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May 22, 2025

Company name:	Arisawa Mfg. Co., Ltd.
Name of representative:	Yuta Arisawa, Representative Director and CEO (Securities code: 5208; TSE Prime Market)
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Notice Regarding Acquisition of Shares of Arisawa Kenko Ltd.

(Acquisition through procedures equivalent to the acquisition of treasury stock from specific shareholders)

Arisawa Mfg. Co., Ltd. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on May 22, 2025, to acquire shares issued by Arisawa Kenko Ltd. (“Arisawa Kenko”) and make it a wholly owned subsidiary (the “Transaction”) subject to shareholder approval at the Ordinary General Meeting of Shareholders scheduled to be held on June 26, 2025 as follows.

Arisawa Kenko, whose shares the Company will acquire through the Transaction, is an asset management company of the Company’s founding family. We consider it appropriate to follow the procedures equivalent to the acquisition of treasury stock from a specific shareholder in light of the intent of Article 156, Paragraph 1, Article 160, Paragraph 1, and Article 161 of the Companies Act from the perspective of ensuring fairness to shareholders and transparency in transaction, considering that a large portion of the assets of Arisawa Kenko is the shares of the Company and that the Company considers the future acquisition of the Company’s shares held by Arisawa Kenko as treasury stock.

With respect to the Transaction, we have decided to submit it at the 77th Ordinary General Meeting of Shareholders scheduled to be held on June 26, 2025, and to implement it after obtaining the approval of our shareholders.

1. Reason for share acquisition

We aim to enhance profitability and improve capital efficiency by investing the funds we acquire during the fiscal year into expanding the scope of existing business, creating new business opportunities and actively returning our profits to shareholders.

Through the acquisition of shares of Arisawa Kenko, the asset management company of our founding family, we will effectively acquire treasury stock (Arisawa Kenko holds 504,338 shares of the Company as of March 31,

2025, which represents 1.51% of the total number of the Company's 33,299,608 shares outstanding excluding treasury stock (The Company's shares held by the trust account of the share delivery trust for the employees are not included in treasury stock.)). Accordingly, we have determined that the Transaction will contribute to the interests of the Company and the Company's shareholders as a whole for the following reasons:

- i) Contributing to the enhancement of shareholders' value through an increase in earnings per share
- ii) Possible to acquire treasury stock at a price substantially lower than that through market trading
- iii) Preventing any unexpected disadvantages to the existing shareholders caused by the sale of the Company's shares held by Arisawa Kenko on the market

The funds required for the acquisition of the shares of Arisawa Kenko will be provided entirely from the Company's own funds.

In addition, we consider merging Arisawa Kenko into the Company as the surviving company and holding the Company's shares held by Arisawa Kenko as treasury stock after acquiring the shares of Arisawa Kenko, since a large portion of Arisawa Kenko's assets is the shares of the Company. After the acquisition, the Company's shares will be held as treasury stock and disposed of as restricted shares for Directors.

In light of the purpose of the provisions of Article 156, Paragraph 1, Article 160, Paragraph 1, and Article 161 of the Companies Act, Arisawa Kenko and its shareholders may not exercise the voting rights pertaining to the Company's shares held by them since the procedures are equivalent to those for the acquisition of treasury stock from specific shareholders.

2. Overview of the subsidiaries to be transferred (Arisawa Kenko)

(1) Name	Arisawa Kenko Ltd.		
(2) Location	3-11-44, Nishishiro-cho, Joetsu-shi, Niigata, Japan		
(3) Job title and name of representative	Sanji Arisawa, Representative Director		
(4) Business description	Sales and purchase of securities, and leasing and management of real estates		
(5) Capital	317,600 thousand yen		
(6) Date of establishment	March 5, 1986		
(7) Major shareholders and shareholding ratio	Sanji Arisawa, the Representative Director and his four relatives (five in total) hold 100% of the issued shares.		
(8) Relationship between the Listed Company and the company	Capital Relationship	Holding 1.51% of the Company's shares. (As of March 31, 2025)	
	Personnel Relationship	Not applicable	
	Business Relationship	Not applicable	
(9) Operating Results and Financial Position for the Past Three Years			
Fiscal period	April 2022	April 2023	April 2024 *
Net assets	567 million yen	527 million yen	632 million yen
Total assets	568 million yen	534 million yen	703 million yen
Net assets per share	178,605 yen	166,122 yen	199,229 yen

Net sales	3 million yen	3 million yen	2 million yen
Operating profit	1 million yen	(2) million yen	(1) million yen
Ordinary profit	37 million yen	72 million yen	83 million yen
Earnings	32 million yen	49 million yen	194 million yen
Net assets per share	10,278 yen	15,516 yen	61,107 yen
Dividend per share	28,000 yen	28,000 yen	28,000 yen

* As the fiscal year ended April 30, 2025 is in the process of closing the accounts for the full fiscal year, the fiscal year ended April 30, 2024 is the most recent fiscal year at this time.

