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ZIP Code 6298

Jun.9,2023

To Shareholders with voting right

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

NOTICE OF THE 51st ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially notified of the 51st Ordinary General Meeting of Shareholders of the Company. The Meeting will be held as described below.

We have adopted an electronic distribution system for convening the General Meeting of Shareholders. "Notice of Convocation of the 51st Ordinary General Meeting of Shareholders" is posted on the following website.

Our website (<https://www.yac.co.jp/en/ir/news.html>)

In addition to the above, please also refer to the following website on the Internet.

Tokyo Stock Exchange website (TSE Listed Company Information Service)

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

(Please access the above TSE website and select "Stock Name (Company name)" and type as "Y.A.C. HOLDINGS CO., LTD." or enter and search for our securities code "6298" in "Basic information" Select "Documents for general inspection/PR information" in order, and then please refer to the Convocation Notice of the General Meeting of Shareholders/Materials of the General Meeting of Shareholders section.)

If you are unable to attend the meeting, please contact us via the Internet or in writing (postal mail). You can exercise your voting rights by sending by June 28, 2023 (Wednesday) after reviewing the reference documents for the General Meeting of Shareholders. Please exercise your voting rights by 5:30 p.m.

Very truly yours,

1. Date and Time: (Thursday), June 29, 2023 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 51st fiscal term (from April 1, 2022 to March 31, 2023)
- (2) The Non-consolidated Financial Statements for the 51st fiscal term (from April 1, 2022 to March 31, 2023)

Proposal to be resolved:

<Company proposal (Proposal No.1, Proposal No.2, Proposal No.3 and Proposal No4) >

Proposal No. 1: Appropriation of Surplus.

Proposal No. 2: Election of eight Directors.

Proposal No. 3: Election of one Audit & Supervisory Board Members.

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

<Shareholder 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 proposal. The details are described page 26 to page 27 as "Opinion of the Board of Directors of the Company".

4. Guidance on Exercise of Voting Rights:

- (1) When voting rights are exercised in writing (by mail), if there is no indication of whether you approve or disapprove of the proposals on the voting rights exercise form, we will treat it as if it indicate “Approve” for company proposals and “Disapprove” for shareholder proposals.
- (2) If you exercise your voting rights multiple times via the Internet, we will treat the last exercise of your voting rights as valid.
- (3) If you exercise your voting rights both via the Internet and in writing (by mail), we will treat the voting rights exercised via the Internet as valid regardless of the date of arrival.
- (4) If you exercise your voting rights by proxy, you may ask representative to attend the General Meeting of Shareholders who has voting rights as your proxy. However, please note that your proxy will be required to submit a document certifying the authority of representation.

<Notes>

- * 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.

End.

Notes on exercising voting rights.

At this General Meeting of Shareholders, shareholder proposal 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.

Business Report

(Apr.1, 2022 to Mar.31,2023)

1. Overview of Operations of the Group

(1) Business Progress and Results.

During the fiscal year ended March 31, 2023, the world economy growth slowed down and worsened, mainly in China, Europe, and the United States, due to prolonged Russia's invasion to Ukraine, global inflation, and monetary tightening. On the other hand, the difficulty in procuring parts is improving with some exceptions, the long logistics lead-time is heading toward normalization, and the long-standing turmoil in the supply chain is ending. However, inflation remains high, the outlook remains uncertain due to concerns about the economic slowdown, turmoil in financial markets, and stagnation in capital investment.

Under those economic circumstances, our group has been striving to develop and sell equipment that captures ever-changing customer needs related to SDGs.

As a result, the business results for the current consolidated fiscal year as followed. Sales amounted to ¥24,114 million (5.8 % increased compared to the previous financial year), and operating income marked ¥1,495 million (4.5% decreased compared to the previous financial year), ordinary income marked ¥1,541 million (3.4 % increased compared to the previous financial year), profit attributable to owners of the parent marked ¥921million (16.8% decreased compared to the previous financial year)

Each segment result is as follows

(Mechatronics-related business)

Firm demand for low-dust conveyors and various types of automatic transportation system equipment and strong sales of ion beam milling equipment led to increases in both sales and profits.

