



ARISAWA

INTEGRATED REPORT 2025

Arisawa Mfg. Co., Ltd.



Corporate Philosophy

CIC

"Create, Innovate, and Challenge"

Better today than yesterday better tomorrow than today

~ Take a step forward to create a better future ~

Arisawa as business came into being in 1909 with the production of Battenberg lace, where it cultivated expertise that would later attain a new height with the epochal introduction of glass fiber.

What followed was a string of novel materials from Arisawa featuring unheard-of properties, to which the company went on to apply innovative technologies.

This process enabled Arisawa to build up coherent production systems and a unique technical edge integrating the "weaving, coating, and molding" elements while consistently fulfilling diverse customers' needs.

Arisawa's current offerings include, among others, electronic materials for use in PCs,

smartphones, etc., industrial application structural materials

(e.g., honeycomb sandwich panels for use in aircraft interiors), electrical insulating materials,

and display materials, all of which contribute to the development of various industries.

We at Arisawa Mfg. Co., Ltd. have our mind set on opening a vista for the future as we remain proactive

in our efforts to develop innovative materials.

Editorial policy

Since the first issuance of an environmental report in FY2005, the Arisawa Group has provided information about its social contribution activities through business in its mid-term management plan and initiatives on climate change (disclosure based on the framework of TCFD recommendations).

This integrated report is intended to provide new opportunities for dialogue by presenting stakeholders, including shareholders and investors, with the company's initiatives toward the improvement of its corporate value over the medium to long term.

This year's report describes specific initiatives regarding the mid-term management plan, financial strategy, and human capital management in more detail than the first report issued last year.

Scope of the report

This report covers Arisawa Mfg. Co., Ltd. and its domestic and overseas group companies and affiliates. In this report, "Arisawa," "we," "us," or "our" means Arisawa Mfg. Co., Ltd., and "our group" means the entire Arisawa Group.

Coverage period of the report

The coverage period is from April 1, 2024, to March 31, 2025 (January 1 to December 31, 2024, for overseas offices), but note that some descriptions may include activities before and after this period when necessary.

Other reference information

- For technical terms, such as our group's products mentioned in this report, see our website (Technology/Products > Glossary).

- TOPICS are enclosed in

01 About Arisawa

Corporate Philosophy	1
Policies	3
Global Business Operations	4
Arisawa Widely Adopted in Society	5
Message from Representative Director	7

02 Value Creation

History of Value Creation	11
Value Creation Process	15
Management Capital for Value Creation	17
Sources of Value Creation	19
New Initiatives for Value Creation	22
Innovation Center	23

03 Management Policy

Sustainability Management	27
Mid-Term Management Plan	29
Financial Strategy	33
Businesses / Overview of Each Segment	37
Sales Strategy	39
Development Strategy	40
Strategy by Segment	
- Electronic Material Segment	41
- Industrial Structural Material and Electrical Insulating Material Segment	43
- Display Material Segment	45

04 Sustainability

Environmental Management	47
Response to Climate Change	49
Promotion of Circular Economy	53
Human Resource Management	55
Occupational Safety and Health	59
Supply Chain Management	60
Quality Improvement Initiatives	61
Risk Management	63
Corporate Governance	65
Board of Directors	67
List of Officers	71

05 Financial Data

Business Performance Overview for the Past 10 Years	73
---	----

06 Company Overview

Company Profile	75
Stock Overview	76

Policies

Management Policy

On the basis of the motto "Create, Innovate and Challenge," we pledge to:

- (I) create new values and enhance customer satisfaction.
- (II) discover customers' needs and create new businesses with our creative technologies.
- (III) strengthen corporate structure by improving our quality and productivity.
- (IV) contribute to solving the social and environmental issues, and realize the sustainable growth.

Continuously and persistently provide "surprise and delight" to our customers while surpassing their expectations even if only a little

Our Action Guideline

- (I) We compare what we are today with what we were yesterday, rather than comparing ourselves with others.
- (II) We do a job to be proud of in the future as a professional manufacturer with a strong will and a humble heart.
- (III) We take a step forward to challenge, instead of looking for an excuse of cannot-to-do.
- (IV) We give the highest priority to safety, and fulfill our own roles and responsibilities for zero accidents.

ESG Policy

In all aspects of our business activities, we actively address a variety of issues related to environment, society and governance and aim to achieve sustainable growth.

Human Rights Policy

To contribute to a sustainable society and improve the corporate value of the Arisawa Group, we prevent and mitigate negative impacts on human rights that could be brought about by business activities and promote business activities that respect human rights.

CSR Procurement Policy

We procure materials in compliance with laws and internal policies and based on the mutual understanding and trust with our suppliers.

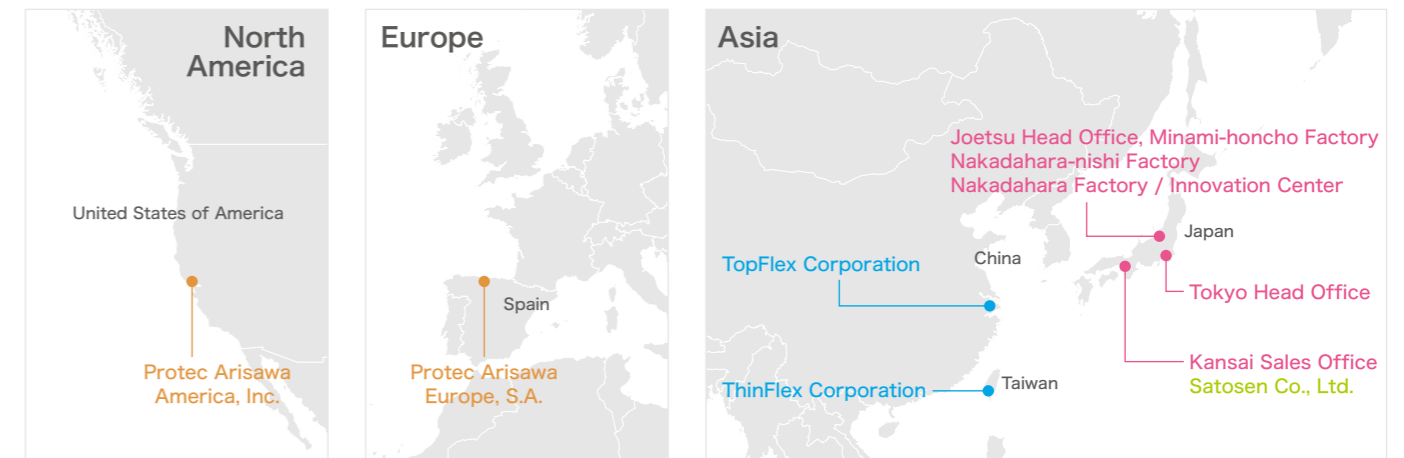
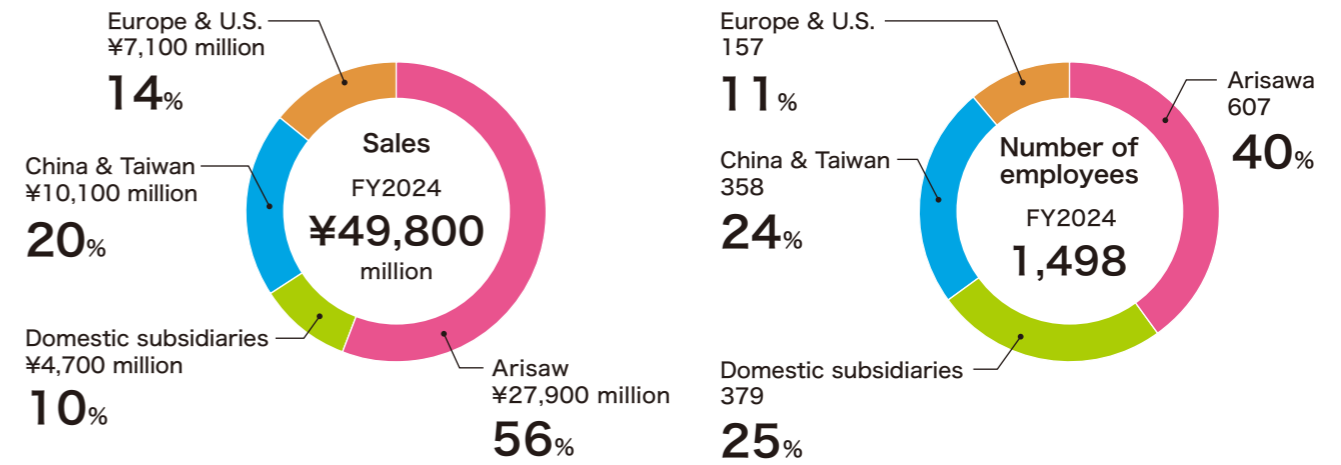
Environmental Policy

We strive to reduce environmental loads, promote environmental conservation, and address social and environmental issues in our whole business activities, from development and design to manufacturing of electronic materials, industrial structural materials, electrical insulating materials, and display materials, to achieve sustainable growth.

Quality Policy

We pledge to supply high-quality products that meets the reliability and expectations of our customers by understanding their perspective.

Global Business Operations (As of March 31, 2025)



TOPICS

PAA honored by the Vista Chamber of Commerce!


On July 10, 2024, PAA (Protec Arisawa America, a manufacturer of filament winding products) was honored by the Vista Chamber of Commerce in California as a company contributing to local employment and the economy.

"We are proud to be recognized as a member of the local business community, and we will continue to take responsibility in our work. Water is an extremely precious resource worldwide. We are pleased to be contributing to the delivery of clean water.

My role is to strengthen the team with people who are both stable and capable of generating creative ideas. Business is driven by people, not products. By placing the right people in the right positions, we are driving improvements in business processes and operations." (Message from Hancock)



Company's major product FRP pressure vessel for water treatment (filament winding molding)




From left: Ken Kasamatsu, Vice President of Business Development; Zury Castellanos, Human Resources Specialist; Tiffany Butcher, Vice President of Finance; and Lee Hancock, President.

Satosen exhibits at SEMICON Japan 2024!

From December 11 to 13, 2024, Satosen showcased its stretchable PCB*2 currently under-development as the main feature at SEMICON Japan*1 2024, held at Tokyo Big Sight.

"We believe the stretchable PCB presented this time is a technology will make a significant contribution to our company. About eight years ago, we shifted our thinking 180 degrees from our core rigid boards and began developing this PCB, successfully creating a flexible, stretchable board. This board uses liquid metal applied to urethane and silicone resin to pattern the circuit. We have already received inquiries from the medical and sports fields regarding new product development, leading to the development of products such as adhesive-type ECG circuits and EMG sensors designed to be embedded in shoe insoles. (Message from Shimizu)

*1 The exhibition hosted by SEMI, the international semiconductor industry association
*2 The circuit that conforms to uneven surfaces and curves while maintaining electrical continuity even during expansion and contraction (upper right of the photo)



(Left) Ryota Shimizu, Chief, Engineering and Development Department, Satosen



(Right) Yoichiro Uemura, General Manager Sales Department, Satosen

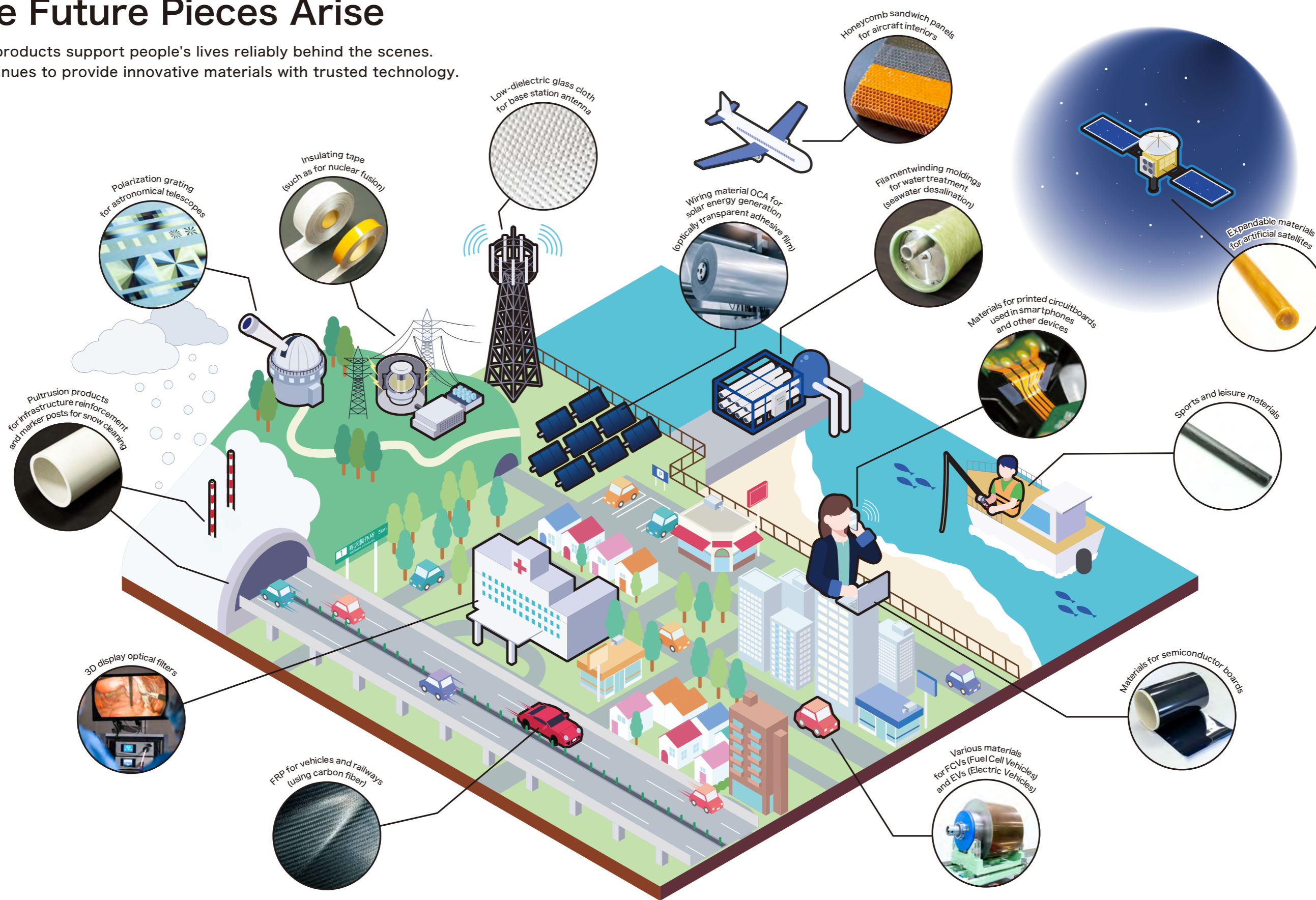


Stretchable PCB | TECHNOLOGY INTRODUCTION | Satosen Co., Ltd.
<https://www.satosen.co.jp/technology/stretchable.html>

Arisawa Widely Adopted in Society

Where Future Pieces Arise

Our group's products support people's lives reliably behind the scenes. Arisawa continues to provide innovative materials with trusted technology.



Message from Representative Director

TOP MESSAGE

Maximizing corporate value by promoting both business and financial strategies forward, using the human resource strategy as the driving force

Yuta Arisawa

Representative Director and CEO

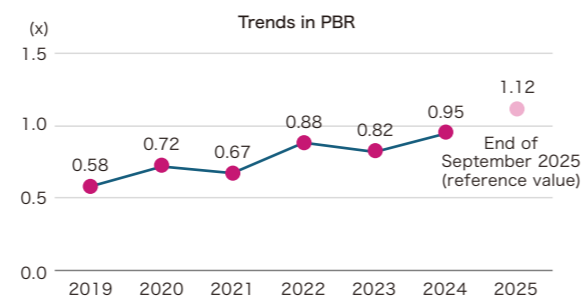


Summary of the previous mid-term management plan

In the previous mid-term management plan (hereinafter referred to as the previous mid-term plan), which concluded in FY2024, we faced unforeseen environmental changes due to the global contraction of economic activity caused by the COVID-19 pandemic. We were initially forced to revise our plan. However, by promoting both our financial and business strategies, we achieved an ROIC (Return on Invested Capital) of 6.2%, exceeding our target of 6%.

In the previous mid-term plan, which adopted the business strategy of "expanding the scope of existing businesses" and "creating new business opportunities," new businesses focused on electronic materials were successfully developed, leading to significant achievements including the acquisition of new customers. This represents a challenge beyond the scope of existing businesses and signals the expansion of our future revenue base. Financially, to convert non-business assets into business assets, we have established

a financial framework that allows us to redirect resources toward investments for future growth by reducing our cross-shareholdings and liquidating foreign bonds. Additionally, after changing return to shareholders to whichever is greater between "a DOE (dividend on equity) of 6%" or "a total return ratio of 80% or more," the stock price reacted accordingly and exceeded a PBR of 1. We assess that we have achieved certain results overall.



"What must not be changed" and "what must be changed"

For 116 years since our founding, we consistently prioritized technological development, investing in research and development, capital expenditures, and human resources. Our management philosophy—establishing and refining technologies ahead of competitors and pioneering new application fields in response to changing times—has supported our sustainability. Looking ahead 50 or even 100 years, we firmly believe that the principle of "investing management resources with technology at the core" must not be changed.

Meanwhile, with the opening of the Innovation Center, we significantly shift our patent strategy. Until

now, we have deliberately refrained from obtaining patents and kept our technologies confidential. However, we are now shifting toward a policy of actively acquiring patents. In the past, the number of patent applications filed annually was around 10 to 15, but we are raising our target to 50 applications per year. To achieve this, we will implement organizational reforms while also overhauling our incentive systems. In addition to enhancing the competitiveness of our products through changes to in our patent strategy, we aim to create new revenue opportunities, such as cross-licensing.

Innovation Center supporting long-term growth

Our biggest challenge is "developing a second revenue pillar." While electronic and display materials were once the two pillars of our revenue, we now highly depend on electronic materials. We have been developing industrial structural materials and display materials as our second pillar. Furthermore, we expand our revenue base into new fields such as battery-related materials, hydrogen-related materials, next-generation computing (AI and GPU), and mobility (automobiles, aircraft, and rail vehicles), thereby establishing the second pillar. The base for this initiative is the Innovation Center.

Amid growing global uncertainty, we believe that agile research and development and rapid product launches are the key sources of our competitiveness.

The newly opened Innovation Center will not only accelerate the development speed of "currently visible businesses and products," but also serve as a platform for exploring "potential new customers and technological developments." We plan to use this Innovation Center as a base for co-creation with external partners, engaging with a wide range of companies to commercialize new technologies. At the Innovation Center, we integrate our proprietary "known technologies" with "unknown technologies" offered by new partners to spark a chemical reaction that transforms them into new value, and cultivate products that will drive our growth for the next 50 and 100 years.



Message from Representative Director



Mid-term management plan

The new mid-term management plan sets targets of 70 billion yen in sales, an ROE of 10% or more, and an ROIC of 8% or more by FY2029. It is a challenging and worthwhile goal.

The achievement of this plan requires the development of high-margin products. Against this background, we are revising our patent strategy. We protect our proprietary products with patents while securing revenue through cross-licensing and paid licensing agreements, and we also consider leveraging unused patents. In addition, we plan to make new investments by focusing on high-margin businesses with an ROIC of 8% as a guiding benchmark.

Each business division further drives "expanding the scope of existing businesses" and "generating new business opportunities." For "expanding the scope of existing businesses," we aim to provide customers with new value by developing differentiated products through unique technologies. For production, we enhance our capacity while improving production efficiency to boost profitability. We promote "the expansion into new business fields" which contributes to addressing environmental and social challenges, such as next-generation batteries, fuel cell, and hydrogen energy-related materials, next-generation computing including AI and GPUs, and mobility (automobiles, aircraft, and rail vehicles). We are also considering M&A to support business expansion.

"Better today than yesterday better tomorrow than today"

"Better today than yesterday better tomorrow than today" is a phrase meant to encourage your own growth, not comparing yourself to others. Our philosophy is that we strive to be a little better today than yesterday, and a little better tomorrow than today. We value even half a step of growth each day for every employee. If each and individual continues to grow, even in small ways, the company grows as well and will continue to thrive for the next 50 and 100 years. I believe that the role of management is to set a clear direction and provide an environment that fosters employee growth without stifling curiosity. Because a company is a collection of individuals, the proactive growth of each person drives the growth of the organization as a whole. We also place strong emphasis on fostering a culture that encourages challenges, embraces failure as a learning opportunity, and supports proactive initiatives.



Importance of "mixing" diverse elements

Before the coating process, one of our core technologies, it is essential to mix various resins and chemicals. We have created new properties by combining different materials in our technological development efforts. Similarly, in building human resources and organizational culture, by combining diverse elements, we believe that mixing diverse elements can generate new ideas and create value, much like a chemical reaction.

As part of our governance reforms, we are promoting the appointment of female officers and managers, which is also a crucial initiative to spark a chemical reaction. Five years ago, we set a target of having women account for 20% of managerial positions. We not only increased the number of female directors and executive officers but also actively

promoted the appointment of women to managerial positions. As a result, the percentage of women in managerial positions reached 20.1% in FY2024, achieving the initial target. To further increase this percentage, it is also important to establish mechanisms that promote the active participation of female employees in manufacturing operations. To achieve this, we have introduced a new role called "group coordinator," responsible for analyzing quantitative data underlying production activities and implement measures to improve production efficiency and yield, thereby expanding opportunities for female employees. We plan to increase the percentage to 25 to 30% during the current mid-term management plan period.

Closing remarks

Our management is built on "technology-based operations" and "human capital growth." Driven by the challenge and growth of each individual, we bring together diverse ideas to explore existing businesses, pursue new growth fields, and create new value in the years ahead, based on our principle of "technology-based operations." "Better today than yesterday

better tomorrow than today." We believe that the accumulation of small steps will become the driving force that shapes the next 100 years. Together with stakeholders including our employees, shareholders, suppliers, and local communities, we will build a sustainable future.

History of Value Creation

Arisawa has contributed to society for 116 years by developing its unique technologies of "weaving, coating, and molding."

First foundation

Starting "weaving" technology

The history of Arisawa began in 1909 with the production and sales of Battenberg lace. As it is said that more than 7,000 people of about 27,000 people of Takada City (presently part of Joetsu City) were engaged in Battenberg lace making, this company's foundation coincided with the trend.

In the same year, the company was renamed Nihon Braid Co. Ltd., which inspired the company's original logo "NB." In 1910, the company established Toyo Braid, a joint-stock company that domestically produced braids (fabric tapes)—the basic material for Battenberg lace—which had previously been imported, leading to the invention of "weaving" technology. The company had 800 weaving machines and 600 artisans at its peak and was renamed again to Nihon Braid in 1919.

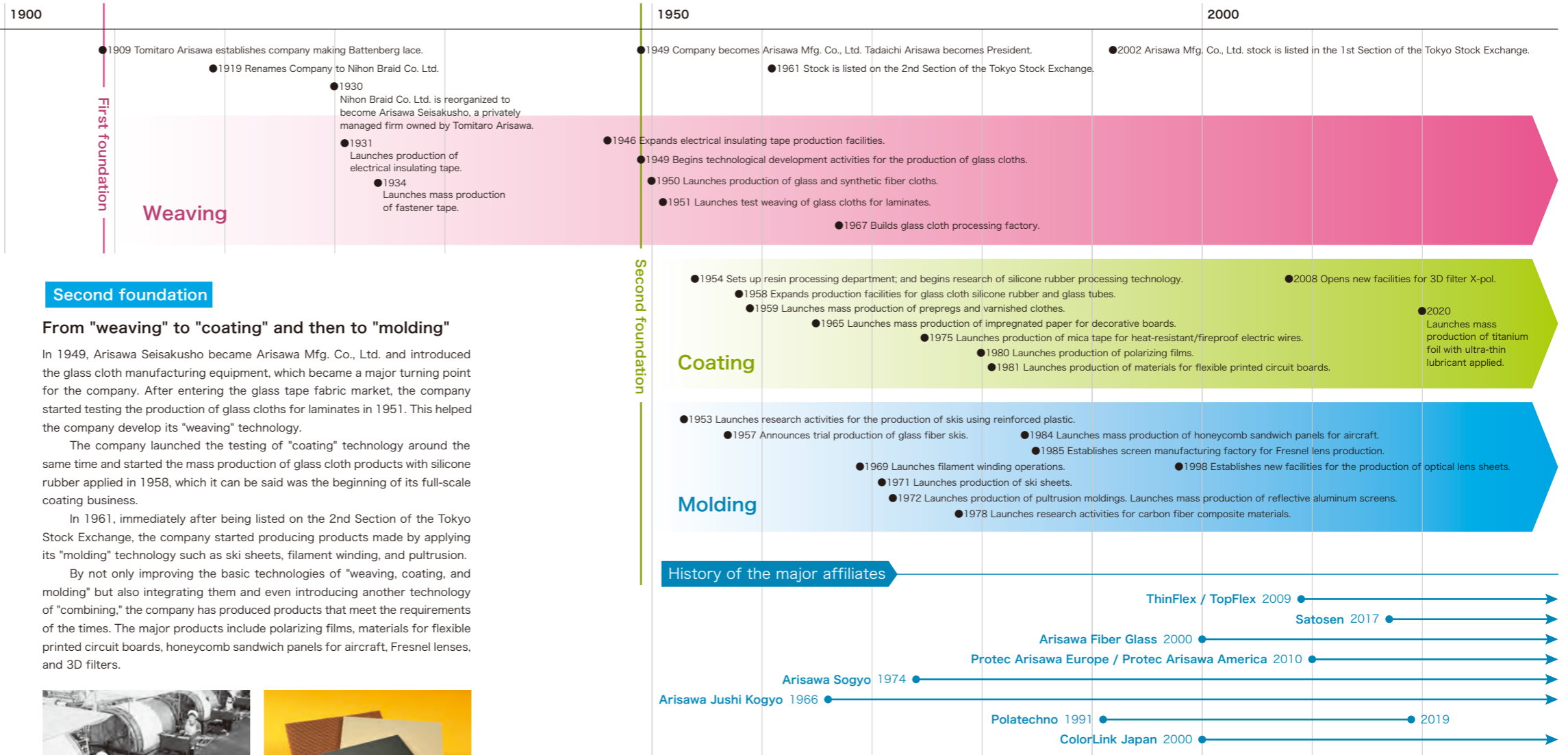
Affected by the aftermath of the Great Depression, Nihon Braid was forced to be reorganized due partially to the rise of low-priced Chinese Battenberg lace. When Nihon Braid was reorganized to become a privately managed firm, Arisawa Seisakusho, in 1930, Japanese industries were at the bottom. However, as the encouragement policy set by the Japanese government for such domestic products as electrical insulating tapes provided a supportive backdrop, the company gained top-rating clients, such as Toshiba and Mitsubishi, and established the foundation of what Arisawa is today.



Arisawa at the time of its foundation



Battenberg lace



Second foundation

From "weaving" to "coating" and then to "molding"

In 1949, Arisawa Seisakusho became Arisawa Mfg. Co., Ltd. and introduced the glass cloth manufacturing equipment, which became a major turning point for the company. After entering the glass tape fabric market, the company started testing the production of glass cloths for laminates in 1951. This helped the company develop its "weaving" technology.

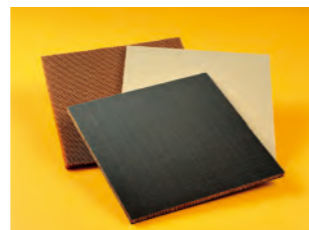
The company launched the testing of "coating" technology around the same time and started the mass production of glass cloth products with silicone rubber applied in 1958, which it can be said was the beginning of its full-scale coating business.

In 1961, immediately after being listed on the 2nd Section of the Tokyo Stock Exchange, the company started producing products made by applying its "molding" technology such as ski sheets, filament winding, and pultrusion.

By not only improving the basic technologies of "weaving, coating, and molding" but also integrating them and even introducing another technology of "combining," the company has produced products that meet the requirements of the times. The major products include polarizing films, materials for flexible printed circuit boards, honeycomb sandwich panels for aircraft, Fresnel lenses, and 3D filters.

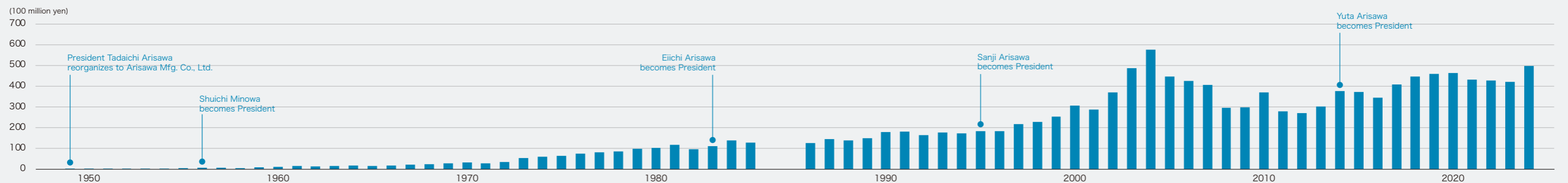


Glass cloth warping factory



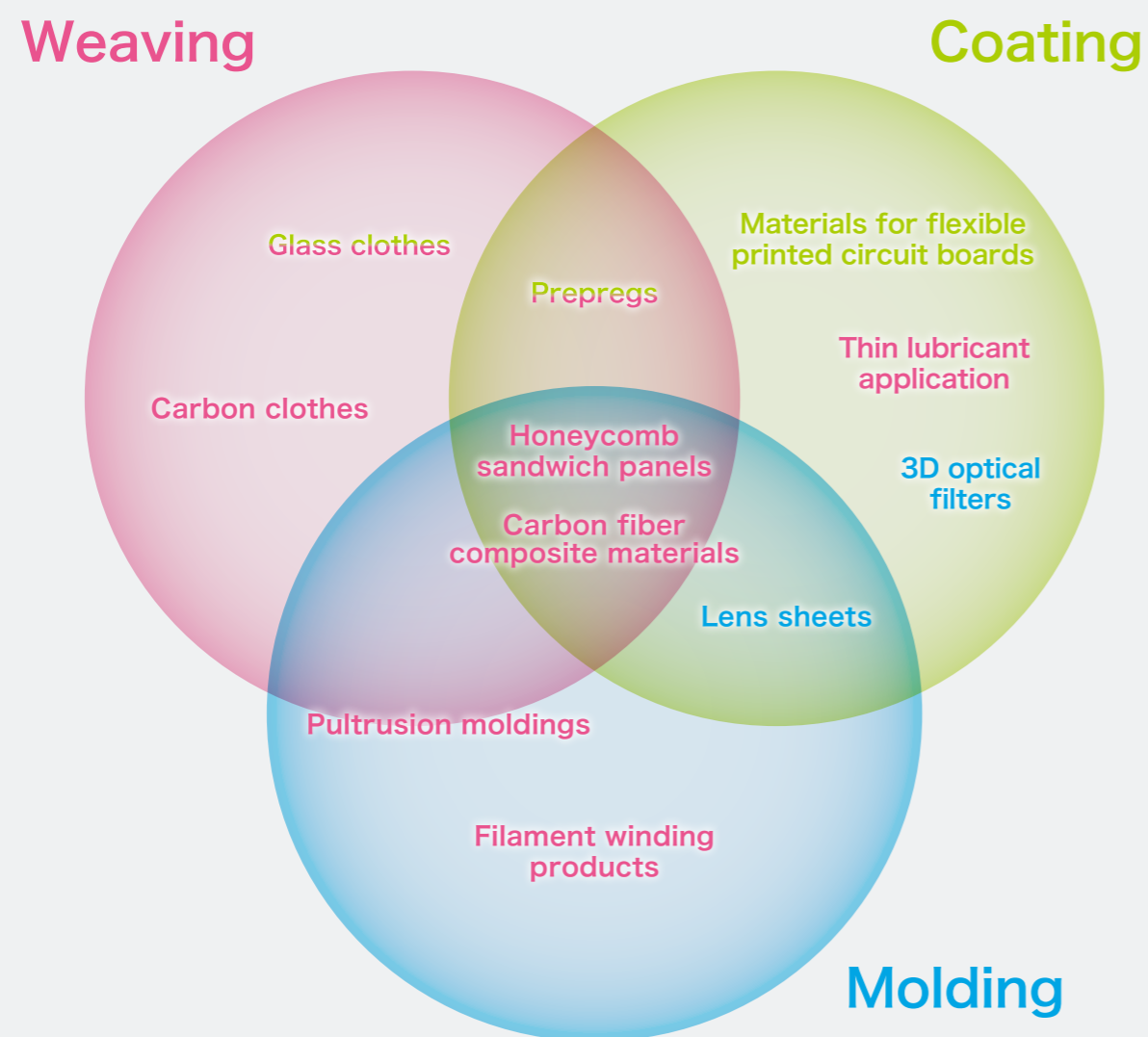
Honeycomb sandwich panels

Trends in sales



History of Value Creation

Keeping developing technologies of "weaving," "coating," and "molding" and combining them gives rise to infinite possibilities.



