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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

April 30, 2026

Company Name:	Arisawa Mfg. Co., Ltd.	Stock exchange listing:	Tokyo
Stock code:	5208	(URL https://www.arisawa.co.jp/)	
Representative:	Representative Director and CEO:	Yuta Arisawa	
Inquiries:	Director and Senior Managing Operating Officer:	Takeshi Masuda	
		Telephone:	025-524-7101
Scheduled date of annual general meeting of shareholders:	June 18, 2026	Scheduled date to commence dividend payments:	June 19, 2026
Scheduled date to file annual securities report:	June 17, 2026		
Preparation of supplementary material on financial results:		Yes	
Holding of financial results briefing:		Yes (for analysis)	

(Amounts less than one million yen are rounded down.)

1. Consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	56,474	13.4	5,805	18.6	6,157	16.9	4,995	25.8
March 31, 2025	49,815	18.3	4,893	229.8	5,267	253.9	3,969	142.1

(Note) Comprehensive income: For the fiscal year ended March 31, 2026: 6,091 million yen [21.2%]
For the fiscal year ended March 31, 2025: 5,024 million yen [81.9%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	150.57	150.56	10.1	8.1	10.3
March 31, 2025	119.49	119.39	8.4	7.5	9.8

(Reference) Equity method investment gain: For the fiscal year ended March 31, 2026: ----- million yen
For the fiscal year ended March 31, 2025: -----million yen

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	81,039	50,688	62.5	1,546.49
March 31, 2025	71,736	48,559	67.7	1,461.64

(Reference) Equity: As of March 31, 2026: 50,688 million yen
As of March 31, 2025: 48,553 million yen

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	3,144	(7,090)	1,748	14,880
March 31, 2025	4,548	(2,076)	(4,086)	16,371

2. Cash dividends

Fiscal year ended	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
March 31, 2025	---	42.00	---	54.00	96.00	3,196	80.3	6.7
March 31, 2026	---	44.00	---	78.00	122.00	4,027	81.0	8.1
March 31, 2027 (Forecast)	---	49.00	---	49.00	98.00		80.3	

(Note) The year-end dividend for the fiscal year ended March 31, 2026 has been changed from 53 yen to 78 yen per share. For details, please refer to the "Notice Concerning Revision of Dividend Forecasts for the Fiscal Year Ended March 31, 2026" announced today (April 30, 2026).

3. Forecasts of consolidated financial results for the year ending March 31, 2027
(from April 1, 2026 to March 31, 2027)

(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, 2026	31,000	16.8	2,600	5.9	2,600	20.7	1,700	8.8	51.87
Full year	61,300	8.5	5,900	1.6	5,700	(7.4)	4,000	(19.9)	122.04

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the changes in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2026:	33,603,924 shares	As of March 31, 2025:	33,600,524 shares
As of March 31, 2026:	827,640 shares	As of March 31, 2025:	382,116 shares
Fiscal year ended March 31, 2026:	33,178,357 shares	Fiscal year ended March 31, 2025:	33,221,218 shares

(Note) The shares of the Company (56,757 shares in the year ended 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 (66,065 shares in the year ended March 31, 2026 and 60,660 shares in the year ended March 31, 2025).

(Reference) Overview of non-consolidated results

1. Non-consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Earnings	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	34,916	15.4	3,338	23.3	4,125	36.7	3,556	52.1
March 31, 2025	30,267	14.0	2,707	198.9	3,018	118.3	2,338	56.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	107.19	107.18
March 31, 2025	70.39	70.34

(2) Non-consolidated financial position

	Total asset	Net assets	Equity ratio	Net assets per share
Fiscal year ended	Millions of yen	Millions of yen	%	Yen
March 31, 2026	55,407	36,914	66.6	1,126.26
March 31, 2025	48,926	37,008	75.6	1,113.92

(Reference) Equity As of March 31, 2026: 36,914 million yen
As of March 31, 2025: 37,002 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 continued to recover moderately on the back of improvements in the employment and income situation. Meanwhile, there is still an uncertain outlook for the economy due to the rising prices of raw materials and energy caused by the situations in the Middle East, in addition to factors such as the continued price increase and the impact of U.S. trade policies.

