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ZIP Code 6298

Jun.10,2022

To Shareholders with voting right

MOMOSE Takefumi
Representative Director & President
Y.A.C.HOLDINGS CO., LTD.
3-11-10 Musashino, Akishima-Shi
Tokyo, Japan

NOTICE OF THE 50th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially notified of the 50th Ordinary General Meeting of Shareholders of the Company. The Meeting will be held as described below.

In order to prevent the spread of COVID-19 infection, we request that you refrain from attending the General Meeting of Shareholders and instead exercise your voting rights in writing or through electromagnetic devices (Internet, etc.) by 5:30 p.m. (JST) on (Tuesday) June 28, 2022.

1.Date and Time: (Wednesday), June 29,2022 at 10:00 a.m. (JST)

Open: At 09:30 a.m. (JST)

2.Place: Meeting room on the 2nd floor of the Technical Center Y.A.C. HOLDING CO., LTD.
3-10-6, Musashino, Akishima-Shi, Tokyo, Japan

3.Agenda of the Meeting:

Matters to be reported: (1) The Business Report, the Consolidated Financial Statements, and results of each audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the 50th fiscal term (from April 1, 2021 to March 31, 2022)

(2) The Non-consolidated Financial Statements for the 50th fiscal term (from April 1, 2021 to March 31, 2022)

Proposal to be resolved:

Proposal No. 1: Appropriation of Surplus.

Proposal No. 2: Partial Amendments to the Articles of Incorporation.

Proposal No. 3: Election of 8 Directors.

Proposal No. 4: Election of 1 Substitute Audit & Supervisory Board Members.

<Shareholder's proposal (Proposal No. 5)>

Proposal No.5: Appropriation of surplus.

Proposal No.5 is a proposal from an individual shareholder and The Board of Directors of the Company opposes this shareholder's proposal. The details are described page 23 as "Opinion of the Board of Directors of the Company".

4. Guidance on Exercise of Voting Rights:

(1) Precautions when exercising voting rights.

At this General Meeting of Shareholders, shareholder proposals have been made as described above. The details are described in the Reference Documents for the General Meeting of Shareholders below as Proposal No. 5, but **the Board of Directors opposes this proposal.**

Proposal No. 5 is a proposal that competes with Proposal No. 1 proposed by the company, so **please be careful not to agree with both parties. If both parties agree, the exercise of voting rights for Proposals 1 and 5 will be treated as invalid.**

If there is no intention of approval or disapproval of both the company proposal (No. 1 proposal) and the shareholder proposal (No. 5 proposal), we will treat as if "Yes" for the company proposal and "No" for the shareholder proposal.

(2) When you exercise voting right in writing.

Please indicate your vote for or against each of the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the following deadline. Deadline for Exercise of Voting Rights: 5:30 p.m. on Tuesday, June 28, 2022.

(3) When you exercise your voting right via internet.

Please use your smartphone or PC and access to Voting Rights Exercise Website and indicate your vote for or against each of the proposals by 5:30 p.m. on Tuesday, June 28, 2022. For details, please refer to "Procedures for exercising voting rights via the Internet" on pages 24 to 25.

In addition, we participate to "Electronic Voting Rights Exercise Platform for Institutional Investors" operated by ICJ, Inc.

<Notes>

- If your voting rights are exercised in duplicate in writing (postal mail) and via the Internet, the vote exercised via the Internet shall be the vote deemed valid.
- If you exercise your voting rights multiple times via the Internet, or exercise your voting rights in duplicate using a personal computer and smartphone, only the last vote exercised shall be deemed valid.

End.

* If there are any revisions to the reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements, we will notify you by posting them on our website (<https://www.yac.co.jp>) on the Internet.

(Reference Documents)

Business Report

(Apr.1, 2021 to Mar.31,2022)

1. Overview of Operations of the Group

(1) Business Progress and Results.

In the current consolidated fiscal year, addition to continuous strong demand of semiconductor, expanding investment for carbon neutral and de-plasticization related industries, the global economy went well overall. But shortage of electronics parts such as semiconductor caused by supply chain disruption which revealed the later part of the 2nd quarter and prolonged impact for manufacturing activities, and deterioration of the situation in Russia and Ukraine and lockdown in Shanghai which occurred in the 4th quarter, it was a continuous uncertain one year.

Japanese economy has never reached full-scale recovery, nevertheless new capital investment by industries, production and export all picked up but has not reached a full-scale recovery, because of individual investment stagnated after the beginning of the year. Under these economic circumstances, our group has been endeavoring to develop and sell equipment which capture customers' needs backed by expectations of new demand for 5G-related, AI, IoT and EVs. As results of this, our business results were as follows. Sales amounted to ¥22,796 million (5.8% decreased compared to the previous financial year), operating income marked ¥1,566 million (115.3% increased compared to the previous financial year), and ordinary income marked ¥1,491 million (101.6% increased compared to the previous financial year), profit attributable to owners of the parent marked ¥1,107 million (228.1% increased compared to the previous financial year)

Each segment result is as follows:

(Mechatronics-related business)

Due to strong demand for taping equipment and automatic machines for manufacturing of electronic parts such as for 5G and in- Electric Vehicle related parts, for laser annealers manufacturing of power semiconductors, business went well and sales and profit increased.

