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Securities Code: 5208

June 12, 2019

To our shareholders:

Yuta Arisawa
President and Representative Director
Arisawa Mfg. Co., Ltd.
5-5 Minami-honcho 1-chome, Joetsu-shi, Niigata

Notice of the 71st Annual General Meeting of Shareholders

You are cordially invited to attend the 71st Annual General Meeting of Shareholders of Arisawa Mfg. Co., Ltd. (the “Company”), which will be held as stated below.

If you are unable to attend the meeting, you may exercise your voting rights in writing. Please consider the Reference Documents for General Meeting of Shareholders below and indicate your vote of approval or disapproval of each proposal on the enclosed voting form, and return it so that it arrives at the Company no later than 5:00 p.m. on Wednesday, June 26, 2019 (JST).

- 1. Date and Time:** Thursday, June 27, 2019 at 10:00 a.m. (Reception will open at 9:00 a.m.) (JST)
- 2. Venue:** Conference Room, Head Office of the Company
5-5 Minami-honcho 1-chome, Joetsu-shi, Niigata

3. Purpose of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 71st Fiscal Year (April 1, 2018 to March 31, 2019) and Audit Reports of Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. Non-consolidated Financial Statements for the 71st Fiscal Year (April 1, 2018 to March 31, 2019)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Six Directors |
| Proposal No. 3 | Election of Two Substitute Corporate Auditors |
| Proposal No. 4 | Issuance of Share Acquisition Rights for Employees, etc. as Stock Options |

4. Arrangements Concerning Convocation of the Meeting

If you exercise your voting rights by proxy, another shareholder with a voting right may attend General Meeting of Shareholders as your proxy. In this case, please note that the proxy is requested to submit a written document certifying the authority of proxy.

When attending on the day of the meeting, please submit the enclosed voting form to reception.

No gifts will be provided to shareholders who attend the Annual General Meeting of Shareholders. Your understanding is appreciated. Any changes in the Reference Documents for General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements will be posted on the Company’s website (<http://www.arisawa.co.jp/>).

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

With regard to the appropriation of surplus, the Company deems the return of earnings to shareholders an important management issue in line with the basic policy of maintaining stable dividends while considering the strengthening of its corporate structure and the development of future business. The proposed year-end dividend and other appropriation of surplus are as follows:

1. Year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Allotment of dividend property and their aggregate amount
The Company proposes to pay a dividend of ¥30 per common share of the Company.
Total amount: ¥1,086,565,380
 - (3) Effective date of payment of surplus available for dividends
June 28, 2019

2. Other appropriation of surplus
 - (1) Item of surplus to be increased and amount of increase
General reserve: ¥1,000,000,000
 - (2) Item of surplus to be decreased and amount of decrease
Retained earnings brought forward: ¥1,000,000,000

Proposal No. 2 Election of Six Directors

At the conclusion of the Annual General Meeting of Shareholders, the terms of office of all Directors will expire. Therefore, the Company proposes the election of six Directors.