Under such circumstances, the results of operations of our group for the current consolidated fiscal year showed net sales of 56,474 million yen (an increase of 13.4% year-on-year) due to strong business performances in sales of honey-comb panels for aircraft and FRP pressure vessels for water purification in industrial application structural materials, in addition to an increase in demand of smartphones and semi-conductors for applications such as computers and AI servers in electronic materials, one of our main business fields, despite weak performance in display materials. The results in terms of profit and loss are as follows: operating profit was 5,805 million yen (an increase of 18.6% year-on-year); ordinary profit was 6,157 million yen (an increase of 16.9% year-on-year); and profit attributable to owners of parent was 4,995 million yen (an increase of 25.8% year-on-year).

Business results with respect to each segment are as follows,

(Electronic materials)

Net sales were 35,882 million yen (an increase of 14.0% year-on-year) due to an increase in net sales of flexible printed circuit board materials and glass cloth for printed circuit boards, while the segment profit was 3,558 million yen (an increase of 24.7% year-on-year) due to an increase in sales, etc.

(Industrial application structural materials)

Net sales were 13,731 million yen (an increase of 29.3% year-on-year) mainly due to an increase in sales of honeycomb panels for aircraft and FRP vessels for water purification etc. Segment profit was 2,901 million yen (an increase of 64.7% year-on-year) due to an increase in sales.

(Electric insulation materials)

Net sales were 2,546 million yen (an increase of 3.7% year-on-year) mainly due to an increase in infrastructure-related sales, while the segment profit was 264 million yen (an increase of 55.5% year-on-year) due to the effect of improved profitability in addition to an increase in sales.

(Display materials)

Net sales were 3,973 million yen (a decrease of 19.1% year-on-year) mainly due to a decrease in sales of 3D-related materials and polarization control optical components, while the segment profit was 833 million yen (a decrease of 51.8% year-on-year).

(Other)

Net sales were 339 million yen (a decrease of 3.3% 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 81,039 million yen, an increase of 9,302 million yen compared with the end of the previous consolidated fiscal year. This was largely due to an increase of 5,232 million yen in notes and accounts receivable - trade, and contract assets, an increase of 1,069 million yen in raw materials and supplies, an increase of 4,876 million yen in property, plant and equipment, and a decrease of 1,620 million yen in cash and deposits.

Total liabilities were 30,351 million yen, an increase of 7,173 million yen compared with the end of the previous consolidated fiscal year. This was largely due to an increase of 1,043 million yen in notes and accounts payable-trade, an increase of 6,062 million yen in short-term borrowings .

Total net assets were 50,688 million yen, an increase of 2,128 million yen compared with the end of the previous consolidated fiscal year. This was largely due to an increase of 1,730 million yen in retained earnings, an increase of 943 million yen in foreign currency translation adjustment, and an increase of 705 million yen in treasury shares (a decrease of net assets).

(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 14,880 million yen, a decrease of 1,490 million yen compared with the end of the previous consolidated fiscal 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 3,144 million yen (4,548 million yen was earned in the previous consolidated fiscal year). This was largely due to an increase in the funds comprising 6,579 million yen in profit before income taxes and 2,465 million yen in depreciation, etc., as well as a decrease in the funds comprising 4,838 million yen in increase in trade receivables.

(Cash Flows from Investing Activities)

Funds disbursed from investing activities were 7,090 million yen (2,076 million yen was disbursed in the previous consolidated fiscal year). This was largely due to a decrease in the funds comprising the expenditure of 6,793 million yen for purchases of property, plant and equipment.