As a result, net sales in the mechatronics-related business amounted to ¥10,866 million (6.9% increased compared to the previous financial year), and segment profit was ¥957 million (66.9% increased compared to the previous financial year).

(Display related business)

Sales of dry etching equipment, which is a major product, decreased due to a delay in capital investment and intensifying competition and total sales down. However, far-infrared equipment remained strong and income was well.

As a result, sales of display-related business amounted to ¥3,639 million (45.6% decreased compared to the previous financial year), and segment profit was ¥10 million (the previous financial year was loss ¥262 million).

(Industrial machinery related business).

Sales increased as the business model changed from the cleaning business to the medical linen business and the paper packaging business. However, the situation is still not enough and recorded a loss.

As a result, sales in the industrial machinery related business amounted to ¥1,021 million (24.8% increased compared to the previous financial year), and segment loss was ¥171 million (the previous financial year was loss ¥259 million).

(Electronics related business)

Sales and profits increased due to stable sales of control communication equipment for electric power companies and artificial dialysis equipment.

As a result, net sales of the electronics related business amounted to ¥7,269 million (11.5% increased compared to the previous financial year), and segment income was ¥629 million (34.0% increased compared to the previous financial year).

Business Segment	Financial year ended Mar.31, 2021. (Previous financial year)		Financial year ended Mar.31, 2022. (This financial year)		Increased(decreased) against previous financial year	
	Sales	Composition ratio	Sales	Compositio n ratio	Increase/(Decrease)	Rate of change
Mechatronics Related Business	¥10,168 million	42.0%	¥10,866 million	47.7%	¥697million	6.9%
Display Related Business	¥6,686 million	27.6%	¥3,639 million	16.0%	(¥3,046million)	(45.6%)
Industrial Machinery Related Business	¥818 million	3.4%	¥1,021 million	4.5%	¥203 million	24.8%
Electronics Related Business	¥6,522 million	27.0%	¥7,269 million	31.9%	¥747 million	11.5%
Total	¥24,195 million	100%	¥22,796 million	100%	(¥1,398 million)	(5.8%)

(2) Company officers.

A) Directors and internal corporate auditors (As of Mar.31, 2022)

Position	Name	Position, Responsibility and Important Concurrent positions
Representative Director and President, General Manager, Business Management Headquarter and Corporate Strategy Div.	MOMOSE Takefumi	Representative Director & Chairman Y.A.C. MECHATRONICS CO., LTD. YAC GARTER Co., Ltd. Y.A.C. TECHNOLOGIES CO., LTD. YAC DENKO CO., LTD. Y.A.C. MACHINERY CO., LTD. OHKURA ELECTRIC CO., LTD. YAC ELEX CO., LTD.
Director, Member of the Board. Senior Managing Operating Officer, Deputy General Manager Business Management Headquarter.	ITOH Toshihiko	Representative Director and President Y.A.C. MECHATRONICS CO., LTD. YAC GARTER Co., Ltd. YAC Systems Singapore Pte.Ltd. Director, Member of the Board. Y.A.C. BEAM CO., LTD. YAC DAsTec Inc.
Director, Member of the Board Managing Operating Officer and General Manager Administration Headquarter	HATAKEYAMA Osamu	
Director, Member of the Board. Operating Officer and Deputy General Manager Administration Headquarter.	NISHIZAKA Masanori	
Director, Member of the Board.	OHKURA Akihiro	Representative Director and President, OHKURA ELECTRIC CO., LTD. YAC ELEX CO., LTD.
Outside Director Member of the Board	ISHIDA Shoji	
Outside Director, Member of the Board	KIFUNE Tsuneyasu	
Outside Director, Member of the Board.	UEKI Yukio	
Corporate Auditor	TSUJI Shinji	
Corporate Auditor(Outside)	TAKADA Naoki	
Corporate Auditor(Outside)	IIDA Tetsuro	Representative Director and President TOYO SYSTEM CO., LTD.

Notes 1. Mr. TSUJI Shinji, corporate auditor, has been general manager of Internal Audit Department from Jul. 2015 to Sep. 2018 and holds enough knowledge about finance and accounting.

2. We have reported Messrs. ISHIDA Shoji, Director, KIFUNE Tsuneyasu, Director, TAKADA Naoki, Auditor and IIDA Tetsuro Auditor to Tokyo Stock Exchange Inc. as an independent director/auditor.
3. We have concluded a Limited Liability Agreement with each independent director/independent auditor to limit their liability as prescribed in the provision of Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act.
Under the agreement, the liability for damage of Messrs. ISHIDA Shoji, Director, KIFUNE Tsuneyasu, Director and UEKI Yukio, Director is ¥5 million or the amount prescribe in the provision of Article 425, Paragraph 1 whichever higher and the liability for damage of Messrs. TAKADA Naoki, Auditor and IIDA Tetsuro, Auditor is ¥3 million or the amount prescribe in the provision of Article 425, Paragraph 1 whichever higher

B) Matters regarding outside directors.

