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Securities Code: 5208

June 10, 2025

To our shareholders:

Yuta Arisawa
President and Representative Director
Arisawa Mfg. Co., Ltd.
5-5 Minami-honcho 1-chome, Joetsu-shi, Niigata

Notice of the 77th Annual General Meeting of Shareholders

We are pleased to announce the 77th Annual General Meeting of Shareholders of Arisawa Mfg. Co., Ltd. (the “Company”), which will be held as stated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.arisawa.co.jp/> (in Japanese)

(From the above website, select “IR/Financial,” “IR Library,” and then “Shareholders’ Meeting.”)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/5208/teiji/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “Arisawa Mfg.” in “Issue name (company name)” or the Company’s securities code “5208” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you do not plan on attending the meeting in person, please consider exercising your voting rights in advance either by mail or via the internet using the voting form sent with this notice.

If you exercise your voting rights either by mail or via the internet and other means, the deadline by which voting rights must be exercised is 5:00 p.m. on Wednesday, June 25, 2025 (JST). We appreciate your cooperation.

1. Date and Time: Thursday, June 26, 2025 at 10:00 a.m. (Reception will open at 9:00 a.m.) (JST)

2. Venue: Conference Room, Joetsu Head Office of the Company

5-5 Minami-honcho 1-chome, Joetsu-shi, Niigata

* On the day, we will be providing a livestreaming of the meeting for shareholders via the internet. For details, please refer to “Information on the Livestreaming of General Meeting of Shareholders” of this notice (in Japanese only).

3. Purpose of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 77th Fiscal Year (April 1, 2024, to March 31, 2025) and Audit Reports of Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. Non-consolidated Financial Statements for the 77th Fiscal Year (April 1, 2024, to March 31, 2025)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Nine Directors |
| Proposal No. 3 | Election of Two Substitute Corporate Auditors |
| Proposal No. 4 | Determination of Remuneration for Granting Restricted Shares to Outside Directors |
| Proposal No. 5 | Acquisition of Shares of Arisawa Kenko Ltd. (Acquisition through Procedures Equivalent to Those for Share Buyback from Specific Shareholders) |

- When attending on the day of the meeting, please submit the voting form sent with this notice to reception.
If you exercise your voting rights by proxy, another shareholder with a voting right of the Company may attend the General Meeting of Shareholders as your proxy. In this case, however, please submit a written document certifying the authority of proxy with the voting form at the reception.
- No gifts will be provided to shareholders who attend the Annual General Meeting of Shareholders. Your understanding is appreciated.
- For this General Meeting of Shareholders, we have delivered paper-based documents stating the matters subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.
Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following matters are not provided in the documents delivered to shareholders.
 - (i) “System to Ensure the Appropriateness of Operations and the Operational Status of the Relevant System” and “Policy on Decisions on Dividends and Other Appropriation of Surplus” in the Business Report
 - (ii) “Consolidated Statements of Changes in Shareholders’ Equity and Other Net Assets” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
 - (iii) “Non-consolidated Statements of Changes in Shareholders’ Equity and Other Net Assets” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial StatementsAccordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements stated in the documents are part of the documents included in the scope of audits by the Accounting Auditor and the Corporate Auditors when they create their respective audit reports.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the aforementioned websites.
- The results of the resolutions of this Meeting will be posted on the aforementioned Company’s website in lieu of sending a notice of resolutions.

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company will invest the funds acquired during the period into expanding the scope of existing business and creating new business opportunities while actively returning profits to shareholders. The Company sets a basic policy of returning either a dividend on equity ratio (DOE) of 6% or a total return ratio of at least 80%, whichever is greater, to its shareholders. Also, the Company will flexibly respond to a share buyback in total consideration of demand for funds and financial conditions, etc. This policy will be applied when an equity ratio of approximately 50% is achieved. In line with this policy, the Company proposes the appropriation of the surplus for the fiscal year as follows:

Year-end dividends

- (1) Type of dividend property

Cash

- (2) Allotment of dividend property and the aggregate amount

The Company proposes to pay a dividend of ¥54 per common share of the Company.