The candidates for Director are as follows, and their carrier summaries, etc. are those as of June 1, 2019:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yuta Arisawa (July 25, 1969)	<p>Apr. 1992 Joined Mitsubishi Electric Corporation Feb. 2002 Joined JPMorgan Securities Japan Co., Ltd. Aug. 2003 Joined the Company Apr. 2007 Assistant General Manager, Manufacturing Dept. Apr. 2009 Operating Officer June 2010 Director and Senior Operating Officer June 2011 Director and Senior Managing Operating Officer June 2014 President and Representative Director (current position) June 2015 Chief Operating Officer (COO) June 2017 Chief Executive Officer (CEO) (current position)</p>	74,284 shares
<p>(Reasons for nomination as candidate for Director) Yuta Arisawa has been engaged in the corporate planning, manufacturing and sales departments as supervisor of the Company while also managing overseas associates since his joining the Company after holding positions at Mitsubishi Electric Corporation and JPMorgan Securities Japan Co., Ltd. Looking over the whole company with a global perspective, he has seen the issues and implemented the necessary reforms. Accordingly, the Company deems that he is a suitable manager to play a leadership role to accelerate innovative changes. He is nominated as a candidate for Director because he is expected to promote information sharing and reinforce the decision-making function of the Board of Directors as a member of the Board based on his rich experience and performance.</p>			
2	Yoshihiko Toda (January 24, 1958)	<p>Mar. 1981 Joined the Company July 1996 General Manager, Tokyo Branch June 2008 Operating Officer June 2014 Director and Senior Operating Officer, Division Chief, Electrical Insulating & Composite Materials Business Division; in charge of Electrical Insulating & Composite Materials Sales Dept. June 2017 Director and Senior Managing Operating Officer, Division Chief, Electrical Insulating & Composite Materials Business Division; in charge of Electrical Insulating & Composite Materials Sales Dept. (current position)</p> <p>(Significant concurrent positions outside the Company) President and Representative Director, Arisawa Fiber Glass Co., Ltd. President and Representative Director, Arisawa Jushi Kogyo Co., Ltd.</p>	50,201 shares
<p>(Reasons for nomination as candidate for Director) Yoshihiko Toda has been consistently engaged in the sales of the Company's products since his joining the Company, and manages the Electrical Insulating & Composite Materials Business Division while also being involved in the management of multiple subsidiaries. The Company deems that he is an essential person for the further increase of the products' sales in the future and for management of the Company's subsidiaries because of his proven track record of expanding the business scope of the said Division with a wide variety of business by leveraging his considerable insights and experience in the water treatment facilities business and aircraft business. He is nominated as a candidate for Director because he is expected to ensure the effectiveness of the supervisory functions of the Company's Board of Directors by supervising the execution of duties by Operating Officers and others based on his abundant practical experience.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Osamu Nakajima (June 5, 1965)	Apr. 1989 Joined Mitsui & Co., Ltd. May 2011 Department Manager, Solar Business Div., Functional Chemicals Business Unit Apr. 2013 Department Manager, Advanced Materials Div., Functional Chemicals Business Unit July 2014 Department Manager, Business Development Div., Basic Chemicals Business Unit Oct. 2015 Joined the Company as General Manager, Electronic Materials Sales Dept. Oct. 2015 Operating Officer in charge of Electronic Materials Sales Dept. June 2016 Director and Senior Operating Officer, Division Chief, Electronic Materials Business Division; in charge of Electronic Materials Sales Dept. (current position)	13,474 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Osamu Nakajima has been managing the Electronic Materials Business Division since his joining the Company after holding successive management posts in sales and development in the Functional Chemical Business Unit of Mitsui & Co., Ltd. The Company deems that he is an essential person for the further increase of the products' sales in the future and for the quality improvement of the Company's subsidiaries because of his proven track record of expanding the Group's business scope by leveraging his abundant sales experience, including his experience working overseas and his development oriented viewpoint. He is nominated as a candidate for Director because he is expected to ensure the effectiveness of the supervisory functions of the Company's Board of Directors by supervising the execution of duties by Operating Officers and others based on his abundant practical experience.