- a) The status of important concurrent positions of other corporations, and the relationship between we and the other corporations
Outside Corporate Auditor IIDA Tetsuro is the Representative Director of TOYO SYSTEM CO., LTD. There is no special relationship between our company and that company.

b) Main activity status in this current fiscal year

	Attendance status, making remarks status and outline of duties performed regarding the expected roles of outside directors
ISHIDA Shoji Director (Outside) Member of the Board	He attended 19 of the 19 meetings of the Board of Directors held in the current fiscal year. He has experience in managing companies in the past, and at the Board of Directors, he makes appropriate statements regarding agenda items and deliberations such as officer compensation mainly from the standpoint of management. He plays a role to ensure the appropriateness and appropriateness of decision-making.
KIFUNE Tsuneyasu Director (Outside) Member of the Board	He attended 18 of the 19 meetings of the Board of Directors held in the current fiscal year. He has an enough experience as an executive of managing company, and at the Board of Directors, he actively makes statements regarding agenda items and deliberations such as business conditions of group companies mainly from the standpoint of management. He plays a role to ensure the appropriateness and appropriateness of decision-making.
UEKI Yukio Director (Outside) Member of the Board	He attended 6 of the 14 meetings of the Board of Directors held in the current fiscal year since June 29, 2021 when taking office as an outside director He has experience as a full-time corporate auditor of a securities company and, in the meeting of the Board of Directors, mainly from the standpoint of an Audit & Supervisory Board Member he is proactive in dealing with bills and deliberations. He plays a role to ensure the appropriateness and appropriateness of decision-making. The number of days of attendance at the board of directors is less than that of other outside directors because he was treated illness from the fall of 2021 but now he is recovering to be able to attend. The knowledge and experience of the person is Indispensable for the management of the company, we judge he will play the role of an outside director again In addition, regarding absent meeting of the Board of Directors, we always share the agenda of the meeting with him and he gave us appropriate advice.

	Attendance status, making remarks status and outline of duties performed regarding the expected roles of outside directors
TAKDA Naoki Auditor (Outside)	<p>He attended all 19 meetings of the Board of Directors held in this current fiscal year, and attended all 14 meetings of the Board of Corporate Auditors.</p> <p>Based on the rich experience and knowledge in financial institutions and trading companies, and at the Board of Directors he actively makes statements regarding agenda items and deliberations such as business conditions of group companies mainly from the standpoint of management. He plays a role to ensure the appropriateness and appropriateness of decision-making. In addition, at the Board of Corporate Auditors he makes appropriate remarks regarding the Company's internal control and internal audits.</p>
IIDA Tetsuro (Auditor Outside)	<p>He attended 19 of the 19 meetings of the Board of Directors held in this current fiscal year, and attended 13 of 14 meetings of the Board of Corporate Auditors.</p> <p>Based on long term and abundant experience, knowledge and achievements in corporate management, and at the Board of Directors he actively makes statements regarding agenda items and deliberations such as activities for SDGs mainly from the standpoint of management. He plays a role to ensure the appropriateness and appropriateness of decision-making. In addition, he makes necessary remarks at the Board of Corporate Auditors regarding executive compensation and others.</p>

Consolidated Balance Sheets

(As of Mar.31, 2022)

(Millions of ¥)

ASSETS		Liabilities	
Current assets	28,865	Current liabilities	13,824
Cash and deposits	8,695	Notes and account payable trade	5,219
Trade notes and account receivables	10,572	Short-term loans payable	7,198
Securities		Lease obligations	77
Merchandise and finished goods	1,362	Income taxes payable	178
Work in process	5,780	Provision for bonuses	423
Raw materials and supplies	1,703	Provision for product warranties	70
Others	857	Expense payable	271
Allowance for doubtful accounts	-106	Advances received	129
Noncurrent assets	8,131	Others	255
Tangible fixed assets	6,840	Fixed liabilities	7,848
Building and structures(net)	1,747	Bonds payable	500
Machinery, equipment and vehicles	506	Long-term loans payable	5,537
Tools, equipment, and fixtures	343	Lease obligations	183
Land	3,597	Deferred tax payable	93
Leased assets	168	Obligations related to retirement benefits	1,283
Construction in progress account	477	Asset retirement obligation	50
Intangible assets	216	Provision for business liquidation losses	170
Goodwill	59	Others	28
Soft wares	45	Total liabilities	21,672
Leased assets	69	Net Assets	
Telephone subscription rights	20	Shareholders' equity	15,318
Others	20	Capital stock	2,801
Investments and other assets	1,075	Capital surplus	3,646
Investment securities	308	Retained earnings	9,406
Long-term lending	13	Treasury stock	-535
Differed income taxes	596	Accumulated other comprehensive	-40
Long-term retention receivables	163	Valuation difference on	-3
Others	179	Foreign currency translation adjustment	-48
Allowance for doubtful accounts	-185	Pension liability adjustments	11
Total Assets	36,997	Subscription rights to shares	46
		Total net assets	15,324
		Total liabilities and net assets	36,997

(Note) Amounts are rounded down to be nearest million yen.