■ Electronic materials | ■ Industrial structural materials/Electrical insulating materials | ■ Display materials |

*The product names in the diagram are color-coded by segment.

For details on the products developed through the combination of key technologies, see page 37 (Businesses / Outline of Each Segment).

Weaving "Weaving" technology, which is the starting point of our innovation

Arisawa makes unique clothes from glass fiber, aramid fiber, and carbon fiber by using various weaving methods, such as plain weaving, twill weaving, and satin weaving. One of our strengths is capable of weaving clothes that meet the needs of clients. We offer an integrated service from thread selection to weaving design and manufacturing. We have also developed processing technologies on our own that make the most of woven clothes and tapes. There are various types of processing available to produce

high-performance clothes: "opening processing," which makes clothes thinner by spreading threads evenly, and "surface processing," which enhances adhesiveness to other materials. These high-performance clothes are applied in a wide range of areas, such as printed circuit board materials for electronic devices and automobiles, electrical insulating materials for motors and heavy electrical machines, materials for aircraft, and sports and leisure materials.

Coating "Coating" technology to produce new functions through unique resin development

Applications of coating technology allow us to produce products with functions, such as electric insulation and fire resistance, while maximizing the characteristics of materials. We specialize in "thin film coating," which coats any material thinly and evenly, and in-house development of "high-functional resins," which are optimized according to the purpose of use. We have produced thousands of products by mixing hundreds of resin recipes. Among these, our coating products, which are composed of glass clothes or films and made through the combination of

various resins, are highly acclaimed in various industries. Materials for flexible printed circuit boards are used to increase the performance of electronic devices, prepregs made of carbon clothes are used to make aircraft lighter and stronger, and electrical insulating materials are used not only for motors and generators but also to help develop nuclear fusion power plant technology. We also manufacture 3D display optical filters using fine alignment technology.

Molding "Molding" technology to maximize the performance of FRPs

Molding by mixing fibers with resins allows us to produce molding materials appropriate for the purpose of use. Various technologies are used according to the purpose of use to mold products and maximize their performance as requested by clients: press molding, which molds a prepreg into a plate, FW (filament winding) molding, which molds into a pipe through the impregnation of resin into a glass fiber or carbon fiber, and pultrusion molding, which molds by continuous pultrusion. Utilizing its characteristics,

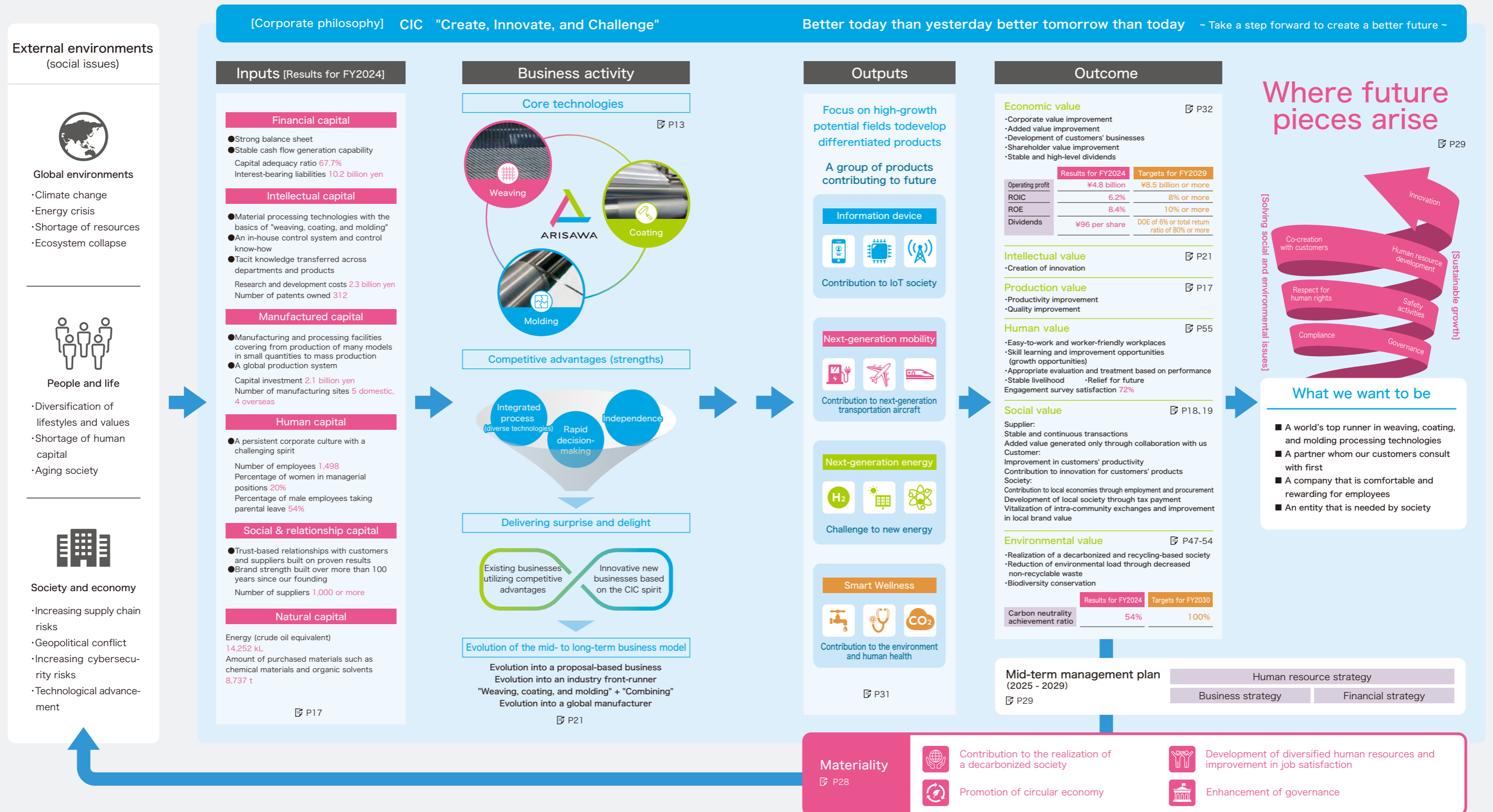
such as lightweight, easiness to handle, superior corrosion and weather resistance, and higher mechanical strength, the FRP (fiber reinforced plastic) is used for materials for aircraft interiors, pressure vessels for water treatment, materials for civil engineering constructions, and electrical insulating materials. We also manufacture optical lenses and projector screens using minute molding technology.

Value Creation Process

With responsibility and pride as a company involved in the initial stage of product-making, we will refine the techniques of "weaving, coating, and molding" and move forward more smoothly and actively to change product-making around the world for the better in the next 100 years.

Our group's current major product segments include electronic materials, industrial structural materials, electrical insulating materials,

and display materials. Through value-creation activities to support these segments, we offer products and services that help people have richer lives. We are committed to creating social and economic values by tackling the four issues "contribution to the realization of a decarbonized society," "development of diversified human resources and improvement in job satisfaction," "promotion of circular economy," and "enhancement of governance" through activities to be a strong company that can achieve sustainable growth.



Mid-term management plan (2025 - 2029) P29

Human resource strategy

Business strategy

Financial strategy

Materiality P28

- Contribution to the realization of a decarbonized society
- Promotion of circular economy
- Development of diversified human resources and improvement in job satisfaction
- Enhancement of governance

Management Capital for Value Creation

With the capital built up through repeated growth as our foundation, we will further increase our competitive advantages. While evolving the value creation process through business strategy management and active initiatives on ESG issues, we raise our corporate value.

Financial capital

We have not only working capital but also financial capital that allows stable and flexible operation to implement capital investment, M&A, and DX investment for growth as necessary. Major financial resources are flexibly gained from cash flow from sales activities and borrowings from financial institutions.

We set an ROIC goal of 8% and an ROE goal of 10% in our mid-term management plan, aiming for profitability enhancement

and capital efficiency improvement. Specifically, we first maintain a healthy cash flow through business activities and secure financial soundness, and then actively allocate the capital to new business investment and research and development investment for further growth. We will return the resulting surplus appropriately to our stakeholders.

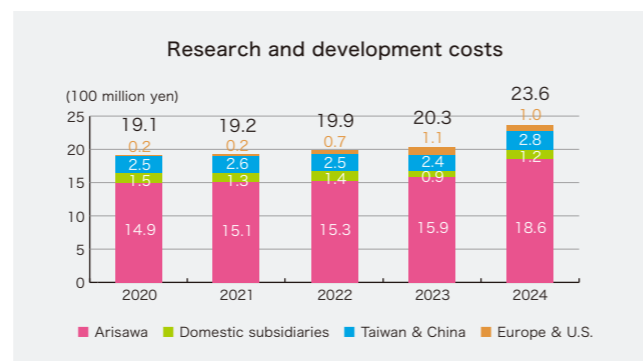
Intellectual capital

Since our foundation, we have improved our core technologies of "weaving, coating, molding," and "combining" through trial and error to fulfill customers' needs. We have many experienced engineers who have been involved in development to highly integrate these technologies and optimize the functions.

Our unique technologies made through research and development with new innovations based on the experiences passed down from senior employees to junior employees are positioned as important assets that contribute to the growth of customers' businesses. By understanding the characteristics of products required by customers and the in-house manufacturing process and incorporating our core technologies cultivated over the years, we proceed with obtaining an optimized design.

To achieve sustainable growth, we have set a target for new products to account for 50% or more of the total sales (with the counting period being 3 years after the launch). We also set up a program called the "new product development award," which is one of the incentives for employees who contribute to the development of new products, and in FY2018, we introduced a "15% culture," where employees engaged in development can spend

15 percent of their working hours studying what they like. Several products developed through this "15% culture" program have actually led to sales improvements. We will continue to improve the environment so that more new products and businesses are born.



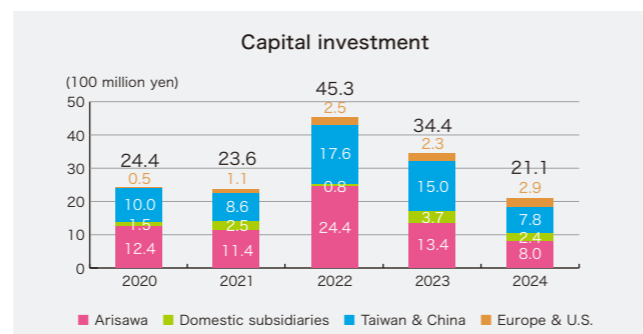
*"Combining" refers to a technology that continuously laminates multiple thin materials together, such as a two-layer, double-sided CCL (one of the materials for flexible printed circuit boards), or precisely laminates a 3D filter to an LCD panel. Technologies derived from this "combining" help us develop various kinds of products.

Manufactured capital

We use facilities that can produce many models in small quantities to better cater to various customers' needs. Having facilities that can handle medium to mass production with our sights set on the expansion of the scale of customers' businesses and an integrated production system, from pre- and post-processes to inspection, we deliver advanced quality control and stable supply. In addition, in-house development of a control system for production facilities achieves production efficiency improvement and cost reduction.

We discuss quality at a daily meeting called "Hiruichi" ("ichi" means a "market" where people gather) held at 1 p.m. to prevent problems and issues from being carried over to the following day. The managers and staff of the Manufacturing Division, the Quality Assurance Department, and the Manufacturing Engineering Department gather to share daily issues and data and work

together to find solutions through discussions on defect causes and yield rates. This communication helps support field skills.

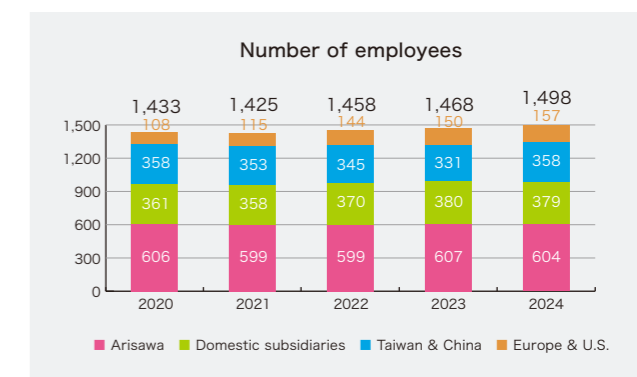


*Until last fiscal year, we reported capital expenditures limited to tangible fixed assets. From this fiscal year onward, intangible fixed assets are included in the scope of reporting.

Human capital

Our executives and employees are traditionally serious, sincere, honest, patient, and hungry for challenges, which has supported more than 100 years of our history. By integrating knowledge and technologies cultivated since our foundation step by step through trial and error, we have offered highly reliable products to customers.

We have multi-skilled operators who can handle various products, trained operators with adapting capabilities, and development specialists, and many of them have been long employed. We enhance added value and improve productivity by strengthening this talent base and building an even stronger professional network.



Social & relationship capital

Based on the relationship of trust with suppliers, we grasp the circumstances of each industry and take such measures as advanced acquisition of materials that have procurement risks. We have also diversified suppliers to establish a stable supply chain.

Promoting CSR procurement with respect for human rights, labor rights, and the environment while ensuring material quality and stable supply allows high-quality and stable product-making. With the importance placed on continuous partnerships with suppliers based on trust, we conduct procurement for mutual sustainable growth.

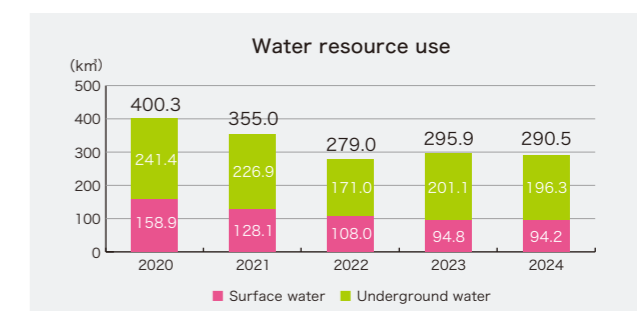
At the time of our entry into the FRP field, when we only had weaving technology, we sincerely focused on prototype-making to materialize requests while being given technical advice by heavy electric manufacturers. These experiences helped us build a strong relationship of trust with clients. A person from a trading company once told me, "Mr. Arisawa, your company is a department store of prototypes."

We would like to cherish the relationship with clients who contact us first in the consideration or prototyping phase, which is a great asset to us.

Natural capital

As climate change countermeasures, we introduce renewable energy and improve energy use efficiency to reduce CO₂ emissions.

We are also working on reducing water resource use and waste disposal as measures for resource circulation and global environmental conservation. Regarding reductions in water resource use, we have enhanced water intake management by installing a flowmeter and have introduced aboveground piping to prevent leaking.



*In the reports up until last year, sewage usage was included in surface water usage. We have corrected it retroactively for previous years to reflect surface water usage only.

TOPICS

APS Circle Activities of the Year 2024

On May 21, the presentations and awards for the "APS* Circle Activities of the Year" 2024 were held at the Nakadahara Cafeteria Building. The APS Circle Activities are an organized initiative undertaken by the Manufacturing Division since 2002, building on traditional bottom-up activities. Each team from the Manufacturing Division addressed issues identified for productivity improvement, and presented on three carefully selected cases, covering their effects and key points in the improvement process. The accumulation and expansion of these activities lead to our strengths.

*The abbreviation of Arisawa Production System (our production management system)

APS Circle Activities

Awarded themes

- Improvement in the work efficiency of overlay inspections** (FPC Group)
- Reduction of roll cleaning time after coating carbon products** (Coating Group)
- Productivity improvement in the weaving process** (Molding Group)



Takao Mochizuki
Senior Operating Officer and Division Chief,
Manufacturing Division

Sources of Value Creation

We aim to create a sustainable society and ensure its growth by creating a business model with originality while tackling social issues and then providing various values to our stakeholders.

Initiatives toward business model evolution

[Enhance dialogue with stakeholders to improve sustainable corporate value]

To efficiently operate business portfolio management for further improvement in corporate value, we focus on capital cost-conscious management with ROIC set as an indicator. It is also important that our management direction is properly understood and empathized by our stakeholders.

We accurately grasp the requests, expectations, and opinions of diverse stakeholders—including shareholders/investors, customers, employees, suppliers (partners), local communities,

and the global environment—through engagement such as dialogue and reflect them in our management. Then, we pursue our sound and sustainable growth and continuous improvement in corporate value.

Furthermore, we enhance the content of our disclosure materials and strive to provide timely, appropriate, and fair information disclosure, thereby fulfilling our corporate accountability.

Stakeholder	Responsibilities to be fulfilled	Main engagement methods	
Shareholder and investor	<ul style="list-style-type: none"> ● Provide timely, appropriate, and fair information disclosure ● Ensure management transparency through continued constructive dialogue ● Enhance dialogue methods ● Share opinions and challenges gained through dialogue within the company and reflect them in management strategies ● Maintain long-term stable dividends and implement flexible return to shareholders 	<ul style="list-style-type: none"> ● General meeting of shareholders ● Earnings briefing for institutional investors and analysts ● One-on-one meetings with institutional investors and analysts ● Meetings with overseas institutional investors ● IR (domestic, overseas) 	<ul style="list-style-type: none"> ● Securities report ● Summary of financial results ● Financial results presentation materials ● Responding to questionnaires from research institutions related to ESG, etc. ● Integrated reports ● Website
Customer	<ul style="list-style-type: none"> ● Provide high-quality products and services that enhance customer satisfaction through consistent quality management based on a quality management system ● Develop and provide advanced technology products to meet the diverse needs of customers 	<ul style="list-style-type: none"> ● Sales activities ● Customer satisfaction survey ● Sustainability-related survey ● Participation in exhibitions 	<ul style="list-style-type: none"> ● Website ● Integrated reports ● Innovation gallery (Innovation Center)
Supplier	<ul style="list-style-type: none"> ● Build and strengthen fair, equitable, and transparent transactions and relationships of trust as a partner committed to mutual growth ● Respect workers' human rights and realize a comfortable work environment that safeguards safety and health ● Achieve sustainable supply chains (including legal compliance) 	<ul style="list-style-type: none"> ● Human rights policy ● Procurement ● CSR Procurement Policy ● Supplier survey 	
Employee	<ul style="list-style-type: none"> ● Establish an environment and systems that respect human rights and diversity and that enable each individual to fully leverage their unique abilities and thrive ● Develop capacity through various educational programs ● Maintain a comfortable work environment that safeguards safety and health, and establish systems to support physical and mental well-being ● Assess employees fairly and impartially ● Establish various measures and systems to achieve work-life balance 	<ul style="list-style-type: none"> ● Labor-management council ● Information dissemination utilizing the internal portal ● Publication of the company newsletter ● Engagement survey ● Compliance consultation services 	<ul style="list-style-type: none"> ● Establishment of various consultation services (mental health, caregiving support, etc.) ● Performance evaluation system and interviews ● Implementation of various training programs ● Occupational safety and health management system
Local community	<ul style="list-style-type: none"> ● Aim to realize a sustainable society with proactive participation of each employee in social contribution activities ● Fulfill our responsibilities as a corporate citizen ● Revitalize the local economy and secure employment 	<ul style="list-style-type: none"> ● Facility tours ● Environmental conservation activities ● Volunteer activities ● Disaster area recovery support 	<ul style="list-style-type: none"> ● Next-generation development support activities (donations for development support funds, etc.) ● Fair and equitable taxation
Global environment	<ul style="list-style-type: none"> ● Conserve natural environment and biodiversity ● Provide products and services that contribute to global environmental conservation ● Reduce environmental load in business activities 	<ul style="list-style-type: none"> ● Disclosure of environmental load information (integrated reports, website, etc.) 	

[Reflection on management]

We have established the system to appropriately report opinions and management issues obtained from shareholders and investors through IR and SR activities, to the President, executives, and the Board of Directors. We thoroughly deliberate on matters of interest to shareholders and investors in forums such as the Board of Directors, incorporate them into our management, and respond to societal expectations and demands.



General meeting of shareholders

The general meeting of shareholders serves as the company's highest decision-making body and as a forum for constructive dialogue with shareholders. We actively disclose information through notices (including English translation) of the meeting and other communications and strive to provide thorough explanations in response to questions from shareholders to demonstrate our accountability.

Dialogue with institutional investors

In addition to quarterly earnings briefings, presentations and meetings are held for domestic and overseas institutional investors. We recognize the importance of SR as well and are advancing dialogue.

Dialogue history (FY2024)

General meeting of shareholders	Earnings briefing	IR meeting	SR meeting
Once	Twice	87 times	9 times

Key feedback from shareholders and investors	Our actions
To clarify the challenges and improvement measures for enhancing ROIC	Disclosed information in the mid-term management plan (2025–2029) and disclosed the ROIC tree in the integrated report.
To provide information regarding the relationship with creating business value through sustainability management and ESG initiatives	Improved the content of the integrated report.
To enhance disclosure materials and expand opportunities for dialogue	
To strengthen return to shareholders	Improved the policy of return to shareholders (higher of either a total return ratio of 80% or more or a DOE of 6%).
To explain the linkage between human resource strategy and management strategy, and the gap between KGIs (key goal indicators) and the current situation	Explicitly stated in the mid-term management plan (2025–2029) that the human resource strategy forms the foundation for driving both business and financial strategies.
To consider greater communication from outside directors to stakeholders	Included the messages from outside directors in the integrated report 2024.

Quality improvement

Utilizing know-how cultivated through APS (our production management system), we will improve our services and quality including ones in new fields.

New value creation and challenge for new fields through co-creation

We aim to create new value through co-creation enabled by open innovation, continuing to be a good partner for our customers and suppliers. We will also expand our business into new business fields to increase value proposition for further improvement of corporate value.

Promotion of coexistence and shared prosperity with the environment

Toward long-term coexistence and shared prosperity with society, we promote eco-friendly product and technology development to actively create new value.

Promotion of human resource strategy

To keep offering products and services that exceed the expectations of customers and society, we deploy a human resource strategy that encourages, supports, and nudges motivated employees for their growth. We also promote a comprehensive organizational strategy so that employees can work lively under the new Arisawa brand.

Sources of Value Creation

Transforming Our Patent Strategy: From Defense to Offense

To maintain and improve technological innovation and competitiveness, we place importance on owning effective patent rights and know-how. While preventing important technologies from leaking, we acquire the date of notarization for some know-how and secure the right of prior use. Our previous intellectual property strategy focused on preventing other companies from infringing our patents and heightening barriers to entry into our businesses.

Using ai-coater* launched in the year before last, we started promoting open innovation proactively and has captured joint development projects and new OEM projects. This allows us to enhance the cooperative relations with our clients and explore new markets. It also clarifies new technical issues through joint development and accelerates the acquisitions of patents and know-how in the solution-finding process. By properly managing

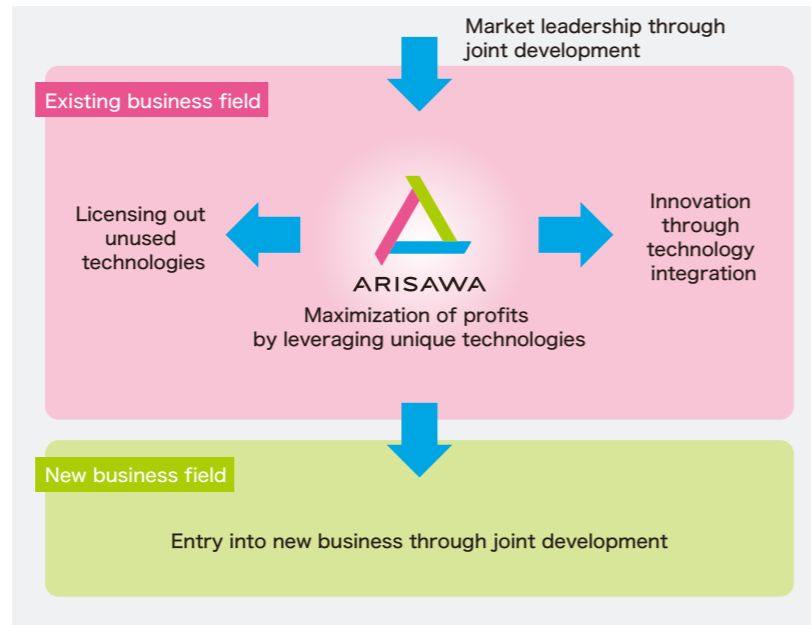
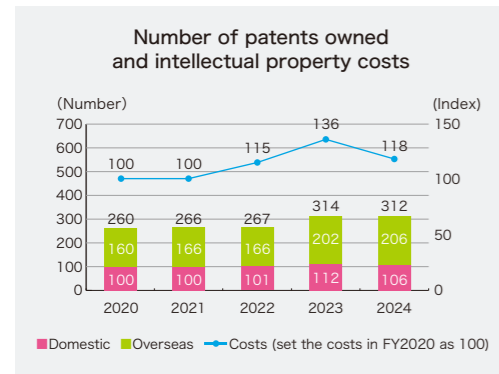
the use of patents and know-how while making joint applications, we continuously improve our technologies and further strengthen our competitiveness.

We also provide internal professional education periodically to cultivate personnel who can present the results of intellectual property and patent information analysis as decision-making materials when executives formulate business strategies. Furthermore, we enhance our employees' awareness of intellectual property rights through a review of our patent acquisition incentive system, thereby strengthening the competitive advantages of the entire Arisawa group. Going forward, we will develop our patents and know-how as powerful assets and utilize them to explore new markets and expand our businesses.

*ai-coater (arisawa innovation - coater): A new small experimental coating machine launched in September 2023

[Open innovation]

- We enhance our corporate value by integrating our originality with that of partner companies and expanding sales channels for both parties.
- By licensing out our underutilized technologies, we aim to increase revenue through licensing fees while also contributing to society.



Direction of business model evolution

We expand the areas of proposal-based business through the active discovery of needs by leveraging the experiences in the existing business fields with competitive advantages. We develop needs with our innovative proposals and high-quality product-making based on the CIC spirit to create new businesses.



New Initiatives for Value Creation

TOPICS

Exhibiting at NEIA Electronica Niigata 2024!

We exhibited at Electronica Niigata 2024, hosted by NEIA (Niigata Electronic Industries Association) held at Hive Nagaoka from Wednesday, November 20 to Thursday, November 21, 2024. 46 companies and organizations based in Niigata Prefecture participated in the event.

At our booth, we showcased our flagship products, displayed posters introducing the Innovation Center, offered 3D viewing experiences, and screened company introduction videos on a 65-inch monitor.



Takeshi Aizawa, Senior Operating Officer and Deputy Division Chief, Administration Division, explaining to attendees



Takahito Tanabe, Senior Operating Officer and Deputy Division Chief, Manufacturing Division, guiding visitors through the 3D viewing experience

Boosting employee awareness through workshops!

To foster a change in employee mindset, the workshops launched in 2020 have been held 74 times, with a total of 1,942 participants. Divisions including the Operations Subcommittee which considers how to operate the Innovation Center actively engaged in the workshops.

"Employees from various divisions actively participated and shared many opinions and ideas that they do not normally have the opportunity to voice. We feel that our determination to change was effectively shared with participating employees." (Message from the Operations Subcommittee)

Themes discussed in the workshops

- Learning about the origin of Arisawa "Battenberg lace"
- Environment that inspires new challenges
- Strengths and improvements of our division
- Let's think about our lifestyle
- Working in the new lab etc.



Members of the Operations Subcommittee

New brand logo object installed!

In December 2024, a large-scale object was installed at the Joetsu Head Office (Minami-honcho Factory), helping to promote awareness of the new brand logo. Some of our visitors took commemorative photos in front of the object. It is also expected to contribute to enhancing employee engagement.



Arisawa expanding across Joetsu City and Niigata Prefecture

With the aim of increasing brand awareness, we placed advertisements on city buses in April 2024, and later on express buses operating between Niigata-Joetsu and Niigata-Nagaoka in September.



Innovation Center

The ARISAWA Innovation Center — a platform shaping the next 100 years — is finally here!



Opening ceremony held

Construction of the ARISAWA Innovation Center, which had been underway for some time, was completed, and a grand opening ceremony was held on September 2.

On the day, more than 100 guests—including customers and suppliers—were invited, and the opening was celebrated in a festive atmosphere. The guests were divided into six groups and participated in a facility tour. During the tour, they were introduced to the center's concept, its environmentally conscious design, and various initiatives to create a more comfortable working environment for employees. Details are described on the following pages.

Gratitude to all those involved

The celebration was held in the center's public area in a lively atmosphere. With the cooperation of leading restaurants in Joetsu, dishes and beverages made with local ingredients were served, providing an opportunity to express our gratitude to all attendees. The ARISAWA Innovation Center is a new hub that will shape our future. From here, we will pursue open innovation and contribute to society. We extend our deepest gratitude to all those involved for their dedicated efforts.

Remarks by the guest representative



Congratulations on the completion of the ARISAWA Innovation Center. Innovation means technological innovation. Today's Arisawa is the result of continuous innovation in response to the demands of the times. For example, Mr. Tadaichi Arisawa, the grandfather of President Yuta Arisawa and a former Chairman and President of Mitsubishi Gas Chemical, pioneered Japan's first methanol production using natural gas by leveraging local resources, thereby bringing innovation to the energy business. Furthermore, Arisawa's weaving technology represents an innovation that draws on the

Battenberg lace techniques developed in the Takada region of Joetsu City and continues to produce glass cloth and other materials that support a wide range of industries. Innovation is not limited to technology; it also includes the effective use of resources and the building of organizations through networks. I look forward to seeing the new technologies and values born from this center contribute to the world.

MITSUBISHI GAS CHEMICAL COMPANY, INC.
Senior Adviser **Toshikiyo Kurai**

Driving growth and development with stakeholders through the effective use of the center

The Innovation Center was established in response to the rapid pace of social change and concerns that relying solely on in-house technologies could eventually reach its limits. To ensure our continued growth, we aim to leverage the expertise and knowledge of our existing and new customers to create a "chemical reaction" with our technologies. Thanks to everyone's support, we now have an excellent facility that serves as the hub for our activities. We continuously advance our technological development with the cooperation of many people. The vision for the center is "open innovation." We want not only our technical staff but all employees to pool their ideas and make full use of this facility.

Just as water becomes stagnant and fish can no longer live when a river stops flowing, people and organizations begin to lose relevance the moment they cease moving forward. We aim to become an even stronger technology-driven company by fully leveraging the Innovation Center while maintaining our development momentum.

We need to develop and grow together with all our stakeholders including our customers, suppliers, and local communities who support us.



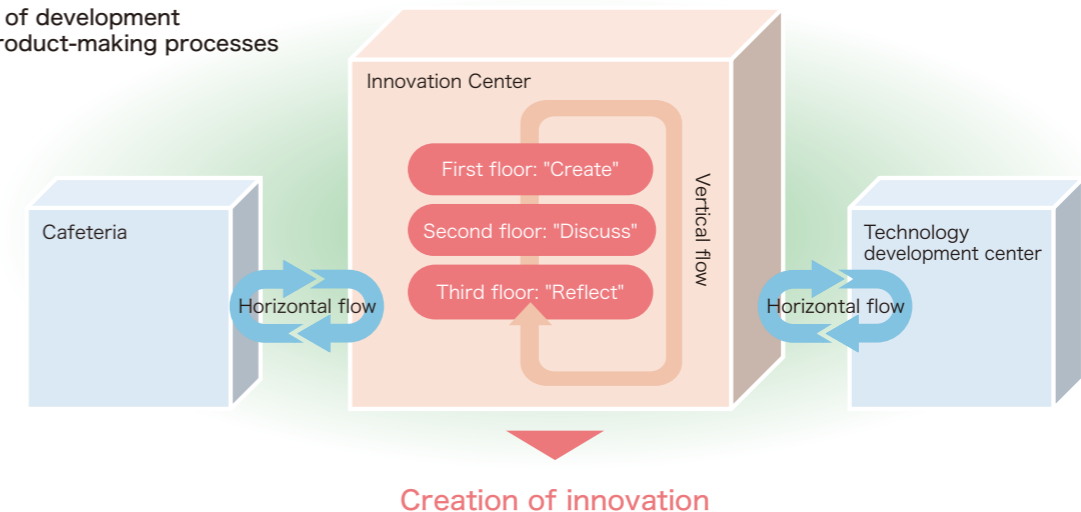
Concept (1) Three-tier structure: "Create," "Discuss," and "Reflect"

The center features a three-tier structure based on the concepts of "Create" on the first floor, "Discuss" on the second floor, and "Reflect" on the third floor. The workflow follows a continuous cycle: create, discuss, reflect, and return to the first floor to revise as needed. It is designed around the vertical axis of the development and manufacturing processes, with a concept that encourages verification and thoughtful reflection through dialogue during development.

