

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity ratio (%)	69.6	69.5	67.2
Equity ratio on a basis of market price (%)	46.4	61.3	54.8
Ratio of cash flows to interest bearing debt (year)	1.5	3.0	3.4
Interest coverage ratio (times)	43.6	23.2	15.6

(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 global monetary tightening, prolonged instability in Ukraine and the Middle East, etc. On the other hand, our Company Group expects the electronic materials field, which is one of our main business fields, to gradually recover in business performance and the industrial structural materials field to continue strong growth.

Based on such circumstances, we expect net sales of 48,900 million yen, operating profit of 3,200 million yen, ordinary profit of 3,300 million yen and profit attributable to owners of the parent of 2,400 million yen for the consolidated business results for the year ending March 31, 2025.

#### 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, 2023)	Current consolidated fiscal year (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	20,545,580	18,163,338
Notes and accounts receivable - trade, and contract assets	13,182,106	16,515,625
Securities	100,150	—
Merchandise and finished goods	5,525,035	4,587,271
Work in process	2,373,079	2,515,667
Raw materials and supplies	4,263,762	4,359,283
Other	1,441,020	983,820
Allowance for doubtful accounts	△10,786	△27,285
Total current assets	47,419,946	47,097,722
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,934,719	22,845,428
Accumulated depreciation	△15,857,218	△16,472,928
Buildings and structures, net	6,077,500	6,372,500
Machinery, equipment and vehicles	31,821,077	33,785,241
Accumulated depreciation	△28,134,902	△29,195,592
Machinery, equipment and vehicles, net	3,686,175	4,589,649
Land	1,993,700	2,035,377
Construction in progress	3,534,967	3,877,197
Other	3,730,038	3,911,513
Accumulated depreciation	△2,576,201	△2,824,293
Other, net	1,153,836	1,087,219
Total property, plant and equipment	16,446,181	17,961,943
Intangible assets	244,197	382,749
Investments and other assets		
Investment securities	2,545,474	2,327,455
Long-term loans receivable	41,434	41,302
Deferred tax assets	678,791	750,560
Other	329,670	300,411
Allowance for doubtful accounts	△45,969	△45,463
Total investments and other assets	3,549,401	3,374,267
Total non-current assets	20,239,780	21,718,961
Total assets	67,659,726	68,816,683

(Thousands of yen)

	Previous consolidated fiscal year (As of March 31, 2023)	Current consolidated fiscal year (As of March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	5,213,263	7,014,220
Current portion of bonds payable	16,800	10,800
Short-term borrowings	5,056,253	5,301,635
Current portion of long-term borrowings	1,843,441	3,120,516
Lease liabilities	129,172	130,047
Income taxes payable	658,615	269,618
Provision for product warranties	42,184	28,739
Provision for bonuses	526,795	589,881
Provision for bonuses for directors (and other officers)	2,162	3,618
Other	2,788,015	2,953,727
Total current liabilities	16,276,705	19,422,805
Non-current liabilities		
Bonds payable	10,800	—
Long-term borrowings	2,723,471	1,970,976
Provision for share awards	50,449	68,536
Lease liabilities	460,601	354,223
Deferred tax liabilities	137,916	82,298
Retirement benefit liability	700,883	485,167
Asset retirement obligations	97,119	99,583
Other	94,066	86,894
Total non-current liabilities	4,275,306	3,147,680
Total liabilities	20,552,012	22,570,486
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,847,873	7,862,036
Capital surplus	3,198,618	3,212,781
Retained earnings	34,293,471	32,253,196
Treasury shares	△512,975	△460,640
Total shareholders' equity	44,826,987	42,867,374
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	466,417	515,045
Deferred gains or losses on hedges	△13,657	△1,706
Foreign currency translation adjustment	1,904,093	2,870,994
Remeasurements of defined benefit plans	△127,370	△32,930
Total accumulated other comprehensive income	2,229,483	3,351,402
Share acquisition rights	51,243	27,419
Total net assets	47,107,714	46,246,196
Total liabilities and net assets	67,659,726	68,816,683