Consolidated Statements of Income

(From Apr.1, 2021 to Mar.31, 2022)

(Millions of ¥)

Account	Amount	
Net Sales		22,796
Cost of sales		16,663
Gross profit		6,133
Selling, G&A expenses		4,567
Operating Income		1,566
Non-operating income		
Interest income	8	
Dividends income	29	
Foreign exchange gains	32	
Rents income	16	
Subsidy income	18	
Others	54	160
Non-operating expenses		
Interest expenses	81	
Equity method investment loss	116	
Others	37	235
Ordinary Income		1,491
Extraordinary income		
Gains on disposal of fixed assets	4	
Reversal of reserve for business consolidation loss	90	
Gains on disposal of securities.	5	
Others	13	114
Extraordinary loss		
Loss on disposal of fixed assets		
Business restructuring expenses	15	
Others	0	16
Income (loss) before income tax		1,590
Income taxes	403	
Income tax adjustment	79	482
Profit(loss)		1,107
Profit attributable to owners of parent(loss)		1,107

(Note) Amounts are rounded down to be nearest million yen.

Consolidated Statements of Changes in Net Assets
(Apr.1, 2021 to Mar.31, 2022)

(Millions of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,801	3,637	8,452	-574	14,316
Cumulative impact of changes in accounting policies	---	---	46	---	46
Balance at the beginning of the period reflecting changes in accounting policies	2,801	3,637	8,499	-574	14,363
Payout of retained earning	---	---	-200	---	-200
Profit attributable to owners of parent	---	---	1,107	---	1,107
Disposal of treasury stock	---	9	---	38	48
Net changes during period except shareholders' equity	---	---	---	---	---
Total changes during period	---	9	906	38	955
Balance at end of period	2,801	3,646	9,406	-535	15,318

(Millions of ¥)

	Accumulated Other Comprehensive Income				Subscription right to shares	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Accumulated pension liability adjustments	Total accumulated other comprehensive income		
Balance at beginning of period	1	-248	4	-242	51	14,125
Cumulative impact of changes in accounting policies	---	---	---	---	---	46
Balance at the beginning of the period reflecting changes in accounting policies	1	-248	4	-242	51	14,172
Changes during period	---	---	---	---	---	---
Payout of retained earning	---	---	---	---	---	-200
Profit(loss) attributable to owners of parent	---	---	---	---	---	1,107
Disposal of treasury stock	---	---	---	---	---	48
Net changes during period except shareholders' equity	-4	199	7	201	-4	197
Total changes during period	-4	199	7	201	-4	1,152
Balance at end of period	-3	-48	11	-40	46	15,324

Reference Documents for the General Meeting of Shareholder

<Company's Proposals (No.1, No.2, No.3, No.4 and References)>

Proposal No. 1: Appropriation of Surplus.

Regarding the disposal of surplus, we would like to do as follows.

Matters concerning year-end dividends

We are sure that let corporate value up continuously and paying dividend corresponding to business performances to shareholders is company management's basic philosophy.

In order to achieve company management's basic philosophy, we endeavor to strengthen corporate body, to proceed our R&D activities and to pay dividends stably with considering the amount of retained earnings balance to cope with the changes of atmosphere.

We plan to pay a dividend as follows as a year-end dividend of this financial year.

(a) Types of dividend assets.

Cash dividend

(b) Matters concerning the allocation of dividend assets and their total amount.

We would like to pay 24 yen per share of our common stock.

In this case, the total dividend amount will be 219,109,392 yen.

Since we paid an interim dividend of 12 yen per share, the annual dividend for the current fiscal year will be 36 yen per share.

(c) The effective date of paying dividend of surplus:

Jun. 29, 2022.

(d) Day of payment for cash dividends:

Jul. 19, 2022.

Proposal No. 2: Partial Amendments to the Articles of Incorporation.

1. Reason for proposal

This amendment is proposed in order to prepare for the introduction of an electronic provision system for reference documents for General Meetings of Shareholders in anticipation of the proviso to Article 1. of the Supplementary Provisions of the "Act for Partial Revision of the Company Act"(Act No. 70 of 2019) which is scheduled to become effective from September 1, 2022. Therefore, Article 15 of the current Articles of Incorporation (provided by regarding the reference documents for the general meeting of shareholders as being disclosed on the Internet) was deleted, and Article 15 of the proposed amendment (Electronic provision measures, etc.) and Article 1 of the Supplementary Provisions (Transitional measures regarding electronic provision measures, etc.) will be newly established.

2. Details of the change (underlined indicates the proposing changing part.)

Current Article of Incorporation	Proposed Amendment
<p>Article 15. <u>(Internet disclosure and deemed provision of reference documents and other information for the General Meeting of Shareholders)</u> <u>As for the convocation notice of the general meeting of shareholders, the Company is considered to have provided the information to the stated or indicated in the reference documents for the General Meeting of Shareholders,</u></p>	<p>Article 15. <u>(Measures for electronic provision of information)</u> (Deleted)</p>

	<u>from the Effective Date, or three months have elapsed from the date of a General Meeting of Shareholders as specified in the preceding paragraph, whichever is later.</u>
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Proposal No. 3: Election of 8 Directors.

The terms of office of eight Directors will expire at the close of this Meeting. Accordingly, we propose election of following eight Directors.