Furthermore, the "flow" of people and information is essential for innovation. Within this flow, ideas and opinions intersect, sometimes giving rise to entirely new concepts. As a horizontal axis to facilitate this interaction, the existing technology development center and the cafeteria are connected by a covered walkway. The design concepts—including vertical and horizontal axes, as well as areas of accumulation and flow—incorporate numerous ideas and suggestions collected from employees workshops.



"Flow" of development and product-making processes



Innovation Center



Welcome to the ARISAWA Innovation Center.

Here, we freely exchange ideas and move forward with manufacturing that inspires excitement and anticipation for what lies ahead.

1st FLOOR

Create

The lab has three workshop areas adjacent to each other. Once the results of experiments and prototyping are available, we can discuss them immediately. We aim to accelerate research and development by efficiently cycling through exploration and dialogue.



2nd FLOOR

Discuss

A private area is designed with free-address seating to encourage dialogue across departments and job titles, alongside a public area accessible to everyone. Together, they form a starting point for open innovation where diverse people and ideas converge.

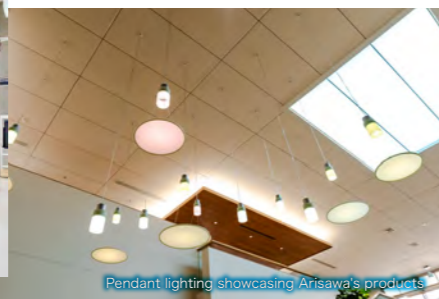
3rd FLOOR

Reflect

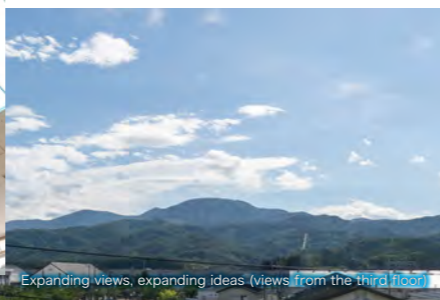
To meet the need for spaces that support deep focus, multiple private booths are installed on the third floor. By quietly reflecting on experimental results in these small, secluded rooms, new ideas can emerge.



Public area open to the local community



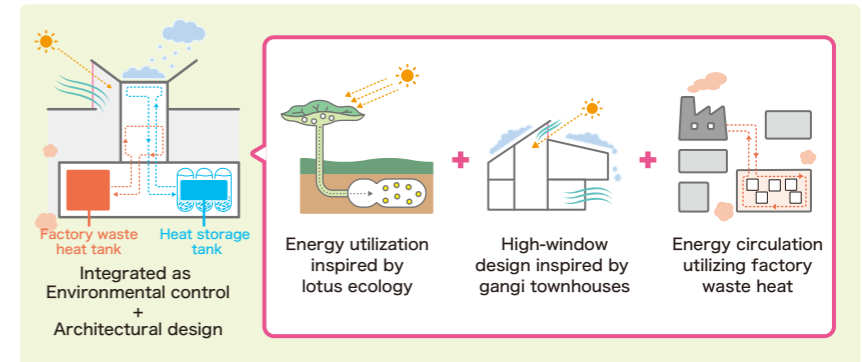
Pendant lighting showcasing Arisawa's products



Expanding views, expanding ideas (views from the third floor)

Concept (2) Ultimate saving energy

Inspired by the lotus flowers at Takada Castle Site Park—often described as the finest in the East—and by the traditional Japanese townhouses with gangi eaves (covered wooden walkways designed to protect pedestrians from snow,) this center was established. The design incorporates the functions of lotus leaves, stems, and roots, makes use of the natural light and breezes found in the gangi townhouses; and repurposes previously discarded factory waste heat—maximizing environmental performance.

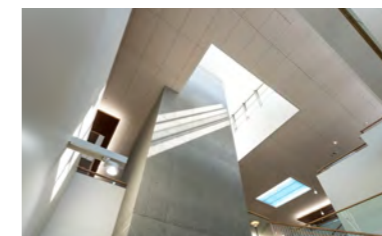


ROOF



The roof, inspired by the lotus leaves motif, extracts cooling energy from collected snow. This energy is then stored in an underground snow-based heat storage tank (the lotus root section) for use in summer air conditioning. By shifting our approach from snow removal and disposal to snow collection, we have created "a modern version of a Yukimuro, traditional snow storage facility."

SHAFT



The shaft serves as a passageway for cooling energy extracted from roof snow as well as for factory waste heat. In summer, the cooling energy stored in the "lotus root" section during winter is used for radiant wall cooling. In winter, recovered factory waste heat is used for radiant wall heating—contributing to energy savings throughout the year.

LOUVER



The louvers, which appropriately blocks sunlight, wind, rain, and external views, are made using pultruded materials from our group company, Arisawa Sogyo. They were specially designed for this center and feature a special surface coating for enhanced weather resistance.

TOPICS

Making the Most of the Innovation Center

Future users of the center shared their aspirations for how they hope to use it.



Myongfa Cho

Sales & Marketing Department, Performance Material Business Division

Customers often say to me, "I didn't know Arisawa made products like this." I hope everyone who visits this center will make many unexpected discoveries. It is a place where each visit brings something new to discover and offers fresh inspiration. That is the vision we have for this center.



Kosuke Ikezoi

Process Technology Department

As we have more opportunities to talk with customers, we can better understand their needs and proactively make proposals. This center is not just for the technical division. By working closely across divisions, I hope to turn our collaboration into product development and meaningful innovation.



Akihito Wakui

Manufacturing Engineering Department

We faced many challenges along the way, such as the hard ground slowing down the piling work and heavy snowfall that required snow removal before construction could continue. However, we are relieved that we can finally "unveil" the project. We are looking forward to seeing how this system, which encourages natural communication, will make a difference.



Shizuka Shiraishi

Innovation Center Operations Office

Our department is like a chef who skillfully prepares delicious dishes using the finest ingredients from across the company—including sales, engineering, production engineering, manufacturing, and support departments. It is truly rewarding work. We are confident that we can turn these ingredients into something exceptional. We also intend to continue holding workshops going forward.

Sustainability Management

To realize the sustainable growth, we understand that actively addressing social and environmental issues is required in our business activities. Specifically, we set various goals, such as achieving our goals (Scope 1 and 2) of carbon neutrality by 2030, and incorporated them in our mid-term management plan. Toward these goals, we have worked on solving climate change issues, promoting human capital management, and reducing emissions.

ESG Policy In all aspects of our business activities, we actively address a variety of issues related to environment, society and governance and aim to achieve sustainable growth.

ESG promotion organization

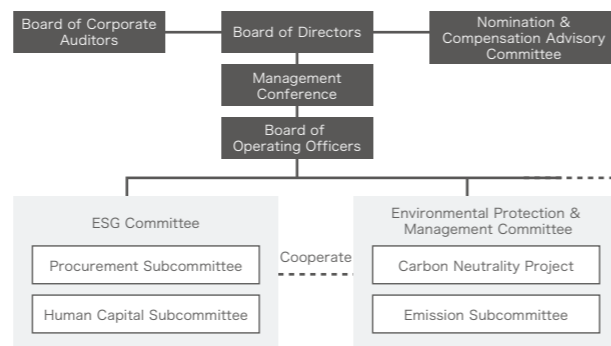
Under the supervision of the Board of Directors, the ESG Committee (Chairperson: Director and Senior Managing Operating Officer; Members: Executive Officers and Division Managers, and Management of Domestic Subsidiaries) holds 4 meetings a year to raise awareness and promote sustainability-conscious management and discuss such themes as a response to climate change, realization of a decarbonized society, respect for human rights, consideration for work conditions, and fair and appropriate transactions with clients.

Regarding environmental conservation activities, the Environmental Protection and Management Committee, which works with the ESG Committee, supervises the progress of activities conducted by the Carbon Neutrality Project and the Emission Subcommittee and continuously improves them.

The Procurement Subcommittee sets up the CSR Procurement Policy under the supply chain management and promotes CSR activities with suppliers.

Under the concept of human capital management contributing to corporate value improvement, the Human Capital Subcommittee holds a monthly meeting to discuss such matters as setting up a human resource strategy to link management strategy to human

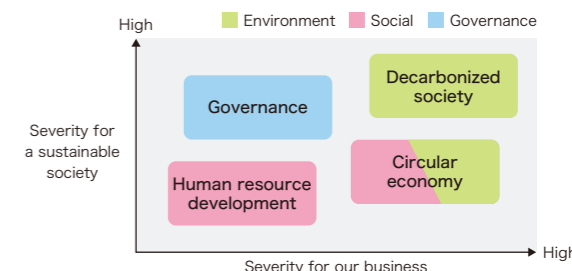
resource strategy. Each committee periodically reports important agenda items and activity status to the Board of Operating Officers, the Management Conference, and the Board of Directors, and the Board of Directors makes final decisions. The Board of Directors checks the progress of the mid-term management plan, discusses measures for issues, and reflects the results in the management strategy and risk management and assessment based on the periodic reports.



Board of Directors	- Supervise the entire sustainability
ESG Committee	- Promote the entire activities to overcome challenges for sustainability, such as establishing a general sustainability policy, coordinating to set division goals, and managing their progress
Procurement Subcommittee	- Procure eco-friendly materials, provide suppliers with training on human rights, labor rights, safety and health, and corporate ethics in accordance with the CSR Procurement Policy, and establish the best supply chain
Human Capital Subcommittee	- Develop human resources who can implement CIC and promote human resource development by linking management strategy to human resource strategy - Develop future leader candidates who can achieve diversity and ensure equal opportunities
Environmental Protection and Management Committee	- Manage budgets and conduct company-wide coordination for activities to reduce environmental loads, such as setting goals for the Carbon Neutrality Project and the Emission Subcommittee and managing their progress
Carbon Neutrality Project	- Establish and implement measures to achieve carbon neutrality by 2030, such as capital investment, technological innovation, use of renewal energy, and improvement in energy use efficiency
Emission Subcommittee	- Take the initiative in reducing, removing, and recycling emissions and waste generated in business activities - Research the technology trend toward the realization of zero emissions in 2050

Key issue (materiality) identification

To respond to changes in external environments due to environmental issues and to contribute to international Sustainable Development Goals (SDGs), we designated the following 4 items as materiality to be tackled in our mid-term management plan: "Contribution to the realization of a decarbonized society," "development of diversified human resources and improvement in job satisfaction," "promotion of circular economy," and "enhancement of governance." To solve these issues, we make company-wide efforts.



Initiatives on materiality

We set KGIs (key goal indicators) in each materiality to increase our corporate value.

Materiality	KGIs (key goal indicators)	Initiatives for FY2024
Contribution to the realization of a decarbonized society [For details, see "Response to Climate Change" on page 49.]	<ul style="list-style-type: none"> Achieve carbon neutrality by 2030 Promote saving energy and saving resource Replace with renewable energy Offer low environmental load materials 	<ul style="list-style-type: none"> 54.4% reduction compared with FY2020 (Target: 54%) Launched a waste heat recovery system on the coating VOC processor, launched onsite PPA, and continued to investigate the equipment for future management such as air-conditioning upgrade and production consolidation Purchases in FY2024 (Renewable energy: 17.31 million kWh) (Carbon offset city gas: 2.05 million rrl) (1) Reduction in energy to produce existing mass-produced products (2) Development of eco-conscious new products (Conducted in-house low-energy production, saved energy in clients' processes, and used for hydrogen energy purposes and mobility and lightweight purposes)
Development of diversified human resources improvement in job satisfaction [For details, see "Human Resource Management" on page 55.]	<ul style="list-style-type: none"> Develop next-generation human resources Be a company where all employees can work lively 	<ul style="list-style-type: none"> Increased job rotation (Internal internships: a total of 12 participants in FY2024) Made efforts to increase the percentage of women in managerial positions to 20.1% (FY2024) Enhanced career development support, and reviewed promotion policies Efforts to increase the paid vacation utilization rate (66.7%/FY2024) Promoted the planned paid leave system (6 days per year) through labor-management cooperation Reviewed allowances and systems Expanded support for employees through the introduction of a new dependent allowance, and implemented wage increases in line with rising prices
Promotion of circular economy [For details, see "Promotion of Circular Economy" on page 53.] [For details, see "Supply Chain Management" on page 60.]	<ul style="list-style-type: none"> Reduce emissions Establish a sustainable supply chain Ensure chemical substance safety 	<ul style="list-style-type: none"> 14.4% reduction in industrial waste disposal (compared with FY2020) Raised awareness of reduction through waste patrols, initiated reuse of materials such as winding cores and outer packaging materials (return to manufacturers) Recycling rate: 94.8% (thermal recycle: 66.3%, material recycle: 29.4%), started recycling glass plates Dissemination and encouragement of the CSR Procurement Policy Feedback on CSR survey results to 133 companies Used reused or recycled materials, investigated carbon-neutral materials Adoption of polyester resin and other materials Operation of the new chemical substance database and management system
Enhancement of governance [For details, see "Risk Management" on page 63.]	<ul style="list-style-type: none"> Be an organization with a strong sense of ethics Enhance risk management 	<ul style="list-style-type: none"> Conducted operating audits (including group companies) Internal adoption and external promotion of the new brand Exhibiting at NEIA Electronica Niigata 2024, installed the brand logo object Conducted BCP training, improvement in the quality of information security systems

Coexistence with society

To enhance our brand value, we have conducted locally focused social activities. We return 0.5% of non-consolidated net income to society, including contributions to academies, schools, and

health-promoting businesses. In addition, we participate in local events (such as the Takada Gion Festival Grand Bon Dance Parade) and volunteer activities (such as blood donation).


TOPICS

Supporting the SSH* (Super Science High School) project!


We conduct special classes annually for students at Takada High School, an SSH-designated school, to deepen their understanding of science, technology, and innovation.

In fiscal year 2024, the program focused on helping students experience the joy of manufacturing. A factory tour was also conducted at a later date.

*A program of the Ministry of Education, Culture, Sports, Science and Technology that reviews and designates high schools implementing exemplary initiatives to nurture science and technology professionals, capable of succeeding globally, and provides them with support.



A scene from the class



Factory tour

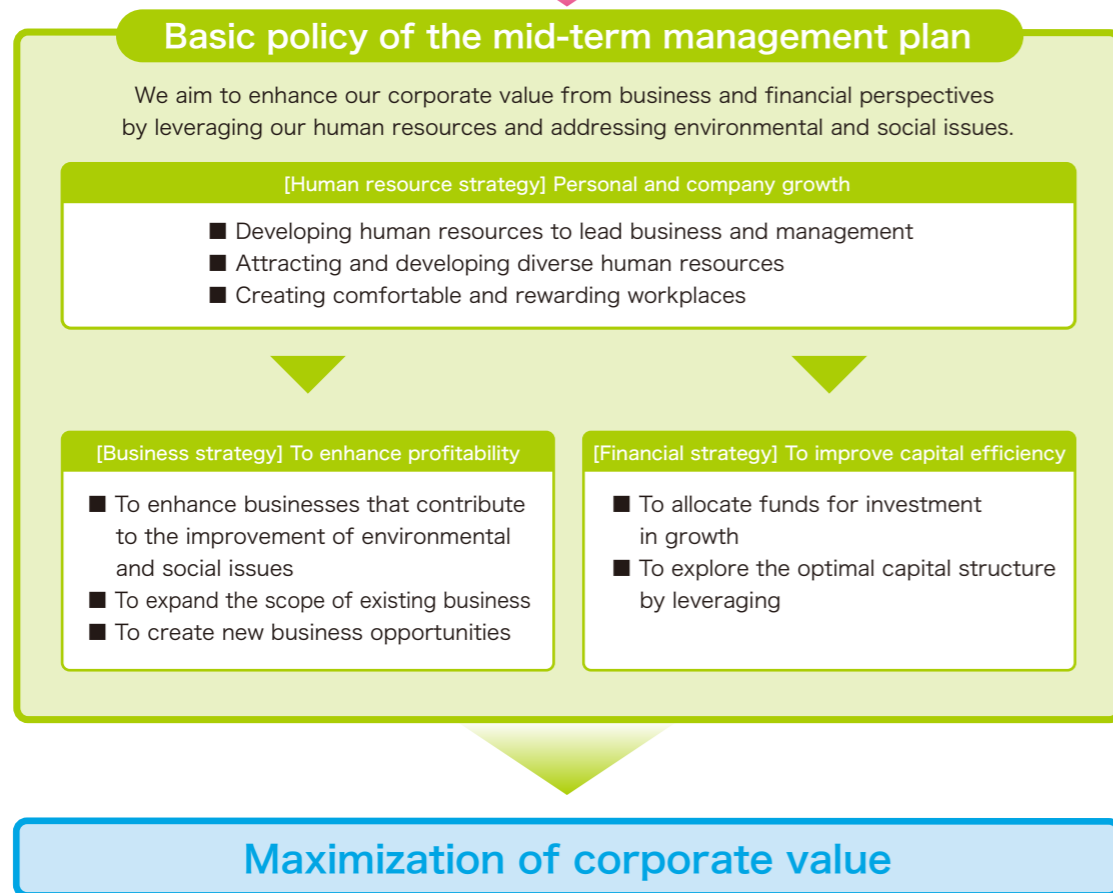
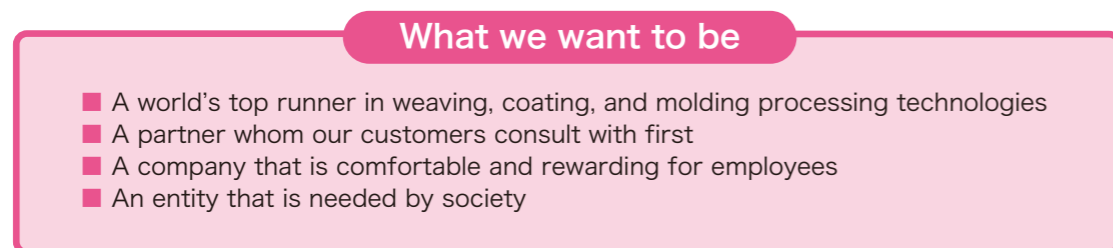
Mid-term Management Plan

Background and basic policy for formulating the new mid-term management plan (2025–2029)

Our group formulated the mid-term management policy based on the management policy (see page 3) with the motto "Create, Innovate, and Challenge," and released it in May 2025.

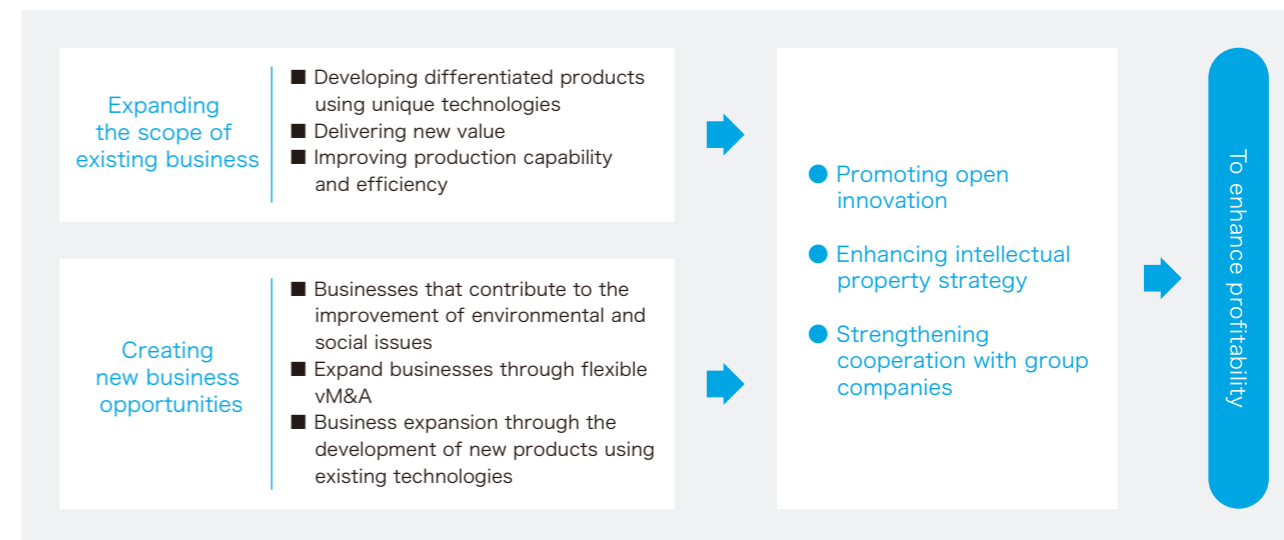
The formulation of this mid-term management plan is based on the "What we want to be" discussed by employees during the workshops. To achieve it, we established the basic policy of "enhancing our corporate value from both business and financial perspectives by leveraging our human resources and addressing environmental and social issues." Our group strives to work on

technological innovation and product development while fulfilling users' needs and continues to help improve social and environmental issues to realize its sound survival and sustainable growth. Specifically, to maintain or expand the revenue base of existing business fields, we implement strategic investments in a new business field that maximizes the synergy effect with existing businesses and has high profitability of capital, as well as improving and expanding production capability and investing in the development of new products that anticipates users' needs.



Business strategy

We enhance profitability through "expanding the scope of existing business" and "creating new businesses opportunities" and also develop differentiated products with a focus on fields with growth prospects.



Regarding the "Expanding the scope of existing business," we create opportunities to earn profits by developing and selling differentiated products with a focus on fields with growth prospects.

To realize the "creation of new business opportunities," we accelerate M&A and new product development. Whether to implement M&A or not relies the most on the existence of high profitability acquired through "a synergistic effect with our existing business and technology."

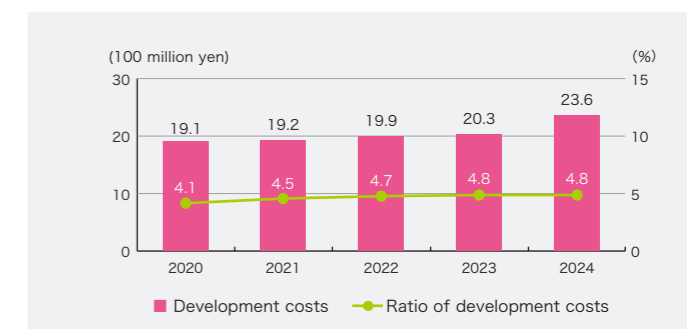
The target fields of differentiated products are information devices (contribution to IoT society), next-generation mobility (contribution to next-generation transportation aircraft), the next-generation energy (challenge to new energy), and Smart

Wellness (contribution to the environment and human health). Working on the above helps improve social and environmental issues. Specific examples are as follows: (1) Electronic materials: Offering products that are compatible with new standards such as generative AI and fast communication, (2) Industrial structural materials and electrical insulating materials: Supplying materials for cells, including FCV and EV materials, reducing the weight of structural and mechanical parts, securing drinking water and plant water, and tapping into the hydrogen energy and nuclear fusion power generation fields, and (3) Display materials: Expanding the application of 3D displays into non-medical fields and addressing the advancement of AR/VR capabilities.

Investment to research and development

The Innovation Center serves as the hub for promoting research and technological development of differentiated products.

For research and development costs, we strengthen investments that lead to high-quality development outcomes, such as patent acquisition, rather than simply increasing the amount. While the ratio of research and development costs to sales was in the 4% range for FY2024, we plan to actively advance research and development investment in facilities, analytical equipment, and materials.



Mid-Term Management Plan

Differentiated products by business segment

Market	Business (segment)		
	Electronic materials	Industrial structural materials Electrical insulating materials	Display materials
Information device Contribution to IoT society	FPC materials for high-speed communications FPC materials for micro wiring FPC materials for foldable support Insulating film for semiconductor substrates 	Glass cloth materials for high-speed communications 	Transparent materials for graphic tablets
Next-generation mobility Contribution to next-generation transportation devices	FPC materials for high-heat dissipation and high-current support High-reflective materials for in-vehicle monitors 	In-vehicle batteries-related materials High-output motor-related materials Lightweighting structural materials 	In-vehicle screen materials
Next-generation energy Challenge for new energy	Hydrogen energy-related materials 	Hydrogen energy-related materials Electricity storage-related materials Radiation-resistant insulating materials 	Weather-resistant transparent materials
Smart wellness Contribution to environment and human wellness	FPC materials for medical devices 	Materials for drinking water and industrial water treatment Materials for gas separation devices 	Display materials for medical devices AR/VR-related materials

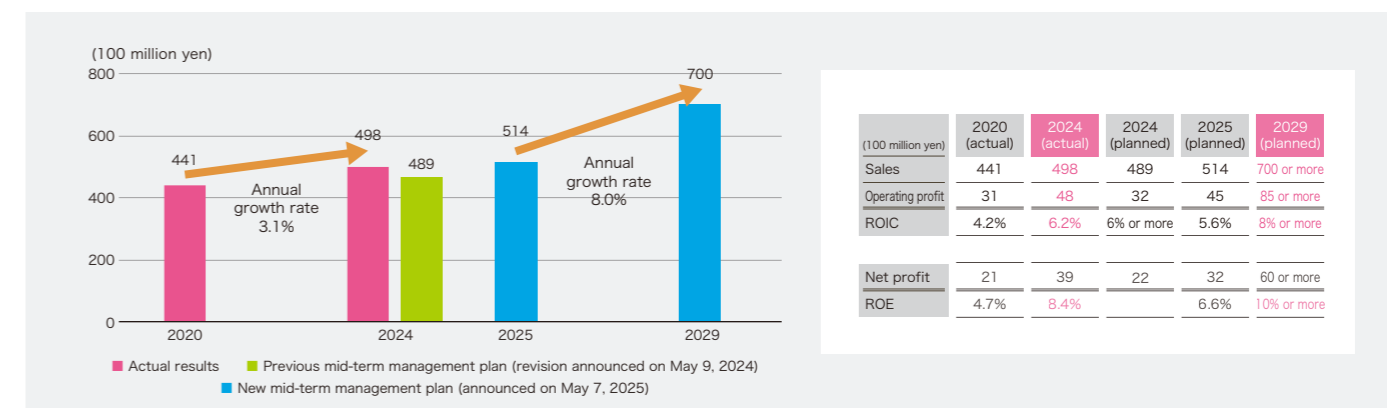
Results of the previous plan (2020 to 2024) and the new plan (2025 to 2029)

In FY2024, we achieved the ROIC of 6% targeted in the previous plan.

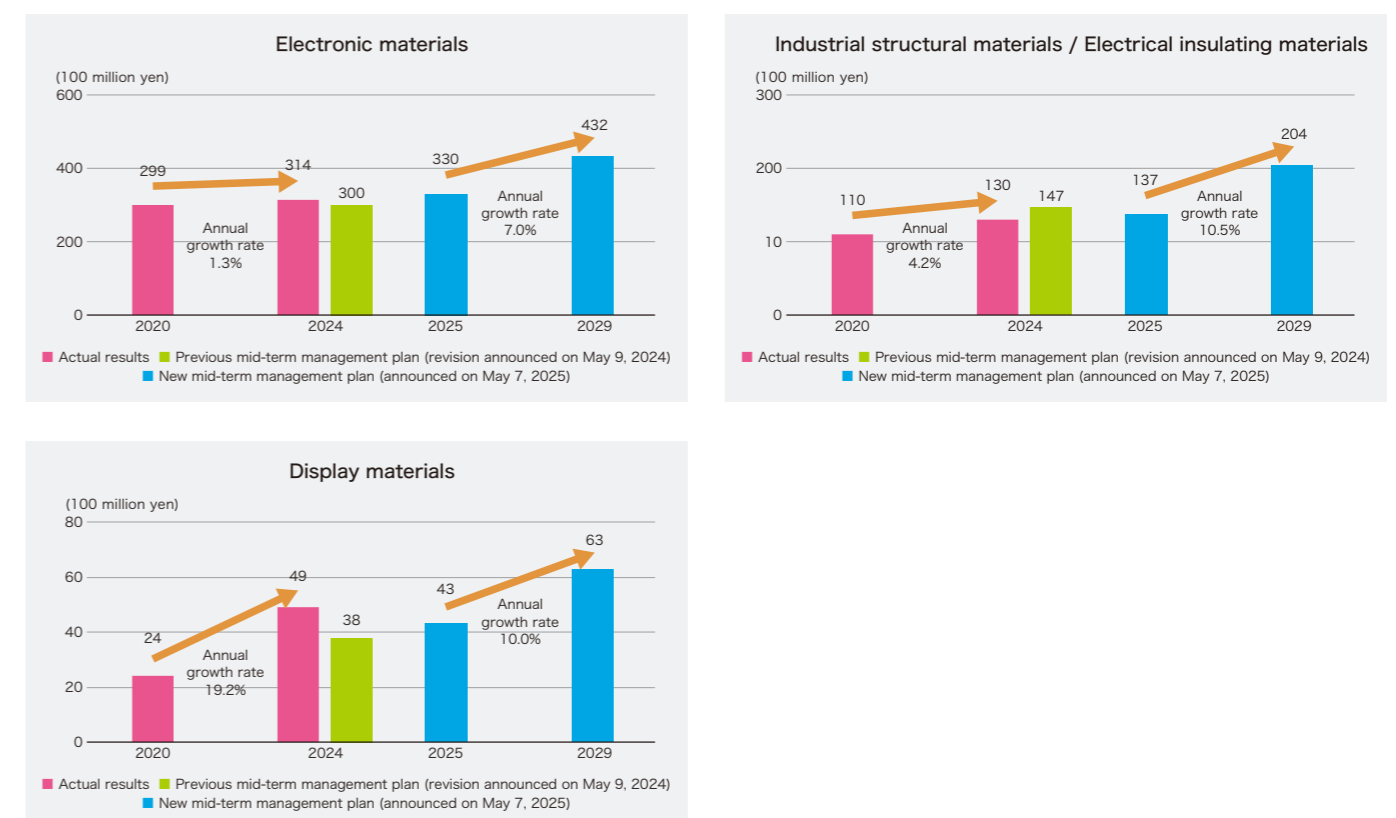
Business performance of electronic material segment, which is our main field, stagnated in FY2022 and FY2023 due to a decrease in demand in the Chinese market. However, the sales plan was achieved with the recovery of electronic materials performance starting from FY2024. Regarding display materials, the sales of 3D displays and polarized control optical components are growing due to an increase in demand from the medical field and exceeded the sales plan. Meanwhile, the sales target for industrial structural materials was not achieved as the performance of honeycomb sandwich panels and in-house materials was weak, even though the sales of FRP pressure vessels for water treatment showed steady growth due to the increased demand in the seawater desalination business.

Under our new mid-term management plan, we aim to achieve an ROIC of 8% or more and an ROE of 10% or more by FY2029. The business strategies for each segment are described in "Strategy by Segment" section (pages 41 onward).

Overall sales



Sales by segment



Financial Strategy



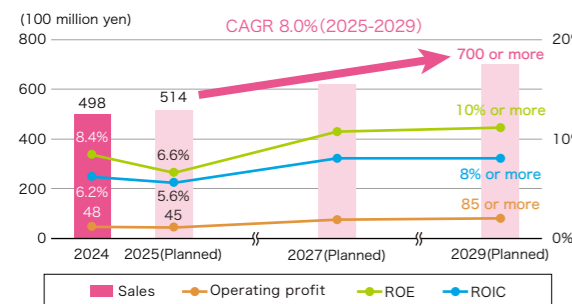
Takeshi Masuda
Director and Senior Managing Operating Officer
Division Chief, Administration Division

Summary of the previous mid-term management plan

Looking back on our mid-term management plan, which concluded in the fiscal year ended March 2025, we believe that particularly in the final year, our initiatives to date began to take shape and our organization operated in greater alignment, enabling us to demonstrate meaningful potential for future growth. Due to headwinds such as the downturn in the Chinese market triggered by the COVID-19 pandemic in 2020 and rising energy costs, we revised previous mid-term management plan downward from its initial targets. However, as the business environment improved in FY2024, our business performance recovered significantly and exceeding the revised plan. Net sales reached ¥49,815 million (up 18.3% year on year), and operating profit reached ¥4,893 million (a 3.3-fold increase year on year). Furthermore, we achieved our target ROIC of 6% (6.2% for the fiscal year ended March 2025).