3. Overview of the counterparty of the share acquisition

(1) Name	Sanji Arisawa, Representative Director, and his four relatives. Total of five persons: individuals
(2) Relationship between the Listed Company and the individual	Of the five persons of the counterparty, Representative Director, Sanji Arisawa, is a former Representative Director and one counterparty is a former employee of the Company.

4. Number of shares to be acquired, acquisition price, and status of share ownership before and after acquisition

(1) Number of shares owned before transfer	— share (Number of voting rights: —) (Ownership ratio: —%)
(2) Number of shares acquired	Common shares: 2 shares Class A shares: 3,174 shares
(3) Acquisition price	Common shares and class A shares of Arisawa Kenko (Approximate acquisition price) 933 million yen
(4) Number of shares owned after transfer	3,176 shares (Number of voting rights: 2) (Ownership ratio: 100%)

(Note) With regard to the valuation of the shares of the Company owned by Arisawa Kenko, we have determined that the market price method is appropriate as the fair value of our common shares, given the importance of clarity and objectivity in the valuation criteria. Specifically, out of the amounts obtained by multiplying the average closing price of the Company's shares on the Tokyo Stock Exchange during the three-month period from February 22, 2025, to May 21, 2025, by 0.9, which is 1,215 yen, and the final price of the Company's shares on the Tokyo Stock Exchange market on June 25, 2025, the day before the 77th Ordinary General Meeting of Shareholders (if no trading occurs on that day, the price of the first buying and selling transactions conducted thereafter), the lower of the two amounts will be determined as the amount to be paid.

The acquisition price of the shares of Arisawa Kenko is calculated based on the valuation of assets held by Arisawa Kenko excluding the Company's shares calculated by third party organizations or fair valuation such as market prices, and the Company's shares are evaluated as described above.

The above approximate acquisition price is an estimated amount based on the valuation of the Company's shares held by Arisawa Kenko using the closing price of the Company's shares on the Tokyo Stock Exchange on May 21, 2025, which is available at this time.

5. Schedule

(1) Date of resolution at the Board of Directors	May 22, 2025
(2) Date of concluding contract	May 22, 2025
(3) Date of share transfer	July 4, 2025 (plan)

(Note) The above details are subject to shareholder approval at the 77th Ordinary General Meeting of Shareholders to be held on June 26, 2025.

6. Future outlook

It is considered that the Transaction will have a minimal impact on our consolidated results for the fiscal year ending March 2026. We will promptly announce if any details are found and required to be disclosed.

7. Others

In implementing the Transaction, we plan to carry out procedures equivalent to share repurchases from specific shareholders; however, the Transaction is not a share buyback from a specific shareholder. Furthermore, even if the procedures equivalent to the acquisition of treasury stock include tag along rights specified in Article 160, Paragraphs 2 and 3 of the Companies Act, the valuation of the Company's shares held by Arisawa Kenko shall not exceed the amount calculated in accordance with Article 161 of the Companies Act and Article 30, Item 1 of the Regulations for Enforcement of the Companies Act (the final price of the Company's shares on the Tokyo Stock Exchange market on June 25, 2025, the day before the 77th Ordinary General Meeting of Shareholders) as stated in the note to “4. Number of shares to be acquired, acquisition price, and status of share ownership before and after acquisition” above. Therefore, the shareholders of the Company other than the counterparty to the acquisition will not be eligible for tag along rights pursuant to Article 160, Paragraphs 2 and 3 of the Companies Act.

(Reference) Treasury stock held as of March 31, 2025

Total number of shares issued and outstanding (Excluding treasury stock)	33,299,608 shares
Number of shares of treasury stock	300,916 shares

(Note) The Company's 81,200 shares held by the trust account of the share delivery trust for the employees are not included in the treasury stock which is excluded from the total number of shares issued and outstanding.