

SEMI-ANNUAL REPORT

(The First Half of the 78th Term)

From April 1, 2025 to September 30, 2025

(TRANSLATION)

ARISAWA MFG. CO., LTD.

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Company name (Japanese):	Kabushiki-Kaisha Arisawa Seisakusho
Company name (English):	Arisawa Mfg. Co., Ltd.
Name and title of representative:	Yuta Arisawa, President and Representative Director
Location of head office:	5-5, Minami-honcho 1-chome, Joetsu-shi, Niigata
Telephone number:	(025) 524-5126
Contact person:	Minoru Kondoh, Operating Officer supervising Corporate Strategy Department
Place of contact:	5-5, Minami-honcho 1-chome, Joetsu-shi, Niigata
Telephone number:	(025) 524-5126
Contact person:	Minoru Kondoh, Operating Officer supervising Corporate Strategy Department
Places where copies of this Semi-annual Report are made available for public inspection:	Arisawa Mfg. Co., Ltd., Tokyo Head Office (12-5, Yanagibashi 2-chome, Taito-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo)

PART I. INFORMATION ON THE BUSINESS

I. General Conditions of Business

1. Changes in Principal Management Indicators, etc.

Term	77 th term semi-annual consolidated accounting period	78 th term semi-annual consolidated accounting period	77 th term
Accounting period	From April 1, 2024 to September 30, 2024	From April 1, 2025 to September 30, 2025	From April 1, 2024 to March 31, 2025
Net sales (Millions of yen)	25,172	26,537	49,815
Ordinary profit (Millions of yen)	2,917	2,154	5,267
Profit attributable to owners of parent (Millions of yen)	2,122	1,562	3,969
Comprehensive income (Millions of yen)	3,466	1,444	5,024
Net assets (Millions of yen)	48,516	48,290	48,559
Total assets (Millions of yen)	73,555	77,165	71,736
Earnings per share (Yen)	63.91	47.00	119.49
Diluted earnings per share (Yen)	63.83	46.99	119.39
Equity ratio (%)	66.0	62.6	67.7
Cash flows from operating activities (Millions of yen)	3,258	487	4,548
Cash flows from investing activities (Millions of yen)	(1,351)	(933)	(2,076)
Cash flows from financing activities (Millions of yen)	(2,245)	(2,275)	(4,086)
Cash and cash equivalents at end of period (Millions of yen)	17,773	13,630	16,371

Note: As Arisawa Mfg. Co., Ltd. (hereinafter referred to as either the “Company” or the “Submitting Company”, as the case may be) prepares the semi-annual consolidated financial statements, the changes in principal management indicators, etc. of the Submitting Company are not stated above.

2. Description of Business

There was no material change in information regarding the business lines of our corporate group (the Company and its associated companies; hereinafter referred to as either the “Group” or “our Group”, as the case may be) in the current semi-annual consolidated accounting period.

No change of organization was made to any of the Company’s principal associated companies.

II. Status of Business

1. Business Risks, etc.

The current semi-annual consolidated accounting period saw neither any new business risks, etc. emerging nor any significant change in the business risks, etc. stated in the Financial Report for the previous business year.

2. Analyses of Consolidated Financial Position, Business Results and Cash Flows by the Corporate Managers

Matters stated concerning the future in the text are based on judgments made as of the end of the current semi-annual consolidated accounting period.

(1) Financial Position and Business Results

1) Business Results

During the current semi-annual consolidated accounting period (from April 1, 2025 to September 30, 2025), the Japanese economy showed a moderate recovery trend with the signs of a rebound in personal consumption and capital investment amid an improved employment and income environment. Meanwhile, there is still an uncertain outlook for the economy due to factors such as the continued price increase, the impact of U.S. trade policies, and prolonged geopolitical risks.

Under such circumstances, the results of operations of our group (the company and its consolidated subsidiaries) for the current semi-annual consolidated accounting period showed net sales of 26,537 million yen (an increase of 5.4% year-on-year) due to an increase in demand of smartphones and semi-conductors in electronic materials, one of our main business fields, in addition to recovery trend of honey-comb panels for aircraft in industrial application structural materials, despite weak performance in display materials. The results in terms of profit and loss showed an operating profit of 2,454 million yen (a decrease of 10.2% year-on-year) due to factors such as influence by a decrease in sales of display materials, while they showed an ordinary profit of 2,154 million yen (a decrease of 26.1% year-on-year) due to factors such as foreign exchange losses and a profit attributable to owners of parent of 1,562 million yen (a decrease of 26.4% year-on-year).