(Cash Flows from Financing Activities)

Funds disbursed from financing activities were 1,748 million yen (4,086 million yen was disbursed in the previous consolidated fiscal year). This was largely due to an increase in the funds comprising 5,956 million yen for short-term borrowings and a decrease in the funds comprising 4,433 million yen for repayments of long-term borrowings.

(Reference) Transitions of Cash Flows related Index

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	67.2	67.7	62.5
Equity ratio on a basis of market price (%)	54.8	64.1	91.7
Ratio of cash flows to interest bearing debt (year)	3.4	2.2	4.9
Interest coverage ratio (times)	15.6	23.2	17.3

(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 the impact of geopolitical risks and rising prices of energy with a background of U.S. trade policies and the situations in the Middle East.

In light of this, for the fiscal year ending March 31, 2027, we expect consolidated net sales of 61,300 million yen (an increase of 8.5% year-on-year), operating income of 5,900 million yen (an increase of 1.6% year-on-year), ordinary income of 5,700 million yen (a decrease of 7.4% year-on-year), and the profit attributable to owners of parent of 4,000 million (a decrease of 19.9% year-on-year).

2. Basic Concept of Selection of Accounting Standards

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 the 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)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	16,861,091	15,240,998
Notes and accounts receivable - trade, and contract assets	16,674,196	21,906,654
Securities	100,020	—
Merchandise and finished goods	6,117,372	5,774,719
Work in process	2,740,780	3,024,557
Raw materials and supplies	5,747,978	6,817,000
Other	1,317,955	1,254,123
Allowance for doubtful accounts	(32,071)	(16,066)
Total current assets	49,527,322	54,001,987
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,373,520	31,164,036
Accumulated depreciation	(17,103,063)	(17,967,698)
Buildings and structures, net	7,270,456	13,196,338
Machinery, equipment and vehicles	35,218,531	37,989,908
Accumulated depreciation	(30,381,205)	(31,654,023)
Machinery, equipment and vehicles, net	4,837,326	6,335,884
Land	2,038,587	2,043,264
Construction in progress	3,305,096	794,451
Other	4,317,800	4,510,393
Accumulated depreciation	(3,004,494)	(3,238,944)
Other, net	1,313,306	1,271,448
Total property, plant and equipment	18,764,772	23,641,387
Intangible assets	300,488	306,936
Investments and other assets		
Investment securities	1,969,043	1,929,988
Long-term loans receivable	41,269	41,269
Deferred tax assets	716,384	659,616
Other	463,155	578,332
Allowance for doubtful accounts	(45,797)	(120,358)
Total investments and other assets	3,144,054	3,088,848
Total non-current assets	22,209,315	27,037,172
Total assets	71,736,638	81,039,159

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,704,382	8,748,032
Short-term borrowings	4,926,408	10,988,823
Current portion of long-term borrowings	961,467	970,814
Lease liabilities	225,594	185,601
Income taxes payable	848,061	997,106
Provision for product warranties	29,690	31,854
Provision for bonuses	727,947	1,140,538
Provision for bonuses for directors (and other officers)	6,358	9,131
Provision for share awards	—	29,599
Other	3,152,750	3,543,937
Total current liabilities	18,582,660	26,645,439
Non-current liabilities		
Long-term borrowings	3,677,101	2,999,727
Provision for share awards	26,729	—
Lease liabilities	443,780	273,164
Deferred tax liabilities	231,092	186,941
Retirement benefit liability	42,212	76,614
Asset retirement obligations	103,856	103,639
Other	70,025	65,562
Total non-current liabilities	4,594,797	3,705,649
Total liabilities	23,177,458	30,351,089
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	35,225,663
Treasury shares	(471,686)	(1,176,816)
Total shareholders' equity	44,147,466	45,186,492
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	428,851	725,018
Deferred gains or losses on hedges	2,298	(1,863)
Foreign currency translation adjustment	3,763,293	4,707,162
Remeasurements of defined benefit plans	211,525	71,260
Total accumulated other comprehensive income	4,405,967	5,501,578
Share acquisition rights	5,745	—
Total net assets	48,559,180	50,688,070
Total liabilities and net assets	71,736,638	81,039,159