New mid-term management plan

Under the new mid-term management plan, we aim to achieve net sales of ¥70 billion (up 40% compared with the fiscal year ended March 2025), operating profit of ¥8.5 billion (up 74% year on year), ROIC of 8%, and ROE of 10% by 2030, centered on "expanding the scope of existing business" and "creating new business opportunities." By leveraging our unique strength—the integration of the three technologies of "weaving," "coating," and "molding,"—we will strengthen product development in areas inaccessible to competitors, while expanding sales and improving profitability.



Investment strategy

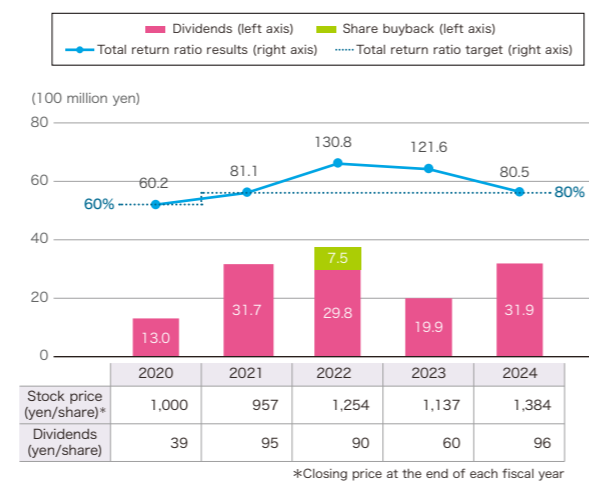
To pursue high-growth areas while factoring in risks, we make investment decisions based on an ROIC benchmark of 8%, focusing primarily on investments that carefully evaluate market potential and customer needs. With the completion of the Innovation Center, we believe that we will be able to further strengthen our co-creative initiatives with customers. We aim to grow not merely as a contract manufacturing company, but as a value-added partner that can proactively propose solutions tailored to our customers' needs. In our core electronic materials business, we will pursue capacity expansion in addition to improving the efficiency of existing production lines. We will allocate the stable cash flow generated from the growth of our core businesses to investments in new businesses and research and development, thereby strengthening our mid- to long-term growth foundation.

Financial policy and return to shareholders

We aim to maximize corporate value over the mid- to long-term by prioritizing a balance between growth investments and shareholder returns. With respect to growth investments, we execute them in a timely manner, utilizing funds generated from our businesses and borrowings as necessary to enhance corporate value.

We believe that M&A is an effective means of reducing time required to enter new business fields and markets. Accordingly, when we determine it to be necessary for deepening our existing business domains or expanding into new business areas, we intend to pursue M&A proactively.

We have changed return to shareholders to whichever is greater between a "DOE of 6%" or a "total return ratio of 80% or more" and continue to actively conduct return to shareholders. The equity ratio at the end of March 2025 was 67.7%. As total assets gradually increase due to business expansion, we have set a near-term target of curbing the growth of equity and reducing the equity ratio to approximately 50%.



Aiming for further growth and corporate value improvement

Under the mid-term management plan for FY2020 to 2024, we have made growth investments to build a solid revenue base by strengthening profitability, while converting non-business assets into business assets and enhancing return to shareholders.

In May 2025, we formulated and announced a new mid-term management plan covering up to FY2029. The key aspects of the financial strategy for this plan are described below.

Results for FY2020 to 2024

- Non-business assets: 16 billion yen from sales of securities
→Business assets: 14.3 billion yen of capital expenditure
- Enhanced return to shareholders: Introduced the benchmark of 6% of DOE in 2024 (in addition to a total return ratio of 80% or more)

Initiatives for FY2025 to 2029

- Invest in growth businesses that generate future cash flows
- Explore capital structure optimization and improve capital efficiency

Investment for growth	Shareholder returns	Capital structure
<ul style="list-style-type: none"> ■ Capital expenditure To expand the scope of existing business To create new business opportunities ■ M&A Synergistic effect with the strengths of existing business fields Expanding into new fields 	<ul style="list-style-type: none"> ■ Greater of either DOE of 6% or total return ratio of 80% or more ■ Flexible acquisition of treasury stock 	<ul style="list-style-type: none"> ■ Equity ratio 50% ■ Use of interest-bearing liabilities (both direct and indirect finances)

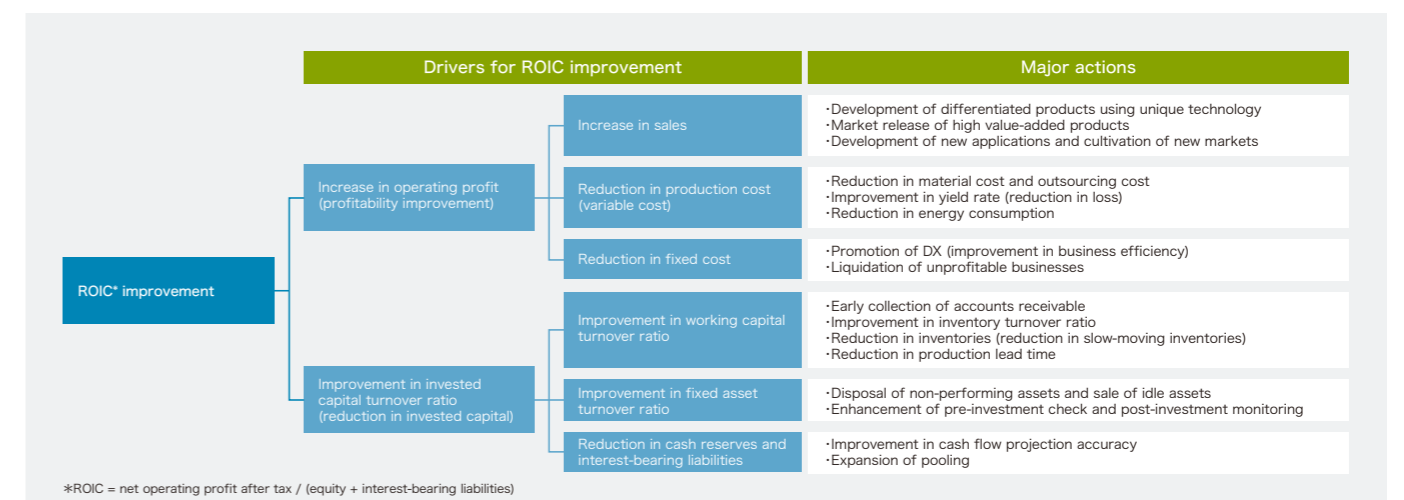
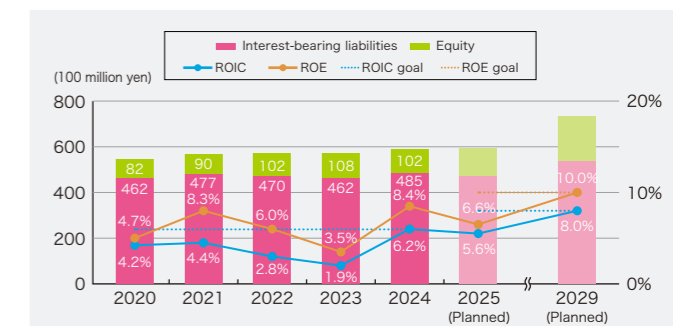
Improvement in capital efficiency

Integrated offensive and defensive business management through ROIC-based management

To promote management that is conscious of capital costs and corporate value, we have adopted ROIC as a key financial KPI since FY2020.

In response to changes in the business environment and evolving expectations from stakeholders, we set a target of 8% or more (by the end of FY2029) in our mid-term management plan formulated in FY2025. To improve profitability over the long term, we will advance initiatives based on the ROIC tree.

In addition, we use ROIC not only as a management KPI but also as a decision-making tool for capital investment, including investments in facilities.

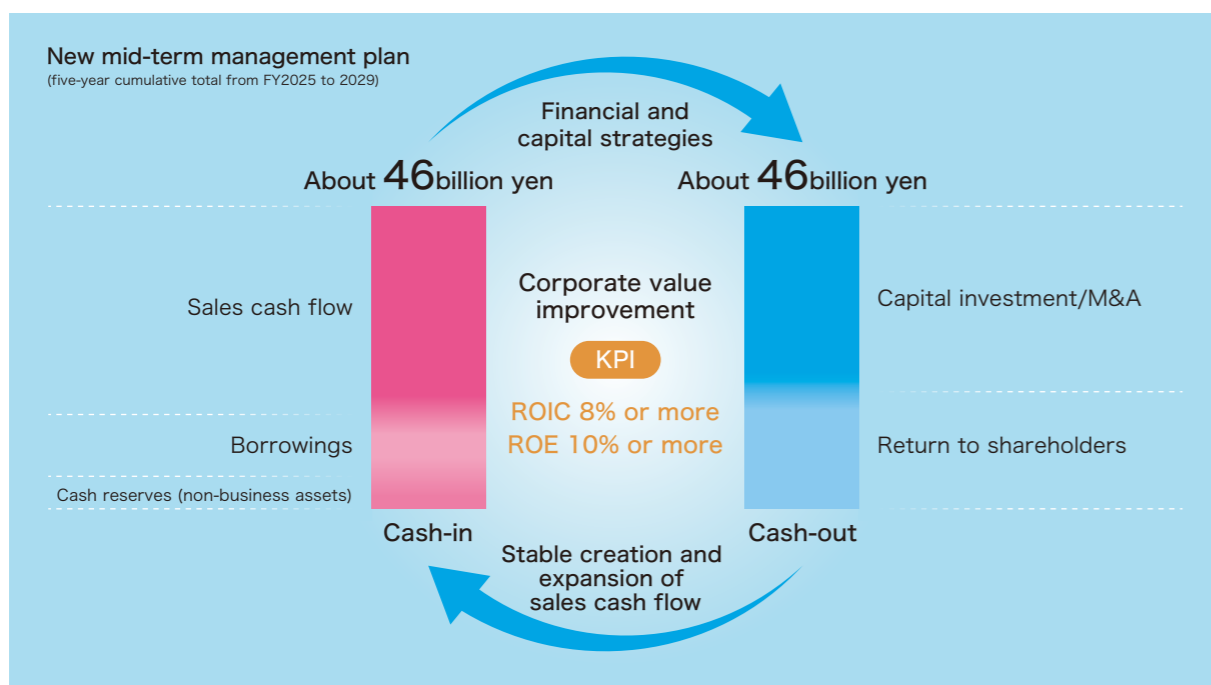
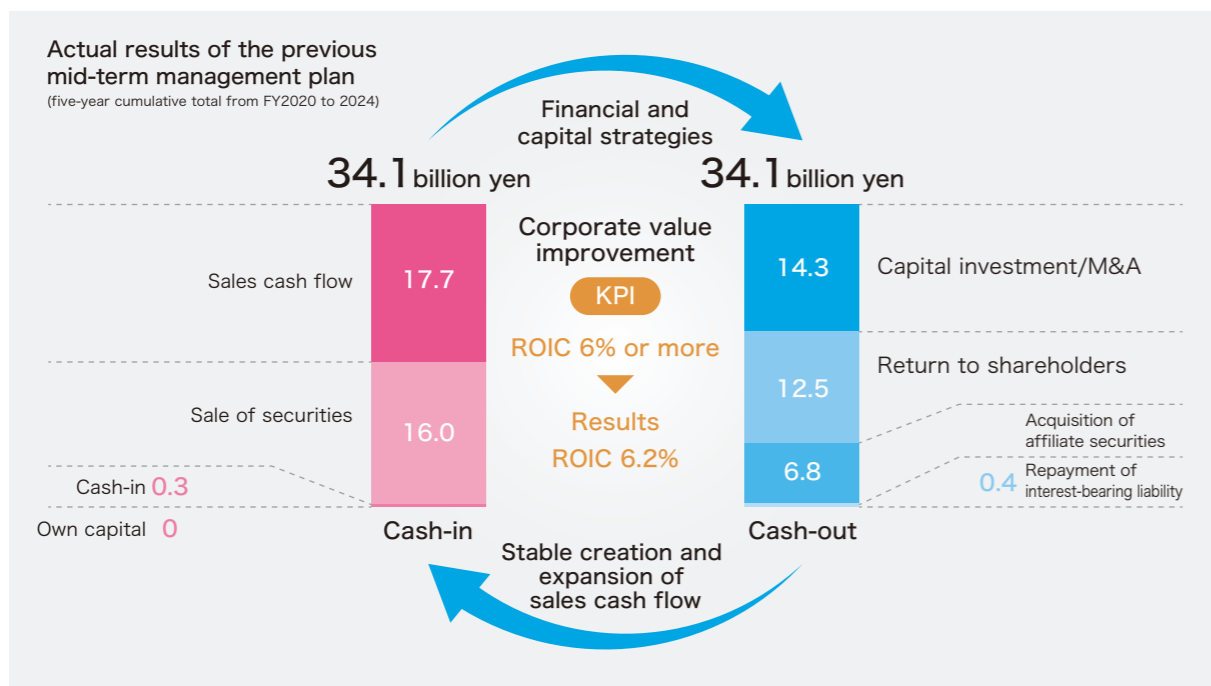


Financial Strategy

Cash allocation

To enhance our corporate value, we allocate the capital generated from our business to investments and dividends, while ensuring financial stability. From FY2025 to 2029, we will invest in increasing production capacity and commercializing and mass-producing

new products utilizing means such as interest-bearing liabilities, while actively and continuously returning value to our shareholders. We will also allocate cash effectively based on investment opportunities to strengthen our human capital and intellectual capital.



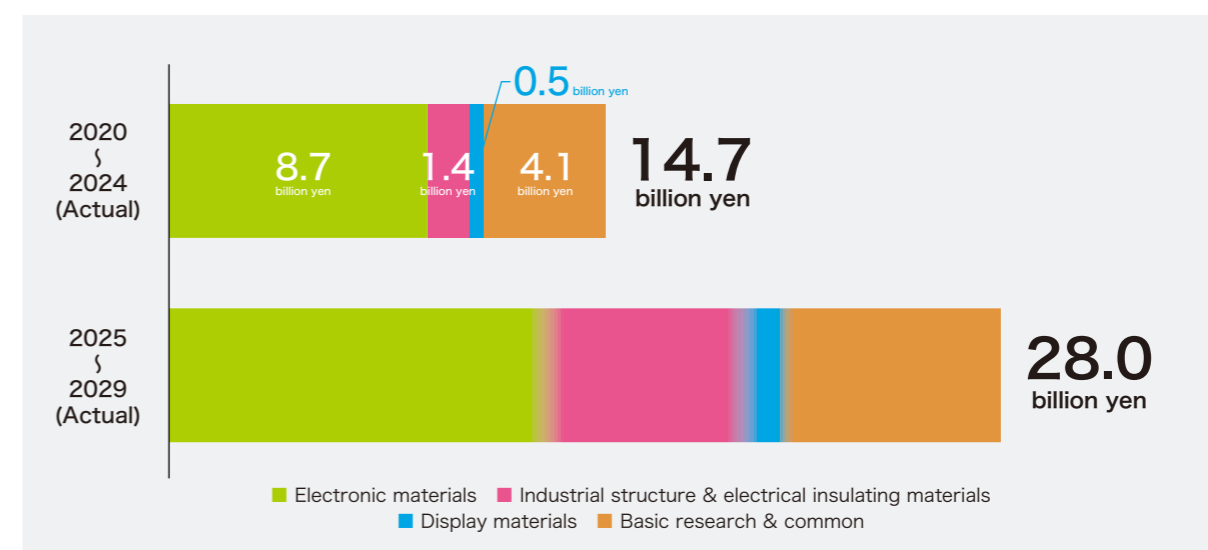
Investment for growth

We allocate our funds to production capital expenditure to support expanding the scope of existing businesses and growth investment to create new business opportunities. We also spend capital on quality improvement, research and development, human resource development, and digitization to aim at strengthening the business foundation. Achieving continuous growth while maintaining our competitive advantages through these activities will lead to a virtuous cycle that allows reinvestment for further growth of our group.

We have invested from a mid- to long-term perspective. Under the mid-term management plan through FY2025, we have steadily

advanced research and development investments, exemplified by the construction of the Innovation Center, which opened in September 2025. Over the five-year period starting in FY2026, we plan to expand production capacity for insulating films used in semiconductor substrates in the electronic materials segment, as well as to introduce mass-production facilities for new businesses in the industrial structural materials and electrical insulating materials segment. The actual and planned capital expenditures are shown below.

Capital investment to expand businesses and promote development (by division)



Details of planned capital investment from FY2025 to FY2029 (by objective)

Objective	Planned (May 2025)
Increase in production capability	15 billion yen
<ul style="list-style-type: none"> Production facilities for insulating films for semiconductor substrates (expanding the scope of existing business) Production facilities for new industrial structural materials business (creating new business opportunities) 	
New product development	6 billion yen
<ul style="list-style-type: none"> Innovation Center (establishment of an open innovation base) Testing facilities (expanding the scope of existing business and creating new business opportunities) 	
Improvement in the production process	2 billion yen
<ul style="list-style-type: none"> A waste heat recovery system and onsite solar energy generation (promotion of carbon neutrality) A production management system and security measures (promotion of DX) 	
Building and facility maintenance	5 billion yen

Businesses / Outline of Each Segment

Our group offers various products by leveraging our excellent processing technologies and centralized production system.

Electronic Materials

P41-42

This is our group's main business, which accounts for more than 60 percent of our consolidated sales. There are production sites in Japan, Taiwan, and China. This business contributes to the growth of society mainly in the information device field.



Sales and proportion of major products

Sales

31.5
billion yen



Sales breakdown in the segment

Materials for flexible printed circuit boards & semiconductor-related materials	88%
Glass cloths for printed circuit boards & prepregs for rigid printed circuit boards	6%
Rigid printed circuit boards	6%

Display Materials

P45-46

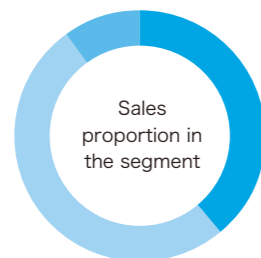
These products are among the most widely recognized by the general public within our portfolio. Through the provision of materials for medical and amusement applications, this business contributes to the development of a richer quality of life.



Sales and proportion of major products

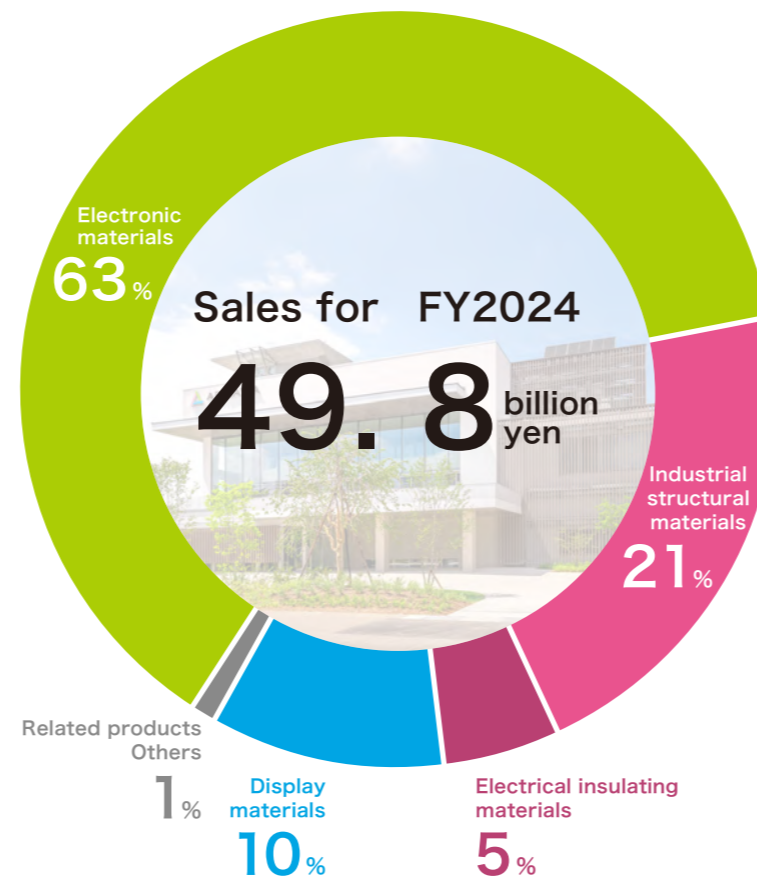
Sales

4.9
billion yen



Sales breakdown in the segment

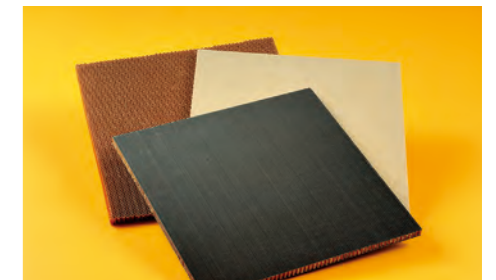
Polarization control optical components	39%
3D display-related materials	51%
Others	10%



Industrial Structural Materials

P43-44

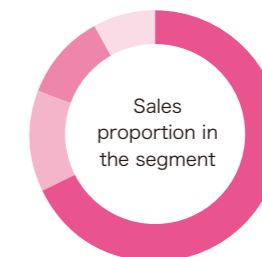
This is the second pillar of our group's business. There are production sites in Japan, Spain, and the U.S. This business contributes to society by offering materials to improve fuel efficiency for aircraft and vehicles and produce new energy and clean water.



Sales and proportion of major products

Sales

10.6
billion yen



Sales breakdown in the segment

FRP pressure vessels for water treatment	68%
In-vehicle materials	13%
Honeycomb sandwich panels for aircraft	11%
Others	8%

Electrical Insulating Materials

P43-44

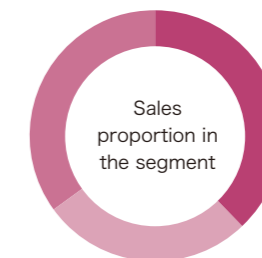
These products have a long history. By providing insulating and heat-dissipation materials for generators and other applications, this business contributes to the creation of a more livable society.



Sales and proportion of major products

Sales

2.5
billion yen



Sales breakdown in the segment

Prepregs for electrical insulation	38%
Glass cloths & glass tapes	27%
Others	35%

Related products & others

Our related products and other businesses include pultrusion molding, golf driving range operation, and logistics and transport.

Sales Strategy



Accelerating the development of the "Visible" and uncovering the "Invisible"

The Innovation Center, a new base for research and development, held its opening ceremony on September 2 and is now fully operational. As an officer in charge of sales, I expect the Innovation Center to serve as an engine accelerating the development of the "Visible" and as a platform for uncovering the "Invisible." Specifically, we accelerate the development of our existing core fields: electronic materials and industrial structural materials (Visible), achieving the numerical targets of the mid-term management plan. On the other hand, we believe that uncovering the "Invisible" serves as a catalyst for identifying new customers and technological development with which we have not previously had points of contact. For the small experimental coating machine "ai-coater," which commenced operation prior to the Innovation Center, we are already beginning to see the benefits anticipated from the Innovation Center: launch of new material development with existing customers and initiation of engagement with potential customers.

Improving development efficiency

We believe that the defining characteristic of the Innovation Center lies in its practical, hands-on approach. Positioned as a platform for advancing new product development not only internally but also in collaboration with our customers, the Innovation Center enables us and our customers to work with actual products and share a tangible sense of development progress in real time. We believe this enables smoother communication between both parties and accelerates the development process.

Collaboration from development through production and sales

While the Innovation Center naturally serves as a hub for development, we believe its role extends beyond that. It also functions as a key base for production technology development, focusing on how to smoothly transition developed products into the production phase and how to scale them up for mass production. While we excel in high-mix, low-volume production, achieving our

medium-term management plan also requires improving production technologies for mass-produced items with larger lot sizes.

With the establishment of the Innovation Center, we believe the role expected of our sales function is to uncover the "Invisible"—namely, to identify potential customers in new fields with which we have not previously had points of contact. To achieve this, sales representatives need to develop a deeper understanding of our assets including such as products and technologies, than ever before. In addition, we believe that access to information that enables the early identification of future needs is essential. We are confident that when sales representatives equipped with such knowledge and information conduct their activities with a stronger marketing mindset and engage with a broader range of customers, they will be able to uncover new seeds for development.

Looking ahead, we expect the Innovation Center to foster interaction among members from development, production, sales, and other functions beyond departmental boundaries. As cross-functional collaboration is strengthened, we believe this will further energize the organization.



Collaboration with customers

We operate two business models: OEM and proprietary products. Even in the early stages of OEM product development, we have a strong foundation for co-creating products with our customers by incorporating our own proposals. OEM projects are typically driven by clearly defined objectives, and we work closely with customers to achieve those goals. At the same time, the introduction of the "ai-coater" has expanded our potential to jointly develop products with customers even at an exploratory stage, where applications and objectives have yet to be fully defined. Furthermore, with the Innovation Center now in operation, we expect to jointly develop products with our customers have the potential to evolve into high value-added offerings, thereby promoting the sharing of intellectual property and know-how. We expect the Innovation Center to serve as a "hub" that strengthens our connections with customers and further expands business fields.

Development Strategy



Expectations for the Innovation Center

We aim to position the Innovation Center as a platform that enables the integration of people and technology, where diverse stakeholders—including our customers—can interact beyond organizational boundaries. While many companies emphasize collaboration with external partners in open innovation, we believe that fostering internal interaction and integration is equally important. The laboratories at the Innovation Center are designed to be shared across departments. By eliminating physical barriers, the layout makes work in other departments visible and creates an environment where people can naturally initiate conversations.

It has been about two years since the technical division transitioned to an organizational structure that encourages cross-functional interaction among members, and the positive effects of this change are now beginning to emerge. In particular, a sense that "working together leads to better results" is taking root among younger employees, fostering a strong foundation for collaboration. With the Innovation Center in operation, we expect this initiative to lead to a company-wide shift in mindset, involving not only our customers but also the sales, manufacturing, and other divisions.

Sharing tacit knowledge and managing intellectual properties

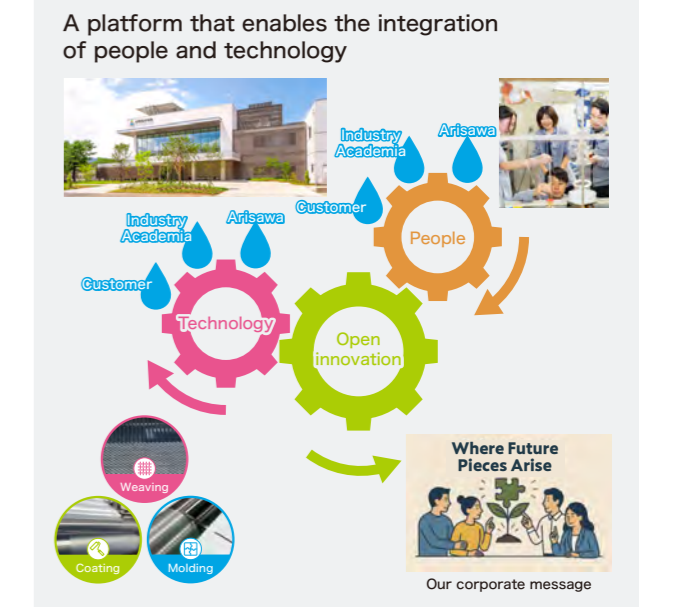
While tacit knowledge is one of our strengths, our knowledge and skills have tended to rely on individuals," making knowledge sharing a key challenge. We are gradually systematizing and documenting the know-how that has traditionally depended on individuals, clearly distinguishing between knowledge that should remain closed and protected and knowledge that should be shared through co-creation with our customers. Going forward, we will also actively promote the acquisition of patents. The Innovation Center, which promotes human interaction, also plays an important role in this regard. Furthermore, we will refine our incentive system for patent acquisition to better motivate researchers.

In addition, to draw out experiential knowledge from the manufacturing floor, we will establish a framework that uses the Center as a hub to enhance on-site capabilities and promote the sharing of insights. This is because establishing a "bridge from

research and development to mass production" is essential to nurturing new businesses. By creating a shared platform through the Innovation Center, we expect to foster more active dialogue and collaboration between the technology and manufacturing divisions. In particular, we believe that introducing new equipment and processing methods will broaden perspectives across manufacturing operations, enabling development and production beyond existing frameworks.

Proposal-driven development approach

Our OEM approach goes beyond a conventional contract-based model of "doing exactly what is requested." Our strength lies in combine our own materials and technologies to propose solutions that exceed our customers' expectations, positioning us as a "proposal-driven OEM manufacturer." By integrating four core technologies—"weaving," "coating," "molding," and "combining"—we can support a wide range of processing needs. This enables us to proactively engage in overcoming the challenges faced by our customers, building strong relationships of trust.



New business and future growth areas

New businesses, which serve as a growth driver under our mid-term management plan, targets fields such as next-generation batteries; fuel cells and hydrogen energy-related technologies; next-generation computing, including AI and GPUs; and mobility, encompassing automobiles, aircraft, and rail vehicles. We anticipate that businesses in these fields will enter a full-scale phase and begin to make a significant contribution to our performance from the next mid-term management plan period onward. Accordingly, we position them as key business fields that will drive our future growth and focus our efforts on them. We aim for the Innovation Center to function not merely as a "technology hub" but as a mechanism that promotes the integration of organizational culture and talent, ultimately becoming a foundation that supports our growth over the next 100 years.

Strategy by Segment

Electronic Materials Segment

In the electronic material field, we develop and manufacture materials for printed circuit boards, semiconductor-related materials, and printed circuit boards, all of which are key devices for information and communications society, using the following four core technologies:

Surface treatment technology to maximize the performance of glass cloths

Compounding technology for incorporating various modifiers and chemicals into thermosetting resins

Resin coating technology

Laminating technology

Our group's products range from prepregs for rigid printed circuit boards to materials for flexible printed circuit boards (FPC). Especially, our materials for flexible printed circuit boards have gained acclaim for their production process with excellence in flexibility, anti-migration property, and heat resistance at high temperatures and ultra-narrow gaps. With the deep trust of customers, we have retained our position as one of the top manufacturers specializing in electronic materials.

Business locations

- [Arisawa]** (Nakahara Factory, Nakadahara-nishi Factory, Minami-honcho Factory)
Materials for flexible printed circuit boards, prepregs for rigid printed circuit boards, & semiconductor-related materials
- [Arisawa Fiber Glass]**
Glass cloths for printed circuit boards
- [Satosen]**
Rigid printed circuit boards
- Overseas offices**
 - [ThinFlex] (Taiwan)**
Materials for flexible printed circuit boards
 - [TopFlex] (China)**
Materials for flexible printed circuit boards

Analysis of the present situations

SWOT analysis based on the present business environment is shown below:

S Strengths	W Weaknesses
<ul style="list-style-type: none"> •Design flexibility with in-house resin compounding technology •Support for various types of processing using equipment 	<ul style="list-style-type: none"> •Lower production efficiency due to the production of many models in small quantities •An excessive number of inspectors required to maintain quality
O Opportunities	T Threats
<ul style="list-style-type: none"> •Differentiated products with high functionality and high quality •Flexible proposals, selected from a variety of products 	<ul style="list-style-type: none"> •Low-price strategy of overseas competitors •Slowdown in demand growth for PCs, tablets, and smartphones

Business environment

Electronic devices, such as smartphones, are becoming more highly functional, and electronic circuits have a higher circuit density through refining, accordingly.

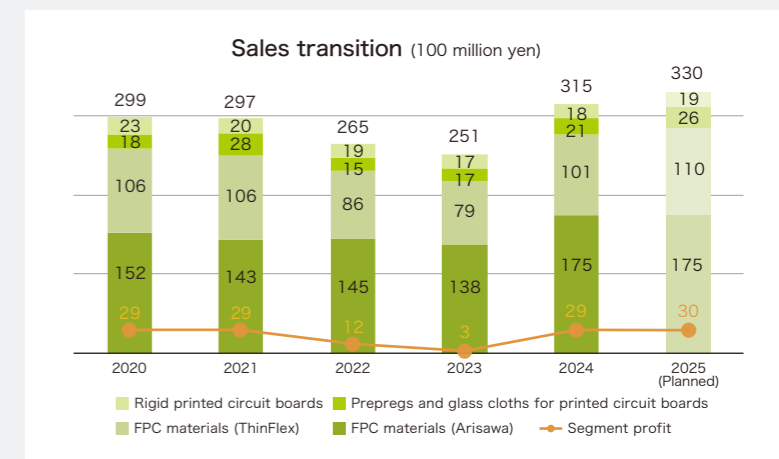
The proliferation of generative AI and the advancement of mobility electrification are growing needs for materials supporting fast transmission, high heat dissipation, high heat resistance, and large current in a wide range of application areas, from home appliances to in-vehicle parts, and we work on developing highly functional products in response to these needs.



Business strategy

To enhance profitability according to the mid-term management plan, we work on "expanding the scope of existing business" and "creating new business opportunities."

