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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

August 7, 2025

Company Name: Arisawa Mfg. Co., Ltd. Stock exchange listing: Tokyo
 Stock code: 5208 (URL <https://www.arisawa.co.jp/en/>)
 Representative: Representative Director and CEO: Yuta Arisawa
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Scheduled date to commence dividend payments: ---
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: None

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	12,634	4.6	902	△15.6	972	△27.6	728	△25.0
June 30, 2024	12,080	27.2	1,069	---	1,344	---	970	---

(Note) Comprehensive income: Three months ended June 30, 2025: 17 million yen (△98.9%)
 Three months ended June 30, 2024: 1,618million yen (688.0%)

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	21.92	21.91
June 30, 2024	29.28	29.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net asset per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	69,016	46,781	67.8	1,408.01
March 31, 2025	71,736	48,559	67.7	1,461.64

(Reference) Total equity: As of June 30, 2025: 46,776 million yen As of March 31, 2025: 48,553 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	---	42.00	---	54.00	96.00
Fiscal year ending March 31, 2026	---				
Fiscal year ending March 31, 2026 (Forecast)		44.00	---	44.00	88.00

(Note) Revisions to dividend projections most recently announced: None

3. Forecasts of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2025	24,600	△2.3	2,100	△23.2	2,200	△24.6	1,500	△29.3	45.15
Full Year	51,400	3.2	4,500	△8.0	4,500	△14.6	3,200	△19.4	96.32

(Note) 1. Revisions to projections of consolidated financial results most recently announced: None

* Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2025: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

i) Total number of issued shares at the end of the period (including treasury shares):	As of June 30, 2025:	33,603,924	shares	As of March 31, 2025:	33,600,524	shares
ii) Number of treasury shares at the end of the period:	As of June 30, 2025:	382,156	shares	As of March 31, 2025:	382,116	shares
iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)	Three months ended June 30, 2025:	33,219,092	shares	Three months ended June 30, 2024:	33,162,236	shares

(Note) The shares of the Company (81,200 shares in 1Q of the year ending March 31, 2026 and 81,200 shares in the year ended March 31, 2025) 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 (81,200 shares in 1Q of the year ending March 31, 2026 and 81,743 shares in 1Q of the year ended March 31, 2025).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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. For information concerning business forecast, please refer to “1. Summary of Business Results, etc., (3) Explanation about Future Forecast Information, Including Forecast of Consolidated Business Results” of the attached materials on page 3.

Contents of Attached Materials

1.	Summary of Business Results, etc.	2
	(1) Summary of Business Results for the First Quarter	2
	(2) Summary of Financial Position for the First Quarter	2
	(3) Explanation about Future Forecast Information, Including Forecast of Consolidated Business Results	3
2.	Quarterly Consolidated Financial Statements and Major Notes	4
	(1) Quarterly Consolidated Balance Sheet	4
	(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	6
	Quarterly Consolidated Statements of Income	6
	Quarterly Consolidated Statement of Comprehensive Income	7
	(3) Notes to Quarterly Consolidated Financial Statements	8
	(Notes to Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements)	8
	(Notes to Segment Information, etc.)	8
	(Notes in the Case of Significant Changes in Shareholders' Equity)	9
	(Notes on Going Concern Assumption)	9
	(Notes Related to Quarterly Consolidated Statements of Cash Flows)	9

1. Summary of Business Results, etc.

(1) Summary of Business Results for the First Quarter

In the current consolidated cumulative first quarter, the Japanese economy showed a moderate recovery trend due to improvement in the employment and income situation. Meanwhile, there is still an uncertain outlook for the economy due to the impact of U.S. trade policies and heightened tensions in the Middle East in addition to prices of raw materials and energy remaining high and rising prices, etc.

Under such circumstances, the results of operations of our group for the current consolidated cumulative first quarter showed net sales of 12,634 million yen (an increase of 4.6% year-on-year) due to an increase in demand for smartphones and semiconductors in electronic materials, one of our main business fields, despite weak performance in display materials. The results in terms of profit and loss showed an operating profit of 902 million yen (a decrease of 15.6% year-on-year), an ordinary profit of 972 million yen (a decrease of 27.6% year-on-year), and a profit attributable to owners of parent of 728 million yen (a decrease of 25.0% year-on-year) due to a change in the product mix.

Business results with respect to each segment are as follows.

(Electronic materials)

Net sales were 8,373 million yen (an increase of 16.7% year-on-year) due to an increase in sales of flexible printed circuit board materials and glass cloth for printed circuit boards, while the segment profit was 842 million yen (an increase of 72.5% year-on-year) due to an increase in sales.