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

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	49,815,616	56,474,208
Cost of sales	38,194,139	43,056,673
Gross profit	11,621,477	13,417,534
Selling, general and administrative expenses		
Freight and packing costs	1,029,929	1,224,494
Salaries and allowances	2,211,897	2,569,776
Provision for bonuses	190,135	255,352
Provision for bonuses for directors (and other officers)	6,358	9,131
Retirement benefit expenses	76,282	63,824
Provision of allowance for doubtful accounts	16,716	53,970
Other	3,196,952	3,435,694
Total selling, general and administrative expenses	6,728,271	7,612,245
Operating profit	4,893,205	5,805,289
Non-operating income		
Interest income	89,223	50,446
Dividend income	25,702	30,570
Foreign exchange gains	241,538	151,017
Subsidy income	125,337	102,838
Compensation income	3,498	140,711
Other	128,348	141,421
Total non-operating income	613,648	617,006
Non-operating expenses		
Interest expenses	190,557	188,959
Rental expenses	28,842	29,018
Other	19,727	46,430
Total non-operating expenses	239,127	264,408
Ordinary profit	5,267,726	6,157,887
Extraordinary income		
Gain on sale of non-current assets	4,515	2,170
Gain on sale of investment securities	2,502	107,268
Gain on bargain purchase	—	168,953
Subsidy income	—	164,020
Other	16,645	12,598
Total extraordinary income	23,663	455,012
Extraordinary losses		
Impairment losses	9,209	1,759
Loss on sale of non-current assets	2,003	—
Loss on retirement of non-current assets	16,788	31,714
Total extraordinary losses	28,000	33,474
Profit before income taxes	5,263,389	6,579,424
Income taxes - current	1,014,832	1,435,094
Income taxes - deferred	278,876	148,528
Total income taxes	1,293,709	1,583,623
Profit	3,969,679	4,995,801
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	3,969,679	4,995,801

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	3,969,679	4,995,801
Other comprehensive income		
Valuation difference on available-for-sale securities	(86,194)	296,167
Deferred gains or losses on hedges	4,004	(4,161)
Foreign currency translation adjustment	892,299	943,868
Remeasurements of defined benefit plans, net of tax	244,455	(140,264)
Total other comprehensive income	1,054,564	1,095,610
Comprehensive income	5,024,244	6,091,412
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,024,244	6,091,412
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Shareholders' Equity and Other Net Assets
 Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,862,036	3,212,781	32,253,196	(460,640)	42,867,374
Changes during period					
Issuance of new shares	18,080	18,080			36,160
Dividends of surplus			(2,727,983)		(2,727,983)
Profit attributable to owners of parent			3,969,679		3,969,679
Purchase of treasury shares				(122,611)	(122,611)
Disposal of treasury shares		13,281		111,565	124,847
Net changes in items other than shareholders' equity					
Total changes during period	18,080	31,361	1,241,696	(11,046)	1,280,092
Balance at end of period	7,880,116	3,244,143	33,494,893	(471,686)	44,147,466

	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	515,045	(1,706)	2,870,994	(32,930)	3,351,402	27,419	46,246,196
Changes during period							
Issuance of new shares							36,160
Dividends of surplus							(2,727,983)
Profit attributable to owners of parent							3,969,679
Purchase of treasury shares							(122,611)
Disposal of treasury shares							124,847
Net changes in items other than shareholders' equity	(86,194)	4,004	892,299	244,455	1,054,564	(21,673)	1,032,891
Total changes during period	(86,194)	4,004	892,299	244,455	1,054,564	(21,673)	2,312,983
Balance at end of period	428,851	2,298	3,763,293	211,525	4,405,967	5,745	48,559,180