As a result, net sales in the mechatronics-related business amounted to ¥11,045 million (1.6% increased compared to the previous financial year), and segment profit was ¥1,126 million (17.7% increased compared to the previous financial year).

(Display related business)

Sales of far-infrared heat treatment equipment were strong, nevertheless sales of dry etching equipment increased but profits decreased due to unprofitable projects by postponement of capital investment and intensifying competition.

As a result, sales of display-related business amounted to ¥4,304 million (18.3% increased compared to the previous financial year), and segment loss was ¥465 million (the previous financial year was profit ¥10 million).

(Industrial machinery related business).

We are working to shift our business model from the cleaning business to the medical linen business and the paper packaging business. However, the situation is still not enough and recorded decreased sales and profits.

As a result, sales in the industrial machinery related business amounted to ¥1,020 million (0.1% decreased compared to the previous financial year), and segment loss was ¥39 million (the previous financial year was loss ¥171million).

(Electronics related business)

Sales and profits increased as sales of control and communication equipment for electric power companies performed well.

As a result, net sales of the electronics related business amounted to ¥7,743 million (6.5% increased compared to the previous financial year), and segment income was ¥763 million (21.3 % increased compared to the previous financial year).

Business Segment	Financial year ended Mar.31, 2022. (Previous financial year)		Financial year ended Mar.31, 2023. (This financial year)		Increased(decreased) against previous financial year	
	Sales	Composition ratio	Sales	Composition ratio	Increase/(Decrease)	Rate of change
Mechatronics Related Business	¥10,866 million	47.7%	¥11,045 million	45.8%	¥179 million	1.6%
Display Related Business	¥3,639 million	16.0%	¥4,304 million	17.9%	¥665 million	18.3%
Industrial Machinery Related Business	¥1,021 million	4.5%	¥1,020 million	4.2%	(¥1million)	-0.1%
Electronics Related Business	¥7,269 million	31.9%	¥7,743 million	32.1%	¥473 million	6.5%
Total	¥22,796 million	100%	¥24,114 million	100%	¥1,317 million	5.8%

(2) Company officers.

A) Directors and internal corporate auditors (As of Mar.31, 2023)

Position	Name	Position, Responsibility and Important Concurrent positions
Representative Director and President,	MOMOSE Takefumi	General Manager, Business Management Headquarter General Manager Corporate Strategy Div. (Significant concurrent positions) 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.
Director, Member of the Board.	ITOH Toshihiko	Senior Managing Operating Officer and Deputy General Manager, Business Management Headquarter. (Significant concurrent positions) Representative Director and President Y.A.C. MECHATRONICS CO., LTD. YAC GARTER Co., Ltd. YAC Systems Singapore Pte. Ltd. Representative Director and Chairman Y.A.C. BEAM CO., LTD. YAC DASTec Inc.
Director, Member of the Board	HATAKEYAMA Osamu	Managing Operating Officer and General Manager Administration Headquarter
Director, Member of the Board.	OHKURA Akihiro	Managing Operating Officer. (Significant concurrent positions) Representative Director and President, OHKURA ELECTRIC CO., LTD. Representative Director and Chairman YAC ELEX CO., LTD.
Director, Member of the Board.	NISHIZAKA Masanori	Operating Officer and Deputy General Manager, Administration Headquarter.
Outside Director Member of the Board	ISHIDA Shouji	
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 prescribed 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 prescribed in the provision of Article 425, Paragraph 1 whichever higher.

4. The following changes were made on April 1, 2023.

New position	Previous position	Name
Representative Director, President and Chairman	Representative Director and President	MOMOSE Takefumi
Director and Deputy President	Director and Senior Managing Operating Officer	ITOH Toshihiko

5. The following changes were made on May.19.

New Position	Previous Position	Name
Director and senior Managing Operating Officer	Director and Managing Operating Officer	OHKURA Akihiro

6. Executive officer who do not concurrently serve as member of the board is as follows.

Position in the company	Name	Title
Operating Officer	ASOU Tomonori	General Manger, Business Management Dep.