Total amount: ¥1,798,178,832

As the Company paid an interim dividend of ¥42 per share, the annual dividends for the fiscal year will be ¥96 per share.

- (3) Effective date of payment of surplus available for dividends

June 27, 2025

Proposal No. 2 Election of Nine Directors

At the conclusion of the Annual General Meeting of Shareholders, the terms of office of all nine Directors will expire. Therefore, the Company proposes the election of nine Directors.

The candidates for Director are as follows:

Candidate No.	Name		(Reference)		
			Current position in the Company	Attendance at meetings of the Board of Directors during the fiscal year	
1	Yuta Arisawa	(Male)	Reelection	President and Representative Director	12/12 (100%)
2	Takeshi Masuda	(Male)	Reelection	Director and Senior Managing Operating Officer	12/12 (100%)
3	Osamu Nakajima	(Male)	Reelection	Director and Senior Operating Officer	12/12 (100%)
4	Makoto Tai	(Male)	Reelection	Director and Senior Operating Officer	11/12 (92%)
5	Koji Nakamura	(Male)	Reelection Outside Independent	Outside Director	12/12 (100%)
6	Kazuo Abiko	(Male)	Reelection Outside Independent	Outside Director	12/12 (100%)
7	Hirotoishi Takada	(Male)	Reelection Outside Independent	Outside Director	12/12 (100%)
8	Miho Numata	(Female)	Reelection Outside Independent	Outside Director	12/12 (100%)
9	Makiko Horie	(Female)	Reelection Outside Independent	Outside Director	12/12 (100%)