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,880,116	3,244,143	33,494,893	(471,686)	44,147,466
Changes during period					
Issuance of new shares	1,803	1,803			3,607
Dividends of surplus			(3,265,031)		(3,265,031)
Profit attributable to owners of parent			4,995,801		4,995,801
Purchase of treasury shares				(471)	(471)
Disposal of treasury shares		9,778		77,065	86,843
Increase by merger				(781,723)	(781,723)
Net changes in items other than shareholders' equity					
Total changes during period	1,803	11,582	1,730,770	(705,130)	1,039,025
Balance at end of period	7,881,920	3,255,725	35,225,663	(1,176,816)	45,186,492

	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	422,851	2,298	3,763,293	211,525	4,405,967	5,745	48,559,180
Changes during period							
Issuance of new shares							3,607
Dividends of surplus							(3,265,131)
Profit attributable to owners of parent							4,995,801
Purchase of treasury shares							(471)
Disposal of treasury shares							86,843
Increase by merger							(781,723)
Net changes in items other than shareholders' equity	296,167	(4,161)	943,868	(140,264)	1,095,610	(5,745)	1,089,864
Total changes during period	296,167	(4,161)	943,868	(140,264)	1,095,610	(5,745)	2,128,890
Balance at end of period	725,018	(1,863)	4,707,162	71,260	5,501,578	—	50,688,070

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	5,263,389	6,579,424
Depreciation	2,122,697	2,465,554
Impairment losses	9,209	1,759
Share-based payment expenses	47,721	49,573
Increase (decrease) in provision for product warranties	(287)	1,076
Increase (decrease) in provision for bonuses	138,065	412,591
Increase (decrease) in provision for bonuses for directors (and other officers)	2,740	2,773
Increase (decrease) in allowance for doubtful accounts	12,880	53,770
Increase (decrease) in provision for share awards	26,729	39,714
Increase (decrease) in retirement benefit liability	(88,115)	(169,175)
Interest and dividend income	(114,926)	(81,016)
Subsidy income	(125,337)	(266,858)
Compensation income	(3,498)	(140,711)
Interest expenses	190,557	188,959
Foreign exchange losses (gains)	(77,361)	(1,912)
Gain on bargain purchase	—	(168,953)
Loss (gain) on sale of investment securities	(2,502)	(107,268)
Loss (gain) on sale of non-current assets	(2,911)	(2,170)
Loss on retirement of property, plant and equipment	2,066	5,140
Gain on reversal of share acquisition rights	(15,981)	(5,164)
Other extraordinary loss (income)	(664)	(7,434)
Decrease (increase) in trade receivables	117,504	(4,838,717)
Decrease (increase) in inventories	(2,920,741)	(796,646)
Increase (decrease) in trade payables	569,185	926,727
Increase (decrease) in accrued consumption taxes	(27,813)	(314,090)
Decrease (increase) in other assets	(356,941)	348,391
Increase (decrease) in other liabilities	279,858	159,105
Subtotal	5,045,522	4,334,440
Interest and dividends received	130,064	101,173
Interest paid	(196,074)	(181,763)
Income taxes refund (paid)	(559,605)	(1,517,089)
Subsidies received	125,337	266,858
Proceeds from compensation	3,498	140,711
Net cash provided by (used in) operating activities	4,548,742	3,144,332

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(490,000)	(360,000)
Proceeds from withdrawal of time deposits	470,092	497,100
Purchase of property, plant and equipment	(2,210,733)	(6,793,458)
Proceeds from sale of property, plant and equipment	4,615	2,170
Purchase of intangible assets	(39,330)	(121,518)
Purchase of investment securities	(152)	(991,677)
Proceeds from sale of investment securities	168,724	692,493
Loan advances	(60,000)	—
Proceeds from collection of loans receivable	80,000	—
Decrease (increase) in investments and other assets	(125)	(16,047)
Net cash provided by (used in) investing activities	(2,076,909)	(7,090,937)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(460,774)	5,956,077
Proceeds from long-term borrowings	2,626,812	3,627,791
Repayments of long-term borrowings	(3,275,601)	(4,433,903)
Repayments of lease liabilities	(150,341)	(145,832)
Redemption of bonds	(10,800)	—
Proceeds from issuance of shares	30,467	3,026
Purchase of treasury shares	(122,611)	(471)
Dividends paid	(2,723,982)	(3,258,049)
Net cash provided by (used in) financing activities	(4,086,831)	1,748,637
Effect of exchange rate change on cash and cash equivalents	286,058	323,296
Net increase (decrease) in cash and cash equivalents	(1,328,939)	(1,874,671)
Cash and cash equivalents at beginning of period	17,700,031	16,371,091
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	384,578
Cash and cash equivalents at end of period	16,371,091	14,880,998