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Hidetaka Nonami (May 30, 1958)	<p>Apr. 1983 Joined Toshiba Corporation</p> <p>Apr. 2000 Vice President, Toshiba America Business Solutions, Inc.</p> <p>Apr. 2003 General Manager, MFP Business Division, Document Processing & Telecommunication Systems Company, TOSHIBA TEC CORPORATION</p> <p>Apr. 2011 General Manager, Emerging Countries Division, Global Solutions Business Group</p> <p>June 2012 Vice President, Chief Marketing Executive, Global Solutions Business Group</p> <p>Apr. 2015 Vice President, Deputy Managing Director, Printing Solutions Business Group</p> <p>July 2016 Audit & Supervisory Board Member</p> <p>Sept. 2016 Joined the Company as Assistant Division Chief, Administration Division</p> <p>Sept. 2016 Operating Officer; Deputy Division Chief, Administration Division; in charge of General Affairs Dept., Manufacturing Engineering Dept., and Quality Assurance Dept.</p> <p>June 2017 Director and Senior Operating Officer, Division Chief, Manufacturing Division; Division Chief, Administration Division; in charge of Manufacturing Engineering Dept.</p> <p>June 2018 Director and Senior Operating Officer; Division Chief, Manufacturing Division; Division Chief, Administration Division; in charge of Manufacturing Engineering Dept., General Affairs Dept., and Human Resources Dept. (current position)</p>	1,321 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Hidetaka Nonami has been managing the Manufacturing Division and the Administration Division of the Company since his joining the Company after holding successive management posts in various types of solution business at Toshiba Corporation and TOSHIBA TEC CORPORATION. The Company deems that he is an essential person for the Company's quality improvement in the future because of his contribution to the reformation of the business and the promotion of efficiency for various systems as well as the strengthening of compliance systems, by leveraging his abundant experience including overseas assignment. He is nominated as a candidate for Director because he is expected to reinforce the supervisory functions of the Company's Board of Directors by supervising the execution of duties by Operating Officers and others based on his abundant practical experience.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned	
5	Katsuchika Goto (November 20, 1944)	June 1972	Joined GA Saxton & Co., New York	10,000 shares
		Apr. 1987	Senior Analyst, SG Warburg Securities, Inc (Tokyo)	
Apr. 1994	Managing Director and General Manager (Research Dept.), Smith Barney, Inc.			
Dec. 1998	Senior Adviser, Government of Singapore Investment Corporation Private Limited			
Mar. 2004	Representative Director, Unipulse Corporation			
June 2010	Director, the Company (current position)			
(Reasons for nomination as candidate for Director) Katsuchika Goto has been involved in the financial sector for many years through his experience at companies such as Smith Barney, Inc. and Government of Singapore Investment Corporation Private Limited. Meanwhile he also held successive posts as Representative Director at the manufacturer, Unipulse Corporation. The Company deems that he will deliver opinions from an outside perspective and increase the rationality and transparency of the Company's management by leveraging his knowledge and experience as a manager, cultivated through his career, as well as his insight regarding global taxes and investments. He is nominated as a candidate for outside Director in the expectation that he would supervise the decision making and business execution by managements and Directors from an independent standpoint.				
6	Yutaka Tsukahara (December 21, 1945)	Apr. 1968	Joined Fuji Heavy Industries Ltd. (presently Subaru Corporation)	1,500 shares
		June 1999	Vice President and Senior General Manager, Japan Sales & Marketing Div.	
		June 2001	Senior Vice President and Chief General Manager, Japan Region, Subaru Sales & Marketing Div.	
		June 2003	Senior Vice President and Chief General Manager, Subaru Product & Portfolio Planning Div.	
		May 2005	President and Representative Director, Tokyo Subaru Inc.	
		June 2010	Retired as President and Representative Director	
		June 2017	Director, the Company (current position)	
(Reasons for nomination as candidate for Director) Yutaka Tsukahara has been involved in the automobile industry for many years through his experiences in sales and product & portfolio planning at Subaru Corporation, and he has also held successive posts as President and Representative Director at Tokyo Subaru Inc. The Company deems that he will deliver opinions from an outside perspective and increase the rationality and transparency of the Company's management by leveraging his knowledge and experience as a manager, cultivated through his career, as well as his insight in the automobile component industry. He is nominated as a candidate for outside Director in the expectation that he would supervise the decision making and business execution by managements and Directors from an independent standpoint.				