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yuta Arisawa (July 25, 1969) Reelection	<p>Apr. 1992 Joined Mitsubishi Electric Corporation</p> <p>Feb. 2002 Joined JPMorgan Securities Japan Co., Ltd.</p> <p>Aug. 2003 Joined the Company</p> <p>Apr. 2007 Assistant General Manager, Manufacturing Dept.</p> <p>Apr. 2009 Operating Officer</p> <p>Jun. 2010 Director and Senior Operating Officer</p> <p>Jun. 2011 Director and Senior Managing Operating Officer</p> <p>Jun. 2014 President and Representative Director (current position)</p> <p>Jun. 2015 Chief Operating Officer (COO)</p> <p>Jun. 2017 Chief Executive Officer (CEO) (current position)</p> <p>(Significant concurrent positions outside the Company) President and Representative Director, Protec International Holdings Co., Ltd.</p>	147,208 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>After serving in the corporate planning, manufacturing and sales departments, Yuta Arisawa became President and Representative Director in 2014. Since assuming that role, he has been promoting business reform with an emphasis on medium- to long-term growth based on the corporate philosophy while looking over the entire Group with a global perspective. The Company deems that he is a suitable manager to play a leadership role to accelerate innovative changes based on his abundant insight, experience and achievements cultivated through such corporate management experience. He is nominated as a candidate for Director because he is expected to promote information sharing and reinforce the decision-making function of the Board of Directors as a member of the Board of Directors.</p>			
2	Takeshi Masuda (April 3, 1963) Reelection	<p>Apr. 1986 Joined Alps Electric Co., Ltd. (presently ALPS ALPINE CO., LTD.)</p> <p>Oct. 1990 Joined the Company</p> <p>Nov. 2003 Group Leader, Administration Planning Group</p> <p>Jul. 2008 Assistant General Manager, Manufacturing Dept.</p> <p>Oct. 2010 General Manager, Corporate Planning Dept.</p> <p>Jun. 2011 Operating Officer in charge of Corporate Planning Dept.</p> <p>Jun. 2015 Operating Officer in charge of Corporate Planning Dept. and Accounting Dept.</p> <p>Jun. 2016 Operating Officer; Deputy Division Chief, Administration Division; in charge of Corporate Planning Dept., Accounting Dept., and Human Resources Dept.</p> <p>Jun. 2021 Director and Senior Operating Officer, Division Chief, Manufacturing Division; Division Chief, Administration Division</p> <p>Jun. 2023 Director and Senior Managing Operating Officer, Division Chief, Manufacturing Division; Division Chief, Administration Division (current position)</p>	44,093 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Takeshi Masuda served in the corporate planning and manufacturing departments after joining the Company, and he currently manages the Administration and Manufacturing divisions. The Company deems that he is an essential person for further increasing efficiency of management and strengthening ESG efforts in the future because of his broad experience and proven track record including in IR operations, collaboration and M&As with domestic and overseas companies, and establishment and execution of management and manufacturing strategies. He is nominated as a candidate for Director because he can be expected to ensure the effectiveness of the supervisory functions of the Company's Board of Directors by supervising the execution of duties by Operating Officers and others based on his abundant practical experience.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Osamu Nakajima (June 5, 1965) Reelection	Apr. 1989 Joined Mitsui & Co., Ltd. May 2011 Department Manager, Solar Business Div., Functional Chemicals Business Unit Apr. 2013 Department Manager, Advanced Materials Div., Functional Chemicals Business Unit Jul. 2014 Department Manager, Business Development Div., Basic Chemicals Business Unit Oct. 2015 Joined the Company as General Manager, Electronic Materials Sales Dept. Oct. 2015 Operating Officer in charge of Electronic Materials Sales Dept. Jun. 2016 Director and Senior Operating Officer, Division Chief, Electronic Materials Business Division; in charge of Electronic Materials Sales Dept. Jun. 2023 Director and Senior Operating Officer, Division Chief, Business Promotion Division; Deputy Division Chief, Innovation Promotion Division (current position) (Significant concurrent positions outside the Company) Chair, THINFLEX CORPORATION CO., LTD.	47,202 shares
(Reasons for nomination as candidate for Director) Osamu Nakajima has been managing the Business Promotion Division since his joining the Company after holding successive management posts in sales and development in the Functional Chemicals Business Unit of Mitsui & Co., Ltd. The Company deems that he is an essential person for the further increase of the products' sales in the future and for the quality improvement of the Company's subsidiaries because of his proven track record of expanding the Group's business scope by leveraging his abundant sales experience, including his experience working overseas and his development oriented viewpoint. He is nominated as a candidate for Director because he is expected to ensure the effectiveness of the supervisory functions of the Company's Board of Directors by supervising the execution of duties by Operating Officers and others based on his abundant practical experience.			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Makoto Tai (September 21, 1964) Reelection	<p>Apr. 1988 Joined Daiichi Denko Corporation (presently Sumitomo Electric Wintec, Inc.)</p> <p>Mar. 2002 Joined the Company</p> <p>Jul. 2006 Group Leader, Electronic Materials Group 1, Engineering Dept.</p> <p>Apr. 2010 Assistant General Manager, Research & Development Dept.</p> <p>Apr. 2012 General Manager, Engineering Dept.</p> <p>Jun. 2015 Operating Officer in charge of Research & Development Dept.</p> <p>Jun. 2019 Operating Officer; Deputy Division Chief, Electrical Insulating & Composite Materials Business Division; in charge of Electrical Insulating & Composite Materials Research & Development Dept., Optical Materials Research & Development Dept., and Research & Development Dept. (deputy)</p> <p>Jun. 2023 Director and Senior Operating Officer, Division Chief, Innovation Promotion Division; Deputy Division Chief, Business Promotion Division; in charge of Development Support Dept., Innovation Center Preparatory Office (main), and Analysis Center (current position)</p>	17,036 shares