(Industrial application structural materials)

Net sales were 2,654 million yen (a decrease of 8.1% year-on-year) due to a decrease in sales of in-vehicle materials etc., while the segment profit was 363 million yen (a decrease of 21.2% year-on-year) due to a decrease in sales.

(Electric insulation materials)

Net sales were 621 million yen (an increase of 8.2% year-on-year) due to an increase in infrastructure-related sales, while the segment profit was 23 million yen (a segment loss of 11 million yen in the same period of the previous year).

(Display materials)

Net sales were 900 million yen (a decrease of 33.1% year-on-year) due to a decrease in sales of 3D-related materials and polarization control optical components, while the segment profit was 135 million yen (a decrease of 73.6% year-on-year).

(Other)

Net sales were 84 million yen (a decrease of 12.4% year-on-year).

(2) Summary of Financial Position for the First Quarter

Total assets as of the end of the current consolidated cumulative first quarter were 69,016 million yen, a decrease of 2,720 million yen compared with the end of the previous fiscal year. This was largely due to a decrease of 1,913 million yen in cash and deposits, and a decrease of 401 million yen in property, plant and equipment, respectively.

Total liabilities were 22,234 million yen, a decrease of 942 million yen compared with the end of the previous fiscal year. This was largely due to a decrease of 406 million yen in notes and accounts payable-trade, a decrease

of 452 million yen in income taxes payable, a decrease of 448 million yen in long-term borrowings, and an increase of 362 million yen in provision for bonuses, respectively.

Total net assets were 46,781 million yen, a decrease of 1,777 million yen compared with the end of the previous fiscal year. This was largely due to a decrease of 1,069 million yen in retained earnings and a decrease of 674 million yen in foreign currency translation adjustment, respectively.

(3) Explanation about Future Forecast Information, Including Forecast of Consolidated Business Results

As for the forecast of consolidated business results for the cumulative second quarter and full-year of the fiscal year ending March 31, 2026, there is no change in the forecast of consolidated business results which was announced on May 7, 2025.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,861,091	14,947,805
Notes and accounts receivable - trade, and contract assets	16,674,196	16,949,198
Securities	100,020	—
Merchandise and finished goods	6,117,372	5,934,048
Work in process	2,740,780	2,611,465
Raw materials and supplies	5,747,978	5,675,429
Other	1,317,955	1,195,518
Allowance for doubtful accounts	(32,071)	(56,565)
Total current assets	49,527,322	47,256,898
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,270,456	7,014,404
Other, net	11,494,315	11,348,772
Total property, plant and equipment	18,764,772	18,363,176
Intangible assets	300,488	269,539
Investments and other assets		
Investment securities	1,969,043	1,924,674
Other	1,220,809	1,247,438
Allowance for doubtful accounts	(45,797)	(45,419)
Total investments and other assets	3,144,054	3,126,693
Total non-current assets	22,209,315	21,759,409
Total assets	71,736,638	69,016,308

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,704,382	7,298,157
Short-term borrowings	4,926,408	4,839,452
Current portion of long-term borrowings	961,467	903,134
Income taxes payable	848,061	395,611
Provision for product warranties	29,690	27,978
Provision for bonuses	727,947	1,090,058
Provision for bonuses for directors (and other officers)	6,358	634
Other	3,378,345	3,562,786
Total current liabilities	18,582,660	18,117,812
Non-current liabilities		
Long-term borrowings	3,677,101	3,228,687
Provision for share awards	26,729	36,788
Retirement benefit liability	42,212	65,047
Asset retirement obligations	103,856	101,738
Other	744,898	684,389
Total non-current liabilities	4,594,797	4,116,651
Total liabilities	23,177,458	22,234,464
Net assets		
Shareholders' equity		
Share capital	7,880,116	7,881,920
Capital surplus	3,244,143	3,245,946
Retained earnings	33,494,893	32,424,900
Treasury shares	(471,686)	(471,744)
Total shareholders' equity	44,147,466	43,081,023
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	428,851	404,658
Deferred gains or losses on hedges	2,298	2,240
Foreign currency translation adjustment	3,763,293	3,089,002
Remeasurements of defined benefit plans	211,525	199,754
Total accumulated other comprehensive income	4,405,967	3,695,656
Share acquisition rights	5,745	5,164
Total net assets	48,559,180	46,781,844
Total liabilities and net assets	71,736,638	69,016,308

