



January 27, 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, Senior Operating Officer,
 Corporate Planning Department
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Notice of Capital Increase in a Subsidiary in Taiwan

We hereby notify you that the Company adopted a resolution at the board of directors' meeting held on January 27, 2022 to increase the capital of TopFlex Corporation in China (hereinafter referred to as "TopFlex"), a consolidated subsidiary of the Company by 20,000 thousand USD through ThinFlex Corporation in Taiwan (hereinafter referred to as "ThinFlex"), a consolidated subsidiary of the Company.

1. Purpose of Capital Increase

As announced in the "Notice of Capital Investment in a Subsidiary," dated October 28, 2021, in order to capture the growth of the flexible printed circuit board business in Asia, mainly in Greater China, a new production line will be established at TopFlex Corporation, a wholly-owned subsidiary of ThinFlex. With respect to the investment amount of 2,200 million JPY in fiscal year 2022, the Company adopted a resolution to increase the capital of TopFlex through ThinFlex for the purpose of maintaining a stable financial base for TopFlex.

2. Increase or Decrease in Capital of Subsidiaries

		ThinFlex	TopFlex
(1)	Current capital	1,006,378 thousand TWD (Approx. 4,100,000,000 JPY)	17,000 thousand USD (Approx. 1,900,000,000 JPY)
(2)	Amount of capital increase this time	20,000 thousand USD (Approx. 2,300,000,000 JPY)	20,000 thousand USD (Approx. 2,300,000,000 JPY)
(3)	Registered capital after capital increase	Approx. 1,576,378 thousand TWD (Approx. 6,400,000,000 JPY)	37,000 thousand USD (Approx. 4,200,000,000 JPY)

* Exchange rate: 1 USD = 113.84 JPY, 1 TWD = 4.11 JPY, 1 USD = 28.5 TWD

* Implementation of the capital increase will be made on condition of obtaining permission from the respective administrative authorities in Taiwan and China.

3. Overview of the Subsidiaries of the Company

1) ThinFlex

(1)	Name	ThinFlex Corporation	
(2)	Location	No. 8, Luke 2nd Rd., Luzhu Dist., Kaohsiung City 821, Taiwan	
(3)	Representative	Liu Chih-Hung, Chairman	
(4)	Capital	1,006,378 thousand TWD	
(5)	Date of Establishment	June 2, 2000	
(6)	Business Line	Development, manufacturing, and sale of FPC materials, etc.	
(7)	Major Shareholder and Shareholding Ratio	The Company (Arisawa Mfg., Co., Ltd.): 100.00%	
(8)	Relationship with the Company	Capital Relationship	Consolidated subsidiary wholly-owned by the Company
		Personal Relationship	Four of the Company's officers and employees serve as directors of ThinFlex concurrently.
		Business Relationship	The Company supplies raw materials and sells products relating to electronic materials to ThinFlex.

2) TopFlex

(1)	Name	TopFlex Corporation	
(2)	Location	No. 2518, Chengbei West Road, Bacheng Town, Kunshan City, China	
(3)	Representative	Wu Chieh-Hung, Chairman	
(4)	Capital	17,000 thousand USD	
(5)	Date of Establishment	September 2, 2005	
(6)	Business Line	Development, manufacturing, and sale of FPC materials, etc.	
(7)	Major Shareholder and Shareholding Ratio	ThinFlex Technology Corporation: 100.00%	
(8)	Relationship with the Company	Capital Relationship	Consolidated subsidiary indirectly wholly-owned by the Company
		Personal Relationship	Two of the Company's officers and employees serve as directors of TopFlex concurrently.
		Business Relationship	The Company supplies raw materials and sells products relating to electronic materials to TopFlex

4. Future Outlook

As the Company has already made ThinFlex a wholly-owned subsidiary, we expect that the impact due to the capital increase on consolidated business results in the current period will be minor. If any events to be disclosed should occur in the future, we will notify you promptly.