For electronic materials, we aim to pursue growth by developing high-performance materials through in-house resin compounding and coating technologies. As our main business fields, we will develop new products and expand our business, focusing on semiconductors/data centers, mobile communication devices, next-generation computing, and next-generation mobility fields. Furthermore, we will explore new areas such as hydrogen energy and medical devices.



Business summary for FY2024 and measures and outlook for FY2025

Demand for PCs and smartphones in the Chinese market, which has declined since the latter half of FY2022, has finally recovered. As a result, the sales of materials for flexible printed circuit boards, semiconductor materials, glass cloths for printed circuit boards, and printed circuit boards for FY2024 have increased from the previous year.

For this segment, we are advancing the development of differentiated products in the mobile communications, semiconductor, and mobility markets. The adoption of our materials has expanded in fields such as foldable materials, extra-fine line boards, and faster communication boards.

For FY2025, we anticipate steady demand in the mobile communications and semiconductor fields. Accordingly, we expect increased sales of materials for flexible printed circuit boards and glass cloths for

printed circuit boards.

In the mobile communications field, we aim to expand our market share by accelerating the design and launch of differentiated products, including thin film, fine wire, fast transmission, high flexibility, high heat dissipation, high heat resistance, and time-saving products. Furthermore, by collaborating with ThinFlex and TopFlex, we seek to provide efficient customer support and capture business opportunities in high-growth areas.

In the semiconductor and mobility fields, we aim, based on partner strategies, to capture and expand business opportunities for high-value-added products in high-growth areas such as high-end mobile, semiconductor packaging, next-generation mobility, generative AI, and satellite-related technologies.

Specific measures	
Existing business fields	<p>Exploring growth-driving businesses</p> <ul style="list-style-type: none"> ■ Semiconductor/data center Enhancing the production capacity, strengthening the business foundation through collaboration with group companies <p>Strengthening quality of core business</p> <ul style="list-style-type: none"> ■ Mobile communication devices Capturing the growth in demand in China and other Asian markets through unique and differentiated products
New business field	<p>Commercialization of target fields</p> <ul style="list-style-type: none"> ■ Next-generation computing Selling products that address the expanding generative AI markets/high-speed communication/larger capacities ■ Next-generation mobility Developing highly reliable products that meet the needs of high-current support and high-heat dissipation performance, etc.

TOPICS

Mass production of energy-saving adhesive sheets has begun!

We are advancing the development of products that require less processing energy. In recent years, heat press processing has shifted from the multi-stage press method—which consumes large amounts of energy through prolonged pressure and heating—to the quick press method, in which each sheet is pressed for a short period of time. By leveraging our unique compounding technology, we have developed an adhesive sheet that cuts the quick press time by 50% compared with conventional methods, significantly enhancing our customers' production efficiency.



Enhanced functionality of our small experimental coating machine (ai-coater)!

To promote open innovation, we have begun joint development projects with customers across a wide range of fields using our small experimental coating machine. Previously, only one type of coater head—used to apply resin to substrates—was available. However, in FY2024, we added two additional types of coater heads significantly expanding the machine's functionality. This enhancement enables the selection of coater heads based on the properties of the resin to be applied and the required coating thickness, allowing coating under a wider range of conditions than was previously possible.



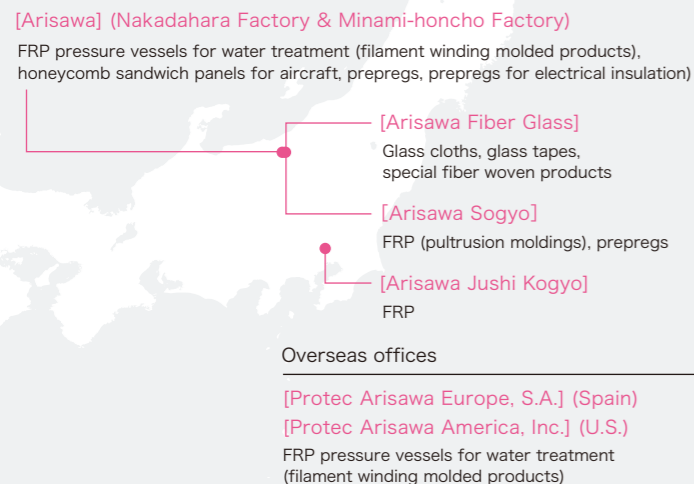
Strategy by Segment

Industrial Structural Materials and Electrical Insulating Materials Segment

In the industrial structural material and electrical insulating material fields, we pursue FRP (fiber reinforced plastic) molding technology based on our core technologies of weaving and resin impregnation technology. FRP molded products are made by laminating preregs, which are semi-cured through the impregnation of resin into the fiber, turning them into a desired shape, and applying heat and pressure to it.

Using glass fiber with insulation capability and heat resistance and carbon fiber with lightweight, high strength, and a high module of elasticity as main materials and leveraging FRP-specific anisotropy generated by the orientation (alignment) of fiber, we can optimize mechanical and thermal properties of FRP materials to meet our customers' requirements. With these characteristics, they are used in electrical insulating materials for such devices as generators and motors, materials for aircraft interiors, primary structural materials, general industrial structural materials, materials in the in-vehicle and new energy fields, and materials for sports equipment.

Business locations



Analysis of the present situations

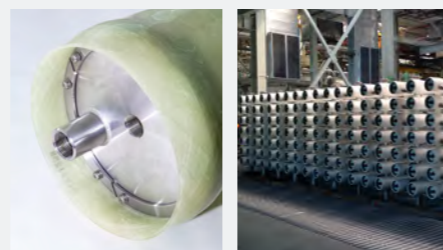
SWOT analysis based on the present business environment is shown below:

<p>S Strengths</p> <ul style="list-style-type: none"> Consistent development and manufacturing through the integration of core technologies of "weaving," "coating," and "molding" Flexible new resin formulation and improvement 	<p>W Weaknesses</p> <ul style="list-style-type: none"> Easily affected by market changes due to many types of limited products sold to specific customers Lower production efficiency due to the production of many models in small quantities Human resource development is built on long-term experience
<p>O Opportunities</p> <ul style="list-style-type: none"> Demand recovery in the aerospace sector Entry into markets requiring high heat resistance, high pressure resistance, and gas resistance 	<p>T Threats</p> <ul style="list-style-type: none"> Cost competition with domestic and overseas competitors Cost competition with alternative materials (metal, ceramic, etc.)

Business environment

Amid the shift to a decarbonized society, enhanced battery performance for FCVs/EVs and weight reduction to improve fuel efficiency in various transportation methods, including aircraft, are increasingly required. There is also a growing demand for new energy sources that replace fossil fuels.

In the smart wellness field, demand is also increasing for products used in water treatment (including seawater desalination) and gas separation applications. In response, our group is advancing the development of high-performance products to meet these needs.

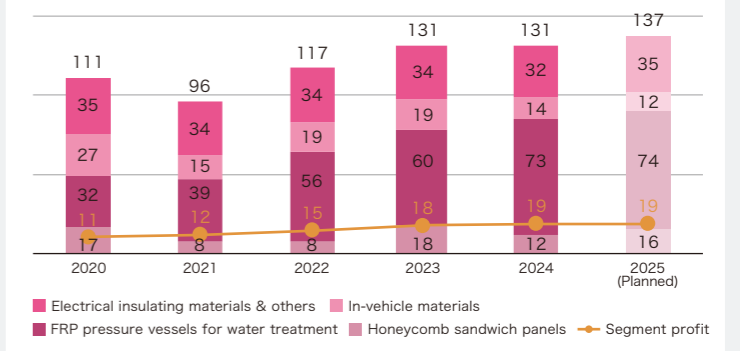


Business strategy

To enhance profitability according to the mid-term management plan, we work on "expanding the scope of existing business" and "creating new business opportunities."

For industrial structural materials and electrical insulating materials, we accelerate commercialization of products in mobility and energy business fields by launching differentiated products. To achieve further growth, we expand the scope and enhance the quality of existing businesses—such as FRP pressure vessels for water treatment, fuel cells, and materials for aircraft interiors—while advancing the development of environmentally friendly applications, including next-generation batteries/hydrogen energy and gas separation materials.

Sales transition (100 million yen)



Business summary for FY2024 and measures and outlook for FY2025

While the demand for FRP pressure vessels for water treatment showed steady, the sales of industrial structural materials for FY2024 decreased from the previous year because performance of honeycomb sandwich panels for aircraft interiors and in-vehicle materials was weak. The sales of electrical insulating materials for infrastructure are stably solid.

FRP pressure vessels for water treatment saw an increase in sales due to the technical support to Protec and continue to be considered for application to gas separation devices. Regarding in-vehicle materials, we deepened the relationship of trust with customers and developed differentiated products in next-generation batteries and hydrogen energy fields.

For FY2025 as well, it is expected that there will be continued strong demand in the water treatment field. While the demand for honey-

comb sandwich panels for aircraft interiors is gradually recovering, we anticipate that our existing in-vehicle materials (special titanium foil coatings) remain in an adjustment phase.

By continuing to produce differentiated products through the expansion of application of our materials into new fields, such as deploying filament winding technology to other fields than water treatment, enhancing added value in the aerospace sector, and creating new opportunities of in-vehicle materials, we will boost competitiveness.

To reduce the impact on the environment, we will develop environmentally friendly materials in the aerospace sector and materials and processes for next-generation batteries and hydrogen energy-related materials in the mobility and infrastructure fields.

Specific measures	
Existing business fields	<p>Exploring growth-driving businesses</p> <ul style="list-style-type: none"> Water treatment plant Strengthening profitability and expanding business by taking full advantage of the group company's network
	<p>Strengthening quality of core business</p> <ul style="list-style-type: none"> Fuel cells Developing materials for next-generation batteries and promoting sales Materials for aircraft interiors Promoting sales of newly developed products such as environmentally friendly interior materials
New business field	<p>Commercialization of target fields</p> <ul style="list-style-type: none"> Next-generation batteries/hydrogen energy Developing high-performance and high-durability materials Environmentally friendly products Developing material for gas separation devices

TOPICS

The reflective snow pole "Lerch" continues to receive the "Made in Joetsu" industrial product certification!

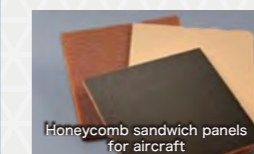
"Our snow poles are made of FRP, making them lighter and rust-free compared with conventional steel products. In recent years, rising steel prices combined with our ongoing efforts to reduce manufacturing costs have further enhanced the competitiveness of our products. In addition, we are actively engaged in development initiatives aimed at reducing environmental impact, including reuse and recycling. In addition, we are actively engaged in development initiatives aimed at reducing environmental impact, including reuse and recycling. Our goal is to ultimately replace all snow poles in the market with our own products." (Message from Yamagishi)



*A certification program operated by Joetsu City that recognizes products developed by companies with operations in the city based on their novelty, originality, reliability, and market potential.

Initiation of sample work on honeycomb sandwich panels using environmentally friendly formulations!

Halogen-based and antimony-based compounds are widely used as flame retardants in preregs for aircraft honeycomb sandwich panels. In recent years, international requirements for reducing environmentally hazardous substances and for the management and regulation of hazardous materials have intensified, increasing the need for designs that avoid the use of such compounds. By leveraging our expertise in resin formulation technology, we have developed environmentally friendly, halogen- and antimony-free preregs and honeycomb sandwich panels. Compared with our existing products, these materials achieve both sufficient flame resistance and high mechanical performance.



Strategy by Segment

Display Materials Segment

In the display materials field, we have expanded our technological areas from front screen molding, UV molding, and thin film coating to 3D images. Xpol® is a 3D image display filter with fine polarizing elements arranged in order. Attaching this filter to a flat panel display, such as an LCD, allows 3D images to be viewable without flickering through polarized glasses. This filter has been used mainly for medical purposes, such as endoscope monitors.

We have developed an optical retardation element (wave plate) that can be a phase difference plate using a photo-alignment layer and a polymerizable liquid crystal and offered it as a product. We not only offer optical materials but also add a bit of contrivance to them to gain the trust of customers. One such example is lamination processing. Our advanced lamination technology has been developed through the experience of handling a wide range of optical materials and has been highly acclaimed. By reconsidering the properties of "light," we will work on further product development.

Business locations



Analysis of the present situations

SWOT analysis based on the present business environment is shown below:

S Strengths	W Weaknesses
<ul style="list-style-type: none"> Xpol® brand value In-house 3D optical design Mass production factories available for in-house core processing Flexibility for the production of many models in small quantities 	<ul style="list-style-type: none"> Energy costs required to operate mass production facilities (a higher processing cost percentage) A lower level of compounding technology than molding technology
O Opportunities	T Threats
<ul style="list-style-type: none"> Growth opportunities in the Asian markets Expansion of minimally-invasive treatment to the medical field Expansion of remote surgeries driven by a shortage of doctors 	<ul style="list-style-type: none"> Emergence of different types of 3D displays Cost competition with overseas competitors

Business environment

Under circumstances where a shortage of doctors and the concentration of population in urban areas have occurred, the spread of fast communications allows remote surgeries and robotic arm surgeries, hopefully reducing the workload on doctors. The demand for displays is also expected to rise in the education field due to the progress of digitization. Furthermore, in the industrial and scientific research fields, projects using polarization control optical components are expected to increase, and we are advancing the development of high-performance products capable of meeting these needs.



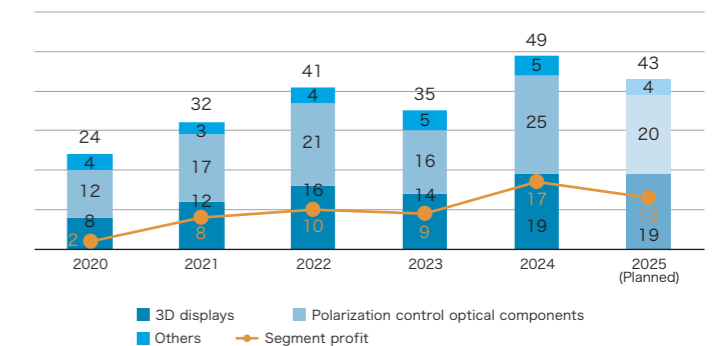
Business strategy

To enhance profitability according to the mid-term management plan, we work on "expanding the scope of existing business" and "creating new business opportunities."

Display materials contribute to further advancement of the digital society through the development of new products. Regarding 3D displays, we aim to expand the sales channels in the medical field requiring higher-definition products and pursue expansion into infrastructure applications.

As for polarization control optical components, we will expand the sales of new products utilizing our unique technologies, such as improving the quality in the next-generation computing field and creating new businesses in the space observation field.

Sales transition (100 million yen)



Business summary for FY2024 and measures and outlook for FY2025

Due to steady growth in the sales of 3D-related materials and ColorLink Japan's sales of polarization control optical components, the total sales for FY2024 increased from the previous year.

Regarding 3D-related materials, we are working on reducing costs through process improvement and expanding their application to non-medical purposes. As for the application expansion, we narrowed down the target fields and continues promotion to customers using demonstration content. We work to expand the business of polarization control optical components into the AR/VR field.

In FY2025, we aim to continue growth through the expansion of our businesses, mainly Xpol®, and the development and sales of new products. For 3D displays, we anticipate demand in the medical field

for higher-contrast technologies, such as 8K and OLED, driven by the development of high-speed infrastructure and improvements in medical peripheral device performance. Therefore, we will focus on advancing our design and processing technologies.

Revenue from polarization control optical components is expected to decrease year on year, taking into account the impact of exchange rates. By improving the image quality of AR/VR-related products, we aim to expand our market share in the gaming and high-end markets.

Furthermore, we strengthen our competitiveness by offering differentiated products such as PSA (Pressure Sensitive Adhesive) sheets and establishing global linkage with our customers.

Specific measures

Existing business fields	New business field
<p>Exploring growth-driving businesses</p> <ul style="list-style-type: none"> Industrial infrastructure Newly developing for infrastructure applications such as mobility, construction equipment and heavy machinery <p>Strengthening quality of core business</p> <ul style="list-style-type: none"> Medical devices Promoting sales in the Chinese and Asian markets, exploring new markets for larger and higher resolution products 	<p>Commercialization of target fields</p> <ul style="list-style-type: none"> Next-generation computing Developing new products and obtaining new market share for AR/VR-related materials

TOPICS

Expanded lineup of large, high-resolution medical 3D monitors!

3D displays featuring our optical element, Xpol®, have seen steady adoption in the medical field, driven by the recent transition to high-resolution 4K displays. In addition to the 32-inch model, which is widely used for endoscopic surgery, we have developed 4K 3D displays in sizes up to 55 inches and have begun mass production to meet growing demand for larger displays suitable for microsurgical applications.



Optical compensator adopted for reflective LCDs!

ColorLink Japan's PolarCorrect is an optical compensator designed to correct residual phase retardation inherent in LCD panels. It is primarily used to enhance contrast in the optical systems of LCOS (Liquid Crystal on Silicon) and HTPS (High-Temperature Polycrystalline Silicon) projectors.

Polar Correct has now been adopted for AR glasses utilizing LCOS technology, and mass production has commenced.

Optical compensator-ColorLink Japan, Ltd.
<https://www.colorlink.co.jp/products/compensator/>



Environmental Management

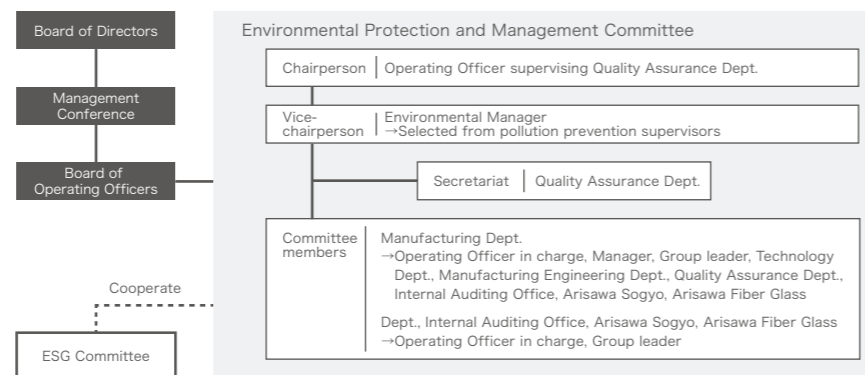
Environmental policy

We strive to reduce environmental loads, promote environmental conservation, and help address social and environmental issues in our whole business activities, from development and design to manufacturing of electronic materials, industrial structural materials, electrical insulating materials, and display materials, to achieve sustainable growth.

- (1) To strive towards the prevention of environmental pollution by accurately determining the environmental impact of our business activities, products and services.
- (2) To comply with environmental laws, regulations, agreements and other requirements to which we have agreed.
- (3) To establish and carry out "Environmental Goals" and review them periodically in promoting environmental activities.
- (4) To develop the products and technologies contributing to reducing environmental loads.
- (5) To strengthen the management of hazardous chemical substances which might have an impact on the environment.
- (6) To strengthen the management of air, water, and soil pollution and strive to maintain biodiversity.
- (7) To work toward resource saving, energy saving, industrial waste reduction and recycling promotion.
- (8) To contribute to reducing greenhouse gas and creating a recycle-based society by introducing renewable energy and recyclable resources.
- (9) To raise awareness of all employees through environmental education and enlighten them so that they will take responsible actions for a sustainable society.
- (10) To continually improve the environmental management system by performing periodic internal environmental audits and management reviews.

Promotion structure of environmental protection

Environmental protection activities are promoted as a whole by the factories and affiliates on the premises at three sites (Minami-honcho, Nakadahara, and Nakadahara-nishi) in Joetsu City. The Environmental Protection and Management Committee uses the PDCA cycle and is engaged in the protection activities in cooperation with the ESG Committee.



Material balance

Our group strives to reduce environmental loads by understanding the balance between energy and resource inputs in business activities and CO₂ and waste emissions generated as a result.

INPUT		FY2023	FY2024
Energy inputs			
Fuel	Sum (crude oil equivalent)	7,071 kL	7,039 kL
	City gas	6,091 kNm ³	6,062 kNm ³
	LPG	4.0 ton	4.0 ton
Electricity	(crude oil equivalent)	7,181 kL	7,598 kL
	Electricity	32,213 MWh	34,086 MWh
Purchased items			
	Sum	8,737 ton	10,017 ton
	Raw materials	7,896 ton	9,141 ton
	Incl. organic solvent	572 ton	561 ton
	Secondary materials	841 ton	976 ton
Water inputs			
	Total inputs	295.9 km ³	290.5 km ³
	Surface water	94.8 km ³	94.2 km ³
	Underground water	201.1 km ³	196.3 km ³

OUTPUT		FY2023	FY2024
CO₂ emissions			
	Sum	22,996 ton	19,833 ton
	Fuel	12,742 ton	12,671 ton
	Electricity	10,254 ton	7,162 ton
Organic solvent air emissions			
	Substances subject to the PRTR system	134 ton	107 ton
Industrial emissions			
	Sum	1,522 ton	1,468 ton
	Recycled (reused)	1,432 ton	1,404 ton
	Landfill disposal	90 ton	64 ton

Period covered: FY2024 (April 2024 to March 2025)
 Business sites: Joetsu Head Office and Minami-honcho Factory (including Arisawa Fiber Glass Co., Ltd. and Arisawa Sogyo Co., Ltd. within the premises)
 Nakadahara Factory (including Arisawa Sogyo Co., Ltd. within the premises)

Environmental targets, results, and assessment for FY2024

We have established the environmental management system in accordance with ISO 14001, and we identify and evaluate important environmental risks and opportunities through its operation and determine how to address environmental issues.

No.	Environmental Targets	Target Values	Results	Evaluation
1	Develop the products and technologies contributing to vreducing environmental loads	Continue development by each Technical Division group	Confirmed all groups have continued development	Achieved
2	1) Survey environmental hazardous materials of existing purchased specifications	Obtain SDS and non-containment certificates of purchased materials (as required)	214	Achieved
	2) Make the CSR procurement policy known to suppliers and urge them to make improvements if no effective efforts have been made	Feedback provided to 91 companies on CSR survey results, including evaluation findings and improvement requests	Feedback completed for 133 companies	Achieved
3	Neither cause new environmental pollution or health damage, vnor commit the material violations of laws and regulations to sustain biodiversity	Commit no material violation of laws and regulations	0	Achieved
4	1) Save energy (reduce electricity and city gas)	Save energy at Minami-honcho Factory Reduce energy amount kL by 1% compared to the past results, or reduce energy amount kL/processing output by 1% compared to the previous year	Reduced by 4.6% compared to the past results Decreased by 2.3% compared to the previous year	Achieved
		Save energy at Nakadahara Factory and Nakadahara-nishi Factory Reduce energy amount kL by 1% compared to the past results, or reduce energy amount kL/processing output by 1% compared to the previous year	Reduced by 20.7% compared to the past results Decreased by 16.5% compared to the previous year	Achieved
	2) Achieve zero emissions (development and manufacturing)	Maintain a recycling rate of 95% or higher (recycling rate = amount of recycling / amount of industrial waste disposal)	94.8%	Not achieved
	3) Reduce industrial waste	Reduce industrial waste by 4% compared to FY2020	Reduced by 14.4% compared to FY2020	Achieved
5	Reduce CO ₂ emissions (achieve carbon neutrality by FY2030)	Reduce CO ₂ emissions by 54% compared to FY2020	Reduced by 54.4% compared to FY2020	Achieved
6	1) Conduct a general education and training	Conduct once a year at each department	Conducted	Achieved
	2) Conduct training for employees engaged in specified work	Conduct once a year at a relevant department	Conducted	Achieved
	3) Conduct training for hired and transferred employees	Conduct at hiring or transferring	Conducted as required	Achieved
7	1) Conduct volunteer activities	Conduct once a year or more	Conducted twice	Achieved
	2) Issue an environmental report	Publish on our website in October	Issued in October	Achieved

Environmental compliance

During the construction of the Innovation Center at the Nakadahara Factory in FY2024, one complaint was received from a nearby resident regarding television signal interference.

After investigating the reception conditions, a new antenna was installed at a different location, which resolved the interference and obtained the resident's consent.

We will continue to respond promptly to complaints regarding environmental issues through communication with the concerned parties.

Employee education on environment

We conduct general education every year aimed at increasing employees' environmental awareness, including compliance with environmental laws and regulations related to our business activities, sharing of information with stakeholders, and spread of our environmental targets.

In addition, we have established the procedures for preparing for and responding to emergency, including the prevention of environmental pollution due to disasters and accidents, and conduct education and training every year at the factories and research facilities at high environmental risks. No incidents occurred that could have a major impact on the surrounding environment in FY2024.

Furthermore, we are implementing measures to expand specialized knowledge, such as training ISO 14001 internal auditors and educating employees engaged in specific tasks.

TOPICS

Arisawa eco walk rally held for the first time in five years!

The 9th Arisawa eco walk rally was held in November 2024, with a total of 274 employees, including staff, participating 54 teams, along with employees from group companies in Joetsu City. (The event was suspended from 2020 to 2023 due to the COVID-19 pandemic.) This annual event involves orienteering while picking up litter in the area around Takada Castle Site Park and Takada Station, starting from the Nakadahara Factory. In about an hour and a half, participants collected a total of 103 kg of trash and received words of thanks and encouragement from local residents.



A scene from the walk rally near the triple-tiered turret at Takada Castle Site Park

Responding to Climate Change

We support the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and disclose information. We consistently improve our environmental protection activities by promoting the reduction of electricity and gas consumption, hazardous chemical substances, and industrial waste, etc., in accordance with our Environmental Policy. These activities are discussed by the Environmental Protection and Management Committee.

Under the philosophy that the solution of environmental issues leads to value creation for society as well as the reduction of business risks, we publicized "Carbon Neutral Initiatives" on our website in June 2021 because we especially recognize climate change as a pressing issue. While the government has set a goal of achieving carbon neutrality by 2050, we* are striving to achieve it by 2030.

*Minami-honcho Factory, Nakadahara Factory, and Nakadahara-nishi Factory (including affiliates within the premises)

ESG Policy	In all aspects of our business activities, we actively address a variety of issues related to environment, society and governance and aim to achieve sustainable growth.
------------	--

Governance (promotion structure)

We established the ESG Committee in December 2021 in order to take the lead in addressing climate change issues. At the committee, a director and senior managing operating officer serves as a chairperson, and other operating officers and general managers of each division serve as members, promoting the organized activities.

The ESG Committee deliberates four times a year on themes, such as responding to climate change, realizing a decarbonized society, respecting human rights, considering for work environ-

ment, and having fair and appropriate transactions with business partners, in addition to enlightening and promoting sustainability-conscious management. Important matters to be deliberated and the status of the activities, etc. are regularly reported to the Board of Operating Officers, the Management Conference and the Board of Directors, and the Board of Directors makes the final decision.

For details on the ESG promotion organization, see page 47.

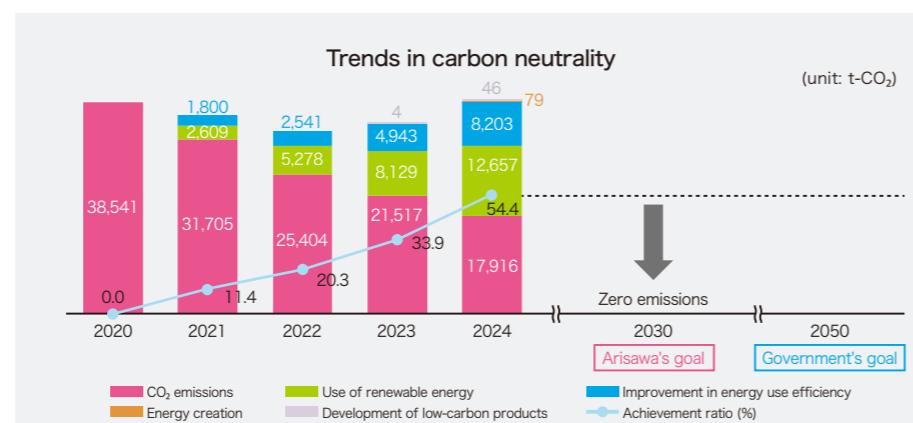
Risk management

We recognize that climate change-related risks are important management issues. Therefore, the ESG Committee identifies and assesses the climate change-related risks, and reports to the Board of Operating Officers, the Management Conference and the Board of Directors, thereby defining key issues. We improve our risk management system by managing these risks.

As for assessing the climate change-related risks, upon identifying climate change factors in businesses, we assume the changes of future regulations, and societal, technological and climate conditions for each 1.5°C and 4°C scenarios. For details on the materiality and KGI, see page 28.

Metrics and goals

We have implemented various measures to improve energy use efficiency. From now on, we will not only expand the deployment of the measures, but also aim to achieve carbon neutrality in FY2030 (compared to CO₂ emissions in FY2020) in terms of direct emissions (Scope1) and indirect emissions (Scope2) by using renewable energy (purchasing renewable energy electricity and carbon offset city gas) and promoting the development of low-carbon products.

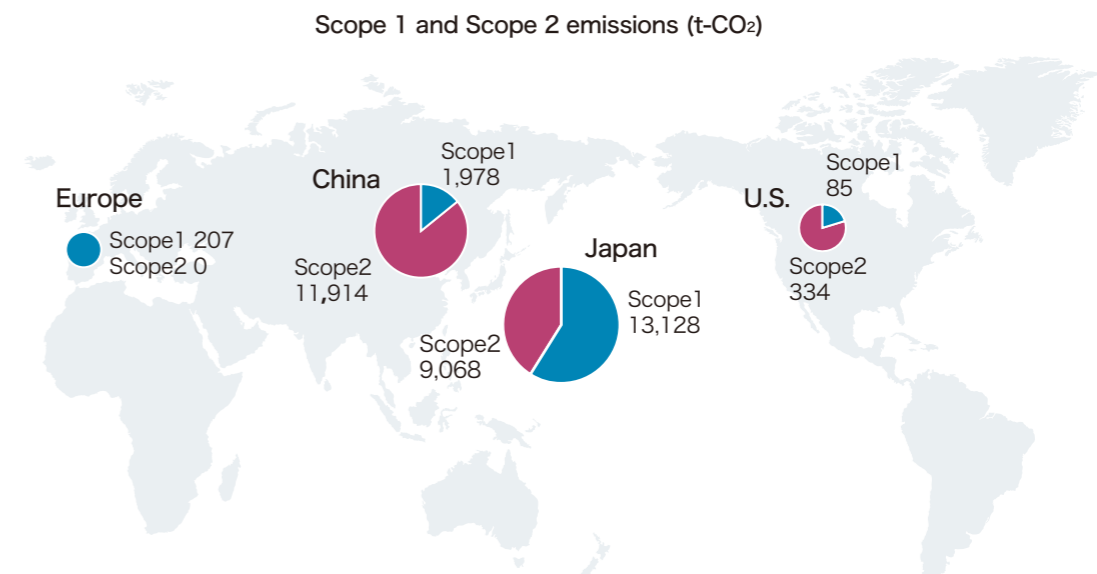


CN (carbon neutrality) achievement ratio = (Total of renewable energy, energy creation, low-carbon products, and energy use efficiency)/CO₂ emissions in FY2020
Target sites: Minami-honcho Factory, Nakadahara Factory, and Nakadahara-nishi Factory (including affiliates within the premises)

Use of renewable energy (including energy creation)	Improvement in energy use efficiency	Development of low-carbon products
Past initiatives · Purchased renewable energy electricity and carbon offset city gas* (CO gas in the table below) since 2021 *First CO (natural) gas introduced in Niigata Purchases in FY2024 Renewable energy electricity: 17.31 million kWh CO gas: 2.05 million m ³ Purchase of J-Credits 500 t - CO ₂ · Introduced onsite PPA (solar energy generation) ⇒ Launched in June 2024 (power generation 168,000 kWh)	Past initiatives · Upgraded the boiler at the Nakadahara Factory · Installed a waste heat recovery system on the coating machine (progressively) · Improved the efficiency of air-conditioners, air supply and exhaust fans, boilers, and compressors · Consolidated freezers and refrigerators · Consolidated production · Changed the production conditions (at lower drying temperatures and higher machining speeds)	Basic concept (1) Realization of lower energy in our production (low-temperature and high-speed machining, process reduction, etc.) (2) Realization of lower energy in clients' production (contribution to low-temperature and high-speed machining, process reduction, etc.) (3) Less-waste product design (including recycling) (Example: A coating machine without a separator, etc.) (4) Eco-friendly products (Example: EV, new energy, lightweight, etc.)
Future issues for consideration · Continuation and expansion of the above · Offsite PPA · Storage of electricity (energy)	Future issues for consideration · Continuation and expansion of the above · Completion of the Innovation Center (ZEB Ready*1) in 2025 · Eco-friendly factory (ZEF*2)	Achievements in 2024 · Mass production of new low-temperature and high-speed coating products made from electronic materials · Continued the development of eco-friendly products (Example: LED, hydrogen power generation, EV components, etc.)