(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, 2022 to March 31, 2023)	Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Net sales	42,722,145	42,114,483
Cost of sales	34,913,005	34,759,486
Gross profit	7,809,139	7,354,996
Selling, general and administrative expenses		
Freight and packing costs	758,204	859,077
Salaries and allowances	1,862,094	1,894,731
Provision for bonuses	119,060	136,684
Provision for bonuses for directors (and other officers)	2,162	3,618
Retirement benefit expenses	66,609	74,082
Provision of allowance for doubtful accounts	1,135	19,521
Other	2,771,767	2,883,503
Total selling, general and administrative expenses	5,581,034	5,871,219
Operating profit	2,228,105	1,483,777
Non-operating income		
Interest income	141,797	116,832
Dividend income	58,572	31,808
Foreign exchange gains	215,421	48,485
Rental income	62,147	51,113
Subsidy income	76,585	59,277
Other	166,689	58,877
Total non-operating income	721,214	366,395
Non-operating expenses		
Interest expenses	155,066	202,432
Share of loss of entities accounted for using equity method	—	47,175
Compensation expenses	—	57,084
Other	76,762	54,925
Total non-operating expenses	231,828	361,617
Ordinary profit	2,717,491	1,488,556
Extraordinary income		
Gain on sale of non-current assets	4,104	2,121
Gain on sale of investment securities	1,305,245	679,044
Other	41,140	19,454
Total extraordinary income	1,350,490	700,620
Extraordinary losses		
Impairment losses	19,332	15,524
Loss on disaster	—	57,443
Loss on retirement of non-current assets	90,263	43,625
Other	55,871	96
Total extraordinary losses	165,467	116,689
Profit before income taxes	3,902,515	2,072,487
Income taxes – current	1,098,866	606,733
Income taxes – deferred	△55,298	△174,019
Total income taxes	1,043,567	432,714
Profit	2,858,947	1,639,772
Profit attributable to non-controlling interests	2,465	—
Profit attributable to owners of parent	2,856,481	1,639,772

## (Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Profit	2,858,947	1,639,772
Other comprehensive income		
Valuation difference on available-for-sale securities	△762,700	48,627
Deferred gains or losses on hedges	36,488	11,951
Foreign currency translation adjustment	556,682	944,542
Remeasurements of defined benefit plans, net of tax	△118,635	94,439
Share of other comprehensive income of entities accounted for using equity method	7,824	22,358
Total other comprehensive income	△280,340	1,121,919
Comprehensive income	2,578,607	2,761,692
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,597,749	2,761,692
Comprehensive income attributable to non-controlling interests	△19,142	—

(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets  
Previous 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 beginning of period	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 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 beginning of period	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 end of period	466,417	△13,657	1,904,093	△127,370	2,229,483	51,243	—	47,107,714

## Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,847,873	3,198,618	34,293,471	△512,975	44,826,987
Changes during period					
Issuance of new shares	14,162	14,162			28,325
Dividends of surplus			△3,649,595		△3,649,595
Profit attributable to owners of parent			1,639,772		1,639,772
Purchase of treasury shares				△269	△269
Disposal of treasury shares			△2,142	52,605	50,462
Change in scope of equity method			△28,310		△28,310
Net changes in items other than shareholders' equity					
Total changes during period	14,162	14,162	△2,040,274	52,335	△1,959,613
Balance at end of period	7,862,036	3,212,781	32,253,196	△460,640	42,867,374

	Accumulated other comprehensive income					Share acquisition rights	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 beginning of period	466,417	△13,657	1,904,093	△127,370	2,229,483	51,243	47,107,714
Changes during period							
Issuance of new shares							28,325
Dividends of surplus							△3,649,595
Profit attributable to owners of parent							1,639,772
Purchase of treasury shares							△269
Disposal of treasury shares							50,462
Change in scope of equity method							△28,310
Net changes in items other than shareholders' equity	48,627	11,951	966,900	94,439	1,121,919	△23,824	1,098,095
Total changes during period	48,627	11,951	966,900	94,439	1,121,919	△23,824	△861,518
Balance at end of period	515,045	△1,706	2,870,994	△32,930	3,351,402	27,419	46,246,196