<p>(Reasons for nomination as candidate for Director)</p> <p>Makoto Tai was engaged in development of insulating materials and other products at Daiichi Denko Corporation and after joining the Company, he has involved in development and management across all segments. Currently, he manages the Innovation Center Preparatory Office, Development Support Dept., and Analysis Center. The Company deems that he is an essential person for realizing our research, development and technical strategies toward the Company's growth based on his extensive experience and proven track record. He is nominated as a candidate for Director because he is expected to ensure the effectiveness of the supervisory functions of the Company's Board of Directors by supervising the execution of duties by Operating Officers and others based on his abundant practical experience.</p>			
5	Koji Nakamura (August 15, 1948) Reelection Outside Independent	<p>Apr. 1973 Joined Mitsui & Co., Ltd.</p> <p>Apr. 2004 Managing Officer; Chief Operating Officer of Synthetic Resins and Inorganic Chemicals Business Unit</p> <p>Apr. 2006 Executive Managing Officer; Chief Operating Officer of Chemicals Business Unit II</p> <p>Apr. 2009 Senior Executive Managing Officer; Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit</p> <p>Mar. 2011 Retired as Senior Executive Managing Officer</p> <p>Aug. 2011 Audit & Supervisory Board Member, SANKO Co., Ltd. (current position)</p> <p>Aug. 2016 Outside Director, Sanko Gosei Ltd. (current position)</p> <p>Jun. 2020 Director, the Company (current position)</p>	402 shares
<p>(Reasons for nomination as candidate for outside Director and expected roles)</p> <p>Koji Nakamura has been involved in corporate management in Japan and overseas for many years, having served as Senior Executive Managing Officer of Mitsui & Co., Ltd. and as Director at Sanko Gosei Ltd. The Company deems that he has extensive insight and knowledge regarding global management from his experience as a managing officer at a global company and that he will deliver opinions from an outside perspective with regard to the overall management of the Company, particularly in the area of business strategy, and increase the rationality and transparency of the Company's management.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Kazuo Abiko (January 22, 1947) Reelection Outside Independent	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 Studio, Associated Press Jul. 2004 General Manager for Northeast Asia Feb. 2010 Advisor Sep. 2010 Part-time Lecturer, Tokyo University of Foreign Studies Sep. 2011 Part-time Lecturer, Sophia University Apr. 2015 Visiting Professor, Kanda University of International Studies Jul. 2018 Auditor, Foreign Correspondents' Club of Japan Jun. 2020 Director, the Company (current position)	120 shares
(Reasons for nomination as candidate for outside Director and expected roles) After completing a course at Graduate School of The California State University, Kazuo Abiko was appointed the General Manager of Tokyo Studio and General Manager for Northeast Asia at Associated Press while also working as the President of Foreign Correspondents' Club of Japan. After retiring from the said company, he worked as a part-time lecturer at Tokyo University of Foreign Studies and Sophia University. The Company deems that he will deliver opinions from an outside perspective and increase the rationality and transparency of the Company's management by leveraging his insight in international communication and norms and ethics of journalism.			
7	Hirotooshi Takada (August 10, 1953) Reelection Outside Independent	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 Apr. 2011 General Manager, Sales Division Jun. 2011 Chairman, Wuhan Nissei Display System Co., Ltd. Mar. 2012 Chairman, Nissei Display Sales and Development Co., Ltd. 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. Jul. 2015 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, the Company (current position)	200 shares
(Reasons for nomination as candidate for outside Director and expected roles) Hirotooshi Takada has served as the Representative Director of NIPPON SEIKI CO., LTD. and as Chairman, etc. of overseas subsidiaries. He has been engaged over many years in sales and product planning, etc. in the automobile industry and has a deep knowledge of that industry. The Company deems that he will deliver opinions from an outside perspective and increase the rationality and transparency of the Company's management by leveraging his abundant experience and broad knowledge as a manager of a company in the manufacturing industry with a global business.			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
8	Miho Numata (April 18, 1975) Reelection Outside Independent	Dec. 2009 Registered as an attorney at law and joined NUMATA LAW OFFICE	200 shares
		Jan. 2016 Representative (current position) Apr. 2018 Civil Conciliation Commissioner, Tokyo Summary Court (current position) Jun. 2020 Outside Corporate Auditor, Tokyo Boeki Holdings Corporation (current position) Jun. 2021 Director, the Company (current position) Apr. 2025 Vice-President, Dai-Ichi Tokyo Bar Association (current position)	
(Reasons for nomination as candidate for outside Director and expected roles) Miho Numata is Representative of NUMATA LAW OFFICE, and by serving as Civil Conciliation Commissioner of Tokyo Summary Court and as Outside Corporate Auditor of Tokyo Boeki Holdings Corporation, while managing the law office, she has a well-balanced career. The Company deems that she will deliver opinions from an outside perspective and increase the rationality and transparency of the Company's management by using her in-depth knowledge and experience as a legal expert who has worked as an attorney at law for many years, and her sophisticated knowledge relating to governance and compliance, etc.			
9	Makiko Horie (May 12, 1967) Reelection Outside Independent	Apr. 1990 Joined Nomura Securities Co., Ltd. May 1995 Joined Merrill Lynch Investment Managers Co., Ltd. (presently BlackRock Japan Co., Ltd.)	- shares
		May 2016 Joined Value Create Inc., Partner Oct. 2021 Joined SDG Impact Japan Inc., Partner (current position) Jun. 2023 Director, the Company (current position) Jan. 2025 Advisory Board Member, Seino Holdings Co., Ltd. (current position)	
(Reasons for nomination as candidate for outside Director and expected roles) Makiko Horie was engaged in sales to institutional investors and corporate investigation related to the Japanese market at global financial institutions and involved in business consultancy and launching of start-ups. The Company deems that she will increase the rationality and transparency of the Company's management by utilizing such experience to reflect a form of a company expected by investors to our management strategies.			