*1 ZEB Ready (Net Zero Energy Building) Reduce energy required in conventional buildings by 50% or more through energy saving.
*2 ZEF (Net Zero Energy Factory) A factory aiming to achieve a net-zero primary energy balance for its manufacturing environment through energy saving and energy creation.

Looking forward, the entire Arisawa Group understands Scope 3 emissions (indirect emissions from other than Scope 1 and Scope 2.)



Scope / Category	2023		2024		
	CO ₂ emissions (t-CO ₂)	Ratio	CO ₂ emissions (t-CO ₂)	Ratio	
Scope 1	14,653.8	6.5%	15,398.5	5.5%	
Scope 2	22,819.2	10.2%	21,316.8	7.7%	
Scope 3	187,234.5	83.3%	240,993.5	86.8%	
Category 1	Purchased goods and services	164,249.2	73.1%	222,153.3	80.0%
Category 2	Capital goods	8,787.4	3.9%	5,758.5	2.1%
Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	7,107.9	3.1%	7,557.3	2.7%
Category 4	Upstream transportation and distribution	3,797.5	1.7%	2,790.9	1.0%
Category 5	Waste generated in operations	1,405.4	0.6%	1,355.9	0.5%
Category 6	Business travel	649.3	0.3%	195.3	0.1%
Category 7	Employee commuting	1,043.6	0.5%	797.1	0.3%
Category 12	End-of-life treatment of sold goods	194.2	0.1%	385.2	0.1%
Total	224,707.5	100.0%	277,708.8	100.0%	

Responding to Climate Change

Strategy

We analyzed the effects as of 2030 by using two scenarios, the 4°C scenario* and the 1.5°C scenario*, targeting at our whole supply chain from purchase, development, production to sales of products and services. Upon scenario analysis, the ESG

Committee identified significant risks and opportunities related to climate change and assessed financial impacts that those would have.

*Source: The Ministry of the Environment "Practical Guide for Scenario Analysis in line with TCFD Recommendations 3rd edition"

Risks				
Transition / Physical	Factors	Financial Impacts	Assessment	Responses
Transition Impact of transition to a decarbonized society	Carbon price (carbon taxes)	·Increase in operating costs due to the implementation of carbon taxes	[1.5°C] Large	·Set targets for energy saving and CO ₂ emissions reduction in the company-wide environmental targets ·Set targets for achieving carbon neutrality by 2030
	Emissions trading	·Additional costs incurred for credit purchases, etc.	[1.5°C] Large	·Save energy and purchase renewable energy ·Set targets for a recycling rate
	Response to GHG emissions regulations	·Increase in costs for renewing equipment fixtures with high efficiency ·Regulations on the use of chlorofluorocarbon	[1.5°C] Large	·Reduce energy consumption by productivity improvement ·Consider renewing with energy-saving equipment in compliance with regulations ·Promote capital expenditure by introducing ICP
	Plastic regulations	·Increase in costs due to regulations on plastic packaging materials	[1.5°C] Medium	·Reduce usage ·Consider replacements ·Recycle film winding shafts (plastic pipes)
	Renewable energy policy	·Increase in energy costs due to higher renewable energy prices	[1.5°C] Large	·Promote investment in energy saving ·Reduce energy consumption by productivity improvement ·Set targets for achieving carbon neutrality by 2030
	Change in raw material costs	·Increase in procurement costs due to carbon taxes and other regulations ·Increase in raw material costs due to soaring crude oil and copper prices	[1.5°C] Large	·Reduce the usage of raw materials by improving yield ·Select suppliers based on risk assessment
	Change in customer reputation	·Decrease in sales due to suspension in trading and market share loss when environmentally friendly corporate activities are not effectively carried out	[1.5°C] Large	·Transmit our efforts externally by making our environmental policy and reports available to the public ·Publicize initiatives for ESG, TCFD, and carbon neutrality
	Change in investor reputation	·Possible avoidance of investment and loan from financial institutions and investors when disclosing climate change-related information is delayed because environmental issues are not addressed	[1.5°C] Large	·Issue integrated reports
Physical Impact of natural disasters	Increased severity of extreme weather events	·Increase in costs to deal with the suspension of operations and logistics functions ·Delivery delay of procured materials ·Increase in procurement (transportation) costs	[1.5°C] Medium [4°C] Large	·Store inventory of four months' worth of raw materials whose replacements are not available in raw material procurement ·Require suppliers of BCP measures ·Dual vendor system ·Increase productive capacity with capital expenditure / Renew aged buildings
	Rise in average temperature	·Increase in energy costs with increase in the frequency of the use of air-conditioners	[1.5°C] Small [4°C] Medium	·Set targets for energy saving and CO ₂ emissions reduction in the company-wide environmental targets ·Promote investment in energy saving


Opportunities				
Transition / Physical	Factors	Financial Impacts	Assessment	Responses
Transition Impact of transition to a decarbonized society	Emissions trading	·Additional revenue when emission allowances are excess	[1.5°C] Large	·Set targets for energy saving and CO ₂ emissions reduction in the company-wide environmental targets ·Set targets for achieving carbon neutrality by 2030 ·Save energy and purchase renewable energy ·Set targets for a recycling rate ·Reduce energy consumption by productivity improvement ·Consider renewing with energy-saving equipment in compliance with regulations ·Promote capital expenditure by introducing ICP
	Progress of low-carbon technologies	·Increase in sales of materials for electronic parts due to the increased demand for EV ·Increase in sales of materials for fuel cell due to the increased demand for fuel-cell vehicles ·Increase in sales of materials for hydrogen generation devices due to the increased demand for hydrogen energy ·Increase in sales of carbon cloth prepregs and honeycomb materials due to the increased demand for the weight reduction of vehicles and aircraft	[1.5°C] Large	·Develop and promote sales of high heat-resistant FPC materials for EV and high heat-dissipation/insulation adhesive sheets ·Develop hydrogen generator-related materials and penetrate markets
	Change in customer reputation	·Increase in market share by receiving a high reputation in markets when some results are achieved through environmentally friendly corporate activities	[1.5°C] Large	·Transmit our efforts externally by making our environmental policy and reports available to the public ·Publicize initiatives for ESG, TCFD, and carbon neutrality ·Issue integrated reports
	Change in investor reputation	·Facilitate investment and loan from financial institutions and investors by reporting initiatives and achievements on environmental issues earlier than other companies	[1.5°C] Large	
	Physical Impact of natural disasters	Increased severity of extreme weather events	·Increase in sales of desalination treatment systems due to water stress ·Increase in demand for electronic devices and higher sales due to reduced human mobility	[1.5°C] Large [4°C] Large

Assessment (small, medium, large): Analyzing quantitatively and qualitatively, and assessing relative impacts.

Lecture at the Niigata Gas Association

On June 26, 2024, the Public Utilities Division General Meeting of the Niigata Gas Association was held at the Joetsu City Gas and Water Bureau. In recognition of our achievement as the first organization in Niigata Prefecture to introduce carbon offset city gas, Takahito Tanabe, Senior Operating Officer, delivered a lecture on carbon neutrality. The meeting was attended not only by Joetsu City officials but also by participants from outside the city and the prefecture, and featured active discussions on the realization of a decarbonized society.

"We are exploring all possible options—not limited to the introduction of carbon offset city gas—to ensure that we remain at the forefront, regardless of which form of eco-energy becomes mainstream in the future. Toward the ambitious goal of achieving carbon neutrality by 2030, we will accelerate open innovation in our energy strategy by collaborating not only within our company, but also with local governments and other organizations." (Message from Tanabe)





Takahito Tanabe
Senior Operating Officer and Deputy Division Chief,
Manufacturing Division, giving the lecture

Received the Director-General's Award of the Kanto Bureau of Economy, Trade and Industry!

The energy-saving initiatives at the Nakadahara Factory were recognized, and Arisawa received the Director-General's Award of the Kanto Bureau of Economy, Trade and Industry. This marks the first time in seven years that a company from Niigata Prefecture has received this award. The award was presented to our company as an outstanding business selected from among the recipients of the Chairman's Award from the Tohoku Seven Prefecture Electricity Effective Use Promotion Committee in the previous fiscal year.

"Energy saving initiatives are not simply about installing highly energy-efficient equipment. They must be implemented in a way that does not disrupt production, such as by minimizing factory downtime. This award has validated the efforts we have made over the years. However, there is no finish line when it comes to energy conservation. Toward achieving carbon neutrality by FY2030, we will continue to explore every possible option and take proactive measures." (Message from Akutagawa)

Toru Akutagawa
Manufacturing Engineering Department

Promotion of Circular Economy

Emission policy

In order to realize a sustainable society, it is required to make an early transition to an economic system with less environmental impact; it is required to break away from an economic system (linear economy), which relies on the large-scale use of natural resources and fossil fuels, mass production and consumption of industrial products, and the disposal of large volumes of waste. Instead, a shift is required toward a circular economy that reduces waste and promotes resource circulation by re-evaluating post-use

industrial products—previously regarded as "waste"—as "resources," and by advancing the principles of Reduce, Reuse, and Recycle.

We have been working to reduce and reuse emissions and waste generated by our business activities through the business activities.

To strengthen this initiative, the Emission Subcommittee leads the activities.

Long-term targets for the Emission Subcommittee

- [1] Reduce industrial waste emissions by 30% compared to FY2020 by 2050.
- [2] Achieve the zero emissions of industrial waste related to development and manufacturing by 2050.

Toward these targets, we will continue to reduce waste and recycle industrial waste that is not currently recycled. This will curb global warming, natural resource depletion, and biodiversity loss, leading to a contribution to society.

Outsourcing disposal of hazardous industrial waste

We outsource the disposal of industrial waste to disposal operators. In compliance with laws and regulations, such as the "Act on Waste Management and Public Cleansing," we properly issue an industrial waste control documentation (manifest) and check the process up to the final disposal destinations. We also conduct on-site inspections (including document examinations) of disposal operators as needed to confirm that our emissions are disposed of properly.

Green purchasing

We promote green purchasing* to achieve environmentally friendly economic activities. The green purchasing ratio for paper, stationery, and office appliances in FY2024 was 88.3% in value terms.

*Products in compliance with the Act on Promoting Green Purchasing, labeled with the Eco Mark, Green Mark, or R Mark, or listed in the GPN database

Activity results

Regarding the reduction of industrial waste emissions, we conduct monthly waste patrols in our factories to identify items that may be subject to reduction. Regarding zero emissions, we investigate whether any new materials are available for recycling, and work toward a goal of achieving a recycling rate of 95% or higher for a single year.

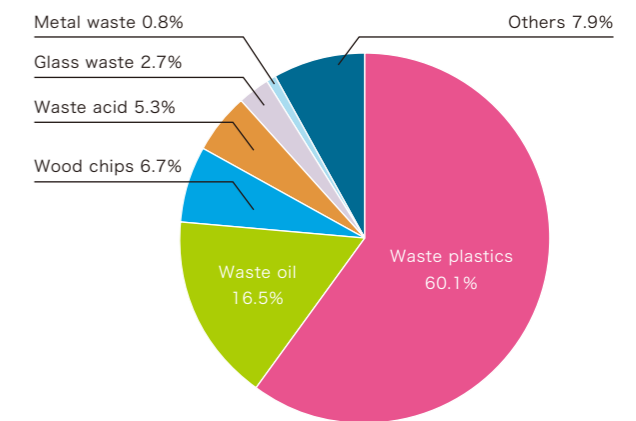
As a result, we started recycling glass plates (primarily scrap from display materials) in FY2024. In FY2025, we have worked on recycling of filament winding scrap through crushing as one of our priorities.

Industrial waste and recycling rate

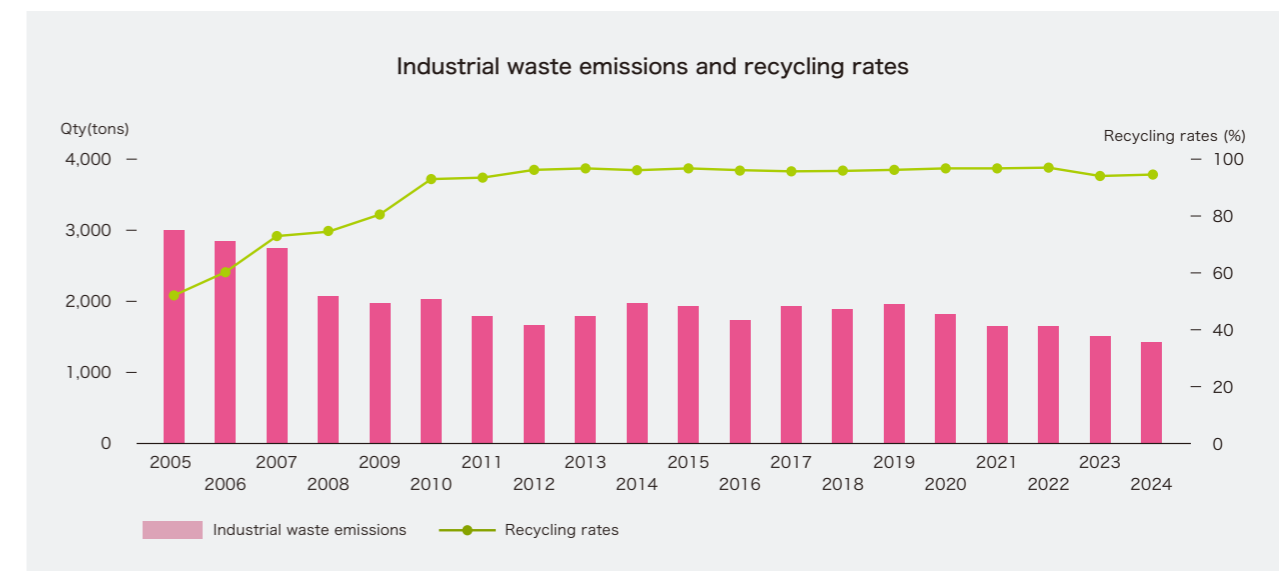
Industrial waste emissions were 1,467 tons. The breakdown of the emissions is 60.1% for waste plastic, 16.5% for waste oil, 6.7% for wood chips, 5.3% for waste acid, 2.7% for glass waste, 0.8% for metal waste, and 7.9% for others.

Waste plastic emissions were reduced by 5.5 % from the previous year.

In order to achieve the zero emissions of industrial waste related to development and manufacturing by 2050, we are continuing to promote active recycling (thermal recycling or material recycling), and the recycling rate in FY2024 was 94.8%.



Types and ratio of industrial waste



TOPICS

Starting glass plate recycling!

By identifying appropriate recycling partners, we have enabled the recycling of glass plates that were previously landfilled as industrial waste. After being crushed, the glass plate waste is reused as raw material for glass wool, contributing to resource circulation and waste reduction.

Upcycling activities in FY2024

Used book donations to universities in Niigata prefecture

These donations are used to enhance education and research activities, as well as support students' learning.

Donation of unwanted appliances to a welfare facility

We donated obsolete electronic and electrical equipment to Social Welfare Corporation Sakura-en (Joetsu City), a social welfare organization that disassembles and sorts electronic devices donated from households and other sources and promotes their reuse as recyclable resources.

53 | ARISAWA INTEGRATED REPORT

ARISAWA INTEGRATED REPORT | 54

Human Resource Management

Human resources are the source of value creation and the driving force to achieve sustainable growth and development for our group. With growing attention to diversity, collaboration, and health management, we will continue to improve the working environment and update human resource development plans to create workplaces that we can be proud of and feel comfortable and rewarding. To further enhance our corporate value, we are focusing on attracting and developing diverse human resources, including creative and flexible leaders and human resources for DX.

Link to management strategy

We established in the mid-term management plan the basic policy of "aiming to enhance our corporate value from both business and financial perspectives by leveraging human resources and addressing environmental and social issues." To promote our business and financial strategies, the talent that meets our needs is personnel who can practice CIC on their own. We have worked on nurturing human resources through discussions with the Human Capital Subcommittee and Recruitment, while promoting recruitment activities that respect diversity and enable job matching.

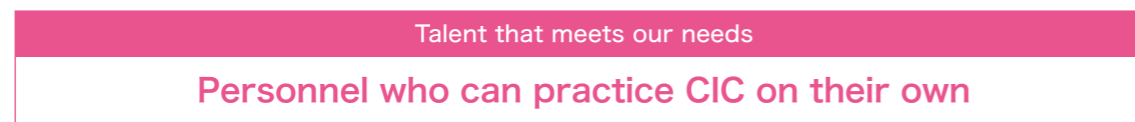
We hope this will achieve a virtuous cycle in which our corporate

value is increased, the obtained results are returned to each of our employees, and further value is created.

In March 2024, we conducted our first Employee Engagement Survey, which was outsourced to an external agency.

An overview of the results and our human resources strategy to address the identified challenges are outlined below.

We will continue to promote human resource development, including the establishment of a dynamic human resource portfolio, and further enhance the work environment.



Employee Engagement Survey			
Participants	Overall satisfaction score	Highly satisfied areas	Key challenges
Arisawa employees (response rate: 93.5%)	72.2points	<ul style="list-style-type: none"> Interpersonal relationships and communication Compliance Working hours management and intention to remain with the company 	<ul style="list-style-type: none"> Clarifying career paths Ensuring fairness in evaluation and compensation Promoting and maintaining mental and physical health

Direction for addressing challenges	<ul style="list-style-type: none"> Providing opportunities to learn about other departments to support career planning Enhancing training programs by job level and reviewing organizational systems and structures Fostering an open and inclusive workplace culture, and creating a clean, safe, and comfortable working environment
-------------------------------------	---

Human resource strategy		
To promote our business strategy and financial strategies, we aim to enhance both individual autonomy and the sense of unity of the organization.		
Developing human resource to lead business and management <ul style="list-style-type: none"> Clarifying career paths and expanding business positions for professionals Enhancing career development support Enhancing training and providing diverse practical experience 	Attracting and developing diverse human resources <ul style="list-style-type: none"> Enhancing training and increasing opportunities for personnel exchange Activating job rotation Reviewing promotions to job positions (fair evaluation and treatment) 	Creating comfortable and rewarding workplaces <ul style="list-style-type: none"> Respecting diversity Maintaining favorable workplace environment Saving personnel and improving efficiency through systemizations and DX

Actions for clarifying issues and filling the gap to the talent that meets our needs

Item	Target	Initiatives for FY2024
Diversity and inclusion	<ul style="list-style-type: none"> Percentage of women in managerial positions: 20% (FY2024 target) vs 20.1% (FY2024 actual) Ratio of gender wage gaps between men and women: 85% (FY2024 target) vs 92.5% (FY2024 actual) Reviewing promotions to job positions (fair evaluation and treatment) 	<ul style="list-style-type: none"> Harassment training (managers and general employees) Promotion of women managers through organizational restructuring and job range expansion Mid-career recruitment Expansion of the range of roles played by people with disabilities and their employment support
Evaluation and compensation Life-work balance	<ul style="list-style-type: none"> Ratio of male employees taking childcare leave: 60% (FY2024 target) vs 54.5% (FY2024 actual) Percentage of annual paid leave taken: 75% (FY2024 target) vs 66.7% (FY2024 actual) 	<ul style="list-style-type: none"> Expanded support for employees through the introduction of a new dependent allowance Implemented wage increases in line with rising prices Give company logo aprons to employees who have had a newborn baby or are on childcare/caregiver leave
Career development	<ul style="list-style-type: none"> Clarifying career paths and expanding business positions for professionals Enhancing career development support Enhancing training and providing diverse practical experience 	<ul style="list-style-type: none"> Level-based training by external instructors (communication, motivation enhancement, self-control, management thinking, communication sensitivity improvement) Foreign language training (online English and Chinese lessons) (English writing seminar by Outside Director Kazuo Abiko) Meeting among Outside Directors Hirotohi Takada and Makiko Horie, and female employees
Human resource portfolio	<ul style="list-style-type: none"> Establishment of a dynamic human resource portfolio Activating job rotation 	<ul style="list-style-type: none"> Identification of the desired future state and key issues to be addressed Future vision for each division and action plans to bridge identified gaps Implementation of an internal internship program
Engagement	<ul style="list-style-type: none"> Maintaining comfortable workplace environment Promoting mental and physical health Saving personnel and improving efficiency through systemizations and DX 	<ul style="list-style-type: none"> Analysis of Employee Engagement Survey results to support the formulation of the mid-term management plan Granting shares through an employee stock ownership plan (ESOP) trust

Initiatives on recruitment and respecting diversity

We believe that new ideas and solutions are created by people with different backgrounds and experiences getting together and thinking about things from each perspective, which will lead to an increased corporate value. For recruitment, we place great importance on respecting diversity and enabling job matching.

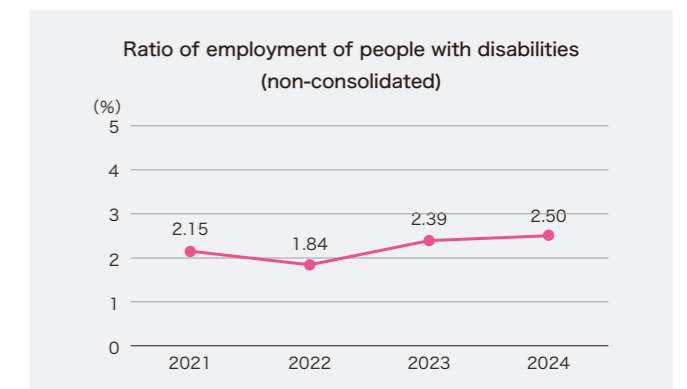
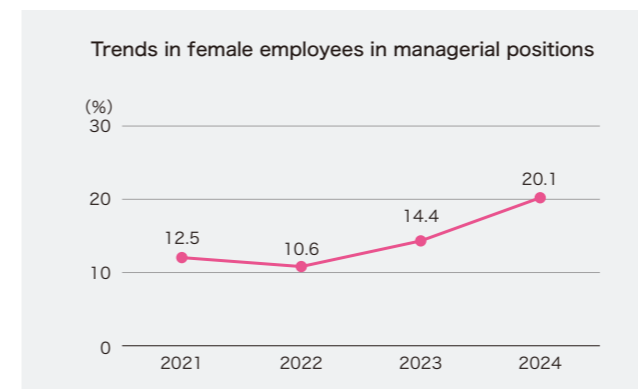
The percentage of women in managerial positions was 12.5% as of the end of March 2022. However, through the implementation of various development plans and efforts to promote the active participation of female employees, it reached 20.1% by the end of March 2025. The first female director (outside) was appointed in June 2021, and two of the directors are female as of June 2023. In addition, the first female operating officer was appointed in June 2022 through internal promotion. In June 2024 and June 2025, one female operating officer was added each time, bringing the

total to three.

Additionally, in order to respond to environmental changes and take on new business challenges speedily, we also place emphasis on the mid-career hiring of professionals with advanced knowledge and experience in specialized fields.

The number of mid-career hires is increasing every year, and they have breathed new life into their workplaces by leveraging their experiences and skills.

We provide people with disabilities opportunities to work by leveraging their abilities, ensuring their job security and financial independence. By utilizing a service to support the employment of people with disabilities, we will increase the employment ratio of people with disabilities.



Human Resource Management

Human resource development

We strive to provide a wide range of opportunities for skill development, including improvement of basic skills with position-based training, external trainings, and self-development with e-learning. We deliver employee development that enables a clear sense of self-realization to enhance engagement for each employee while strengthening our organizational capabilities. New employees receive one-on-one guidance from an individually assigned trainer and learn their tasks in accordance with a new employee development plan. We develop personnel who can practice CIC on their own and future leader candidates and assign the right people to the right positions through consultation by a career consultant or industrial counselor and conversations with executives and junior employees.

In FY2024, to cultivate successors for managers, we reviewed the division of responsibilities for positions with heavy workloads, delegated authority, and established new positions. This system enables employees to experience the engagement and results of their work while practically cultivating managers through job rotation.

Furthermore, to support career development, particularly for female employees, we are enhancing various training programs and continuing to hold discussion sessions between outside directors and female employees.



Level-based training by an external instructor

Internal internship

We held a one-day work experience program before implementing a system that allows temporarily transfer to each employee's desired departments where they can experience different tasks for their autonomous career development.

A total of 12 employees participated in this program, gaining valuable experience in departments such as the Manufacturing Department, Administration Division, and Analysis Center.

The purpose of the internal internship is to help employees

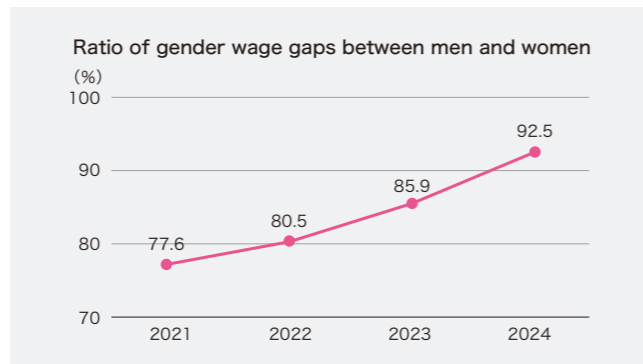
who are interested in the tasks of other departments deepen their understanding and expand their internal network for future career development. We also expect a synergistic effect; participants in this internship program can gain experience that is useful for their original tasks, while employees hosting the interns can gain new perspectives and insights. We are currently working on establishing a full-scale internship program.

Fair evaluation and treatment

We employ an ability-based grade system for hiring, promotion, and assignment, regardless of age, gender, or career. We conduct multidimensional evaluations and provide feedback to encourage individual growth based on the management by objectives (MBO) system. To address fairness identified as an issue in the Employee Engagement Survey, we are reviewing our MBO system as well as our promotion and appointment system.

We also aim to build a strong organization through salary increases based on evaluations and an incentive system based on job responsibilities. Examples of the incentive system for employees include an employee stock ownership plan for employees in management positions, the allocation of bonuses based on performance evaluations, awards to employees for long service, excellent work efficiency, contributions to improving the company's performance, and a reward system for proposals that contribute to development

of new technologies or new products (including eco-friendly products), and proposals for improvement in productivity.



Promotion of work-life balance

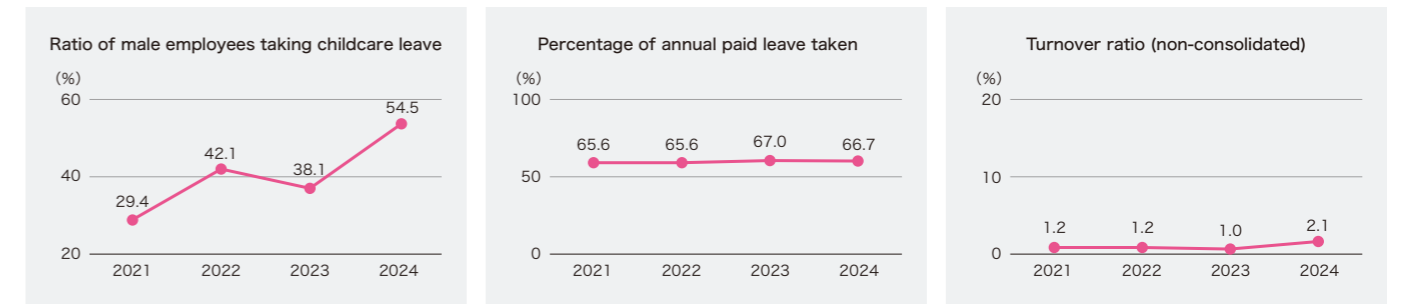
We have adopted various systems, such as flextime, teleworking, and staggered working hours. Through seminars and individual consultations, the number of male employees taking childcare leave and the percentage of annual paid leave taken are on the rise. We continue to create an atmosphere that makes it easy for employees to take days off to improve the percentage.

It is said that many people today feel stressed and anxious due to the abundance of information. We support the physical and mental health of our employees by establishing consultation services

both inside and outside the company, such as the Human Rights Consultation Office, industrial counselors, and consultations with industrial physicians.

We also support employee asset building through employee shareholding associations and selective defined contribution plans.

It is a company's obligation to provide a comfortable work environment for its employees, and this contributes to high employee retention rates by making it easier to maintain work-life balance and improving operational efficiency.



Corporate culture

We encourage employees to address each other as "●● san" (san is a Japanese honorific added to a person's name) within the company, rather than using titles that imply a hierarchical relationship, such as "boss" and "subordinate." We believe that this will

protect the health of our employees, create a comfortable workplace, and ultimately improve productivity and foster innovation, which will in turn increase corporate value.

TOPICS

Workplace tour for employees' children

During the summer vacation period, we held a workplace tour for employees' children. The event also served as an operational rehearsal following the completion of the Innovation Center and was open to participants ranging from elementary school students to high school students. Through interactive quizzes, we introduced our company and products, and participants had the opportunity to experience our technologies firsthand through activities such as kaleidoscope making and water purification experiments.

Voices from participating students

- All I knew was that Arisawa makes components used in smartphones. I realized it is a company that makes products useful in many different areas. I really enjoyed the experiments using actual products. (6th-grade elementary school student)
- I didn't know much about my mother's job before, but I realized that she works pretty hard. (2nd-year junior high school student)
- I was impressed by the FRP vessel used in filtration equipment that can withstand such high pressure. (2nd-year senior high school student)

Speaking at the "dual-income, shared parenting" panel discussion!

An online study session hosted by the Tohoku/Niigata D&I Network was held on December 12, and two male managers from our company participated as panelists. The discussion featured male panelists who are actively practicing dual-income, shared parenting. They exchanged views on improving work efficiency, finding time-saving approaches to childcare, and the challenges they face in balancing work and family responsibilities, leading to a lively and insightful dialogue.

"Many dual-income households seem to share a common challenge: finding an effective balance in dividing responsibilities for housework, childcare, and work. This event made me realize that connecting with other parents creates opportunities to share concerns and find solutions together." (Message from Higuchi)

Fumiki Higuchi, Group Leader, Group2, Functional Films Development Department (left)
Mikio Kuroda, Group Leader, Group1, Molding Materials Development Department (right)

※They are holding original company aprons, which are gifted to employees upon the birth of a child as part of our efforts to support their life planning.

Occupational Safety and Health

Under the "Safety Declaration" and "Our Action Guideline," all of our employees and the employees of our subcontractors who work with us participate in promoting safety activities with the aim of achieving zero accidents.

<p>Safety Declaration</p> <ol style="list-style-type: none"> We will aim to be a good company that places safety first, live up to the trust of our customers, and fulfill social responsibilities. We will build a safe and comfortable workplace through a zero-accident campaign in which all employees participate, always keeping safety awareness in mind. We will not do or let anyone do risky behavior. We will build a disciplined workplace that follows standard work and rules. 	<p>Our Action Guideline</p> <p>We give the highest priority to safety, and fulfill our own roles and responsibilities for zero accidents.</p>	<p>Occupational Safety and Health Slogans for FY2024</p> <ol style="list-style-type: none"> Your mindset and actions make the difference! Point, call, and act with safety in mind. Share near-miss (hiyari-hatto) experiences across the workplace to identify risks and prevent accidents. Safety greetings and pointing and calling are carried out by all.
--	--	--

Promotion system of occupational health and safety

At each workplace, group leaders take the lead in carrying out decisions as a workplace safety and health promoter. A director and general manager act as a general occupational health and safety manager, who reports on important matters to and is monitored and supervised by the Board of Directors.

In addition, under the management policy of labor-management cooperation, we hold regular meetings with the union on occupational health and safety and outsourcing safety meetings to raise the safety awareness of all employees.

Occupational health and safety initiatives

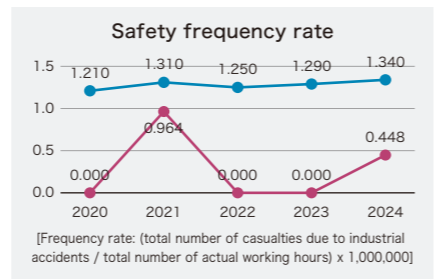
To achieve the goal of "no accidents," we engage in daily safety activities, such as safety patrols, safety education and training, and occupational health and safety risk assessments as well as report on near-miss (hiyari-hatto) incidents at each workplace, hazard prediction training, 4S activities (4S stands for Seiri, Seiton, Seisou, and Seiketsu, or Sorting, Setting-in-Order, Shining, and Standardizing), and rotational safety announcements.

similar accidents from happening again, besides confirming the effectiveness of countermeasures using past accident cases. Regarding consecutive days with zero accidents, departments and group companies (in Joetsu City) are awarded according to the number of days achieved.