Business results with respect to each segment are as follows.

a. Electronic materials segment

In the electronic materials segment, net sales were 17,217 million yen (an increase of 13.1% year-on-year) due to an increase in sales of flexible printed circuit board materials (the amount of orders received increased by 9.3% and the production output increased by 7.6% year-on-year on a non-consolidated basis of the Submitting Company) and glass cloth for printed circuit boards, while the segment profit was 1,685 million yen (an increase of 30.0% year-on-year) due to an increase in sales.

b. Industrial application structural materials segment

In the industrial application structural materials segment, net sales were 6,081 million yen (an increase of 0.9% year-on-year) due to factors such as strong performance in sales of honey-comb panels for aircraft, and the segment profit was 1,218 million yen (an increase of 3.1% year-on-year).

c. Electrical insulating materials segment

In the electrical insulating materials segment, net sales were 1,265 million yen (an increase of 7.2 % year-on-year) due to an increase in infrastructure-related sales, while the segment profit was 92 million yen (an increase of 180.2% year-on-year).

d. Display materials segment

In the display materials segment, net sales were 1,804 million yen (a decrease of 29.1% year-on-year) due to a decrease in sales of 3D-related materials and polarization control optical components, while the segment profit was 324 million yen (a decrease of 64.8% year-on-year).

e. Other (other businesses)

In other businesses, net sales were 168 million yen (a decrease of 12.3% year-on-year), while the segment profit was 120 million yen (an increase of 6.1% year-on-year).

2) Financial Position

Total assets as of the end of the current semi-annual consolidated accounting period were 77,165 million yen, an increase of 5,429 million yen compared with the end of the previous fiscal year. This was largely due to an increase of 1,706 million yen in notes and accounts receivable-trade and contract assets, an increase of 4,794 million yen in property, plant and equipment, respectively and a decrease of 3,010 million yen in cash and deposits.

Total liabilities were 28,875 million yen, an increase of 5,698 million yen compared with the end of the previous fiscal year. This was largely due to an increase of 5,669 million yen in other in current liabilities.

Total net assets were 48,290 million yen, a decrease of 268 million yen compared with the end of the previous fiscal year. This was largely due to a decrease of 236 million yen in retained earnings and a decrease of 195 million yen in foreign currency translation adjustment, respectively.

(2) Status of Cash Flows

Cash and cash equivalents (hereinafter referred to as the “Funds”) as of the end of the current semi-annual consolidated accounting period were 13,630 million yen, a decrease of 4,143 million yen, or 23.3%, compared with the end of the previous semi-annual consolidated accounting period.

The following is the status of each cash flow category during the current semi-annual consolidated accounting period and the key factors of such status.

(Cash flows from operating activities)

Funds earned from operating activities were 487 million yen (a decrease of 85.0% year-on-year). This was largely due to an increase in the Funds comprising the postings of 2,218 million yen in profit before income taxes and a decrease in the Funds comprising 1,507 million yen in increase in trade receivables.

(Cash flows from investing activities)

Funds disbursed for investing activities were 933 million yen (a decrease of 30.9% year-on-year). This was largely due to a decrease in the Funds comprising the purchase of investment securities of 991 million yen.

(Cash flows from financing activities)

Funds disbursed for financing activities were 2,275 million yen (a decrease of 1.3% year-on-year). This was largely due to a decrease in the Funds comprising the payment of 1,792 million yen in cash dividends.

(3) Management Policy, Management Strategy, etc.

There was no significant change, during the current semi-annual consolidated accounting period, in the management policy, management strategy, etc. set by our Group.

(4) Accounting Estimates and Assumptions Used in Making Such Estimates

There was no material change in a statement of the accounting estimates and assumptions used in making such estimates in “Analyses of Consolidated Financial Position, Business Results and Cash Flows by the Corporate Managers” stated in the Financial Report for the previous business year.

(5) Business and Financial Tasks to be Preferentially Addressed

There was no material change in business and financial tasks to be preferentially addressed by our Group in the current semi-annual consolidated accounting period.

(6) Research and Development Activities

The Group’s total expenses for research and development activities incurred in the current semi-annual consolidated accounting period amounted to 1,279 million yen.

In this regard, there was no significant change in the status of research and development activities of our Group in the semi-annual consolidated accounting period.

3. Material Agreements, etc.

No applicable matter.

III. Status of the Submitting Company

1. Status of Shares, etc.

(1) Total Number of Shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued
Common stock	130,000,000
Total	130,000,000

2) Shares issued and outstanding

Class	Number of shares issued and outstanding as of the end of the semi-annual accounting period (As of September 30, 2025)	Number of shares issued and outstanding as of the filing date of this Semi-annual Report (As of November 14, 2025)	Name of financial instruments exchange where the shares are listed or authorized financial instruments firms association where the shares are registered	Remarks
Common stock	33,603,924	33,603,924	Tokyo Stock Exchange (Prime Market)	Number of shares constituting one full unit: 100
Total	33,603,924	33,603,924	---	---

- Note: 1. The Company disposed of 34,650 shares of treasury shares for restricted stock compensation as of July 25, 2025 upon a resolution by the Board of Directors on June 26, 2025.
2. 170,783 shares out of shares issued and outstanding as of the filing date of this Semi-annual Report are by contribution in kind (207,290 thousand yen of monetary compensation claims) when treasury shares were disposed of for restricted stock compensation.