(5) Notes Related to Consolidated Financial Statements

(Notes on Going Concern Assumption)

No applicable matter

(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 FRP vessels for water purification, honeycomb panels prepregs for aircraft and pultrusion molded products, etc. "Electrical insulating materials business" produces glass cloth, glass tapes and prepregs for electrical insulation, etc. "Display materials business" produces 3D display filters and polarization control 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, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segments					Other (See Note)	Total
	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Reportable segments		
Sales							
Revenues from external customers	31,477,376	10,616,059	2,456,849	4,913,663	49,463,948	351,668	49,815,616
Transactions with other segments	—	—	—	—	—	1,019,696	1,019,696
Net sales	31,477,376	10,616,059	2,456,849	4,913,663	49,463,948	1,371,364	50,835,313
Operating profit (loss)	2,854,015	1,761,963	170,209	1,729,304	6,515,491	209,743	6,725,235
Assets	38,301,935	11,753,925	2,140,981	4,565,108	56,761,951	1,528,931	58,290,883
Other items							
Depreciation	1,413,002	316,969	97,879	118,519	1,946,370	27,466	1,973,836
Increase in property, plant and equipment and intangible assets	1,238,549	377,184	81,941	140,909	1,838,584	31,021	1,869,606

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, 2025 to March 31, 2026)

(Thousands of yen)

	Reportable segments					Other (See Note)	Total
	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Reportable segments		
Sales							
Revenues from external customers	35,882,868	13,731,132	2,546,564	3,973,750	56,134,315	339,892	56,474,208
Transactions with other segments						1,204,387	1,204,387
Net sales	35,882,868	13,731,132	2,546,564	3,973,750	56,134,315	1,544,280	57,678,595
Operating profit (loss)	3,558,509	2,901,927	264,632	833,848	7,558,918	233,145	7,792,063
Assets	45,466,948	16,756,172	2,265,330	4,500,012	68,988,464	1,742,884	70,731,348
Other items							
Depreciation	1,615,195	417,387	92,763	148,708	2,274,054	32,440	2,306,495
Increase in property, plant and equipment and intangible assets	4,546,065	1,259,507	444,681	553,534	6,803,789	72,458	6,876,247

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	49,463,948	56,134,315
Net sales in the category "Other"	1,371,364	1,544,280
Elimination of inter-segment transactions	(1,019,696)	(1,204,387)
Net sales shown on the consolidated financial statements	49,815,616	56,474,208

(Thousands of yen)

Profit	Previous consolidated fiscal year	Current consolidated fiscal year
Total of reportable segments	6,515,491	7,558,918
Profit in the category "Other"	209,743	233,145
Elimination of inter-segment transactions	8,268	1,954
Unallocated corporate expenses (See Note)	(1,754,171)	(1,928,488)
Adjustment of inventories	(86,127)	(60,241)
Operating profit shown on the consolidated financial statements	4,893,205	5,805,289

Note: "Unallocated corporate assets" 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	56,761,951	68,988,464
Assets in the category "Other"	1,528,931	1,742,884
Elimination of claims to administrative departments of the head office	(673,606)	(1,082,763)
Unallocated corporate assets (See Note)	14,205,489	11,450,815
Adjustment of inventories	(86,127)	(60,241)
Operating profit shown on the consolidated financial statements	71,736,638	81,039,159