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
 2. The number of the Company's shares owned is based on the shareholder register as of March 31, 2019.
 3. The number of the Company's shares owned by each candidate for Director includes those acquired through the stock ownership schemes.
 4. Among the candidates for Director, Katsuchika Goto and Yutaka Tsukahara are candidates for outside Director. At the conclusion of this Annual General Meeting of Shareholders, Katsuchika Goto's tenure as outside Director of the Company will have been nine years. At the conclusion of this Annual General Meeting of Shareholders, Yutaka Tsukahara's tenure as outside Director of the Company will have been two years.
 5. The Company has submitted notification to Tokyo Stock Exchange, Inc. that among the candidates for Director, Katsuchika Goto and Yutaka Tsukahara have currently been designated as independent officers.
 6. The Company has concluded limited liability agreements with outside Director candidates Katsuchika Goto and Yutaka Tsukahara and intends to extend these agreements if they are reelected. The outline of the details of the limited liability agreements is as follows:

- If an outside Director is liable to the Company for failing to perform his/her duties, the maximum amount of liability for compensation for damage to the Company shall be the Minimum Liability Amount provided in Article 425, paragraph 1 of the Companies Act.
- The said limited liability agreement shall be effective as long as the outside Director had acted in good faith and without gross negligence in performing his/her duties that caused the damage.

Proposal No. 3 Election of Two Substitute Corporate Auditors

The Company proposes the election of two substitute Corporate Auditors in advance to be ready to fill vacant positions should the number of Corporate Auditors fall below the number required by laws and regulations. The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for substitute Corporate Auditor are as follows: Takashi Miwa is to be elected as a substitute for Corporate Auditor Koji Ohta, and Hideyuki Baba is to be elected as a substitute for outside Corporate Auditors Koichi Sakai and Shinjiro Kawai.

The Company shall reserve the right to nullify the validity of their election by resolution of the Board of Directors as long as the consent of the Board of Corporate Auditors is obtained; provided, however, that it is only in a time before they assume office.

The candidates for substitute Corporate Auditor are as follows, and their career summaries, etc. are those as of June 1, 2019.

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Takashi Miwa (March 3, 1951)	Mar. 1973 Joined the Company Apr. 2000 General Manager, Electronics Materials Section, Engineering Dept. July 2001 Operating Officer June 2003 Managing Director and Senior Operating Officer June 2004 Director and Senior Operating Officer June 2014 Director and Senior Managing Operating Officer June 2016 Advisor (current position)	12,206 shares
2	Hideyuki Baba (March 29, 1964)	Apr. 1998 Registered at Niigata Bar Association Apr. 2003 Representative, Hideyuki Baba Law Office (current position)	- shares

- Notes:
- There is no special interest between any of the candidates for substitute outside Corporate Auditor and the Company other than the monthly payment of advisory fees of ¥35,000 to Hideyuki Baba for legal advisory.
 - The number of the Company's shares owned is based on the shareholder register as of March 31, 2019.
 - Hideyuki Baba is a candidate for substitute outside Corporate Auditor.
He has been nominated as a candidate for substitute outside Corporate Auditor in the expectation that he would perform his duties as outside Corporate Auditor based on his advanced professional knowledge as an attorney at law.
 - If Hideyuki Baba is appointed as an outside Corporate Auditor, the Company intends to enter into a limited liability agreement with him pursuant to Article 427, paragraph 1 of the Companies Act, and the outline of the limited liability agreement is as follows:
 - If an outside Corporate Auditor is liable to the Company for failing to perform his/her duties, the maximum amount of liability for compensation for damage to the Company shall be the Minimum Liability Amount provided in Article 425, paragraph 1 of the Companies Act.
 - The said limited liability agreement shall be effective as long as the person had acted in good faith and without gross negligence in performing his/her duties that caused the damage.
 - If the election of Hideyuki Baba is approved, he will be appointed as an independent officer as provided for by Tokyo Stock Exchange, Inc.

Proposal No. 4 Issuance of Share Acquisition Rights for Employees, etc. as Stock Options

The Company proposes to delegate to the Company’s Board of Directors determining the terms and conditions for allocating share acquisition rights issued as stock options for the employees of the Company, etc. pursuant to Article 236, Article 238 and Article 239 of the Companies Act.

1. Reason for the need for offering share acquisition rights under particularly favorable terms
The purpose of issuing share acquisition rights in gratis as stock options to employees of the Company and Directors and employees of wholly owned subsidiaries is to further increase motivation and morale concerning the performance of the Company group (the “Group”) and to secure talented personnel.

