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May 14, 2025

FOR IMMEDIATE RELEASE

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Opinion of the Company's Board of Directors on Shareholder Proposals (Increase in Dividends and Amendments to Articles of Incorporation)

As announced in the "Notice Concerning Receipt of Document Pertaining to the Exercise of Shareholder Proposal Rights" dated April 10, 2025, the Company hereby announces that although it has received a document dated April 8, 2025 (hereinafter, the "Shareholder Proposal Document") from a shareholder of the Company regarding the exercise of shareholder proposal rights for an agenda of the 53rd Ordinary General Meeting of Shareholders to be held in June 2025 (hereinafter, the "Shareholder Proposal"), the Company's Board of Directors resolved to oppose the Shareholder Proposal at a meeting held today as described below.

1. About the Shareholder Proposal

(1) Proposing shareholder

1 individual shareholder (824 voting rights held (0.44% of total voting rights))

(2) Agenda subject to the proposal

(i) Appropriation of Surplus (Applicable to (3) I below)

(ii) Amendments to the Articles of Incorporation (Applicable to (3) II below)

(3) Proposal details (As presented in the Shareholder Proposal Document.)

Pursuant to Article 303 of the Companies Act, I propose the following:

I 1 Details of the proposal

With sincere gratitude to all employees, set the annual dividend per share at 50 yen (100 yen on a pre-stock split basis with an effective date of January 1, 2025) for the following reasons. Therefore, since the interim dividend per share was 17.50 yen (35 yen on a pre-stock split basis), set the year-end dividend per share at 32.50 yen (65 yen on a pre-stock split basis).

2 Reason for the proposal

(1) Although the above stock split can be evaluated to some extent from the viewpoints of "improving the liquidity of shares" and "increasing the possibility of future share buybacks," the stock price in 1994, which was 3,450 yen (6,900 yen on a pre-stock split basis), has not been exceeded even once in the more than 30 years since; (2) the market capitalization, which was approximately 35 billion yen when the stock price was 1,805 yen (3,610 yen on a pre-stock split

basis) only 2 years ago (May 2023), has decreased by approximately 19 billion yen to approximately 16 billion yen at present (as of April 1, 2025); (3) assuming that last year's annual dividend per share was 37.50 yen (75 yen on a pre-stock split basis), there has been no "dividend increase" in the last 2 years (the same amount of dividend for 3 years); and (4) profit has hardly increased in the last 2 years. In consideration of the above, the company should aim to increase market capitalization by expanding earnings, but under the current circumstances described above, the company should increase market capitalization by increasing dividends.

- 3 The type of dividend asset, the effective date of dividends of surplus, and the commencement date of dividend payment shall be the same as those proposed by the Company.

II 1 Details of the proposal

Amend the Articles of Incorporation (newly establish) to appoint women and foreign nationals (at least one each) as directors or outside directors.

2 Reason for the proposal

In terms of a true internationalization of YAC, especially in terms of testing children for the autism spectrum (ASD), which is part of YAC LinusBio Japan's testing program, women (those with maternal love) may have a higher sensitivity than men. From this point of view, it is necessary to actively diversify the board.

I apologize for the inconvenience of submitting a shareholder proposal for the fourth consecutive year. Thank you for your understanding.

2. Opinion of Our Board of Directors on the Shareholder Proposal

(1) Appropriation of Surplus (Applicable to 1 (3) I above)

(i) Outline of the Shareholder Proposal

The Shareholder Proposal proposes that we pay 50 yen per share of our common stock (100 yen on a pre-stock split basis with an effective date of January 1, 2025). (Includes a year-end dividend of 32.50 yen (65 yen on a pre-stock split basis)).

(ii) Opinion of our Board of Directors

Our Board of Directors opposes the Shareholder Proposal.

(iii) Reason for opposition

- a. In fiscal 2021, we announced a stable dividend policy with a target dividend payout ratio of 30% as a shareholder return policy, with the aim of providing further shareholder returns. Since then, we have paid dividends exceeding this target.
- b. In addition, with the aim of creating an environment that makes it easier for investors to invest, increasing the liquidity of our shares, and further expanding our investor base, we have adopted a capital policy that is currently feasible, such as implementing a stock split with an effective date of January 1, 2025. This will lead to the possibility of future purchase of treasury shares, but we recognize that such purchase should be carried out with caution, taking into account our management status, financial condition, market environment, and other factors.
- c. Although our share price level is below the recent high of 1,805 yen on May 30, 2023 (3,610 yen on a pre-stock split basis), it has steadily risen over the past 10 years. We do not agree with the statement in the shareholder proposal that "the stock price in 1994, which was 3,450 yen (6,900 yen on a pre-stock split basis), has not been exceeded even once in the more than 30 years since" as a reason for increasing the year-end dividend.
- d. For the fiscal year ended March 2025, we posted profit attributable to owners of parent of 559 million yen and basic earnings per share of 30.39 yen, far below forecasts. However, in response to the support of shareholders, we plan to pay an annual dividend of 75 yen on a pre-stock split basis (including a

year-end dividend of 20 yen (40 yen on a pre-stock split basis)), as announced in the “Notice Concerning Stock Split and Revision of Dividend Forecast” dated November 14, 2024. If the annual dividend is 75 yen on a pre-stock split basis, the dividend payout ratio will be 123.4%, and we believe that sufficient shareholder returns have been provided.

- e. As the equity ratio for the fiscal year ended March 2025 was 41.1% (consolidated), we need to continue to consider strengthening our financial structure as a priority measure and respond to M&A in a timely manner, in addition to ongoing capital and R&D investments aimed at sustainable growth in the future. To that end, it is important to secure internal reserves and prepare for flexible utilization. In addition, to prepare for unforeseen circumstances, we need to strike an appropriate balance between dividends and internal reserves.

Accordingly, we believe that additional expenditures associated with an increase in dividends for the fiscal year ended March 2025 based on the Shareholder Proposal should be restrained. Going forward, we will continue to strengthen our management base and improve our financial structure by steadily implementing the Medium-Term Management Plan to further enhance our corporate value and meet the expectations of shareholders.

(2) Amendments to the Articles of Incorporation (Applicable to 1 (3) II above)

(i) Outline of the Shareholder Proposal

The Shareholder Proposal proposes to create a provision in our Articles of Incorporation requiring the election of at least one female and one foreign national director.

(ii) Opinion of our Board of Directors

Our Board of Directors opposes the Shareholder Proposal.

(iii) Reason for opposition

- a. We recognize that ensuring the diversity and independence of the Board of Directors is an important issue, and in accordance with the principles of the Corporate Governance Code, we currently have one female independent outside director as a member. In order to improve the effectiveness of the Board of Directors, regardless of gender, nationality, etc., we will continue to make appointments that comply with the principles of the Corporate Governance Code.
- b. We believe that setting restrictions in the Articles of Incorporation, as proposed in the Shareholder Proposal, could limit the range of candidates for Directors and hinder the optimal composition of the Board of Directors in light of current circumstances.
- c. In addition, it is stated that one of the reasons for the Shareholder Proposal is that women (those with maternal love) may have a higher sensitivity than men in terms of testing children for ASD (Autism Spectrum). However, there is no clear objective basis for the proposal, and this is a different issue from establishing a requirement for female outside directors in the Articles of Incorporation, and we do not agree with this as a reason to amend the Articles of Incorporation.