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

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	12,080,560	12,634,973
Cost of sales	9,311,097	10,011,870
Gross profit	2,769,463	2,623,102
Selling, general and administrative expenses	1,699,885	1,720,135
Operating profit	1,069,578	902,967
Non-operating income		
Interest income	21,088	9,231
Dividend income	12,031	15,025
Subsidy income	76,341	50,705
Foreign exchange gains	194,139	35,073
Other	27,923	21,632
Total non-operating income	331,524	131,667
Non-operating expenses		
Interest expenses	46,414	44,363
Other	10,269	17,452
Total non-operating expenses	56,684	61,815
Ordinary profit	1,344,418	972,818
Extraordinary income		
Gain on sale of non-current assets	965	449
Gain on sale of investment securities	—	70,014
Gain on reversal of share acquisition rights	2,373	—
Total extraordinary income	3,338	70,464
Extraordinary losses		
Loss on retirement of non-current assets	809	1,251
Impairment losses	2,854	—
Total extraordinary losses	3,664	1,251
Profit before income taxes	1,344,092	1,042,032
Income taxes	373,122	313,845
Profit	970,969	728,186
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	970,969	728,186

(Quarterly Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	970,969	728,186
Other comprehensive income		
Valuation difference on available-for-sale securities	96,041	(24,192)
Deferred gains or losses on hedges	(89)	(57)
Foreign currency translation adjustment	548,294	(674,291)
Remeasurements of defined benefit plans, net of tax	3,052	(11,770)
Total other comprehensive income	647,297	(710,311)
Comprehensive income	1,618,267	17,874
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,618,267	17,874
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses are calculated by multiplying the quarterly profit before income taxes by an estimated effective tax rate. Such effective tax rate is reasonably estimated after applying tax effect accounting to the profit before income taxes for the consolidated fiscal year including the current consolidated first quarter.

(Notes to Segment Information, etc.)

[Segment Information]

I Previous consolidated cumulative first quarter (From April 1, 2024 to June 30, 2024)

1. Information on the amount of net sales and profit or loss with respect to each reportable segment

(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	7,175,105	2,887,608	574,629	1,346,472	11,983,816	96,743	12,080,560
Inter-segment sales or transfers	—	—	—	—	—	242,880	242,880
Net sales	7,175,105	2,887,608	574,629	1,346,472	11,983,816	339,624	12,323,441
Segment profit (loss)	488,188	461,374	△11,147	514,854	1,453,269	56,927	1,510,197

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.

2. Difference between the aggregate amount of profit or loss of reportable segments and the pertinent amount shown on the quarterly consolidated statements of income as well as the key components of such difference (Matters concerning difference adjustment)

(Thousands of yen)

Profit	Amount
Total of reportable segments	1,453,269
Profit in the category “Other”	56,927
Elimination of inter-segment transactions	2,741
Unallocated corporate expenses (See Note)	(390,838)
Adjustment of inventories	(52,521)
Operating profit shown on the quarterly consolidated statements of income	1,069,578

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

3. Information on impairment loss on non-current assets or goodwill, etc. with respect to each reportable segment

(Significant impairment losses on non-current assets)

In the industrial application structural materials segment, with respect to the assets in which investments could not be expected to recover due to a downturn in profitability, the Company devalued their carrying amount to memorandum value and showed the relevant amount of loss to extraordinary losses as impairment losses.

In this regard, the amount of the relevant impairment losses shown in the current consolidated cumulative first quarter is 2,854 thousand yen.

II Current consolidated cumulative first quarter (From April 1, 2025 to June 30, 2025)

1. Information on the amount of net sales and profit or loss with respect to each reportable segment

(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	8,373,573	2,654,056	621,982	900,627	12,550,239	84,733	12,634,973
Inter-segment sales or transfers	—	—	—	—	—	281,637	281,637
Net sales	8,373,573	2,654,056	621,982	900,627	12,550,239	366,371	12,916,611
Segment profit (loss)	842,352	363,648	23,321	135,760	1,365,083	60,480	1,425,564

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.

2. Difference between the aggregate amount of profit or loss of reportable segments and the pertinent amount shown on the quarterly consolidated statements of income as well as the key components of such difference (Matters concerning difference adjustment)

(Thousands of yen)

Profit	Amount
Total of reportable segments	1,365,083
Profit in the category “Other”	60,480
Elimination of inter-segment transactions	814
Unallocated corporate expenses (See Note)	(456,148)
Adjustment of inventories	(67,263)
Operating profit shown on the quarterly consolidated statements of income	902,967

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

(Notes in the Case of Significant Changes in Shareholders' Equity)

No applicable matter.

(Notes on Going Concern Assumption)

No applicable matter.

(Notes Related to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the current consolidated cumulative first quarter were not prepared. In this regard, the amounts of depreciation (including amortization of intangible assets) for the previous and current consolidated cumulative first quarters are as follows.

(Thousands of yen)

	Previous consolidated cumulative first quarter (From April 1, 2024 to June 30, 2024)	Current consolidated cumulative first quarter (From April 1, 2025 to June 30, 2025)
Depreciation	495,927	531,999