2. Content of the share acquisition rights
 - (1) Eligible persons for share acquisition rights to be allocated
Employees of the Company and Directors and employees of wholly owned subsidiaries who are approved by the Company’s Board of Directors
 - (2) Number of share acquisition rights to be issued
Up to 2,710 (100 shares per share acquisition right)
 - (3) Number of shares underlying the share acquisition rights
Up to a total of 271,000 shares
 - (4) Amount of payment for the share acquisition rights, method of calculation thereof, and need for payment
Issued in gratis, no need for payment.
 - (5) Total amount payable upon exercise of share acquisition rights and method of calculation
The amount to be paid when exercising share acquisition rights is the amount obtained by multiplying the amount to be paid per share determined on the day of allotment of share acquisition rights (“payment amount”) by the number of shares underlying each share acquisition right. The payment amount shall be the amount obtained by multiplying the simple average of the closing price of the Company’s shares in regular trading on the Tokyo Stock Exchange on the day of allotment of share acquisition rights and the six days immediately preceding that date (or the seven days immediately preceding that date if there is no closing price on that date) by 1.05. Any amount less than one yen shall be rounded up to the nearest yen. However, if that amount is less than the closing price on the day of allotment of the share acquisition rights (or the immediately preceding closing price if there is no closing price on the day of allotment), the closing price of the day of allotment of share acquisition rights shall be used.
The following equation shall be used to adjust the payment amount if the Company performs a share split or share consolidation after issuing the share acquisition rights. Any amount adjusted shall be rounded up to the nearest yen.

$$\text{Adjusted payment amount} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of share split or consolidation}} \times 1$$

Furthermore, the following equation shall be used to adjust the payment amount if the Company issues new shares at an amount less than market value (excluding the issuance of new shares due to the exercise of stock options) or disposes of treasury shares. Any amount adjusted shall be rounded up to the nearest yen.

$$\text{Adjusted payment amount} = \frac{\text{Payment amount before adjustment} \times \left(\frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Payment amount per share}}{\text{Market value per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}} \right)}{1}$$

“Number of shares newly issued” shall be replaced by “Number of treasury shares disposed of” when disposing of treasury shares.

- (6) Exercise period
From July 1, 2021 until June 30, 2024
- (7) Conditions for the exercise of share acquisition rights
 - (i) A person who has received allotment of share acquisition rights shall have the status of Director, advisor or employee of the Company or Director, advisor or employee of a subsidiary of the Company when exercising the rights.

- (ii) The rights shall not be assigned, pledged, otherwise disposed of or inherited.
- (8) Matters related to the increase in capital stock and legal capital surplus when issuing shares due to the exercise of share acquisition rights
 - (i) If shares are issued due to the exercise of stock options, common stock shall increase by half the limit for increase in common stock calculated pursuant to Article 17, paragraph 1 of the Ordinance on Accounting of Companies. Any amount less than one yen shall be rounded up to the nearest yen.
 - (ii) If shares are issued due to the exercise of stock options, additional paid-in capital shall increase by the amount remaining after deducting the increase in common stock prescribed in (i) from the limit for increase in common stock in (i).
- (9) Provisions for the acquisition of share acquisition rights

The Company may acquire free of charge share acquisition rights in respect of items below if approved by General Meeting of Shareholders unless the obligation of granting share acquisition rights is succeeded by the surviving company (in case of (i)) or the Company's wholly owning parent company (in case of (ii)):

 - (i) Proposal for approval of a merger agreement under which the Company is to be dissolved;
 - (ii) Proposal for approval of a share exchange agreement or share transfer plan under which the Company is to become a wholly owned subsidiary.
- (10) Restrictions applicable to the acquisition of share acquisition rights by transfer

Approval is required by resolution of the Board of Directors for the acquisition of share acquisition rights by transfer of ownership.
- (11) Other matters pertaining to offering share acquisition rights shall be determined in meetings of the Board of Directors separately held.