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 20 of the 20 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.

	Attendance status, making remarks status and outline of duties performed regarding the expected roles of outside directors.
KIFUNE Tsuneyasu Director (Outside) Member of the Board	<p>He attended 20 of the 20 meetings of the Board of Directors held in the current fiscal year.</p> <p>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 and cash flow mainly from the standpoint of management. He plays a role to ensure the appropriateness of decision-making.</p>
UEKI Yukio Director (Outside) Member of the Board	<p>He attended 8 of the 20 meetings of the Board of Directors held in the current fiscal year.</p> <p>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.</p> <p>He plays a role to ensure the appropriateness and appropriateness of decision-making.</p> <p>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 2022 however, regarding absent meeting of the Board of Directors, we always share the agenda of the meeting with him and he gave us appropriate advice.</p>
TAKADA Naoki Auditor (Outside)	<p>He attended all 20 meetings of the Board of Directors held in this current fiscal year, and attended all 16 meetings of the Board of Corporate Auditors. 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 business forecasts, M&A proposals and plays a role in ensuring the validity and appropriateness of decision-making 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 necessary remarks as appropriate regarding affiliated companies, sustainability and others.</p>
IIDA Tetsuro (Auditor Outside)	<p>He attended 19 of the 20 meetings of the Board of Directors held in this current fiscal year, and attended 15 of 16 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 ensuring validity and appropriateness of decision-making by the Board of Directors regarding agenda items, and he makes necessary remarks at the Board of Corporate Auditors regarding group companies and sustainability.</p>

Consolidated Balance Sheets
(As of Mar.31, 2023)

(Millions of ¥)

ASSETS		Liabilities	
Current assets	30,108	Current liabilities	13,680
Cash and deposits	6,628	Notes and account payable trade	5,252
Trade notes and account receivables	11,282	Short-term loans payable	6,713
Securities	0	Lease obligations	89
Merchandise and finished goods	1,371	Income taxes payable	370
Work in process	7,695	Provision for bonuses	425
Raw materials and supplies	2,114	Provision for product warranties	62
Others	1,136	Expense payable	297
Allowance for doubtful accounts	-121	Advances received	171
Noncurrent assets	8,631	Others	296
Tangible fixed assets	7,412	Fixed liabilities	9,082
Building and structures(net)	1,641	Bonds payable	500
Machinery, equipment and vehicles	489	Long-term loans payable	6,827
Tools, equipment, and fixtures	363	Lease obligations	250
Land	3,691	Deferred tax payable	79
Leased assets	212	Obligations related to retirement benefits	1,321
Construction in progress account	743	Asset retirement obligation	54
Intangible assets	189	Provision for business liquidation losses	20
Soft wares	51	Others	28
Leased assets	101	Total liabilities	22,763
Telephone subscription rights	20	Net Assets	
Others	15	Shareholders' equity	15,852
Investments and other assets	1,030	Capital stock	2,801
Investment securities	308	Capital surplus	3,668
Long-term lending	9	Retained earnings	9,879
Differed income taxes	563	Treasury stock	-497
Long-term retention receivables	242	Accumulated other comprehensive income	87
Others	171	Valuation difference on	
Allowance for doubtful accounts	-264	available-for-sale security	-2
Total Assets	38,740	Foreign currency translation adjustment	91
		Pension liability adjustments	-1
		Subscription rights to shares	37
		Total net assets	15,977
		Total liabilities and net assets	38,740

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

Consolidated Statements of Income

(From Apr.1, 2022 to Mar.31, 2023)

(Millions of ¥)

