



January 31, 2022

To Whom It May Concern:

Name of Company: Arisawa Mfg., Co., Ltd.
Representative: Yuta Arisawa, Representative Director and CEO
(Code No.: 5208 Tokyo Stock Exchange, 1st Section)
Contact: Takeshi Masuda, Director,
Administration Division Executive General Manager
(TEL: 025-524-7101)

Notice of Fraudulent Act by Former Employee of a Subsidiary of the Company

It was found that a former employee of a subsidiary of the Company (hereinafter referred to as “Former Employee”) committed a fraudulent act (hereinafter referred to as “Act”). We hereby notify you as follows.

It is truly regrettable that such an incident occurred and we sincerely apologize for the great inconvenience and concern caused to our stakeholders, including shareholders.

We take the occurrence of the Act seriously and from now on, the entire company will make its best efforts to prevent a recurrence.

1. Overview of the Act

The Former Employee of the company made excessive withdrawals from bank deposits by manipulating accounting slips, etc., from July to November 2021 in order to use the money for private purposes. The entire amount of the damages was ¥73 million, out of which, ¥18 million was repaid by the Former Employee.

2. Actions Taken Against the Former Employee

We have already carried out disposition of disciplinary dismissal against the Former Employee and continue our efforts to pursue liability, while also considering the possibility of criminal charges.

3. Recurrence Prevention Measures

Although the Company Group has already made efforts to deepen its awareness toward compliance through training, etc., by taking the occurrence of the Act seriously and through deep reflection, we will make further efforts to raise awareness toward thorough compliance. The entire Group will also make efforts to prevent a recurrence by reviewing its workflow and reinforcing its management system.

4. Impact on Business Results

The entire amount of the damages as a result of the Act was handled in our accounting treatment in the third quarter of the fiscal year ending March 31, 2022 and the impact on the consolidated business results is minor.