As a response to emergencies, we have in place a disaster prevention system for self-protection at each business facility and conduct various disaster prevention drills in accordance with the annual plan in case an accident occurs. Specifically, we conduct company-wide fire drills, joint fire drills with a fire department, and company-wide earthquake drills (BCP activation drills). For details on various trainings, see page 64.

In order to prevent accidents and disasters, it is important to ensure the safety of manufacturing processes and the soundness of facilities and to continue safe and stable operations. At each factory, we make plans to inspect and renew facilities, prioritize them according to risk and importance, and carry out inspections, repairs, and renewals in sequence. In addition, we are proceeding with risk assessments when installing facilities as a measure to prevent

Since FY2024, we have also promoted exchanges among Arisawa and our domestic group companies to share information and applied safety and other measures to them.



Legend: Arisawa Group (domestic) (red line), Average of domestic manufacturing industry (blue line)

Supply Chain Management

We aim to procure environmentally friendly products and services and build a supply chain free of social issues related to human rights, health, ethics and so forth. In 2022, we established the Procurement Subcommittee and formulated and published the CSR Procurement Policy. We will actively promote CSR activities in order to fulfill social responsibilities through business activities. Through those activities, we will work to address a variety of issues and aim at sustainable growth in continuing our business activities.

CSR Procurement Policy

- | | |
|---|---|
| 1. Establishing a Company Structure to Facilitate CSR (Corporate Social Responsibility) | 5. Environmental Consciousness |
| 2. Fair Trade | 6. Information Management and Contribution to Society |
| 3. Human Rights, Ethics, and Legal Compliance | 7. Business Continuity Plans (BCP) |
| 4. Ensuring Quality and Safety | 8. Responsible Mineral Procurement |

For details on the "CSR Procurement Policy," visit the following URL.
<https://www.arisawa.co.jp/en/csr/data/202209221EN.PDF>



Procurement initiatives

Based on the CSR procurement policy, we conduct a supplier survey using a questionnaire. We ask our major existing suppliers to complete a survey once every five years, and new suppliers, in principle, to complete a survey before starting business.

Based on the survey results, we communicated required improvements to 133 suppliers (which account for about 80% of

the purchase amount in FY2024) out of our approximately 500 raw and secondary material suppliers, and then completed follow-up. There were no suppliers that needed to be improved promptly in matters such as human rights.

For FY2025, we are conducting a survey of 20 secondary material suppliers.

Category	Number of questions	Question example
CSR promotion	7	Presence of a CSR policy, promotion system, employee education, whistleblower protection, request for suppliers to establish a CSR system, etc.
Trading principles	10	Policy on fair and transparent trading, management, problem reporting, prohibition of trading by abusing a superior bargaining position, prohibition of inappropriate provision and receipt of benefits, etc.
Law observance and ethics	21	Understanding of and compliance with laws and regulations, export and import in compliance with legal regulations of each country, respect for and protection of intellectual property, presence of a policy on respect for fundamental human rights, prohibition of forced and child labor, working hours, holidays, prohibition of connection with antisocial forces, whistleblower system, etc.
Safety and health	15	Promotion system, persons in charge, employee education, periodic safety and health patrols, safety screening for introduced equipment, equipment and device maintenance, medical checkups, etc.
Information management	7	Acquisition of JIS Q 27001 certification, information security rules, confidential information handling, employee education, problem recovery procedure and system, etc.
BCP	13	Presence of BCP, recovery manual, backup production site in times of emergency, information data backup, means of communication with clients and media in times of disaster, etc.
Social contribution	1	Presence of activities that contribute to the development of society and regions and addressing environmental issues.
Total	74	

Human rights policy

Our group formulated an action guideline, a quality policy, and an ESG policy based on the management policy with the motto of "Create, Innovate, and Challenge." We also understand that our group's business may impact human rights in all business activity fields, from raw material procurement to product development, production, distribution, consumption, disposal, and recycling. To contribute to a sustainable society and improve the corporate value of our group, it is essential for us to prevent and mitigate negative impacts on human rights that could be brought about by business activities and promote business activities that respect human rights.

To understand the human rights of all people and fulfill our responsibility to respect human rights, we established the "Human Rights Policy of Arisawa Group" on May 23, 2024.

For details on the "Human Rights Policy of Arisawa Group," visit the following URL.
<https://www.arisawa.co.jp/csr/sustainability.html#human-rights>



Respect for human rights

The CSR questionnaire includes questions on the reporting system for violations of basic human rights and legal and ethical violations, the consultation service, and the disciplinary policy and procedure. In the FY2024 survey, there were no negative responses regarding human rights due diligence. Furthermore, we believe that conducting surveys and interviews with individual employees of the suppliers will be one of our future tasks.

Regarding the working environment of the suppliers, we conduct fact-finding surveys on the production environment at the time of quality audits.

TOPICS

Award for consecutive accident-free days!

The following divisions and group companies were honored for consecutive accident-free days for FY2024.

Bronze award
Coating Group
 Coating Group 2,400 days

"I place the greatest importance on communication. Every time I meet someone, I make it a point to speak to them about safety. Our next milestone is 3,600 days. Connecting the next 1,200 days without a single accident is my foremost goal and my personal mission."
 (Message from Kojima)



Progress award
Arisawa Fiber Glass
 1,000 days



Effort award
Molding Group
 600日



Effort award
FPC Group
 450日



Quality Improvement Initiatives

Quality policy

Under our quality policy "Arisawa pledges to supply the high-quality product that meets the reliability and needs of the customer by standing in the customer's viewpoint," we will implement the following activity guidelines. We believe that for a company to survive and develop sustainably, it is absolutely necessary to

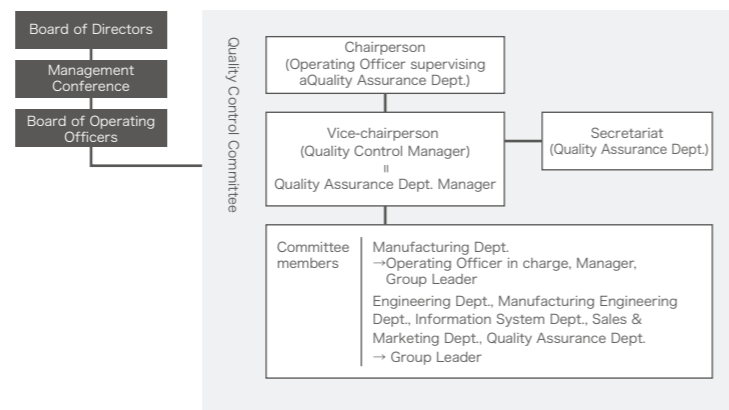
comply with laws and regulations and provide products of the quality that customers expect. In order to ensure thorough quality compliance, we will promote measures, such as enhancing education and strengthening quality fraud checking functions.

Activity Guidelines	<ol style="list-style-type: none"> We will regularly review our quality management system and continually improve its effectiveness in order to meet the requirements of ISO 9001/JIS Q 9100. We will monitor our manufacturing processes and strengthen control through our quality management system to ensure that the products we provide meet the needs of our customers and society and increase customer satisfaction. We will set the following quality targets and do our best in order to achieve the quality policy. <ol style="list-style-type: none"> Reduction of internal percent defective Reduction of complaints that are caused by the company Proper operation and management of measuring instruments We will set quality targets on a yearly basis and review them as necessary. We will conduct internal audits to confirm the effectiveness of our quality management system, and strive to maintain and improve it. We will provide education and training to all employees to ensure that they are fully aware of our quality policy in order to effectively utilize our quality management system.
----------------------------	---

Quality control system

We have acquired ISO 9001 (target sites: Arisawa Mfg. Co. and Arisawa Fiber Glass) and JIS Q 9100 (target products: aircraft materials). Based on the quality assurance system we have established; we work to improve the quality of our products and services.

In addition to the Company-wide Quality Control Committee (once a year), Factory Quality Control Committee (once a year), and Line Quality Control Committee (twice a year), which are held regularly, the Individual Quality Control Committee deliberates individual cases. The structure of the Company-wide Quality Control Committee is shown in the figure on the right.



Quality control initiative

In the mass production of new products, the Quality Assurance Department and other related departments are involved from the design and development stages, conducting risk assessments and accompanying process risk patrols prior to the transfer of production. For existing products, the Quality Assurance Department and the Manufacturing Department jointly conduct the quality patrols of each process to identify potential risks and thereby prevent

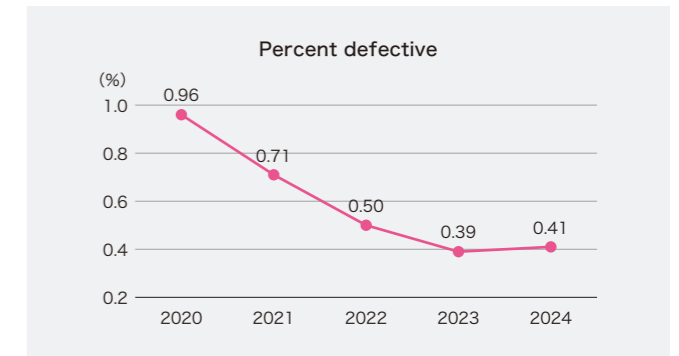
quality defects. In order to incorporate customer needs and improve customer satisfaction, we make improvements by reflecting evaluations and complaints from stakeholders in each process. This cycle enables us to improve our quality management system. Additionally, in order to maintain and improve the quality management system, we conduct internal audits twice a year to check the operational status.

Targets and results of initiatives for FY2024

Our manufacturing division is committed to preventing the occurrence and release of defective products at each process.

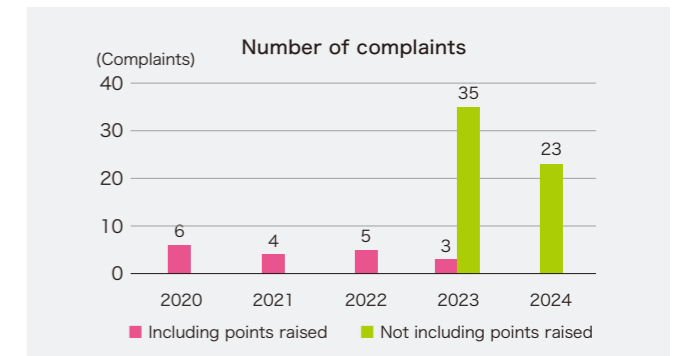
(1) Reduction of Internal Percent Defective

Each manufacturing group set targets for major products and works to reduce percent defective. Specifically, through interviews during the process patrols, we identify quality risks that operators and inspectors perceived on a daily basis from the bottom up, and prevent defects from occurring.



(2) Zero complaints that are caused by the company

By identifying potential risks and taking countermeasures with the use of FMEA* and risk assessment, we not only reduce the risk of complaints, but also strive to raise the quality awareness of each and every employee and reduce human errors, such as careless mistakes, through quality education. In addition to complaints from customers, we also take seriously and examine carefully the points raised by our customers and work to correct them and prevent their recurrence in the same way as complaints.



*Failure Mode and Effects Analysis

(3) Collaboration with Suppliers

We regularly evaluate suppliers for quality-related nonconformities and their responses on a regular basis and conduct supplier audits as necessary. We also hold regular quality meetings with the suppliers of major raw materials and raw materials used in important products to share our customer requirements, and are promoting quality improvement initiatives.

(6) Management and Promotion of Quality Plans

We achieved 100% of our company-wide quality target for FY2024. We meet high-quality requirements to further improve customer satisfaction starting in FY2025. Standards are kept up-to-date and can be viewed by each department through the document management system.

(4) Customer Satisfaction Survey

We conduct customer satisfaction surveys twice a year to check requirements for us regarding technical support, delivery schedules and so forth, and are working to improve customer satisfaction from various aspects.

(7) Quality Education

We conduct general education every year to disseminate company-wide and group-wide quality targets. Additionally, we conduct "education to provide products with higher quality" aimed at fostering quality awareness among all employees in the Manufacturing Department, as well as product safety and counterfeit product prevention training in departments subject to JIS Q 9100.

(5) Proper Operation and Management of Measuring Instruments

We keep our measuring instruments in proper condition at all times by sounding an alarm at each calibration cycle through the operation of the instrument management system.

We strive to improve and strengthen our quality management system through close exchange of opinions with stakeholders, and by promoting employee education, we aim to instill in all employees an awareness of emphasizing quality from the perspective of stakeholders.

Risk Management

We recognize that establishing and operating a management system for significant risks that may be encountered in conducting business are extremely important for contributing to society through sound corporate activities and for continuously enhancing corporate value.

Compliance

Policy and promotion system

Our company and its subsidiaries established the "Arisawa Group Corporate Action Guidelines" in 2006, covering the entire group. Based on the Guidelines, we have put in place a range of specific management regulations. Our group positions compliance as one of its most critical management priorities and actively works to foster a culture of compliance awareness within the company. We have established a Compliance Committee chaired by the

Director in charge of the General Affairs Department and composed of operating officers. We conduct activities such as raising individual awareness, identify compliance-related issues, deliberate on improvement measures, and report its proceedings to the CEO. The Compliance Committee Secretariat reports on the Committee's activities to the Board of Directors twice a year.

Arisawa Group Corporate Action Guidelines

- We act with sound judgment to contribute to societal development and gain the trust and empathy of society.
- Top executive recognizes that realizing the Guidelines is their own responsibility and takes the lead in thoroughly implementing the corporate ethics outlined below and establishing an effective system.
- When situations contrary to corporate ethics occur, we fulfill accountability to both internal and external stakeholders, strive to investigate the causes, and work to prevent recurrence.

Corporate ethics within our group

1. Gain the trust of consumers and customers by offering socially useful products and services.
2. Conduct fair, transparent, and free business activities.
3. Strive to communicate with society through appropriate information disclosure.
4. Comply with laws/regulations and address environmental issues.
5. Provide employees with a rewarding and safe work environment.
6. Conduct business activities that benefit society and contribute to society.

Education and awareness activities

To promote understanding among all employees, rules are thoroughly communicated, we have created a "Compliance Manual" and distributed it to all employees of our company and domestic group companies. Through training sessions using the Compliance Manual at each workplace, including guided reviews, we ensure that all employees fully understand the Arisawa Group Corporate Action Guidelines and Code of Conduct. At each overseas location, we

have distributed the document compiling our own Code of Conduct.

In addition to new employee training, we conduct annual training for managers on legal compliance and approaches to problem-solving. We also hold biannual training sessions for all employees of domestic group companies on themes such as "harassment prevention" and "corporate ethics and compliance cases."

If a potential compliance violation is identified through consultations or reports, we objectively assess the situation through an investigation of the facts and determine appropriate countermeasures or disciplinary actions. Our group has established reporting and corrective action processes, as well as disciplinary measures, for incidents of discrimination or harassment, based on the "Harassment Prevention Policy" and the "Compensation and Disciplinary Committee Rules." Violations committed intentionally or through gross negligence will be strictly disciplined (including termination for cause, demotion, and suspension) in accordance with the work rules of each group company.

Compliance consultation services

Our group has established the compliance consultation services (internal reporting channel) for all employees. We receive reports and consultations regarding legal violations; misconduct; corruption, including bribery, kickbacks, and embezzlement; violations of competition laws, including bid rigging and cartels; and bullying and harassment in the workplace. We strive to detect issues early, correct them, and prevent them from occurring. To ensure employees can use the services with confidence, we guarantee the protection of employees' privacy, including their identities, and that no disadvantage will arise from their consultations or reports. We also accept anonymous consultations.

Information Security

Information security policy

The Compliance Manual sets out a Code of Conduct for handling information for all executives and employees. We recognize that ensuring a high level of security is essential to effective information security management, as threats continue to diversify and grow more complex every year. We are committed to the appropriate handling, management, and protection of information.

We establish various regulations necessary for the construction and operation of information systems and information security to strengthen our internal control framework, including the management of anticipated risks such as information leaks and cyberattacks.

Initiatives for information security risks

Threats to information security posed by cyberattacks against companies are increasing. Even with certain security measures in place, risks such as information system failures and the external leakage of confidential information cannot be eliminated. Furthermore, there is also the risk of temporary interruptions to business activities, including the supply chain. Should such a situation arise, it could adversely affect our group's financial condition and performance due to stagnation in business activities and a decline in social credibility. Therefore, when using networks and systems, we implement necessary defensive measures, monitor

for intrusions and unauthorized communications resulting from attacks, and maintain the system capable of responding to any unforeseen circumstances.

Primary risks

- External threats (targeted attacks, hacking, impersonation, DDoS attacks, phishing, etc.)
- Internal errors (loss/theft, use of personal PCs or external storage media, unauthorized access, system failures, etc.)
- Internal malicious acts (fraudulent operations, information theft, etc.)

(1) Enhanced information management

- Critical information is stored in a dedicated, highly secure system with restricted access, and usage is logged.
- We have established an environment enabling secure external access to our information assets while managing email attachments and the removal of PCs and recording media outside the company.

(2) Response to cyberattacks

- We have implemented multi-layered defenses, including network communication controls.
- We monitor and remove suspicious emails containing malware attachments, and monitor unauthorized communications from within the company to the Internet.
- We are strengthening our backup systems and implementing measures to ensure business continuity in preparation for ransomware attacks.
- For FY2025, we are considering introducing a 24/7 external monitoring service for our security systems.

(3) Prevention and response to information leaks

- We promptly investigate the cause in accordance with the "Guidelines on Response Measures Following Information Leakage"

(4) Information security education

- We ensure all officers and employees understand the necessity of information security and specific compliance requirements. To maintain and enhance our information management system, we regularly conduct information security education for all officers and employees.
 - Conduct training on information security and personal information protection as part of group education for new graduates and mid-career hires.
 - Beginning in FY2024, launched countermeasure training for all domestic group employees against "targeted phishing email attacks" by third parties. It will be continued from FY2025 onward.
 - Established the "Guidelines for the Use of Generative AI" in FY2024.

(5) Establishment of audit framework

- We strive to ensure information security by establishing an internal audit framework and inspecting and evaluating compliance with laws and internal policies.

TOPICS

Various training exercises

In the event of an emergency (such as an earthquake, fire, or wind and flood damage), our policy is to ensure the safety of employees and their families while aiming for prompt recovery and resumption of operations. We are implementing BCP initiatives based on this policy. We verify the risk of business interruption, including supply chain disruptions; implement measures for critical business resources such as securing essential equipment, parts, raw materials, and alternative production methods; and advance Business Continuity Management (BCM) through repeated education and training.



Earthquake and disaster prevention drills



Joint fire drills with the Joetsu Minami Fire Station

Corporate Governance

Basic concept of corporate governance

We have a corporate governance system in place to increase corporate value through sustainable growth and to maintain social credibility and are also making efforts to secure efficient and equitable management and to enhance management transparency through proactive disclosure.

In terms of management efficiency, to ensure expeditious decision making, we aim at management by a selected few and restrict the number of directors to the requisite minimum. We also employ the operating officer system to ensure speedy execution of operations and collect highly accurate information under the

decisions of the Board of Directors, where outside directors and outside corporate auditors attend.

In terms of equitable management, in line with the basic policy concerning the improvement of the internal control system, we improve organizations and systems for the purpose of ensuring legal compliance.

In order to enhance transparency, we enhance communication with our shareholders and general investors through IR activities, etc., and conduct disclosure practices as actively and promptly as possible.

Changes in enhancement of corporate governance system

Although we are a company with a board of company auditors, we have in place the Nomination and Compensation Advisory Committee, which is voluntary, that deliberates matters related to the appointment and dismissal of directors, appointment and removal of representative directors and directors responsible for business execution, succession plan and director remuneration,

and reports to the Board of Directors.

The company's Board of Directors currently consists of four internal directors and five outside directors (including two female directors) for a total of nine directors. The evaluation of the effectiveness of the Board of Directors is conducted by a third-party organization to ensure fairness.

FY	Items	Board of Directors			Board of Corporate Auditors		Operating Officers		
		Inside	Outside		Inside	Outside	Inside	Inside	Served as directors
		Male	Male	Female	Male	Male	Male	Female	
2016	·Self-assessment of the effectiveness of the Board of Directors	5	2		1	2	11		5
2017		5	2		1	2	11		5
2018		5	2		1	2	11		5
2019	·Non-renewal of the anti-takeover measures ·Establishment of the Nomination and Compensation Advisory Committee (voluntary advisory body)	4	2		1	2	11		4
2020	·Assessment of the effectiveness of the Board of Directors by a third party organization ·Introduction of exercising voting rights by an electromagnetic method	4	3		1	2	11		4
2021	·Change of stock-based compensation for directors from stock options to restricted stocks	4	4	1	1	2	11		4
2022		4	4	1	1	2	11	1	4
2023	·Change of the term of directors from two years to one year	4	3	2	1	2	10	1	4
2024		4	3	2	1	2	11	2	4
2025	·Granting stock-based compensation (restricted stock) to outside directors	4	3	2	1	2	12	3	4

Outline of corporate governance system

As for execution of operations, to ensure speedy execution and control of the management policy and management plans determined at the regular meetings of the Board of Directors, the Board of Operating Officers (comprising one chief executive officer and 14 operating officers for a total of 15 members) is in place in pursuit of management proactively and appropriately.

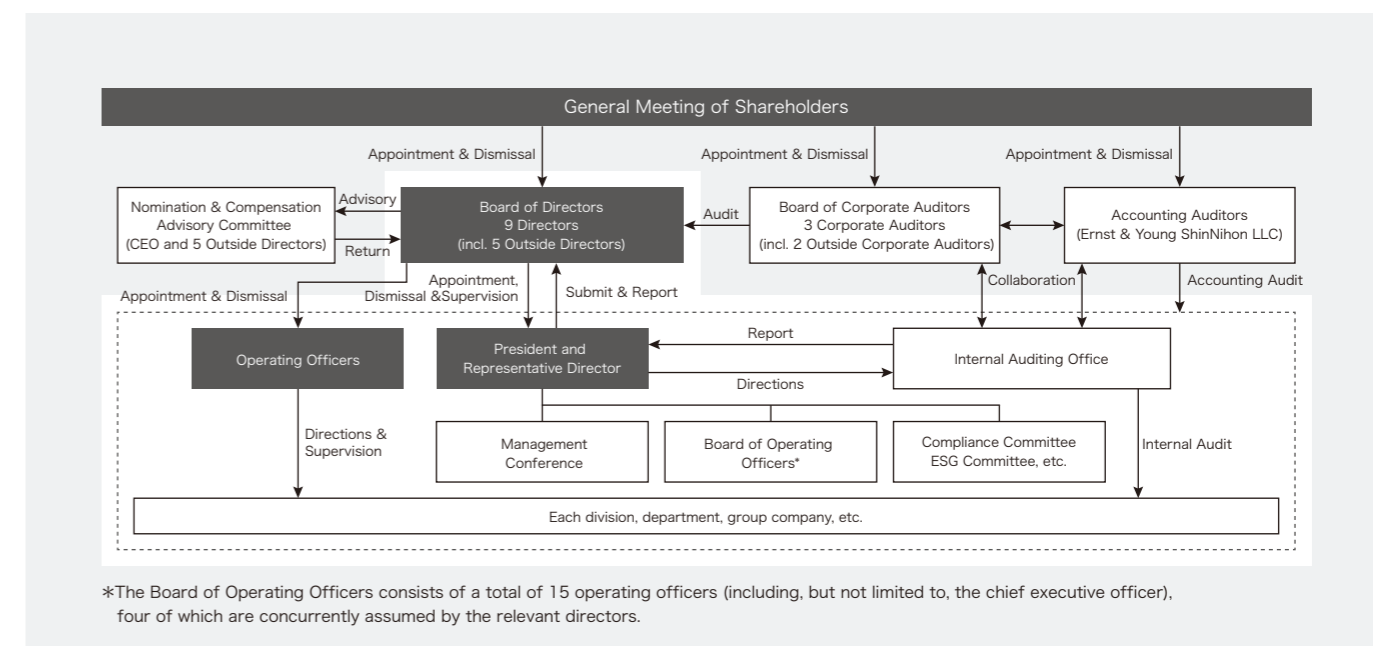
Each operating officer plans and promotes operations under his or her supervision upon approval at the Board of Directors as well as the regular meeting of Management Conference (a meeting to deliberate and coordinate basic management policies based on decisions of the Board of Directors, other important matters related to management, and to conduct preliminary deliberations on matters to be discussed at the Board of Directors meetings) or the Board of Operating Officers and strives for efficient and speedy execution of their duties pursuant to the Regulations for the Segregation of Duties and Official Authority, etc.

As an internal audit division, two full-time employees are assigned to the Internal Auditing Office, which is independent of

other organizations of the company and conducts scheduled audits and special audits as appropriate. As for the scheduled audits, an audit plan is made for each term pursuant to the relevant internal regulations, and audits are conducted after the final decision by the chief executive officer. Audit results are notified to the relevant departments along with specific advice and recommendations, while reporting to, and opinion exchanges with, the corporate auditors are also made.

The certified public accountants who conduct the accounting audit of the company are two members of Ernst & Young ShinNihon LLC, and the composition of assistants involved in the accounting audit work of the company is determined in accordance with the selection standards of the audit corporation and specifically includes nine certified public accountants and ten others.

The results of auditing by the internal audit division and the details of accounting audits by the accounting auditors are deliberated by the Board of Corporate Auditors, contributing to the proper performance of duties by the auditors.



Number of meetings held and main agenda items in FY2024

	Board of Directors	Board of Operating Officers	Nomination & Compensation Advisory Committee	Board of Corporate Auditors
Chairperson	CEO	CEO	Outside Director	Full-time Corporate Auditor
Attendee	Directors (including Outside Directors) Corporate Auditors (including Outside Directors)	Operating Officers, Corporate Auditors (full-time only)	CEO and Outside Director	Outside Corporate Auditor
Number of Meetings	12 times	12 times	Twice	10 times
Deliberation Items	Quarterly financial results and performance forecasts, annual management strategy, mid-term management plan, governance, general meetings of shareholders, etc.	Quarterly financial results and performance forecasts, capital investments, annual management strategy, monthly business reports, etc.	Appointment and dismissal of directors, remuneration of directors, etc.	Advice to internal audits, validation of accounting audit results, etc.

Board of Directors

Approach to the Board of Directors' diversity

The company's basic approach is to have the Board of Directors composed of individuals with a wealth of experience, deep insight, and a high level of expertise, within the limits of 15 directors and four corporate auditors set forth in the Articles of Incorporation, while taking into consideration their balance of knowledge, experi-

ence, and abilities related to each business and operation. Regarding diversity, we have appointed multiple directors who have extensive experience in international business and who have experience as managers at other companies. The composition also takes gender and age into consideration.

Skill matrix

Our mid-term management plan aims to enhance our corporate value from both business and financial perspectives by leveraging human resources and addressing environmental and social issues.

The Board of Directors is comprised of individuals with the skills and insight necessary to achieve this goal.

Name	Years of service	Corporate management	Business strategy / marketing	R&D / technological strategies	Finance / accounting / financial market	HR / labor / HR development	Legal / risk management	International experience
Representative Director Yuta Arisawa	15years	○	○	○	○			○
Director Takeshi Masuda	4years				○	○	○	
Director Osamu Nakajima	9years		○	○				○
Director Makoto Tai	2years		○	○				
Outside Director Koji Nakamura	5years	○	○					○
Outside Director Kazuo Abiko	5years	○				○		○
Outside Director Hirotohi Takada	4years	○	○					○
Outside Director Miho Numata	4years	○				○	○	
Outside Director Makiko Horie	2years				○			○
Corporate Auditor Hisashi Masumura	3years				○	○	○	
Outside Corporate Auditor Koichiro Tanaka	5years	○			○			○
Outside Corporate Auditor Koichi Yokota	5years	○			○			

The skills necessary for the management of the Company were determined after deliberation by the Nomination and Compensation Advisory Committee. The Board of Directors makes decisions regarding the relevant individuals after deliberation by the Committee and carefully considers the balance of these skills when appointing officers.

Skill requirements	Selection reasons
Corporate management	To adapt to changes in the business environment and achieve sustainable growth over the mid- to long-term, knowledge, experience, and proven results in corporate management are required.
Business strategy / marketing	To enhance competitiveness in domestic and international markets and achieve sustainable revenue growth, expertise and experience in brand strategy and marketing are required.
R&D / technological strategies	To provide superior products and services, maintain high quality, and achieve sustainable growth and enhanced corporate value through the creation of new innovations, expertise and experience in research and development are required.
Finance / accounting / financial market	To ensure accurate financial reporting, build a robust financial foundation, and strengthen sustainable growth investments and return to shareholders for enhanced corporate value, expertise and experience in finance and accounting are required.
HR / labor / HR development	To enhance human capital and strengthen the management foundation, knowledge and experience are required to formulate initiatives that enable employees to maximize their potential and to reform the organizational culture.
Legal / risk management	To build a governance structure, strengthen compliance, and thoroughly implement risk management, thereby creating a foundation for sustainable corporate value enhancement, knowledge and experience in legal affairs and risk management are required.
International experience	To enhance corporate value going forward, formulating growth strategies as a global company and establishing group governance are important. Therefore, experience in managing overseas operations, knowledge and experience of international business environments, and an international perspective are required.

Policy on appointment and dismissal of directors

In nominating candidates for executive managers and directors and corporate auditors, we select those who have extensive experience, deep insight, and a high level of expertise, suitable for executive managers or directors or corporate auditors in the company. The Board of Directors determines the nomination of candidates for directors based on the report of the Nomination and Compensation Advisory Committee, and candidates for corporate auditors by getting consent of the Board of Corporate Auditors.

Dismissal will occur in the event that any of the following cases is applicable: (1) a relationship with antisocial forces is found, (2) laws, regulations, or articles of incorporation are violated, causing a significant loss to our group, (3) the execution of duties is significantly impeded, or (4) it becomes clear that the requirements of the appointment criteria are not met. In that case, after deliberation by the Board of Directors, a decision is made to dismiss a position or to submit a proposal for dismissal to the general meeting of shareholders.

Outside directors

A majority of five members out of the nine directors is independent outside directors as defined by the Tokyo Stock Exchange and the Board of Directors is engaged in constructive discussions, including their objective opinions from an independent standpoint. The outside directors, who have a wealth of experience and a wide range of insight, provide advice and recommendations to ensure the appropriateness and legitimacy of the Board of Directors' decision-making. For the years of service of independent outside directors, we believe that approximately eight years is generally appropriate from the perspective of independence.

On the other hand, we support outside directors in the performance of their duties by collecting and providing them with information on economic conditions, industry trends, relevant laws and regulations, corporate governance, financial accounting, and

other matters necessary for them to fulfill their roles and responsibilities. Specifically, we arrange seminars for outside directors provided by external organizations, where our operating officers in charge regularly provide explanations on business plans and strategies, the status of various businesses, business environment, and management issues, while providing opportunities to participate in the Board of Operating Officers and business division report meeting, arranging inspection tours of product manufacturing processes, and supporting e-learning participation.

For more details, see the CORPORATE GOVERNANCE report on our website.
<https://www.arisawa.co.jp/en/ir/news/data/202506271EN.pdf>



Evaluation of the effectiveness of the Board of Directors

We annually self-evaluate and analyze the effectiveness of the Board of Directors with the aim of raising our corporate value by improving its functioning.

We conduct annual questionnaire surveys and individual interviews every few years for self-evaluation and analysis, with guidance from an external organization.

In February 2025, we conducted an anonymous questionnaire survey (a total of 32 questions, eight of which are comment-based answers) to all directors and corporate auditors, which are members of the Board of Directors. To ensure anonymity, questions were answered directly to an external organization. Based on the report by the external organization, we analyzed, discussed, and evaluated the survey results at the Board of Directors meeting held in May 2025. The summary of the results is as follows.

The questionnaire results (an average of 4.3 out of 5) show broadly positive reviews of our Board of Directors. Respondents

noted that discussions at the meetings were not formal but open and constructive, which leads us to recognize that the effectiveness of the entire Board of Directors is ensured.

The previous effectiveness evaluation identified areas for improvements in communication with key subsidiaries and in the process for sharing the deliberations of the Nomination and Compensation Advisory Committee with the Board of Directors. We made the improvements and received a certain level of recognition. However, it was noted that the timing of the provision of materials still requires improvement, and issues were shared to further enhance the effectiveness of the Board of Directors and promote more active discussions.

Based on this effectiveness evaluation, we will carefully consider the issues and address them promptly at the Board of Directors meeting in order to continue our initiatives to improve the functioning of the Board of Directors.

