



May.19,2022

To whom it may concern

Company	Y.A.C. HOLDINGS CO., LTD.
Representative	MOMOSE Takefumi Representative Director and President (Code 6298 TSE Prime)
Inquiry	HATAKEYAMA Osamu Director and General Manager, Administration Headquarter (TEL+81-42-546-1161)

### **Opinion of the Board of Directors of the Company regarding shareholder proposals (dividend increase)**

Y.A.C. HOLDINGS CO., LTD. (Y.A.C.) announces that at a meeting of its Board of Directors held on May. 19, 2022, Y.A.C. resolved to oppose the shareholder proposal (hereinafter referred to as the "This Shareholder's Proposal") which we received on April 17, 2022 regarding the execution of This Shareholder's Proposal at the 50<sup>th</sup> Ordinary General Meeting of Shareholders scheduled to be held in Jun, (hereinafter referred to as the "This Shareholder's Proposal Documents") The detail of the Shareholder's Proposal is as follows.

1, This Shareholder's Proposal.

(1) Proposed shareholder.

One individual shareholder

Number of voting rights held 412 (0.45% of total voting rights).

(2) Proposed content (posted exactly as the original text of this shareholder proposal).

Based on Article 303. of the Companies Act, I propose the following.

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.

2. Opinions of the Board of Directors of the Company regarding the Shareholder Proposal.

(1) Outline of the Shareholder Proposal.

This Shareholder's Proposal is to pay a dividend of 50 yen per share of the Company's common stock. (Of which, the year-end dividend is 38 yen)

(2) Opinion of the Board of Directors of the Company.

The Board of Directors of the Company opposes this shareholder's proposal.

(3) 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. We need to strike a good balance between dividends and retained earnings so that we can financially respond to the unpredictable circumstances of today. Therefore, we believe that additional expenditures associated with the dividend increase in the fiscal year ending March 2022 based on This Shareholder's Proposal should be reduced. 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.