- Notes:
- There is no special interest between any of the candidates for Director and the Company.
 - The number of the Company's shares owned is based on the shareholder register as of March 31, 2025.
 - The number of the Company's shares owned by each candidate for Director includes those acquired through the shareholding plan.
 - Among the candidates for Director, Koji Nakamura, Kazuo Abiko, Hirotoishi Takada, Miho Numata, and Makiko Horie are candidates for outside Director.
At the conclusion of this Annual General Meeting of Shareholders, Koji Nakamura's tenure as outside Director of the Company will have been five years.
At the conclusion of this Annual General Meeting of Shareholders, Kazuo Abiko's tenure as outside Director of the Company will have been five years.
At the conclusion of this Annual General Meeting of Shareholders, Hirotoishi Takada's tenure as outside Director of the Company will have been four years.
At the conclusion of this Annual General Meeting of Shareholders, Miho Numata's tenure as outside Director of the Company will have been four years.
At the conclusion of this Annual General Meeting of Shareholders, Makiko Horie's tenure as outside Director of the Company will have been two years.
 - The Company has submitted notification to Tokyo Stock Exchange, Inc. that among the candidates for Director, Koji Nakamura, Kazuo Abiko, Hirotoishi Takada, Miho Numata, and Makiko Horie have currently been designated as independent officers.
Koji Nakamura, Kazuo Abiko, Hirotoishi Takada, Miho Numata, and Makiko Horie are candidates to be appointed as independent officers as provided for by Tokyo Stock Exchange, Inc. If their election is approved, they will be appointed as independent officers as provided for by Tokyo Stock Exchange, Inc.
 - Currently, the Company has entered into limited liability agreements with each of candidates for Director Koji Nakamura, Kazuo Abiko, Hirotoishi Takada, Miho Numata, and Makiko Horie.