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

(Thousands of yen)

Other item	Total of reportable segments		Other		Adjustment		Amount shown on the consolidated financial statements	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Depreciation	1,946,370	2,274,054	27,466	32,440	148,860	159,058	2,122,697	2,465,554
Increase in property, plant and equipment and intangible assets	1,838,584	6,803,789	31,021	72,458	275,730	153,919	2,145,336	7,030,167

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, 2024 to March 31, 2025)

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	31,477,376	10,616,059	2,456,849	4,913,663	351,668	49,815,616

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	P.R. China	Other country or region	Total
20,580,334	14,171,847	15,063,434	49,815,616

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

(2) Property, plant and equipment

(Thousands of yen)

Japan	P.R. China	Taiwan	Other country or region	Total
10,575,848	3,842,148	2,964,424	1,382,350	18,764,772

3. Information by major customer

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

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

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	35,882,868	13,731,132	2,546,564	3,973,750	339,892	56,474,208

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	P.R. China	Other country or region	Total
23,945,004	15,257,041	17,272,162	56,474,208

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

(2) Property, plant and equipment

(Thousands of yen)

Japan	P.R. China	Taiwan	Other country or region	Total
15,473,180	3,989,829	2,839,037	1,339,340	23,641,387

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, 2024 to March 31, 2025)

(Thousands of yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Unallocated/ Eliminated	Total
Impairment loss	—	9,209	—	—	—	—	9,209

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Electronic materials	Industrial application structural materials	Electric insulation materials	Display materials	Other	Unallocated/ Eliminated	Total
Impairment loss	—	1,759	—	—	—	—	1,759

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

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

No applicable matter

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

No applicable matter

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

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

No applicable matter

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

The amount of gain on bargain purchase stated in the “Other” segment due to the acquisition of shares in Arisawa Kenko Ltd.

The amount stated in gain on bargain purchase was 168 million yen.

The amount stated in gain on bargain purchase was not included in the above segment profit due to the one stated in extraordinary income.

(Per Share Information)

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)
Net assets per share	1,461.64 yen	1,546.49yen
Basic earnings per share	119.49 yen	150.57 yen
Diluted earnings per share	119.39 yen	150.56 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, 2024 to March 31, 2025)	Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	3,969,679	4,995,801
Amount not attributable to common stockholders (Thousands of yen)	—	
Profit attributable to owners of parent pertaining to common stock (Thousands of yen)	3,969,679	4,995,801
Average number of shares of common stock during the year	33,221,218	33,178,357
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (Thousands of yen)	—	—
Increase in the number of shares of common stock	27,606	3,844
(Number of shares subject to stock acquisition rights included in the figure above)	(27,606)	(3,844)
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 (60,660 shares for the previous consolidated fiscal year and 66,065 shares for the current consolidated fiscal year).

(Notes on Important Subsequent Events)

(Establishment of an Overseas Subsidiary)

The Company's Board of Directors passed a resolution to establish a subsidiary in the U.S. at a meeting held on February 5, 2026, and the payment procedures of the share capital were completed on April 16, 2026.

1. Purpose of the Establishment of the New Company

The Company recognizes the U.S. market as crucial for expanding our core businesses of electronic materials and industrial structural materials. To establish a foothold for our core businesses in the U.S., the Company plans to establish a new company in California, U.S.A. and acquire a factory.

2. Details of the New Company

(1) Name	Arisawa Manufacturing America Inc.
(2) Location	California, U.S.A.
(3) Description of Business	Manufacture and sales of electronic materials, industrial structural materials, etc.
(4) Share Capital	Lease and management of commercial real estate
(5) Date of Establishment	4,500 thousand USD
(6) Completion Date of Payment Procedures	February 25, 2026
(7) Major Shareholder and Shareholding Ratio	April 16, 2026
	Arisawa Mfg. Co., Ltd. 100%