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February 5, 2026

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| Company name: | Arisawa Mfg. Co., Ltd. |
| Name of representative: | Yuta Arisawa, Representative Director and CEO (Securities code: 5208; TSE Prime Market) |
| Inquiries: | Takeshi Masuda, Director and Senior Managing Operating Officer (Telephone: +81-25-524-7101) |

Notice of Establishment of an Overseas Subsidiary, Capital Increase of Existing Subsidiary (Sub-subsidiary) and Change of Specified Subsidiary

Arisawa Mfg. Co., Ltd. (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on February 5, 2026, to establish a subsidiary in the United States (hereinafter referred to as the “New Company”). Additionally, it passed the resolution that Protec Arisawa America, Inc. (hereinafter referred to as “PAA”), a wholly-owned subsidiary of Protec International Holdings Co., Ltd. (hereinafter referred to as “PIH”), which is a consolidated subsidiary of the Company, will conduct a capital increase and PIH will underwrite the entire amount.

The Company announces that as a result, the amount of capital in PAA will be equivalent to 10% or more of the Company’s capital, and PAA will be classified as a specified subsidiary of the Company.

1. Purpose of the Establishment of the New Company and Capital Increase of Existing Subsidiaries (Sub-subsidiaries)

The Company recognizes the US market as crucial for expanding our core businesses of electronic materials and industrial structural materials. To establish a foothold for our core businesses in the U.S., we plan to establish a new company in California and acquire a factory.

Meanwhile, the factory the Company plans to acquire will be leased for the time being to PAA, our subsidiary operating in California, USA. PAA is a global manufacturer of FRP pressure vessels for water purification, conducting business in California, USA. The water treatment market is expanding year by year, and the US market is expected to grow further in the future.

However, given that PAA's current factory's production capacity may be insufficient to meet future increases in demand, PAA will relocate its production base to the larger factory that the New Company plans to acquire. This will allow PAA to replace aging equipment, promote automation, and enhance cost competitiveness. To strengthen its management foundation through capital expansion alongside increased production capacity, we will implement this capital increase.

As stated above, for the time being, the factory to be owned by the New Company will be used by PAA. However, we plan to review the utilization of this factory in line with the progress of expanding our business (electronic materials and industrial structural materials).

2. Outline of the New Company

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| (1) Name | Arisawa Manufacturing America, Inc. (scheduled) | |
| (2) Location | California, USA | |
| (3) Representative | Ken Kasamatsu | |
| (4) Description of business | Manufacture and sales of electronic materials, industrial structural materials, etc. Lease and management of commercial real estate | |
| (5) Share capital | USD 4,500 thousand (about 698 million yen) | |
| (6) Date of establishment | February 2026 (scheduled) | |
| (7) Fiscal year-end | December 31 | |
| (8) Major shareholders and shareholding ratios | Arisawa Mfg. Co., Ltd. 100% | |
| (9) Relationship between the Company and the New Company | Capital relationship | The New Company will be established as a wholly owned subsidiary of the Company. |
| | Personnel relationship | Employees of the Company will serve concurrently as directors of the New Company. |
| | Transactional relationship | As this is a newly established company, there are no applicable matters. |

3. Outline of Subsidiaries (Sub-subsidiaries) Subject to Capital Increase (Transferred to Specified Subsidiary)

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|--|--|--|-------------------|
| (1) Name | Protec Arisawa America, Inc. | | |
| (2) Location | California, USA | | |
| (3) Representative | Lee Hancock | | |
| (4) Description of business | Manufacture and sales of FRP pressure vessels for water purification | | |
| (5) Share capital (before capital increase) | USD 3,200 thousand (about 250 million yen) | | |
| (6) Date of establishment | March 2005 | | |
| (7) Major shareholders and shareholding ratios | PIH (wholly-owned subsidiary of the Company) 100% | | |
| (8) Relationship between the Company and PAA | Capital relationship | The Company holds the whole stock of PAA through PIH. | |
| | Personnel relationship | Two employees of the Company have been dispatched to PAA. | |
| | Transactional relationship | Sales and purchase of products | |
| (9) Financial position and operating results over the past three years (USD) | | | |
| Fiscal year | December 31, 2022 | December 31, 2023 | December 31, 2024 |
| Net assets | 3,283,255 | 3,634,731 | 4,274,126 |
| Total assets | 7,939,576 | 8,036,198 | 9,815,921 |
| Net sales | 11,059,706 | 13,946,934 | 17,056,932 |
| Operating profit | 590,348 | 615,280 | 931,711 |
| Profit attributable to owners of parent or profit | 393,197 | 351,476 | 639,395 |

4. Outline of Capital Increase

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| (1) Capital increased | USD 10,000 thousand (about 1,550 million yen) |
| (2) Share capital after capital increase | USD 13,200 thousand (about 1,800 million yen) |
| (3) Ratio of shareholding after capital increase | PIH 100% |
| (4) Scheduled day of capital increase | March 2026 (scheduled) |

5. Impact on financial results

The impact of this establishment of the New Company and this capital increase on the consolidated financial results for the fiscal year ending March 2026 is expected to be minimal. However, if any matters requiring disclosure arise in the future, we will promptly make an announcement.