If the election of Koji Nakamura, Kazuo Abiko, Hirotohi Takada, Miho Numata, and Makiko Horie is approved, the Company intends to renew the limited liability agreements with them pursuant to the provisions of Article 427, paragraph (1) of the Companies Act. The outline of the details of the limited liability agreements is as follows:

- If an outside Director is liable to the Company for failing to perform his/her duties, the maximum amount of liability for compensation for damage to the Company shall be the Minimum Liability Amount provided in Article 425, paragraph (1) of the Companies Act.
 - The said limited liability agreement shall be effective as long as the outside Director had acted in good faith and without gross negligence in performing his/her duties that caused the damage.
7. The Company has entered into a directors and officers liability insurance policy as set forth in Article 430-3, paragraph (1) of the Companies Act with an insurance company. Under the policy, the Directors of the Company are insureds and the Company bears the full cost of the premiums. The policy will cover losses that may arise from liability incurred by a Director who is an insured in the course of their performance of duties, or receipt of claims pertaining to the pursuit of such liability. If each candidate is appointed as a Director, each of them will become an insured under the policy. The policy is scheduled to be renewed at the next renewal under the same terms and conditions.

(Reference) Expertise and experience of each Director and Corporate Auditor

If this proposal is approved and adopted, the Company's Board of Directors and Board of Corporate Auditors will be composed of members with the following skills.

		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	○	○	○	○			○
Director	Takeshi Masuda				○	○	○	
Director	Osamu Nakajima		○	○				○
Director	Makoto Tai		○	○				
Outside Director	Koji Nakamura	○	○					○
Outside Director	Kazuo Abiko	○				○		○
Outside Director	Hirotoishi Takada	○	○					○
Outside Director	Miho Numata	○				○	○	
Outside Director	Makiko Horie				○			○
Corporate Auditor	Hisashi Masumura				○	○	○	
Outside Corporate Auditor	Koichiro Tanaka	○			○			○
Outside Corporate Auditor	Koichi Yokota	○			○			

Proposal No. 3 Election of Two Substitute Corporate Auditors

The Company proposes the election of two substitute Corporate Auditors in advance to be ready to fill vacant positions should the number of Corporate Auditors fall below the number required by laws and regulations. The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for substitute Corporate Auditor are as follows: Kazuhide Kita is to be elected as a substitute for Corporate Auditor Hisashi Masumura, and Takefumi Ishida is to be elected as a substitute for outside Corporate Auditors Koichiro Tanaka and Koichi Yokota. The Company shall reserve the right to nullify the validity of their election by resolution of the Board of Directors as long as the consent of the Board of Corporate Auditors is obtained; provided, however, that it is only in a time before they assume office.

The candidates for substitute Corporate Auditor are as follows:

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Kazuhide Kita (March 31, 1963)	Apr. 1986 Joined the Company Nov. 2004 Group Leader, Electronic Materials Group 2, Engineering Dept. (Electronics) Nov. 2006 Group Leader, Electronic Materials Group 3, Engineering Dept. (Electronics) Apr. 2012 Group Leader, Management Group, Technical Administration Dept. Dec. 2013 Group Leader, Intellectual Property Group, Technical Administration Dept. Apr. 2014 General Manager, Technical Administration Dept. Oct. 2015 General Manager, Corporate Planning Dept. Apr. 2023 Commissioned to the Company (current position)	3,000 shares
2	Takefumi Ishida (September 15, 1976)	Nov. 2007 Registered as Authorized Tax Practitioner Apr. 2011 Director, Takada Branch of Kanto-Shinetsu Authorized Tax Practitioner's Association Jul. 2012 Representative Employee, Ishida Accounting Office (current position) Apr. 2021 Deputy General Manager, Takada Branch of Kanto-Shinetsu Authorized Tax Practitioner's Association Apr. 2025 General Manager, Takada Branch of Kanto-Shinetsu Authorized Tax Practitioner's Association (current position)	- shares

- Notes:
1. There is no special interest between any of the candidates for substitute Corporate Auditor and the Company.
 2. The number of the Company's shares owned is based on the shareholder register as of March 31, 2025.
 3. Kazuhide Kita has been nominated as a substitute Corporate Auditor because the Company deems he will appropriately fulfill his duties as a Corporate Auditor of the Company based on his involvement in technology, technology administration, and corporate planning operations since joining the Company as well as his broad knowledge and experience, such as in technology and corporate management.
 4. Takefumi Ishida has been nominated as a substitute outside Corporate Auditor because the Company deems he will appropriately fulfill his duties as an outside Corporate Auditor of the Company from an independent and neutral standpoint, based on his extensive experience and advanced expert knowledge as an authorized tax practitioner, which will be reflected in the Company's auditing system.
 5. If Takefumi Ishida is appointed as an outside Corporate Auditor, he will be designated as an independent officer as provided for by Tokyo Stock Exchange, Inc.
 6. If Takefumi Ishida is appointed as an outside Corporate Auditor, the Company intends to enter into a limited liability agreement with him pursuant to Article 427, paragraph (1) of the Companies Act, and the outline of the limited liability agreement is as follows:
 - If an outside Corporate Auditor is liable to the Company for failing to perform his/her duties, the maximum amount of liability for compensation for damage to the Company shall be the Minimum Liability Amount provided in Article 425, paragraph (1) of the Companies Act.