Board of Directors

Policy on determination of amount of remuneration for directors

We have in place the Nomination and Compensation Advisory Committee as an advisory body of the Board of Directors, chaired by an independent outside director and composed of a majority of independent outside directors in order to improve the independence, objectivity, and transparency of the procedures for

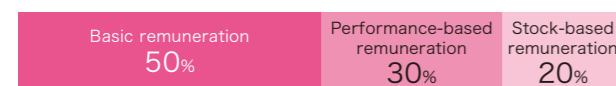
determining the appointment and remuneration of directors and to enhance corporate governance. The Board of Directors determines the individual remuneration policies for directors based on the deliberations and reports of the Nomination and Compensation Advisory Committee.

Basic guidelines for remuneration system for directors

- The system should encourage the executive directors to improve their performance through associating the performance with remuneration and to exercise their solid entrepreneurship for sustainable development of the company.
- The system should reflect not only financial performance but also appreciation for proactive challenges with the corporate philosophy "CIC Better today than yesterday better tomorrow than today."
- The system should attract excellent human resources for management who can contribute to sustainable development and enhancement of corporate value of the company.

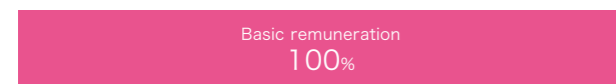
Remuneration structure

In the case of 100% achievement of KPI, the ratio of remuneration to executive directors is as follows.



Stock-based remuneration is provided in the form of restricted stock-based remuneration (programmed to lift restrictions of transfer upon retirement) for the purpose of sharing interests with shareholders.

During the coverage period in this report, outside directors are paid only basic remuneration, as in previous years.



However, starting in July 2025, we have decided to provide stock-based compensation (restricted stock) to outside directors as well in order to align their perspective with that of shareholders and encourage their contribution to enhancing the Company's corporate value. The breakdown of remuneration for outside directors is 83% basic remuneration and 17% stock compensation.

Details, selection reasons, and calculation method of the Key Performance Indicators (KPI) for performance-based remuneration and results

Consolidated operating profit for the previous single fiscal year is adopted as the Key Performance Indicators for performance-based remuneration, and such remuneration is paid according to the degree of achievement of target values. The reasons for selecting the Indicator are that i) it is a financial indicator which represents the results of the primary business activities of companies, ii) it is net operating profit less adjusted taxes (NOPLAT) to calculate ROIC which is a target figure to be achieved of the mid-term business

plan, and iii) it is a financial index used in the bonus system for employees. The results were 1.483 billion yen.

Out of amount of carbon dioxide emission reduction held up in our Carbon Neutral Project, the company added goal attainment levels with respect to reduced usage resulted from improving energy use efficiency to the Performance Indicators. The results were 2,271 t-CO₂ (target: 2,380 t-CO₂, achievement ratio: 95.42%).

Matters concerning determination of individual remuneration for directors

The Nomination and Compensation Advisory Committee is consulted on individual remuneration for directors based on a consultation with the Board of Directors. The details of the consultation include basic remuneration amounts for each director and the evaluation allocation based on the performance of a division of which each director is in charge of the performance-based remuneration. Then, reports are submitted to the Board of Directors. The Board of Directors determines remuneration for each director pursuant to the report of the Nomination and Compensation Advisory Committee.

Stock compensation for each director, including the number of allotted shares, is also determined by the Board of Directors meeting based on the report of the Nomination and Compensation Advisory Committee.

Verification of reasonableness and validity of individual remuneration of directors

The Nomination and Compensation Advisory Committee confirms that the individual remuneration of directors is calculated in accordance with the above policy, verifies its validity, and submits reports to the Board of Directors. The Board of Directors verifies the reasonableness and validity of the reports and decides the remuneration.

The Nomination and Compensation Advisory Committee uses an objective and multifaceted benchmark analysis of remuneration based on the "Management Remuneration Database" run by an outside remuneration consultant, Willis Towers Watson (WTW).

Remuneration of corporate auditors

The company's basic policy is to pay an appropriate level of remuneration to each corporate auditor for the performance of his or her duties.

The remuneration for corporate auditors is determined through discussions among the corporate auditors, taking into consideration whether they work full-time or part-time and the division of audit work. The remuneration for corporate auditors is fixed remuneration only, which is paid on a monthly basis, with an emphasis on strengthening their independence from management.

The aggregate amount of remuneration, etc. of each category of directors and corporate auditors, the breakdown of such aggregate amount by the type of remuneration, etc., and the number of directors and corporate auditors covered

Category of directors and corporate auditors	Aggregate amount of remuneration, etc.	Breakdown by the type of remuneration, etc.			Number of directors or corporate auditors covered
		Fixed remuneration	Performance-based remuneration	Non-monetary remuneration, etc.	
Directors (excluding outside directors)	190.77 million yen	107 million yen	36.05 million yen	47.72 million yen	4
Corporate auditors (excluding outside corporate auditors)	13.31 million yen	13.31 million yen	—	—	1
Outside directors and outside corporate auditors	31.00 million yen	31.00 million yen	—	—	7

Cross-shareholdings

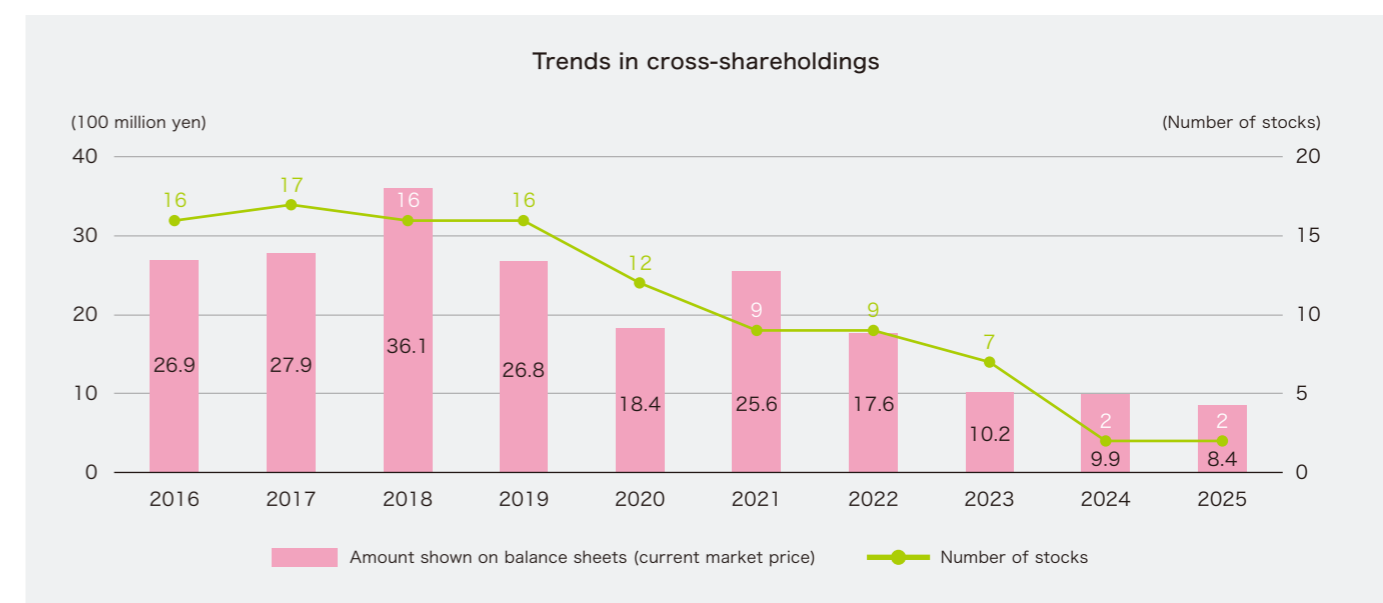
Method of verifying the reasonableness of shareholding

Regarding cross-shareholdings, the Board of Directors yearly gives comprehensive consideration to quantitative analysis of transaction performances and returns, etc., qualitative analysis of status of business, business strategies, background of acquisition, etc., as well as risk of shareholding, and then verifies and evaluates the propriety of such shareholdings. Following items are verified through the quantitative analysis:

- 1 Balance of dividend earning rate and capital cost
- 2 Annual amount of transaction and amount of profits
- 3 Profit or loss from valuation of stock

Reduction of cross-shareholdings

At the Board of Directors meeting held on May 9, 2024, we conducted a comprehensive evaluation of two listed stocks held as of the end of March 2024, based on quantitative and qualitative analysis, and decided to continue holding them. We will continue to scrutinize the rationale for holding the stocks and proceed with selling stocks that do not meet our criteria.



Directors and Officers

Directors



President and Representative Director
Chief Executive Officer (CEO)
Yuta ARISAWA

CAREER HISTORY

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 of the Company
Jun. 2010 Director and Senior Operating Officer of the Company
Jun. 2011 Director and Senior Managing Operating Officer of the Company
Jun. 2014 President, Representative Director of the Company (current)
Jun. 2015 Chief Operating Officer (COO) of the Company
Jun. 2017 Chief Executive Officer (CEO) of the Company (current)



Director and Senior Managing Operating Officer supervising Administration Div.
Takeshi MASUDA

CAREER HISTORY

Apr. 1986 Joined Alps Electric Co., Ltd. (currently Alps Alpine Co., Ltd.)
Oct. 1990 Joined the Company
Nov. 2003 Group Leader, Administration Planning Group
Jul. 2008 Assistant General Manager, Manufacturing Dept.
Oct. 2010 General Manager, Corporate Planning Dept.
Jun. 2011 Operating Officer of the Company supervising Corporate Planning Dept.
Jun. 2015 Senior Operating Officer of the Company supervising Corporate Planning Dept. and Accounting Dept.
Jun. 2016 Senior Operating Officer of the Company supervising Corporate Planning Dept., Accounting Dept., and Human Resources Dept.; Deputy Div. Chief, Administration Div.
Jun. 2021 Director and Senior Operating Officer of the Company supervising Manufacturing Div. and Administration Div.
Jun. 2023 Director and Senior Managing Operating Officer of the Company supervising Manufacturing Div. and Administration Div.
Jun. 2025 Director and Senior Managing Operating Officer of the Company supervising Administration Div. (current)



Director and Senior Operating Officer
Div. Chief, Business Promotion Div.; Deputy Div. Chief, Innovation Promotion Div.
Osamu NAKAJIMA

CAREER HISTORY

Apr. 1989 Joined Mitsui & Co., Ltd.
May. 2011 Department Manager, Solar Business Div., Functional Chemicals Business Unit of Mitsui & Co., Ltd.
Apr. 2013 Department Manager, Advanced Materials Div., Functional Chemicals Business Unit of Mitsui & Co., Ltd.
Jul. 2014 Department Manager, Business Development Div., Basic Chemicals Business Unit of Mitsui & Co., Ltd.
Oct. 2015 Joined the Company as Operating Officer of the Company supervising Electronic Materials Sales & Marketing Dept.; General Manager, Electronic Materials Sales & Marketing Dept.
Jun. 2016 Director and Senior Operating Officer of the Company supervising Electronic Materials Sales & Marketing Dept.; Div. Chief, Electronic Materials Business Div.
Jun. 2023 Director and Senior Operating Officer of the Company supervising Business Promotion Div.; Deputy Div. Chief, Innovation Promotion Div. (current)



Director and Senior Operating Officer supervising Development Support Dept. and Analysis Center; Div. Chief, Innovation Promotion Div.; Deputy Div. Chief, Business Promotion Div.
Makoto TAI

CAREER HISTORY

Apr. 1988 Joined Daichi Denko Co., Ltd. (currently Sumitomo Electric Wintec, Inc.)
Mar. 2002 Joined the Company
Jul. 2006 Group Leader, Electronic Materials Group, Research & Development Dept.
Apr. 2010 Assistant General Manager, Electronic Materials Dept.
Apr. 2012 General Manager, Research & Development Dept.
Jun. 2015 Operating Officer of the Company supervising Electronic Materials Dept. Chief, Electrical Insulating & Composite Materials Business Dept.
Jun. 2019 Senior Operating Officer of the Company supervising Electrical Insulating & Composite Materials Engineering Dept., Optical Materials Engineering Dept., and Electric Materials Engineering Dept. (sub); Deputy Division Chief, Electrical Insulating & Composite Materials Business Dept.
Jun. 2023 Director and Senior Operating Officer of the Company supervising Innovation Promotion Div. and Analysis Center; Div. Chief, Business Promotion Div.; Deputy Div. Chief, Development Support Dept.; Div. Chief, Innovation Center Preparatory Office
Jun. 2025 Director and Senior Operating Officer of the Company supervising Development Support Dept.; Div. Chief, Innovation Promotion Div.; Deputy Div. Chief, Business Promotion Div.; supervising Analysis Center (current)



Outside Director
Koji NAKAMURA

CAREER HISTORY

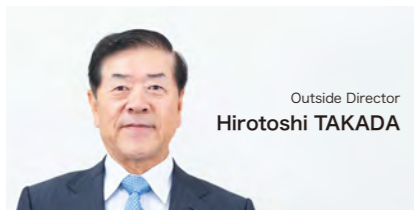
Apr. 1973 Joined Mitsui & Co., Ltd.
Apr. 2004 Managing Officer; Chief Operating Officer of Synthetic Resins and Inorganic Chemicals Business Unit
Apr. 2006 Executive Managing Officer; Chief Operating Officer of Chemicals Business Unit II
Apr. 2009 Senior Executive Managing Officer; Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit
Mar. 2011 Retired as Senior Executive Managing Officer
Aug. 2011 Corporate Auditor, SANKO Co., Ltd. (current)
Aug. 2016 Outside Director, Sanko Gosei Ltd. (current)
Jun. 2020 Director of the Company (current)



Outside Director
Kazuo ABIKO

CAREER HISTORY

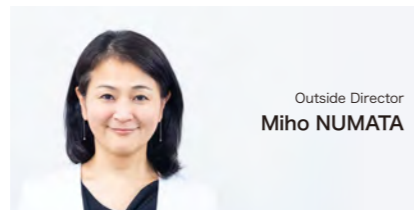
Nov. 1978 Joined Associated Press
May. 1985 Deputy General Manager of Tokyo Studio
Jul. 2001 President, Foreign Correspondents' Club of Japan
Apr. 2004 General Manager of Tokyo Bureau, Associated Press
Jul. 2004 General Manager for Northeast Asia
Feb. 2010 Advisor
Sep. 2010 Part-time lecturer at Tokyo University of Foreign Studies
Sep. 2011 Part-time lecturer at Sophia University
Apr. 2015 Visiting Professor at Kanda University of International Studies
Jul. 2018 Auditor, Foreign Correspondents' Club of Japan
Jun. 2020 Director of the Company (current)



Outside Director
Hirotohi TAKADA

CAREER HISTORY

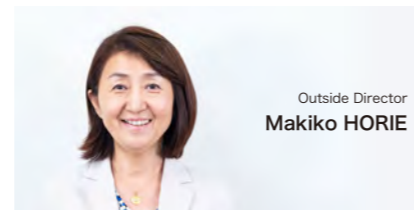
Mar. 1977 Joined NIPPON SEIKI CO., LTD.
Apr. 2003 Director and President, UK-NSI Co., Ltd.
Jun. 2005 Director, NIPPON SEIKI CO., LTD.
Jun. 2008 Managing Director
Apr. 2011 Representative Senior Managing Director General Manager, Sales Division
Jun. 2011 Chairman, Wuhan Nissei Display System Co., Ltd.
Mar. 2012 Chairman, Nissei Display Sales and Development Co., Ltd. (Shanghai)
Jun. 2013 President and Representative Director, NIPPON SEIKI CO., LTD.
Mar. 2014 Chairman, Dongguan Nissei Electronics Co., Ltd.
Apr. 2014 Chairman, Hong Kong Nippon Seiki Co., Ltd.
Jun. 2015 President and Representative Director, Executive Officer, NIPPON SEIKI CO., LTD.
Jul. 2015 Chairman, Hong Kong Ek Chor Nissei Co., Ltd.
Chairman, Shanghai Nissei Display System Co., Ltd.
Mar. 2016 Chairman and Director, Thai Nippon Seiki Co., Ltd.
Jun. 2017 Vice Chairman and Director, Executive Officer, NIPPON SEIKI CO., LTD.
Jun. 2021 Director of the Company (current)



Outside Director
Miho NUMATA

CAREER HISTORY

Dec. 2009 Registered as an attorney at law and joined NUMATA LAW OFFICE
Jan. 2016 Representative (current)
Apr. 2018 Civil Conciliation Commissioner, Tokyo Summary Court (current)
Jun. 2020 Outside Corporate Auditor, Tokyo Boeki Holdings Corporation (current)
Jun. 2021 Director of the Company (current)
Apr. 2025 Vice President of the Dai-ichi Tokyo Bar Association (current)



Outside Director
Makiko HORIE

CAREER HISTORY

Apr. 1990 Joined Nomura Securities Co., Ltd.
May. 1995 Joined Merrill Lynch Investment Managers Ltd. (currently BlackRock Japan Company, Ltd.)
May. 2016 Joined Value Create Inc.; Partner
Oct. 2021 Joined SDG Impact Japan Inc.; Partner (current)
Jun. 2023 Director of the Company (current)
Jan. 2025 Advisory board member of SEINO HOLDINGS CO., LTD. (current)

Corporate Auditors



Full-time Corporate Auditor
Hisashi MASUMURA

CAREER HISTORY

Apr. 1985 Joined Tanabe Engineering Corporation
Nov. 1987 Joined the Company
Jul. 2005 Group Leader, Human Resources Group, Human Resources Dept.
Jul. 2008 Group Leader, Administration Planning Group, Corporate Planning Dept.
Oct. 2010 Assistant General Manager, Manufacturing Dept.
Apr. 2012 General Manager of Human Resources Dept.
Apr. 2018 General Manager of Human Resources Dept. and General Affairs Dept.
Oct. 2020 General Manager, General Affairs Dept.
Jun. 2022 Full-time Corporate Auditor of the Company (current)



Outside Corporate Auditor
Koichiro TANAKA

CAREER HISTORY

Oct. 1987 Joined Tohmatsu Aoki & Sanwa (presently Deloitte Touche Tohmatsu LLC)
Mar. 1991 Registered as Certified Public Accountant
Aug. 1998 Resident Representative of Dalian Office, U.S. Deloitte Touche Tohmatsu (Office Head)
Sep. 2002 Managing Director of the Japanese Operations Dept. in South China of Shenzhen Office in China, Deloitte Touche Tohmatsu Limited
Jun. 2003 Partner
Sep. 2003 Returned to Auditing Department of Tokyo Office, Deloitte Touche Tohmatsu LLC
Dec. 2003 Director and Executive Officer; Partner supervising China Business and in charge of Public Communication, Corporate Finance Dept. of Deloitte Touche Tohmatsu (presently Deloitte Tohmatsu Financial Advisory LLC)
May. 2005 Registered as Tax Accountant
Jul. 2014 Established Tanaka Sogo Accountant Office, Representative Director (current)
Mar. 2017 Outside Corporate Auditor, ODAWARA ENGINEERING CO., LTD. (current)
Jun. 2018 Auditor, Japan Automobile Research Institute (current)
Jun. 2020 Corporate Auditor of the Company (current)
Jun. 2023 Outside Corporate Auditor, Ten Allied Co., Ltd. (current)



Outside Corporate Auditor
Koichi YOKOTA

CAREER HISTORY

Nov. 1996 Registered as Certified Public Tax Accountant
Apr. 2003 Director, Takada Branch of Kanto-Shinetsu Certified Public Tax Accountant's Association
Jan. 2004 Head, Yokota Accountant Office (current)
Apr. 2019 General Manager, Takada Branch of Kanto-Shinetsu Certified Public Tax Accountant's Association
Jun. 2020 Corporate Auditor of the Company (current)
Apr. 2021 Managing Director, Niigata Prefecture Branch Federation of Kanto-Shinetsu Certified Public Tax Accountant's Association
Apr. 2023 Vice President, Niigata Prefecture Branch Federation of Kanto-Shinetsu Certified Public Tax Accountant's Association (current)

Operating Officer (excluding those serving concurrently as directors)

Yoshifumi ARA

Senior Operating Officer supervising Sales & Marketing Department, Performance Material Business Div.; Deputy Div. Chief, Business Promotion Div.

Shuichi FUJITA

Senior Operating Officer supervising Molding Materials Development Dept., Process Technology Dept., and Innovation Center; Deputy Div. Chief, Innovation Promotion Div.

Takao MOCHIZUKI

Senior Operating Officer supervising Manufacturing Dept. (principal); Div. Chief, Manufacturing Div.

Takeshi AIZAWA

Senior Operating Officer supervising Quality Assurance Dept.; Deputy Div. Chief, Administration Div.

Takahito TANABE

Senior Operating Officer supervising Manufacturing Engineering Dept. and Manufacturing Dept. (sub); Deputy Div. Chief, Manufacturing Div.

Shuichi KUBOTA

Operating Officer supervising Corporate Strategy Dept.

Kazumi IKEDA

Operating Officer supervising General Affairs Dept.

Kenji TADA

Operating Officer supervising Electronic Materials Sales & Marketing Dept.

Kiyoko AKUTAGAWA

Operating Officer supervising Human Resources Dept.

Takayuki MAYAMA

Operating Officer supervising Functional Films Development Dept. and Laminate Materials Development Dept.

Kumiko WATANABE

Operating Officer supervising Procurement Dept.

Business Performance Overview for the Past 10 Years

(Unit: Million yen)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Operating results											
Net sales	37,228	34,451	40,909	44,728	45,970	46,439	43,089	42,722	42,114	49,815	
Operating profit	2,957	1,790	3,627	3,119	2,762	3,118	3,320	2,228	1,483	4,893	
Ordinary profit	3,510	2,690	4,044	4,297	2,783	3,578	4,204	2,717	1,488	5,267	
Profit attributable to owners of parent	2,702	2,037	3,453	2,861	212	2,160	3,911	2,856	1,639	3,969	
By segments											
Electronic materials	Net sales	22,417	20,306	26,758	28,770	29,765	31,650	29,768	26,543	25,105	31,477
	Segment profit	2,393	1,850	3,116	2,620	2,331	2,981	2,907	1,223	260	2,854
Industrial application structural materials	Net sales	8,100	7,319	7,220	8,395	8,974	8,842	7,053	9,128	10,601	10,616
	Segment profit	1,193	568	1,109	1,393	1,475	939	872	1,315	1,476	1,761
Electrical insulating materials	Net sales	3,187	3,117	3,228	3,127	2,984	2,340	2,604	2,582	2,532	2,456
	Segment profit	558	570	608	430	366	192	303	184	314	170
Display materials	Net sales	2,498	2,802	2,988	3,699	3,427	2,820	3,253	4,162	3,535	4,913
	Segment profit	(174)	(172)	(55)	114	235	221	815	1,024	940	1,729
Financial position											
Total assets	60,983	63,808	72,382	73,096	71,709	67,257	68,689	67,659	68,816	71,736	
Net assets	47,602	48,551	52,493	53,462	49,018	47,444	47,965	47,107	46,246	48,559	
Equity ratio (%)	73.8%	72.2%	68.6%	69.3%	64.3%	68.8%	69.6%	69.5%	67.2%	67.7%	
Return on equity (%)	6.0%	4.5%	7.2%	5.7%	0.4%	4.7%	8.3%	6.0%	3.5%	8.4%	
Interest-bearing liabilities	3,836	5,191	6,913	7,905	8,356	8,273	9,073	10,240	10,888	10,234	
Return on invested capital (%)	1.8%	2.2%	4.9%	3.9%	3.6%	4.2%	4.4%	2.8%	1.9%	6.2%	
Cash flows											
Cash flows from operating activities	4,548	3,419	2,181	2,893	4,837	610	5,901	3,471	3,219	4,548	
Cash flows from investing activities	(1,771)	(1,671)	(471)	(3,304)	6,580	1,567	2,869	508	(1,061)	(2,076)	
Cash flows from financing activities	(3,540)	419	(59)	(576)	(4,431)	(5,703)	(4,042)	(2,572)	(3,415)	(4,086)	
Cash and cash equivalents at the end of period	4,901	7,026	8,829	7,718	14,725	11,488	16,893	18,535	17,700	16,371	
Per-share indication											
Basic earnings or loss per share (Yen)	76.02	57.20	96.35	79.15	6.14	64.94	117.40	86.46	49.51	119.49	
Net assets per share (Yen)	1,263.29	1,290.93	1,378.16	1,397.78	1,387.76	1,388.50	1,434.46	1,422.43	1,394.08	1,461.64	
Price earnings ratio (Times)	7.6	13.7	10.2	10.0	130.7	15.4	8.2	14.5	23.0	11.6	
Dividend per share (Yen)	23.00	20.00	34.00	30.00	30.00	39.00	95.00	90.00	60.00	96.00	
Consolidated dividend payout ratio (%)	30.3%	35.0%	35.3%	37.9%	488.6%	60.1%	80.9%	104.1%	121.2%	121.6%	
Number of shares issued and outstanding (Thousands of shares)	35,611	35,679	36,024	36,226	36,381	34,470	33,614	33,541	33,566	33,600	
Other											
Capital expenditure	1,934	1,601	1,223	2,543	2,273	2,220	2,368	4,537	3,449	2,145	
Depreciation	1,724	1,678	1,712	1,901	1,982	2,107	2,170	2,290	2,206	2,122	
Research and development expenses	1,739	1,756	1,971	2,001	2,074	1,905	1,926	1,991	2,033	2,366	
Consolidated number of employees	1,285	1,305	1,426	1,432	1,454	1,433	1,425	1,458	1,468	1,498	

Note: The Accounting Standard for Revenue Recognition, etc. are applied to the figures from FY2021.

Company Overview

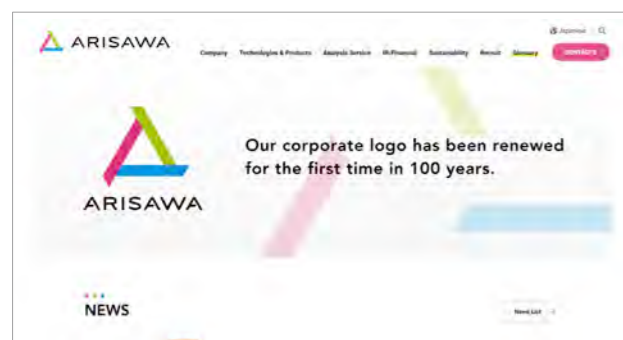
Company profile

(As of March 31, 2025)

Company Name	Arisawa Mfg. Co., Ltd.		
Head Office	Minami-honcho 1-5-5, Joetsu-shi, Niigata-ken		
Inauguration	April 8, 1909		
Establishment	July 1, 1949		
Lines of Business	Manufacture and sales of electronic materials, industrial structural materials, electrical insulating materials, display materials, and so forth.		
Capital	7.8 billion yen		
Number of Employees	1,498 (Non-Consolidated: 604)		
Fiscal Year-end (Business year)	April 1 to March 31 of the following year each year		
Securities Code	5208		
Market Division	Listed on Prime Market of Tokyo Stock Exchange		
Ordinary General Meeting of Shareholders	To be held in June each year		
Independent Audit Corporation	Ernst & Young ShinNihon LLC		
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited (1-4-1, Marunouchi, Chiyoda-ku, Tokyo)		
Major Shareholders and Number of Stocks Held	Full name or corporate name	Number of shares held	Shareholding ratios (%)
	The Master Trust Bank of Japan, Ltd. (Trust account)	4,339,800	13.03
	Mitsubishi Gas Chemical Company, Inc.	1,472,166	4.42
	Custody Bank of Japan, Ltd. (Trust account)	1,272,600	3.82
	Daishi Hokuetsu Bank, Ltd.	743,903	2.23
	Arisawa Kenko Ltd.	504,338	1.51
	Sanji Arisawa	446,847	1.34
	JP MOTGAN CHASE BANK 385781	396,800	1.19
	Nippon Life Insurance Company	388,822	1.16
	Yoko Mori	376,024	1.12
	Tadao Arisawa	334,400	1.00

Arisawa Mfg. Co., Ltd. official website

<https://www.arisawa.co.jp/en/index.html>



Company

https://www.arisawa.co.jp/en/co_profile/index.html

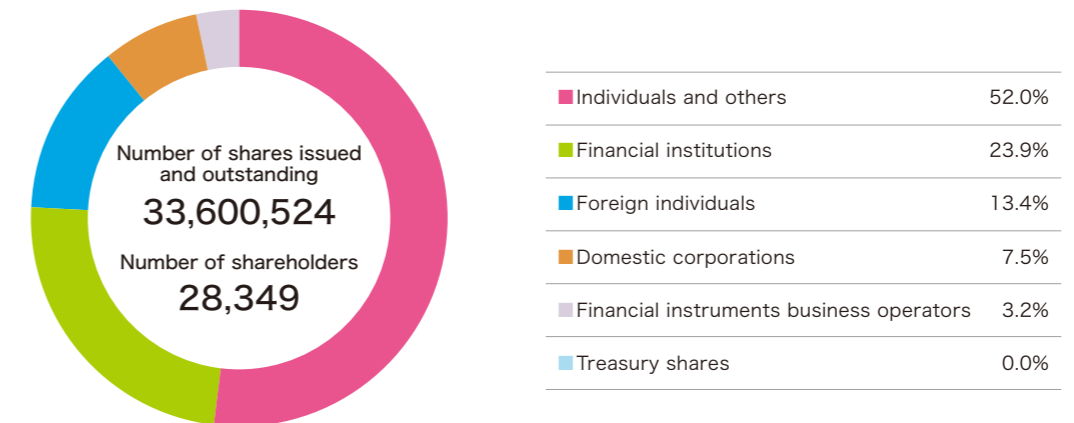
Sustainability

<https://www.arisawa.co.jp/en/csr/sustainability.html>

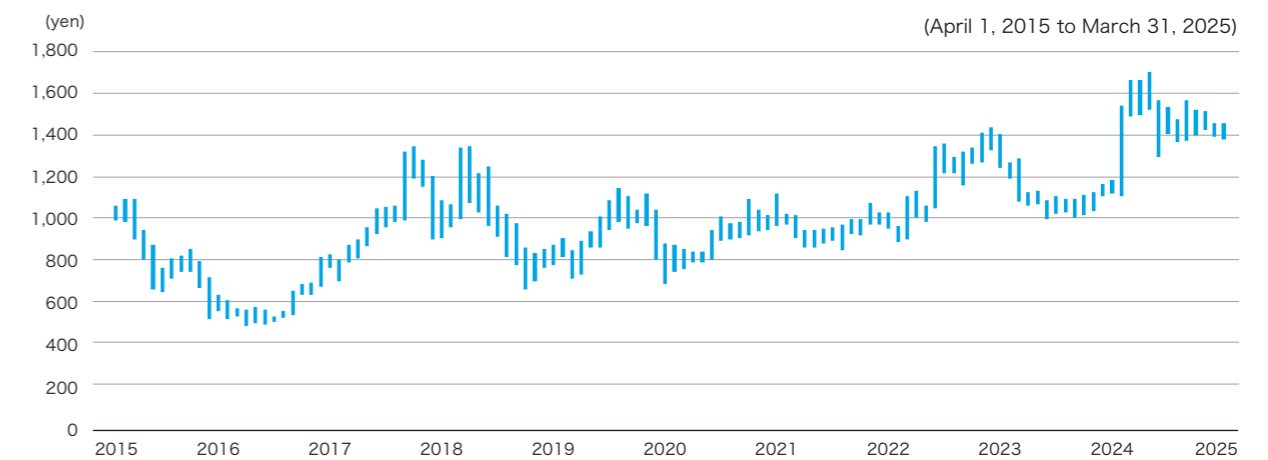
IR/Financial

<https://www.arisawa.co.jp/en/ir/index.html>

Stock status (as of March 31, 2025)



Trends in stock price and dividend



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Basic earnings per share (yen)	76.40	57.20	96.35	79.15	6.14	64.94	117.40	86.46	49.51	119.49	
Dividend per share (yen)	23.00	20.00	34.00	30.00	30.00	39.00	95.00	90.00	60.00	96.00	
Total return ratio (%)	30.3	35.0	35.5	38.0	468.7	60.2	81.1	130.8	121.6	80.5	
Share price (yen)	Highest	1,095	827	1,349	1,350	1,148	1,118	1,072	1,438	1,289	1,706
	Lowest	511	482	695	655	680	738	858	885	995	1,109
	Fiscal year-end	575	782	986	793	802	1,000	957	1,254	1,137	1,384
Dividend yield (%)*	4.0	2.6	3.4	3.8	3.7	3.9	9.9	7.2	5.3	6.9	

*Dividend yield = dividend amount per share / stock price at the end of fiscal year



Where Future Pieces Arise



Arisawa Mfg. Co., Ltd.

Minami-honcho 1-5-5, Joetsu-shi, Niigata-ken, 943-8610

<https://www.arisawa.co.jp/en/index.html>