The nominees for Directors are as follows:

Candidate No.	Name (Date of Birth)	Profile, position and responsibility in the Company (Significant concurrent positions)	Number of the shares of the Company held.
1	MOMOSE Takefumi Date of birth Nov. 24, 1937 Reelection	<p>May. 1973 . Established & Representative Director to Present Y.A.C., Co., Ltd. (present Y.A.C. HOLDINGS CO., LTD.)</p> <p>Jun. 2013. Representative Director and President, to present. Denko Co., Ltd. (present YAC DENKO CO., LTD.)</p> <p>Dec.2013. Representative Director and Chairman, to present. OHKURA ELECTRIC CO., LTD.</p> <p>Jul. 2015. Representative Director and Chairman, to present. NIHON GARTER Co., Ltd. (present YAC GARTER Co., Ltd.)</p> <p>Sep.2016. Representative Director and Chairman, to present MIYUKI ELEX CO., LTD. (present YAC ELEX CO., LTD.)</p> <p>Oct. 2016. Representative Director and Chairman, to present. Y.A.C. MECHATRONICS CO., LTD.</p> <p>OCT. 2016. Representative Director and Chairman, to present. Y.A.C. TECHNOLOGIES CO., LTD.</p> <p>Oct. 2016. Representative Director and Chairman, to present. Y.A.C. MACHINARY CO., LTD.</p> <p>Oct. 2020. General Manager, Business to present. Management Headquarter.</p>	319,907 shares
<p>【Reasons for selection as a candidate for Director】</p> <p>As the founder of the Company, Mr. MOMOSE Takefumi has been leading the Company and the Group for many years. As a person who drives the sustainable improvement of corporate value of the Company, we judges that his achievements, abilities and experience are indispensable for the management of the Company, and we asks you to continue to appoint as a director.</p>			

Candidate No.	Name (Date of Birth)	Profile, position and responsibility in the Company (Significant concurrent positions)	Number of the shares of the Company held.
2	ITOH Toshihiko Date of birth Apr. 12, 1956 Reelection	Dec. 1986. Joined the Company. Jan. 2006. Operating Officer and General Manager, Memory Disc Div. Jun. 2006. Director, Operating Officer and General Manager, Memory Disc Div. Jun.,2008 Managing Director, Operating Officer and General Manager, Memory Disc Div. Apr.,2015 Managing Director, Operating Officer, General Manager Mechatronics Div. Oct. 2020. Director, Senior Managing Officer, Deputy General Manager, Business Management Headquarter. Significant concurrent positions. Representative Director and President, Y.A.C. MECHATRONICS CO., LTD. YAC GARTER Co., Ltd. Director and Member of the Board, YAC DASTech Inc. Y.A.C. BEAM CO., LTD. Representative Director and President, YAC Systems Singapore Pte. Ltd.	24,939shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. ITO Toshihiko has an enough knowledge and experience in mechatronics-related businesses and has contributed to the development of our Group since taking office as an operating officer in January 2006. We judge that he is possible to contribute to let us achieve sustainable development and increasing corporate value, and we ask you to continue to appoint as a member of the board.</p>			

Candidate No.	Name (Date of Birth)	Profile, position, and responsibility in the Company (Significant concurrent positions)	Number of the shares of the Company held.
3	<p>HATAKEYAMA Osamu</p> <p>Date of birth Jul. 17, 1954</p> <p>Reelection</p>	<p>Apr.1977. Joined the Industrial Bank of Japan. (present MIZUHO Bank Co., Ltd.)</p> <p>Sep.2000. General Manager, Accounting Department MIZUHO Holdings Co., Ltd.</p> <p>Jun.2005. Director, Member of the Board and Operating Officer, Planning Department, I.B.J. Leasing Co., Ltd.</p> <p>Jun.2006. Managing Director, Managing Operating Officer and General Manager Planning Department I.B.J. Leasing Co., Ltd.</p> <p>Jun.2013. Corporate Auditor, I.B.J. Leasing Co., Ltd.</p> <p>Jul.2017. Joined the Company. General Manager, Accounting Department.</p> <p>May.2020. Director, Member of the Board, Managing Operating Officer, and General Manager Financing Department.</p> <p>Jun.2021. Director, Member of the Board, Managing Operating Officer and General Manager Administration Headquarter and General manager Finance Department.</p> <p>Significant concurrent positions.</p> <p>Director, member of the Board, Y.A.C. TECHNOLOGIES CO., LTD. YAC DENKO CO., LTD.</p>	4,400 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. HATAKEYAMA Osamu has knowledge and experience in the financial industry and business execution, has contributed to the development of our Group since taking office in June 2019 as an executive officer and member of the board in charge of finance, and has contributed to the sustainable growth and corporate value of the Company. We judge that he is possible to contribute to let us achieve sustainable development and increasing corporate value, and we ask you to continue to appoint as a member of the board.</p>			

Candidate No.	Name (Date of Birth)	Profile, position and responsibility in the Company (Significant concurrent positions)		Number of the shares of the Company held.
4	NISHIZAKA Masanori Date of birth Dec. 27,1963 Reelection	Apr.1986. Nov.2016. May. 2018. to present. Jun. 2019. Jun. 2021. to present.	Joined the KYOWA BANK (present Risona Bank Co., Ltd.) General manager, Human resource and General affairs Department.(seconded to our company) Responsible for ISO 14001 environmental management. Operating Officer, General Manager, Human resource and administration Department. Director, Member of the Board and Operating Officer and General Manager, Human resources and administration Department. Significant concurrent positions. Auditor OHKURA ELECTRIC CO., LTD. YAC DASTech Inc.	200 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>NISHIZAKA Masanori has contributed to the development of the Group since taking office as a director in charge of management in June 2021.</p> <p>In addition, since he was appointed as the environmental management manager in ISO14001 in 2018, he has been a driving force for ESG and sustainability of the Group, judging from that thing he can realize sustainable growth and increase of corporate value of the Company.</p> <p>We ask you to continue to appoint as a director.</p>				