(2) Status of Stock Acquisition Rights, etc.

1) Details of Stock Option Scheme

No applicable matter.

2) Status of Other Stock Acquisition Right

No applicable matter.

(3) Status of Exercise of Moving Strike Convertible Bonds, etc.

No applicable matter.

(4) Changes in the Number of Shares Issued and Outstanding, Share Capital, etc.

Period	Number of shares issued and outstanding		Share capital (Thousands of yen)		Legal capital surplus (Thousands of yen)	
	Change	Balance	Change	Balance	Change	Balance
From April 1, 2025 to September 30, 2025 (See Note)	3,400	33,603,924	1,803	7,881,920	1,803	6,993,911

Note: The increases are due to the exercise of stock acquisition rights.

(5) Status of Major Shareholders

As of September 30, 2025

Full name or corporate name	Address	Number of shares held	Ratio of the number of shares held to the number of shares issued and outstanding (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	4,567,200	13.69
Mitsubishi Gas Chemical Company, Inc.	5-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo	1,472,166	4.41
Custody Bank of Japan, Ltd. (Trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	1,080,957	3.24
Daishi Hokuetsu Bank, Ltd. (Standing Proxy: The Master Trust Bank of Japan, Ltd.)	1071-1, Higashiborimae-dori 7-bancho, Chuo-ku, Niigata-shi, Niigata (8-1, Akasaka 1-chome, Minato-ku, Tokyo)	743,903	2.23
Kabushiki-Kaisha Aibi	9-9, Minamiikebukuro 2-chome, Toshima-ku, Tokyo	540,600	1.62
Arisawa Kenko Ltd.	11-44, Nishishiro-cho 3-chome, Joetsu-shi, Niigata	504,338	1.51
Sanji Arisawa	Shinjuku-ku, Tokyo	446,847	1.34
JPMorgan Chase Bank 385781 (Standing Proxy: Mizuho Bank, Ltd. Payment Sales Department)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (15-1, konan 2-chome, Minato-ku, Tokyo)	396,800	1.19
Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.)	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (8-1, Akasaka 1-chome, Minato-ku, Tokyo)	388,822	1.16
Yoko Mori	Setagaya-ku, Tokyo	376,024	1.12
Total	---	10,517,657	31.54

Note: 1. The Company holds 266,367 shares of treasury shares, but it is excluded from the above major shareholders.

2. The ratio of the number of shares held to the total number of shares issued (except for treasury shares) is displayed with the numbers truncating the numbers beyond the third decimal point. Treasury shares excluded from the total number of shares issued and outstanding do not include 56,757 shares of the Company which a trust account for employee stock ownership plan holds.

3. The number of shares held by Mitsubishi Gas Chemical Company, Inc. includes 966,306 shares that have been contributed by Mitsubishi Gas Chemical Company, Inc. as the trust property of retirement benefit trust. The pertinent name in the Company's register of shareholders is "The Master Trust Bank of Japan, Ltd. (Retirement benefit trust account and Mitsubishi Gas Chemical Company, Inc. account)".

4. The shares that Arisawa Kenko Ltd. owns are restricted on the exercise of voting rights pursuant to Article 67, paragraph 1 of the Ordinance for Enforcement of the Companies Act.

5. Though it is described in the Amendment Report on Bulk Holding available for public inspection as of June 6, 2024 that Nomura Securities Co., Ltd. and joint holders thereof hold the shares described below as of May 31, 2024, the Company has confirmed no beneficial ownerships of the number of shares as of September 30, 2025. Therefore, such number of shares is not included in above-mentioned Status of Major Shareholders. Details of the Report on Bulk Holding are as follows:

Bulk Holders	: Nomura Securities Co., Ltd. and two joint holders thereof
Address	: 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo
Number of shareholdings etc.	: 1,451,354
Holding ratio of share certificates, etc.	: 4.32%

6. Though it is described in the Amendment Report on Bulk Holding available for public inspection as of September 5, 2024 that Strategic Capital, Inc. holds the shares described below as of August 29, 2024, the Company has confirmed no beneficial ownerships of the number of shares as of September 30, 2025. Therefore, such number of shares is not included in above-mentioned Status of Major Shareholders. Details of the Report on Bulk Holding are as follows:

Bulk Holders	: Strategic Capital, Inc.
Address	: 14-15, Higashi 3-chome, Shibuya-ku, Tokyo
Number of shareholdings etc.	: 1,666,500
Holding ratio of share certificates, etc.	: 4.96%