- The said limited liability agreement shall be effective as long as the person had acted in good faith and without gross negligence in performing his/her duties that caused the damage.
- 7. The Company has entered into a directors and officers liability insurance policy as set forth in Article 430-3, paragraph (1) of the Companies Act with an insurance company. Under the policy, the Corporate Auditors of the Company are insureds and the Company bears the full cost of the premiums. The policy will cover losses that may arise from liability incurred by a Corporate Auditor who is an insured in the course of their performance of duties, or receipt of claims pertaining to the pursuit of such liability. If each candidate is appointed as a Corporate Auditor, each of them will become an insured under the policy. The policy is scheduled to be renewed at the next renewal under the same terms and conditions.

Proposal No. 4 Determination of Remuneration for Granting Restricted Shares to Outside Directors

It was resolved at the 56th Annual General Meeting of Shareholders held on June 29, 2004 that the total amount of remuneration for Directors should be no more than ¥30 million per month (excluding the employee salaries of directors who also serve as employees). It was also resolved at the 73rd Annual General Meeting of Shareholder on June 25, 2021 that remuneration to be paid for the grant of restricted shares to be issued only to the inside Directors was approved to be ¥50 million or less per year, and that the number of common shares of the Company shall be 50,000 or less shares.

In light of the above, the Company has decided to extend the grant of restricted shares as compensation, which was previously limited to inside Directors, to outside Directors as well, under the following plan (the “Plan”), with the aim of further promoting value sharing between all Directors of the Company and shareholders and raising awareness of the importance of contributing to the sustainable improvement of our corporate value.

In conjunction with the addition of outside Directors as Eligible Directors, the Company would like to increase the total amount of remuneration to be paid for the grant of restricted shares from the current annual amount of ¥50 million or less to ¥60 million or less, and to increase the total number of common shares of the Company to be granted from the current 50,000 shares or less to 60,000 shares or less.

The overview of matters related to determining the details of individual remuneration, etc. for Directors at the Company is as stated in the Business Report (in Japanese only). The Company believes that these details will continue to be a reasonable policy for determining such issues if this proposal is approved, and thus it has no intention of changing the policy. This proposal is deemed appropriate as its content is necessary and reasonable, even in light of the aforementioned policy.

Additionally, the current number of Directors is nine (of which, five are outside Directors), and even if Proposal No. 2 is approved and adopted as originally proposed, there will be no change in the number of Directors.

[Details of the Plan]

(1) Details

Share-based compensation (non-monetary remuneration) shall be restricted share compensation, and is programmed to lift restrictions on transfer upon retirement for the purpose of building awareness of contributions to sustainably increasing the Company’s corporate value by clarifying the linkage between the Company’s stock value and compensation and sharing returns and risks due to fluctuations in the value of stocks with shareholders. The Eligible Directors (inside and outside Directors) pay all monetary compensation claims as contributed properties in kind for granting restricted shares to be paid based on the resolution of the Company’s Board of Directors and receive issuance or disposal of the Company’s common shares. The number of shares to be allotted to each Eligible Director, corresponding to individually determined base amount, is determined by the Board of Directors based on the report of the Assignment and Remuneration Advisory Committee.

(2) Amount of monetary compensation claims under the Plan and the maximum number of shares to be allotted
The amount of monetary compensation claims to be paid to the Eligible Directors shall be ¥60 million or less per year, and the number of the Company’s shares to be allotted shall be 60,000 shares or less per year.

(3) Payment amount per share

The payment amount per share shall be an amount not particularly favorable to the Eligible Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (if no transaction is made on that day, the closing price on the trading day immediately before that day).

(4) Transfer restricted period

The Eligible Directors shall not transfer, have any security interest created thereon or otherwise dispose of the Company’s common shares (the “Allotted Shares”) during the period from the payment due date of the Allotted Shares under the restricted share allotment agreement to the point of time immediately after the time of retirement from the position predetermined by the Company’s Board of Directors among the positions of officers and employees of the Company or its subsidiaries (the “Transfer Restricted Period”).