Candidate No.	Name (Date of Birth)	Profile, position, and responsibility in the Company (Significant concurrent positions)	Number of the shares of the Company held.
5	OHKURA Akihiro Date of birth Jul. 9,1961 Reelection	Dec.1995. Joined the OHKURA ELECTRIC CO., LTD. May.2011. Director, Member of the Board, OHKURA ELECTRIC CO., LTD. Jun.2015. Representative Director and President, OHKURA ELECTRIC CO., LTD. to present. Jun.2021. Director, Member of the Board of the Company. to present. Significant concurrent positions. Representative Director and President, YAC ELEX CO., LTD.	15,203 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. OHKURA Akihiro has full of knowledge and experience in related businesses such as industrial instruments and control communication equipment, and since appointed as President of OHKURA ELECTRIC CO., LTD. in June 2015 and YAC ELEX CO., LTD. in April 2020. he has contributed to the development of the Group. In addition, we judge that he will be able to contribute to let the company achieve sustainable growth and increase corporate value in the future, and we request you to continue to appoint as a member of the board.</p>			

Candidate No.	Name (Date of Birth)	Profile, position and responsibility in the Company (Significant concurrent positions)	Number of the shares of the Company held.
6	<p>ISHIDA Shoji Date of Birth Nov.27, 1946 Reelection</p>	<p>Apr.1971. Entered to FUJITSU Limited. Jun.1998. General Manager Magnetic Medium Control Department, YAMAGATA FUJITSU Limited.(seconded) Jun.1999. Director, Member of the Board And General Manager Magnetic Medium Control Department, Jun.2005. Representative Director and President. Jun.2009. Retirement from the above position. Jun.2011. Auditor (outside) of the Company. Jun.2015. Director, Member of the Board(outside) to present.</p>	-shares
<p>【Reasons for selection as a candidate for Director(outside)】 ISHIDA Shoji has been managing the company in the past, has full of experience and a wide range of insights, and judges that he can properly perform his duties as an outside director, and asks you to continue his appointment. I hope that he will utilize his full of business experience to play a role in overseeing management at our company from an objective standpoint independent of business executives. Although he is currently an outside director of the Company, his term of office as an outside director will be seven years at the end of this General Meeting of Shareholders, and his total term of office including outside corporate auditors will be ten eleven.</p>			

Candidate No.	Name (Date of Birth)	Profile, position and responsibility in the Company (Significant concurrent positions)	Number of the shares of the Company held.
7	KIFUNE Tsuneyasu Date of Birth Nov.12, 1950 Reelection	May1974. Entered World Sonic Co., Ltd. Oct.1979. Entered Nikkei Recruit Co., Ltd. (present Yumex Inc.) Sep.1984. Director Member of the Board, Yumex Inc. Mar.2000. Managing Director, Member of the Board, Yumex Inc. Dec.2007. Special advisor, Japan print systems Co., Ltd. (present Japan Print Co., Ltd.) Feb.2008. Representative Director and President, Japan Print Co., Ltd. Apr.2013. Senior Managing Director, Japan Print Co., Ltd. Nov.2013. Representative Director and President, e Life Co., Ltd. Mar.2014. Director and member of the Board, Japan Print Co., Ltd. Apr.2014. Director, Member of the Board, Telepo Co., Ltd. Apr.2014. Representative Director and President, T.V. Weekly Planning Co., Ltd. Aug.2014. Director, Member of the Board, Resident Ceremony Co., Ltd. (present TreCere Co., Ltd.) Jun.2016. Director, Member of the Board(outside) to present.	5,200 shares
<p>[Reasons for selection as a candidate for Outside Director]</p> <p>Mr. KIFUNE Tsuneyasu has a plentiful experience and a wide range of knowledge as a company manager, and we judge that he will be able to properly perform his duties as an outside director, and we request you that he continue to be appointed. I hope that he will utilize his abundant business experience to play a role in observing management at our company from an objective standpoint independent of business executives.</p> <p>Although he is currently an outside director of the Company, his term of office as an outside director will be six years at the end of this general meeting.</p>			

Candidate No.	Name (Date of Birth)	Profile, position and responsibility in the Company (Significant concurrent positions)	Number of the shares of the Company held.
8	UEKI Yukio Date of Birth Jan.8, 1953 Reelection	Apr.1975 Entered the Long Term Credit Bank Co., Ltd. (present Shinsei Bank Limited) Dec.2002 Entered Fuji Staff Group Co., Ltd.(present Ranstad Co., Ltd.) Oct.2011 Entered JUDGIT Sep.2014 Corporate Auditor, Bansei Securities Co., Ltd. Jun.2021 Director, Member of the Board(outside) to present.	-shares
<p>[Reasons for selection as a candidate for Outside Director]</p> <p>Mr. UEKI Yukio has knowledge and experience in the financial industry and has also been appointed as an Audit & Supervisory Board Member in a securities company. We judge that he is a human resource who can utilize these experiences and insights to improve the soundness and transparency of our audit work, and we requests you that he will be newly appointed as an outside director.</p>			