Account	Amount	
Net Sales		24,114
Cost of sales		18,026
Gross profit		6,087
Selling, G&A expenses		4,591
Operating Income		1,495
Non-operating income		153
Interest income	7	
Dividends income	53	
Foreign exchange gains	9	
Rents income	16	
Subsidy income	1	
Others	64	
Non-operating expenses		107
Interest expenses	82	
Equity method investment loss	3	
Others	20	
Ordinary Income		1,541
Extraordinary loss		6
Loss on disposal of fixed assets		
Business restructuring expenses	5	
Others	1	
Income (loss) before income tax		1,535
Total income tax		613
Income taxes	583	
Income tax adjustment	29	
Profit(loss)		921
Profit attributable to owners of parent (loss)		921

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

Consolidated Statements of Changes in Net Assets
(Apr.1, 2022 to Mar.31, 2023)

(Millions of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,801	3,646	9,406	-535	15,318
Changes during period					
Payout of retained earning	---	---	-448	---	-448
Profit attributable to owners of parent	---	---	921	---	921
Adjustment of treasury stock	---	---	---	-0	-0
Disposal of treasury stock	---	22	---	38	60
Net changes during period except shareholders' equity	---	---	---	---	---
Total changes during period	---	22	472	38	583
Balance at end of period	2,801	3,668	9,879	-497	15,852

(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	3	-48	11	-40	46	15,324
Balance at the beginning of the period reflecting changes in accounting policies	-3	-48	11	-40	46	15,324
Changes during period						
Payout of retained earning	---	---	---	---	---	-448
Profit(loss) attributable to owners of parent	---	---	---	---	---	921
Acquisition of treasury stock	---	---	---	---	---	-0
Disposal of treasury stock	---	---	---	---	---	60
Net changes during period except shareholders' equity	1	139	-12	128	-9	118
Total changes during period	1	139	-12	128	-9	652
Balance at end of period	-2	91	-1	97	37	15,977

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 believe that we should return profits stably, targeting a dividend payout ratio of 30%.

As we were able to celebrate the 50th anniversary of our founding on May 11, 2023, we would like to add a commemorative dividend to the year-end dividend for the current fiscal year as follows.

(a) Types of dividend assets.

Cash dividend.

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

We would like to pay 50 yen per share of our common stock.

(Of which, ordinary dividend of 25 yen, 50th anniversary commemorative dividend of 25 yen)

In this case, the total dividend amount will be 458,750,250 yen.

Since we paid an interim dividend of 25 yen per share, the annual dividend for the current fiscal year will be 75 yen per share.

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

Jun. 29, 2023.

(d) Day of payment for cash dividends:

Jul. 19, 2023.

Proposal No. 2: Election of eight 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. to Present Established & Representative Director Y.A.C., Co., Ltd. (present Y.A.C. HOLDINGS CO., LTD.)</p> <p>Jun., 2019 General Manager, Corporate strategy Div. (present)</p> <p>Oct. 2020. General Manager, Business Management Headquarter. (present)</p> <p>Apr. 2023 Representative Director, President & Chairman. (present)</p> <p>(Significant concurrent positions) Representative Director and Chairman YAC Garter Co., Ltd. YAC DENKO Co., Ltd. Y.A.C. MACHINARY CO., LTD. OHKUR Electric Co., Ltd.</p>	325,517 shares
<p>[Reasons for selection as a candidate for Director] As the founder of the Company, Mr. MOMOSE Takefumi has been leading the Company and the Group for many years. 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.	28,312 shares
		Jun. 2006.	Director, Operating Officer and General Manager, Memory Disc Div.	
		Jun.,2008	Managing Director, Operating Officer and General Manager, Memory Disc Div.	
		Oct. 2020.	Director, Senior Managing Officer, Deputy General Manager, Business Management Headquarter.	
		Apr.2023	Director and Deputy President and Deputy general Manager, Business Management Headquarter. (present)	
			Significant concurrent positions. Representative Director and Chairman, Y.A.C. MECHATRONICS CO., LTD. YAC DASTech Inc Y.A.C. BEAM CO., LTD. JE International Co., Ltd. GD Tech Co., Ltd. Representative Director and President YAC GARTER Co., Ltd. YAC Systems Singapore Pte. Ltd.	
[Reasons for selection as a candidate for Director]				
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 a director and member of the board in Jun 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.				