(6) Status of Voting Rights

1) Shares issued and outstanding

As of September 30, 2025

Category	Number of shares	Number of voting rights (Units)	Remarks
Shares without voting rights	---	---	---
Shares with restricted voting rights (Treasury shares, etc.)	---	---	---
Shares with restricted voting rights (Other)	---	---	---
Shares with full voting rights (Treasury shares, etc.)	(Treasury shares) Common stock 266,300	---	---
	(Cross share-holdings) Common Stock 504,300		
Shares with full voting rights (Other) (See Note 1 and Note 2)	Common stock 32,715,200	327,152	---
Shares constituting less than one full unit (See Note 3)	Common stock 118,124	---	---
Number of shares issued and outstanding	33,603,924	---	---
Total number of voting rights held by shareholders	---	327,152	---

Note: 1. 500 shares held in the name of Japan Securities Depository Center, Inc. are included in the row “Shares with full voting rights (Other)”. 5 units of voting rights pertaining to shares with full voting rights held in the name of Japan Securities Depository Center, Inc. are included in the column “Number of voting rights”.

2. 56,700 shares of the Company which a trust account for employee stock ownership plan holds are included in the row “Shares with full voting rights (Other)”. 567 units of voting rights for shares with full voting rights of such trust account are included in the column “Number of voting rights”.

3. 67 shares of treasury shares are included in the row “Shares constituting less than one full unit”.

2) Treasury Shares, etc.

As of September 30, 2025

Name and address of shareholder		Number of shares held			Ratio of the number of shares held to the number of shares issued and outstanding (%)
Full name or corporate name	Address	Under own name	Under the names of others	Total	
(Treasury shares) Arisawa Mfg. Co., Ltd.	5-5, Minami-honcho 1- chome, Joetsu-shi, Niigata	266,300	---	266,300	0.79
(Cross share-holdings) Arisawa Kenko Ltd.	11-44, Nishishiro-cho 3- chome, Joetsu-shi, Niigata	504,300		504,300	1.50
Total	---	770,600	---	770,600	2.29

Note: 56,700 shares of the Company which a trust account for employee stock ownership plan holds are not included in the column “Under own name”.

2. Status of Directors and Officers

No applicable matter.

IV. Status of Accounting

1. Method of Preparation of Semi-annual Consolidated Financial Statements

The Semi-annual consolidated financial statements of the Company are prepared in compliance with the “Regulations for Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ministerial Ordinance No. 28 of the Ministry of Finance, 1976 ; hereinafter referred to as the “Regulations for Consolidated Financial Statements”).

In addition, the Company falls under the category of a company listed in the upper column of Item 1 of the table in Article 24-5, paragraph 1 of the Financial Instruments and Exchange Act, and has prepared its Type 1 interim consolidated financial statements in accordance with the provisions of Part 1 and Part 3 of the Regulations for Consolidated Financial Statements.

2. Certification of Audit

The Company received an interim review of its semi-annual consolidated financial statements for the current semi-annual consolidated accounting period (from April 1, 2025 to September 30, 2025) conducted by Ernst & Young ShinNihon LLC under the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

1. Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,861,091	13,850,537
Notes and accounts receivable - trade, and contract assets	16,674,196	18,380,729
Securities	100,020	—
Merchandise and finished goods	6,117,372	5,942,176
Work in process	2,740,780	2,834,133
Raw materials and supplies	5,747,978	6,517,358
Other	1,317,955	1,436,509
Allowance for doubtful accounts	(32,071)	(97,958)
Total current assets	49,527,322	48,863,487
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,270,456	12,953,912
Other, net	11,494,315	10,605,417
Total property, plant and equipment	18,764,772	23,559,330
Intangible assets	300,488	351,027
Investments and other assets		
Investment securities	1,969,043	3,122,491
Other	1,220,809	1,315,517
Allowance for doubtful accounts	(45,797)	(46,078)
Total investments and other assets	3,144,054	4,391,930
Total non-current assets	22,209,315	28,302,288
Total assets	71,736,638	77,165,775

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,704,382	7,854,693
Short-term borrowings	4,926,408	5,098,262
Current portion of long-term borrowings	961,467	991,930
Income taxes payable	848,061	865,262
Provision for product warranties	29,690	30,267
Provision for bonuses	727,947	898,439
Provision for bonuses for directors (and other officers)	6,358	2,497
Other	3,378,345	9,047,459
Total current liabilities	18,582,660	24,788,813
Non-current liabilities		
Long-term borrowings	3,677,101	3,295,173
Provision for share awards	26,729	9,866
Retirement benefit liability	42,212	65,939
Asset retirement obligations	103,856	100,607
Other	744,898	615,076
Total non-current liabilities	4,594,797	4,086,664
Total liabilities	23,177,458	28,875,477
Net assets		
Shareholders' equity		
Share capital	7,880,116	7,881,920
Capital surplus	3,244,143	3,255,725
Retained earnings	33,494,893	33,258,834
Treasury shares	(471,686)	(394,772)
Total shareholders' equity	44,147,466	44,001,707
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	428,851	533,277
Deferred gains or losses on hedges	2,298	(213)
Foreign currency translation adjustment	3,763,293	3,567,541
Remeasurements of defined benefit plans	211,525	187,984
Total accumulated other comprehensive income	4,405,967	4,288,590
Share acquisition rights	5,745	—
Total net assets	48,559,180	48,290,298
Total liabilities and net assets	71,736,638	77,165,775

