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February 5, 2026

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 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

(1) Name	Arisawa Manufacturing America, Inc. (scheduled)	
(2) Location	California, USA	
(3) Representative	Ken Kasamatsu	
(4) Description of business	<p>Manufacture and sales of electronic materials, industrial structural materials, etc.</p> <p>Lease and management of commercial real estate</p>	
(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)

(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

(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.