## (4) Consolidated Statements of Cash Flows

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	3,902,515	2,072,487
Depreciation	2,290,388	2,206,551
Impairment losses	19,332	15,524
Loss on disaster	—	57,443
Share-based payment expenses	39,577	44,998
Increase (decrease) in provision for product warranties	△35,179	△16,150
Increase (decrease) in provision for bonuses	19,262	63,085
Increase (decrease) in provision for bonuses for directors (and other officers)	△2,341	1,456
Increase (decrease) in allowance for doubtful accounts	△10,710	52,133
Increase (decrease) in provision for share awards	△32,358	22,551
Increase (decrease) in retirement benefit liability	△53,180	△79,831
Interest and dividend income	△200,370	△148,640
Subsidy income	△76,585	△59,277
Interest expenses	155,066	202,432
Foreign exchange losses (gains)	△104,182	△79,672
Share of loss (profit) of entities accounted for using equity method	△19,839	47,175
Loss (gain) on sale of investment securities	△1,249,374	△678,948
Loss (gain) on redemption of investment securities	△40,063	—
Loss (gain) on sale of non-current assets	△4,104	△2,121
Loss on retirement of property, plant and equipment	732	6,639
Loss on valuation of golf club membership	—	175
Gain on reversal of share acquisition rights	△40,970	△19,454
Other extraordinary loss (income)	△169	—
Decrease (increase) in trade receivables	3,363,943	△2,875,018
Decrease (increase) in inventories	△1,328,338	955,835
Increase (decrease) in trade payables	△544,516	1,676,428
Increase (decrease) in accrued consumption taxes	△439,241	318,211
Decrease (increase) in other assets	△303,405	191,995
Increase (decrease) in other liabilities	△412,756	280,943
Subtotal	4,893,129	4,256,954
Interest and dividends received	238,848	148,810
Interest paid	△149,538	△205,746
Payments associated with disaster loss	—	△23,376
Income taxes refund (paid)	△1,588,013	△1,016,101
Subsidies received	76,585	59,277
Net cash provided by (used in) operating activities	3,471,010	3,219,818

(Thousands of yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Cash flows from investing activities		
Payments into time deposits	△1,619,726	△138,737
Proceeds from withdrawal of time deposits	132,389	1,757,058
Purchase of property, plant and equipment	△4,324,762	△3,544,286
Proceeds from sale of property, plant and equipment	5,509	2,420
Purchase of intangible assets	△50,511	△235,300
Purchase of investment securities	△341,769	△3,942
Proceeds from sale of investment securities	6,783,255	826,011
Proceeds from sale of shares of subsidiaries and associates	—	245,244
Loan advances	△31,097	—
Proceeds from collection of loans receivable	22,672	26,399
Decrease (increase) in investments and other assets	△67,333	3,675
Net cash provided by (used in) investing activities	508,625	△1,061,455
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,403,950	111,639
Proceeds from long-term borrowings	1,183,299	3,221,122
Repayments of long-term borrowings	△1,552,282	△2,988,557
Repayments of lease liabilities	△118,379	△125,349
Repayments of long-term accounts payable - other	△5,179	—
Redemption of bonds	△26,800	△16,800
Proceeds from issuance of shares	348,446	23,956
Purchase of treasury shares	△748,937	△269
Dividends paid	△3,000,754	△3,641,317
Dividends paid to non-controlling interests	△9,589	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△45,813	—
Net cash provided by (used in) financing activities	△2,572,040	△3,415,575
Effect of exchange rate change on cash and cash equivalents	235,149	421,390
Net increase (decrease) in cash and cash equivalents	1,642,744	△835,822
Cash and cash equivalents at beginning of period	16,893,109	18,535,854
Cash and cash equivalents at end of period	18,535,854	17,700,031

## (5) Notes Related to Consolidated Financial Statements

(Notes on Going Concern Assumption)

No applicable matter

### (Changes in accounting estimates)

(Change in useful life)

The Company has extended the useful lives of major buildings and machinery and equipment at our subsidiary, ThinFlex Corporation, from five years to ten years, effective from the fourth quarter of the current fiscal year, because we investigated the actual utilization and operating status of the facilities and confirmed that they were operating more stable than before, according to a review of the production system and policies in response to changes in the external business environment, as well as to an investigation of the large-scale facility expansion.