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

[Semi-annual Consolidated Statements of Income]

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	25,172,413	26,537,443
Cost of sales	18,981,450	20,512,148
Gross profit	6,190,962	6,025,295
Selling, general and administrative expenses	*3,456,554	*3,570,536
Operating profit	2,734,407	2,454,758
Non-operating income		
Interest income	49,148	25,055
Dividend income	12,056	15,050
Subsidy income	86,583	54,504
Foreign exchange gains	94,675	—
Other	56,889	58,527
Total non-operating income	299,352	153,137
Non-operating expenses		
Interest expenses	96,295	86,223
Foreign exchange losses	—	339,438
Other	20,411	27,534
Total non-operating expenses	116,706	453,196
Ordinary profit	2,917,053	2,154,699
Extraordinary income		
Gain on sale of non-current assets	1,601	1,820
Gain on sale of investment securities	—	70,014
Other	16,000	5,164
Total extraordinary income	17,602	76,999
Extraordinary losses		
Loss on retirement of non-current assets	3,492	11,001
Impairment losses	4,646	1,759
Total extraordinary losses	8,138	12,761
Profit before income taxes	2,926,517	2,218,937
Income taxes	804,450	656,818
Profit	2,122,066	1,562,119
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,122,066	1,562,119

[Semi-annual Consolidated Statements of Comprehensive Income]

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	2,122,066	1,562,119
Other comprehensive income		
Valuation difference on available-for-sale securities	28,524	104,426
Deferred gains or losses on hedges	3,837	(2,511)
Foreign currency translation adjustment	1,305,525	(195,751)
Remeasurements of defined benefit plans, net of tax	6,104	(23,540)
Total other comprehensive income	1,343,992	(117,377)
Comprehensive income	3,466,058	1,444,742
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,466,058	1,444,742
Comprehensive income attributable to non-controlling interests	—	—

(3) Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,926,517	2,218,937
Depreciation	1,012,213	1,108,944
Share-based payment expenses	23,573	24,573
Gain on reversal of share acquisition rights	(15,981)	(5,164)
Increase (decrease) in allowance for doubtful accounts	17,097	67,808
Increase (decrease) in provision for bonuses	366,360	170,492
Increase (decrease) in provision for product warranties	(1,534)	(440)
Increase (decrease) in provision for bonuses for directors (and other officers)	(2,087)	(3,860)
Increase (decrease) in provision for share awards	8,187	19,981
Decrease (increase) in retirement benefit asset	—	(68,584)
Increase (decrease) in retirement benefit liability	(39,978)	(10,144)
Interest and dividend income	(61,204)	(40,105)
Subsidy income	(86,583)	(54,504)
Interest expenses	96,295	86,223
Foreign exchange losses (gains)	3,812	77,732
Loss (gain) on sale of short-term and long-term investment securities	(19)	(70,014)
Loss (gain) on sale of non-current assets	(1,601)	(1,820)
Loss on retirement of property, plant and equipment	1,477	1,184
Impairment losses	4,646	1,759
Decrease (increase) in trade receivables	(378,965)	(1,507,350)
Decrease (increase) in inventories	(1,793,798)	(581,617)
Increase (decrease) in trade payables	1,199,465	75,776
Increase (decrease) in accrued consumption taxes	(74,399)	(520,244)
Decrease (increase) in other assets	(247,887)	57,854
Increase (decrease) in other liabilities	215,871	58,384
Subtotal	3,171,477	1,105,802
Interest and dividends received	66,989	58,197
Interest paid	(100,783)	(86,722)
Subsidies received	86,583	54,504
Income taxes refund (paid)	34,389	(644,003)
Net cash provided by (used in) operating activities	3,258,656	487,778

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from investing activities		
Payments into time deposits	(190,000)	(90,000)
Proceeds from withdrawal of time deposits	190,000	360,000
Purchase of property, plant and equipment	(1,335,076)	(265,349)
Proceeds from sale of property, plant and equipment	1,601	1,820
Purchase of intangible assets	(18,700)	(110,504)
Purchase of investment securities	—	(991,356)
Proceeds from sale of investment securities	2,191	172,051
Loan advances	(40,000)	—
Proceeds from collection of loans receivable	40,000	—
Decrease (increase) in investments and other assets	(1,883)	(10,412)
Net cash provided by (used in) investing activities	(1,351,867)	(933,751)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	305,551	100,547
Proceeds from long-term borrowings	455,910	2,709,848
Repayments of long-term borrowings	(1,597,428)	(3,185,779)
Repayments of lease liabilities	(101,059)	(110,475)
Redemption of bonds	(10,800)	—
Proceeds from issuance of shares	29,577	3,026
Purchase of treasury shares	(140)	(150)
Dividends paid	(1,327,032)	(1,792,282)
Net cash provided by (used in) financing activities	(2,245,422)	(2,275,266)
Effect of exchange rate change on cash and cash equivalents	412,528	(19,314)
Net increase (decrease) in cash and cash equivalents	73,894	(2,740,553)
Cash and cash equivalents at beginning of period	17,700,031	16,371,091
Cash and cash equivalents at end of period	*17,773,925	*13,630,537