- Notes: 1. There is no special interest between the Director nominees and the Company.
2. Of Director nominees, Messrs.ISHIDA Shoji, KIFUNE Tsuneyasu and UEKI Yukio, are nominated as Outside Director.
3. The Company will conclude a Limitation of Liability Agreement with Messrs.ISHIDA Shoji, KIFYNE Tsuneyasu and UEKI Yukio to limit their liability, if they are elected, as prescribed in the provision of Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act. Under the agreement, their liability for damages shall be limited ¥5 million or within the amount prescribed by laws whichever higher.
4. The Company concludes a liability insurance contract for officers prescribed in Article 430-3, Paragraph 1 of the Company Law with an insurance company, and the insured acts based on the status of officers of the company (Including omission). The insurance contract will cover the damages and litigation costs incurred by the insured due to the claim for damages. Each candidate will be included in the insured of the insurance contract. The Company plans to renew the insurance contract with the same content during the term of office.
5. The Company has designated Messrs. ISHIDA Shoji, Mr.KIFUNE Tsuneyasu and UEKI Yukio as independent directors based on the provisions of the Tokyo Stock Exchange, and has notified the exchange. If their reappointment is approved, they will continue to be independent directors.

Proposal No. 4: Election of 1 Substitute Audit & Supervisory Board Members.

We request the appointment of one substitute Audit & Supervisory Board Member in case the number of Audit & Supervisory Board Members stipulated by law is insufficient.

The consent of the Board of Corporate Auditors has been obtained for the submission of this proposal.

Candidates for Substitute Audit & Supervisory Board Members are as follows

Name (Date of Birth)	Profile, position and responsibility in the Company (Significant concurrent positions)	Number of the shares of the Company held.
ISHIDA Shigeru Date of Birth Apr.24, 1954	April.1987. Registration as Lawyer Tsukamoto and Tsutsumi Law Office (present Marunouchi-Chuou Law Office) (Significant concurrent position of other organization) Lawyer, Marunouchi-Chuou Law Office Executive governor, Japan Federation of Bar Association Civil mediation committee Tokyo Summary Court. Auditor, Yodogawa Shinku Co., Ltd. Auditor, Kokusai Kogyo Kanri Co., Ltd. Auditor, Shizuoka Kamaya Co., Ltd.	-shares
[Reasons for selection as a candidate for Substitute Audit & Supervisory Board Member] Since Mr. ISHIDA Shigeru has a wealth of knowledge and experience as a lawyer, and as an outside corporate auditor, we believe that he will utilize these experiences in our audits. We ask you to appoint him as a candidate for a substitute outside corporate auditor.		

Notes:1. There is no special interest between the Director nominees and the Company.

2. ISHIDA Shigeru is a candidate for a substitute outside corporate auditor.

When he would be appointed and taking office as an outside corporate auditor.

The Company will newly designate him as an independent officer and will notify to the Tokyo Stock Exchange for his appointment.

3. When Mr. ISHIDA Shigeru becomes an Audit & Supervisory Board Member, the Company will conclude a contract with him to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act based on the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages regulated by contract shall be the higher of the amount predetermined in the contract or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

4. The Company concludes a liability insurance contract for officers prescribed in Article 430-3, Paragraph 1 of the Company Law with an insurance company, and the insured acts based on the status of officers of the company (Including omission). The insurance contract will cover the damages and litigation costs incurred by the insured due to the claim for damages. Each candidate will be included in the insured of the insurance contract. If a candidate becomes an Audit & Supervisory Board Member, he will be included in the insured of the insurance contract. The Company plans to renew the insurance contract with the same content during the term of office.

<Shareholders Proposal, Proposal No.5>

Proposal No.5 is a proposal from one shareholder (herein after referred to as "Proposed Shareholder")

Regarding the agenda related to the shareholder proposal, the parts other than "<Opinion of the Board of Directors of the Company>" and "<Reason for opposition>" are by posting the contents received from the Proposed Shareholder. Items 3 to 5 were not mentioned in the proposal.

Therefore, we added it after confirming with the proposing shareholder.

Proposal No.5: Appropriation of Surplus.

1. Details of proposal

I would like to express my sincere gratitude to all employees and set a year-end dividend of 38 yen per share (50 yen per year) in order to return profits to shareholders and increase market capitalization.

2. Reason of proposal.

To return profits to shareholders and increase market capitalization.

3. Types of dividend assets.

Cash dividend

4. The effective date of paying dividend of surplus:

Jun. 29, 2022.

5. Day of payment for cash dividends:

Jul.19, 2022.