(5) Lifting of transfer restriction

During the period which is predetermined by the Company's Board of Director (the "Service Provision Period"), under the condition that the Eligible Directors continuously hold the positions specified in item (4) above, the transfer restriction shall be lifted on the whole Allotted Shares at the time when the Transfer Restricted Period expires. However, in the event that the Eligible Directors resign from the positions specified in item (4) above before the Service Provision Period expires due to the expiration of their term of office, death, or other legitimate reasons, the Company shall reasonably adjust, as necessary, the number of the Allotted Shares subject to the lifting of transfer restrictions and the timing of such lifting. In addition, the Company has the right, without consideration, to acquire all the Allotted Shares on which the transfer restriction is not lifted at the time immediately after the expiration of the transfer restriction period in accordance with the above provisions.

(6) Other matters

The treatment of the Plan at the time of organizational restructuring, etc., the treatment of share split or reverse share split related to the Allotted Shares, and other matters will be determined at the Company's Board of Directors.

[Reference]

The maximum dilution ratio (Note) in the case where the maximum number of shares is continuously granted to the Eligible Directors for ten years in accordance with this proposal will be approximately 1.80% of the total number of issued shares, which is a structure that takes into account the dilution of shares.

Note: The maximum dilution ratio is calculated by dividing (1) 600,000 shares, which would be the total number of shares if the maximum number of common shares to be newly issued or disposed of by the Company of 60,000 shares per year were continuously granted for ten years, by (2) 33,299,608 shares, which is the total number of issued shares of the Company as of March 31, 2025 (excluding treasury shares (Company shares held by the trust account relating to the share delivery trust for the employees are not included in treasury shares.)).

Proposal No. 5 Acquisition of Shares of Arisawa Kenko Ltd. (Acquisition through Procedures Equivalent to Those for Share Buyback from Specific Shareholders)

The Company has resolved, at the 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 this Meeting.

Arisawa Kenko, whose shares the Company intends to 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 those for share buyback 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 is considering the future acquisition of the Company’s shares held by Arisawa Kenko, which will effectively function as a share buyback.

Therefore, the Company requests approval of shareholders for the Transaction.

1. Reason for the 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 be conducting a share buyback (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 shares (in this case, Company shares held by the trust account relating to the share delivery trust for the employees are not included in treasury shares.)). 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) Making it possible to conduct a buyback of Company’s shares at a price substantially lower than that through market trading; and
- (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 shares 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 shares 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 share buyback from specific shareholders.

2. Details of the Transaction

- (1) Class of shares to be acquired
Common shares and class A shares of Arisawa Kenko
- (2) Number of shares to be acquired
Common shares: 2 shares, class A shares: 3,174 shares
- (3) Content of monies, etc. to be delivered in exchange for the share acquisition
Cash
- (4) Total amount of monies, etc. to be delivered in exchange for the share acquisition

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 market during the 3-month period from February 22, 2025 to May 21, 2025, by 0.9, which is ¥1,215, and the final price of the Company's shares on the Tokyo Stock Exchange market on June 25, 2025, the day before this Meeting (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/liabilities held by Arisawa Kenko excluding the Company's shares calculated by third party organizations or on the valuation calculated based on fair market price valuations, and the Company's shares are evaluated as described above.

The estimated acquisition price of shares of Arisawa Kenko is ¥933 million, according to the valuation of the Company's shares held by Arisawa Kenko using the average closing price of the Company's shares on the Tokyo Stock Exchange market during the 3-month period from February 22, 2025 to May 21, 2025 multiplied by 0.9.

- (5) Counterparty to the acquisition
Sanji Arisawa, Representative Director of Arisawa Kenko, and his four relatives
- (6) Period during which the share acquisition is allowed
From the conclusion of this Meeting to August 7, 2025

(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 those for share buyback 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 (i) 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 Annual General Meeting of Shareholders) as stated in (4). 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.