[Notes]

(Particular accounting treatments applied in preparation of semi-annual consolidated financial statements)

<Calculation of tax expenses>

Tax expenses are calculated by multiplying the semi-annual 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 semi-annual consolidated accounting period.

(Notes Related to Semi-annual Consolidated Statements of Income)

- * Major items under selling, general and administrative expenses and their respective amounts are as follows.

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Salaries, allowances and bonuses	1,069,842	1,056,708
Provision for bonuses	216,715	202,049
Provision for bonuses for directors (and other officers)	1,530	2,497
Retirement benefit expenses	37,361	32,075
Provision of allowance for doubtful accounts	17,421	70,027

(Notes Related to Semi-annual Consolidated Statements of Cash Flows)

- * The correlation between the balance of cash and cash equivalents at the end of the current semi-annual consolidated accounting period and the amounts shown for the corresponding items on the semi-annual consolidated balance sheets is as follows.

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash and deposits	18,251,105	13,850,537
Time deposits with a deposit term of more than three months	(477,179)	(220,000)
Cash and cash equivalents	17,773,925	13,630,537

(Notes Related to Shareholders' Equity, etc.)

I Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

1. Dividends paid

(Resolution)	Class of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders of June 27, 2024	Common stock	1,329,439	40.00	March 31, 2024	June 28, 2024	Retained earnings

Note: "Total amount of dividends" includes dividends of 3,292 thousand yen on the Company's shares which a trust account for employee stock ownership plan holds.

2. Dividends whose record date belongs to the current semi-annual consolidated accounting period but whose effective date is subsequent to the end of the current semi-annual consolidated accounting period

(Resolution)	Class of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors' Meeting of November 7, 2024	Common stock	1,398,543	42.00	September 30, 2024	December 3, 2024	Retained earnings

Note: "Total amount of dividends" includes dividends of 205 thousand yen on the Company's shares which a trust account for employee stock ownership plan holds.

II Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

1. Dividends paid

(Resolution)	Class of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders of June 26, 2025	Common stock	1,798,178	54.00	March 31, 2025	June 27, 2025	Retained earnings

Note: "Total amount of dividends" includes dividends of 4,384 thousand yen on the Company's shares which a trust account for employee stock ownership plan holds.

2. Dividends whose record date belongs to the current semi-annual consolidated accounting period but whose effective date is subsequent to the end of the current semi-annual consolidated accounting period

(Resolution)	Class of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors' Meeting of November 6, 2025	Common stock	1,466,852	44.00	September 30, 2025	December 2, 2025	Retained earnings

Note: "Total amount of dividends" includes dividends of 2,497 thousand yen on the Company's shares which a trust account for employee stock ownership plan holds.

(Segment Information, etc.)

[Segment Information]

I Six months ended September 30, 2024 (From April 1, 2024 to September 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	Electrical insulating materials	Display materials	Reportable segments		
Sales							
Revenues from external customers	15,228,606	6,026,554	1,179,849	2,545,225	24,980,235	192,177	25,172,413
Transactions with other segments	—	—	—	—	—	501,461	501,461
Net sales	15,228,606	6,026,554	1,179,849	2,545,225	24,980,235	693,639	25,673,875
Segment profit	1,296,499	1,181,772	33,008	920,799	3,432,079	113,821	3,545,901

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 semi-annual 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	3,432,079
Profit in the category “Other”	113,821
Elimination of inter-segment transactions	3,439
Unallocated corporate expenses (See Note)	(771,870)
Adjustment of inventories	(43,061)
Operating profit shown on the semi-annual consolidated statements of income	2,734,407

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, the carrying amount was reduced to its memorandum value for the assets in which investments could not be expected to recover due to a downturn in profitability, and the reduced amount was shown to extraordinary losses as impairment losses.

In this regard, the amount of the relevant impairment losses shown in the current semi-annual consolidated accounting period is 4,646 thousand yen.