With this change, operating profit, ordinary profit, and profit before income taxes for the fiscal year increased by 83,701 thousand yen.

(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, 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		
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.

Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)

(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	25,105,697	10,601,698	2,532,845	3,535,427	41,775,670	338,813	42,114,483
Inter-segment sales or transfers	—	—	—	—	—	907,946	907,946
Net sales	25,105,697	10,601,698	2,532,845	3,535,427	41,775,670	1,246,759	43,022,429
Segment profit	260,132	1,476,470	314,815	940,287	2,991,706	199,020	3,190,726
Segment assets	35,947,462	11,028,442	2,743,730	3,620,968	53,340,604	1,707,779	55,048,383
Other							
Depreciation	1,613,468	205,173	115,239	96,951	2,030,831	22,751	2,053,583
Increase in property, plant and equipment and intangible assets	2,567,110	517,741	52,721	134,168	3,271,742	11,748	3,283,491

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	42,417,058	41,775,670
Net sales in the category "Other"	1,143,977	1,246,759
Elimination of inter-segment transactions	△838,889	△907,946
Net sales shown on the consolidated financial statements	42,722,145	42,114,483

(Thousands of yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	3,747,957	2,991,706
Profit in the category "Other"	148,085	199,020
Elimination of inter-segment transactions	4,297	6,265
Unallocated corporate expenses (See Note)	△1,640,820	△1,683,849
Adjustment of inventories	△31,414	△29,365
Operating profit shown on the consolidated financial statements	2,228,105	1,483,777

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	51,301,195	53,340,604
Assets in the category "Other"	1,198,161	1,707,779
Elimination of claims to administrative departments of the head office	△348,554	△601,907
Unallocated corporate assets (See Note)	15,540,339	14,399,572
Adjustment of inventories	△31,414	△29,365
Total assets shown on the consolidated financial statements	67,659,726	68,816,683

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	2,099,161	2,030,831	21,565	22,751	169,662	152,968	2,290,388	2,206,551
Increase in property, plant and equipment and intangible assets	4,350,987	3,271,742	21,307	11,748	165,160	165,563	4,537,455	3,449,055

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, 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

Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)

## 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	25,105,697	10,601,698	2,532,845	3,535,427	338,813	42,114,483

## 2. Information by region

## (1) Net sales

(Thousands of yen)

Japan	P.R. China	Other country or region	Total
18,378,391	12,490,626	11,245,465	42,114,483

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
10,850,913	3,179,193	3,070,127	861,709	17,961,943

## 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.

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

Previous 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

Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Unallocated/ Eliminated	Total
Impairment loss	—	15,524	—	—	—	—	15,524

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

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

No applicable matter

Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)

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, 2022 to March 31, 2023)	Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Net assets per share	1,422.43 yen	1,394.08 yen
Basic earnings per share	86.46 yen	49.51 yen
Diluted earnings per share	86.24 yen	49.46 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, 2022 to March 31, 2023)	Current consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	2,856,481	1,639,772
Amount not attributable to common stockholders (Thousands of yen)	—	—
Profit attributable to owners of parent pertaining to common stock (Thousands of yen)	2,856,481	1,639,772
Average number of shares of common stock during the year	33,036,799	33,121,675
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (Thousands of yen)	—	—
Increase in the number of shares of common stock	85,741	32,644
(Number of shares subject to stock acquisition rights included in the figure above)	(85,741)	(32,644)
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	—	—

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 (88,066 shares for the previous consolidated fiscal year and 83,536 shares for the current consolidated fiscal year).

(Significant Subsequent Events)

No applicable matter