<Opinion of the Board of Directors of the Company.>

The Board of Directors of the Company opposes this Shareholder's Proposal

< Reason for opposition.>

- a) In the past, our basic policy was to continue stable dividends regardless of fluctuations in business performance. However, at the time when the company was to be listed on TSE Prime, the company established a new shareholder return policy, aiming for a stable dividend policy with a dividend payout ratio of 30% as a guideline, which the company disclosed on December 24, 2021 by "Plan for Complying with Maintaining Listing Standards for new Market Segments."
- b) In accordance with a) above, in the "Announcement on Revision of Consolidated Financial Forecast and Cash dividend forecast for the year ending Mar.31, 2022." disclosed on January 19, 2022, the company announced that the annual dividend was changed 24 to 36 yen per share (of which 12 to 24 yen would be paid at the end of the fiscal year).
- c) As stated in the "Consolidated Financial Review for the Year Ended March 2022 [Japanese Standards]" announced on May.13, 2022 and "Notice on differences between business forecast and actual result for the 12 months ended Mar.31, 2022", the company's net income attributable to shareholders was 1,107 million yen, and net income per share was 121.49 yen, which was almost as expected. As announced, the annual dividend was 36 yen (including the year-end dividend of 24 yen). When annual dividend is 36 yen, the dividend payout ratio will be 29.6%. In addition, the dividend payout ratio in the non-consolidated financial statements of the Company is 52.9%, and the Company believe that have achieved sufficient shareholder returns.
- d) The equity ratio for the fiscal year ended March 2022 was 41.3% (consolidated), and while strengthening its financial position will continue to be a priority measure, the Company will continue to make capital investment and R & D for sustainable growth in the future. The Company believe that M & A is indispensable in addition to investment, and for that purpose, it is important to secure the necessary internal reserves and prepare for flexible utilization. The Company will continue to steadily implement its medium-term management plan to strengthen its management base and improve its financial position, further improve the Company's corporate value, and meet the expectations of its shareholders.

Based on the above, the Company judge that this Shareholder's Proposal does not match Company's new shareholder return policy and future fund utilization policy, and it is unlikely that it will contribute to the further improvement of the Company's corporate value over the medium to long term.

End.

Procedures for exercising voting rights via the Internet

When exercising voting rights via the Internet, please check the following items before exercising.

If you attend on the day of the shareholders meeting, you do not need to use the internet or mail (voting right exercise form) to exercise your voting rights.

1. About voting site.

- (1) Voting rights can be exercised via the Internet only by accessing the voting rights exercise site (<https://www.evotetr.mufg.jp/>) designated by us from a personal computer, smartphone or mobile phone. (However, handling will be suspended from 2 am to 5 am every day.)
- (2) When exercising voting rights with a computer or smartphone, if a firewall is used to connect to the Internet, anti-virus software is set, a proxy server is used, TLS encrypted communication is not specified, and others. Depending on the Internet usage environment of the shareholders, it may not be available.
- (3) For security reasons, exercising voting rights with mobile phones does not support models that cannot transmit TLS encrypted communication or mobile phone information.
- (4) We will accept the exercise of voting rights via the Internet until 5:30 pm on Tuesday, June 28, 2022, but please exercise as soon as possible and contact the help desk if you have any questions.

2. How to exercise voting rights via the Internet.

(1) Method by personal computer.

- * On the voting rights exercise site (<https://www.evotetr.mufg.jp/>), please use the "Login ID" and "Temporary Password" written on the Voting Rights Exercise Form, follow the instructions on the screen and enter your approval or disapproval of each proposal.
- * In order to prevent unauthorized access ("spoofing") and falsification of voting rights by third parties other than shareholders, please note that we may ask our shareholders to change your "temporary password" on the voting rights exercise site.

(2) Method by tablet, smartphone or mobile phone.

- * By scanning the "QR code for login" on the voting right exercise form with a tablet, smartphone or mobile phone, you can automatically connect to the voting right exercise site and exercise your voting rights. (You do not need to enter your "Login ID" and "Temporary Password".) From the viewpoint of security, you can exercise your voting rights only once by using the QR code. If you want to re-exercise your voting rights, please refer to 2. above. (1) Method by personal computer.
- * If you cannot log in with a QR code depending on the model of your tablet, smartphone or mobile phone, please refer to 2. above. (1) Method by personal computer.
- * QR code is a registered trademark of DENSO WAVE INCORPORATED.

3. Handling of voting rights when exercised multiple times.

- (1) If your voting rights are exercised in duplicate in writing (postal mail) and via the Internet, etc., the vote exercised via the Internet, etc. shall be the vote deemed valid.
- (2) If you exercise your voting rights multiple times via the Internet, or exercise your voting rights in duplicate using a personal computer and smartphone, only the last vote exercised shall be deemed valid.

4. The cost incurred when accessing the voting site.

Shareholders are requested to bear the costs (Internet connection fees, etc.) incurred when accessing the voting site. In addition, when using mobile phones, etc., packet communication charges and other charges for using mobile phones, etc. are required, but these charges are also borne by the shareholders.

5. About the electronic voting platform.

For shareholders in the name of a management trust bank, etc. (including standing proxy),

if you apply in advance to use the electronic voting platform operated by ICJ Co., Ltd. (so-called TSE platform), you can use the platform as a method of exercising voting rights for our general meeting of shareholders via the Internet.

End.

Inquiries about the system, etc.

Mitsubishi UFJ Trust and Banking Corporation Securities Agency Department (Help Desk)

TEL: 0120-173-027 (Reception hours 9: 00-21: 00, call charges are free)