II Six months ended September 30, 2025 (From April 1, 2025 to September 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	Electrical insulating materials	Display materials	Reportable segments		
Sales							
Revenues from external customers	17,217,377	6,081,731	1,265,077	1,804,774	26,368,960	168,482	26,537,443
Transactions with other segments	—	—	—	—	—	574,208	574,208
Net sales	17,217,377	6,081,731	1,265,077	1,804,774	26,368,960	742,691	27,111,651
Segment profit	1,685,360	1,218,062	92,481	324,576	3,320,481	120,790	3,441,272

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 semi-annual 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	3,320,481
Profit in the category “Other”	120,790
Elimination of inter-segment transactions	2,783
Unallocated corporate expenses (See Note)	(919,010)
Adjustment of inventories	(70,286)
Operating profit shown on the semi-annual consolidated statements of income	2,454,758

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, the carrying amount was reduced to its memorandum value for the assets in which investments could not be expected to recover due to a downturn in profitability, and the reduced amount was shown to extraordinary losses as impairment losses.

In this regard, the amount of the relevant impairment losses shown in the current semi-annual consolidated accounting period is 1,759 thousand yen.

(For Revenue Recognition)

Information on the breakdown of revenue from contracts with customers

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Thousands of yen)

	Reportable segment					Other (See Note)	Total
	Electronic materials	Industrial application structural materials	Electrical insulating materials	Display materials	Subtotal		
Goods transferred at a point in time	15,228,606	3,319,993	1,179,849	1,681,149	21,409,599	192,177	21,601,776
Goods transferred over time	—	2,706,560	—	864,075	3,570,636	—	3,570,636
Revenue from contracts with customers	15,228,606	6,026,554	1,179,849	2,545,225	24,980,235	192,177	25,172,413
Other revenue	—	—	—	—	—	—	—
Net sales to external customers	15,228,606	6,026,554	1,179,849	2,545,225	24,980,235	192,177	25,172,413

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.

Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(Thousands of yen)

	Reportable segment					Other (See Note)	Total
	Electronic materials	Industrial application structural materials	Electrical insulating materials	Display materials	Subtotal		
Goods transferred at a point in time	17,217,377	3,365,258	1,265,077	901,942	22,749,655	168,482	22,918,138
Goods transferred over time	—	2,716,472	—	902,832	3,619,304	—	3,619,304
Revenue from contracts with customers	17,217,377	6,081,731	1,265,077	1,804,774	26,368,960	168,482	26,537,443
Other revenue	—	—	—	—	—	—	—
Net sales to external customers	17,217,377	6,081,731	1,265,077	1,804,774	26,368,960	168,482	26,537,443

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.

(Per Share Information)

The amounts of earnings per share and diluted earnings per share with their respective bases of calculation are as follows.

	Six months ended September 30, 2024	Six months ended September 30, 2025
(1) Earnings per share	63.91 yen	47.00 yen
(Basis of calculation)		
Profit attributable to owners of the parent (Thousands of yen)	2,122,066	1,562,119
Amount not attributable to common stockholders (Thousands of yen)	—	—
Profit attributable to owners of the parent pertaining to common stock (Thousands of yen)	2,122,066	1,562,119
Average number of shares of common stock during the period	33,205,170	33,239,171
(2) Diluted earnings per share	63.83 yen	46.99 yen
(Basis of calculation)		
Adjustment of profit attributable to owners of the parent (Thousands of yen)	—	—
Increase in the number of shares of common stock	42,135	7,668
Outline of dilutive shares that were not included in the calculation of diluted earnings per share due to a lack of dilutive effect and also underwent a significant change after the end of the previous consolidated fiscal year	—	—

Note: The Company's shares which are shown as treasury share in shareholders' equity and which a trust account for employee stock ownership plan holds are included in the number of treasury share excluded in the calculation of the average number of shares of common stock during the period when basic earnings (or loss) per share is calculated (59,347 shares for the previous semi-annual consolidated accounting period and 75,323 shares for the current semi-annual consolidated accounting period).

(Significant subsequent events)

No applicable matter.

2. Other

The Company passed a resolution as below on the current interim dividends at the Board of Directors' Meeting held on November 6, 2025.

- | | |
|--|------------------------|
| (1) Total amount of interim dividends | 1,466,852 thousand yen |
| (2) Interim dividends per share | 44.00 yen |
| (3) Effective date and payment commencement date | December 2, 2025 |

Note: 1. Payment will be made to the shareholders listed or recorded on the shareholder registry as of September 30, 2025.

2. The above total amount of the interim dividends includes dividends of 2,497 thousand yen on the Company's shares which a trust account for employee stock ownership plan holds.

**PART II. INFORMATION ON GUARANTY COMPANIES, ETC. OF THE
SUBMITTING COMPANY**

No applicable matter.

Independent Auditors' Review Report on the Interim Consolidated Financial Statements

November 14, 2025

To the Board of Directors of Arisawa Mfg. Co., Ltd.

Ernst & Young ShinNihon LLC
Niigata office

Yoshiyuki Sakuma
Designated Limited Liability Partner and Engagement Partner,
Certified Public Accountant

Ken Takahashi
Designated Limited Liability Partner and Engagement Partner,
Certified Public Accountant

Conclusion of Auditors

We have conducted, under the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, an interim review of the semi-annual consolidated financial statements of Arisawa Mfg. Co., Ltd. listed in the "Status of Accounting" for the semi-annual consolidated accounting period (from April 1, 2025 to September 30, 2025) of the consolidated fiscal year from April 1, 2025 to March 31, 2026, consisting of the semi-annual consolidated balance sheets, semi-annual consolidated statements of income, semi-annual consolidated statements of comprehensive income, semi-annual consolidated statements of cash flows and notes.

In our interim review, no matter has come to our attention that causes us to believe that the above semi-annual consolidated financial statements do not fairly present, in any material respect, the financial conditions of Arisawa Mfg. Co., Ltd. and its consolidated subsidiaries as of September 30, 2025 as well as the results of their operations and the status of their cash flows in the semi-annual consolidated accounting period ended September 30, 2025 in accordance with the corporate accounting standards generally accepted in Japan.

Basis for the Conclusion of Auditors

We conducted our interim review in accordance with the interim review standards generally accepted in Japan. Our responsibility in the interim review standards is stated in "The Responsibility of Auditors in the Interim Review Report of the Semi-annual Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries and fulfill other ethical responsibilities as an auditor in accordance with the code of professional ethics in Japan (including those that are relevant to audits of the financial statements of public interest entities). We believe that the evidence we have obtained provides a basis for our conclusion.

Responsibility of Management and Corporate Auditors and Board of Corporate Auditors for the Semi-annual Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the semi-annual consolidated financial statements in accordance with the corporate accounting standards generally accepted in Japan. This includes improvement and operation of such internal control as the management deems necessary for the preparation and fair presentation of semi-annual consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the semi-annual consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the semi-annual consolidated financial statements based on the going concern assumption and disclosing the items regarding the going concern assumption in accordance with the corporate accounting standards generally accepted in Japan if such items are required to be disclosed.

The responsibility of the Corporate Auditors and the Board of Corporate Auditors is to monitor the execution of Directors' duties in the improvement and operation of the financial reporting process.

Responsibility of Auditors in the Interim Review Report of the Semi-annual Consolidated Financial Statements

The responsibility of auditors is to express a conclusion on the semi-annual consolidated financial statements from an independent standpoint in the interim review report based on our interim review.

Auditors make professional judgements and conduct the followings with an attitude of professional skepticism through an interim review process in accordance with the interim review standards generally accepted in Japan.

- We principally make inquiries to the management, the persons responsible for financial and accounting matters, etc. applying analytical procedures and conducting other interim review procedures. The interim review procedures are less exhaustive than the procedures for annual financial statement audits conducted in accordance with the audit standards generally accepted in Japan.
- If we deem that there is a material uncertainty regarding events or conditions that may cast significant doubt matters on the going concern assumption, we conclude whether the semi-annual consolidated financial statements are found to contain any matters that would lead one to believe that those are not fairly presented in accordance with the corporate accounting standards generally accepted in Japan based on the evidence we obtain. Moreover, if a material uncertainty regarding the going concern assumption exists, it is required to promote awareness to the notes in the semi-annual consolidated financial statements in the interim review report, or if the notes regarding a material uncertainty in the semi-annual consolidated financial statements are inappropriate, it is required to express a qualified conclusion or a negative conclusion to the semi-annual consolidated financial statements. Conclusion by the auditors is based on the audit evidence obtained by the day of the interim review report, but a company may not be able to exist as the going concern depending on future events or conditions.
- We evaluate not only whether the presentation and notes of the semi-annual consolidated financial statements are found to contain any matters that would lead one to believe that those are not in accordance with the corporate accounting standards generally accepted in Japan but also whether the presentation, structure, and contents of the semi-annual consolidated financial statements including related notes as well as the semi-annual consolidated financial statements are found to contain any matters that would lead one to believe that those do not fairly present underlying transactions and accounting events.
- We obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to express a conclusion about the semi-annual consolidated financial statements. The auditors are responsible for direction, supervision, and review of the interim review regarding the semi-annual consolidated financial statements. The auditors assume responsibility for an audit opinion all by themselves.

We make reports to the Corporate Auditors and the Board of Corporate Auditors on the scope of a planned interim review and its timing of conduct, and material interim review findings.

We also provide the Corporate Auditors and the Board of Corporate Auditors with a statement that we complied with the code of professional ethics on independence in Japan, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where countermeasures to eliminate obstacles or safeguards to reduce obstacles to an acceptable level are applicable, related countermeasures and safeguards.

Interest

There exists no special interest between the Company as well as its consolidated subsidiaries and this audit corporation or its engagement partners which is required to be stated pursuant to the provisions of the Certified Public Accountants Act.

Note: 1. An original of the above interim review report is separately archived by the Company (the company submitting the Semi-annual Report).
2. XBRL data are not included in the subject of the interim review.