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	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. (present) Jun.2021. Director, Member of the Board of the Company. Jun. 2022 Director, Member of the Board and Managing Operating Officer May.2023 Director, Member of the Board and Senior Managing Operating Officer (present) Significant concurrent positions. Representative Director and President, OHKURA Electric Co., Ltd. Representative Director and Chairman, YAC ELECS CO., LTD.	17,054 shares
		【Reasons for selection as a candidate for Director】 Mr. OHKURA Akihiro has full of knowledge and experience in related businesses such as industrial instruments and control communication equipment. In addition, since appointed as President of OHKURA ELECTRIC CO., LTD. in June 2015 and YAC ELECS CO., LTD. in April 2020, he has contributed to the development of the Group, and we request you to continue to appoint as a member of the board.	

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	HATAKEYAMA Osamu Date of birth Jul. 17, 1954 Reelection	<p>Apr.1977. Joined to the Industrial Bank of Japan. (present MIZUHO Bank Co., Ltd.)</p> <p>Sep.2000. General Manager, Accounting Department MIZUHO Holdings Co., Ltd.</p> <p>Apr.2003. General Manager, Accounting Department, I.B.J. Leasing Co., Ltd.(present Mizuho Leasing Co., Ltd.)</p> <p>Jun.2005. Director, Member of the Board and Operating Officer, General Manager, 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 to the Company. General Manager, Accounting Department.</p> <p>May.2020. Director, Member of the Board, Managing Operating Officer, and General Manager Financing Headquarter and General Manager Financing Department.</p> <p>Jun.2022. Director, Member of the Board, Managing Operating Officer and General Manager Administration Headquarter. (present)</p> <p>Significant concurrent positions. Corporate Auditor, YAC EIECS Co., Ltd. YAC Garter Co., Ltd. YAC Systems Singapore Pte. Ltd. Huanxin (Shangdong) Intelligence Cleaning Equipment Co., Ltd.</p>	6,470 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.
5	NISHIZAKA Masanori Date of birth Dec. 27, 1963 Reelection	Apr. 1986.	Joined to the KYOWA BANK Co., Ltd. (present Risona Bank Co., Ltd.)	1,709 shares
		Nov. 2016.	General manager, Human resource and General affairs Department. (seconded to the Company)	
		Nov. 2017.	General Manager, Human resource and General affairs Department. (transferred to the Company)	
		May. 2018.	Responsible for ISO 14001 environmental management. (present)	
		Jun. 2019.	Operating Officer, General Manager, Human resource and administration Department.	
		Jun. 2021.	Director, Member of the Board and Operating Officer and Deputy General Manager, Administration Headquarter. cum General Manager, Human resources and administration Department. (present)	
			Significant concurrent positions. Auditor OHKURA ELECTRIC CO., LTD. YAC DASTech Inc. JE International Co., Ltd. Y.A.C.(SHANGHAI) INTERNATIONAL CO., LTD. GD Tech Co., Ltd.	
【Reasons for selection as a candidate for Director】 NISHIZAKA Masanori has contributed to the development of the Group since taking office as a director in charge of management in June 2021. 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. We ask him to continue to appoint as a director.				

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	KIFUNE Tsuneyasu Date of Birth Nov.12, 1950 Reelection	<p>May1974. Entered to World Sonic Co., Ltd.</p> <p>Oct.1979. Entered to Nikkei Recruit Co., Ltd. (present Yumex Inc.)</p> <p>Sep.1984. Director Member of the Board, Yumex Inc.</p> <p>Mar. 2000. Managing Director, Member of the Board, Yumex Inc.</p> <p>Dec. 2007. Special advisor, Japan Print Systems Co., Ltd. (present Japan Print Co., Ltd.)</p> <p>Feb. 2008. Representative Director and President, Japan Print Co., Ltd.</p> <p>Apr. 2013. Senior Managing Director, Japan Print Co., Ltd.</p> <p>Nov. 2013. Representative Director and President, e Life Co., Ltd.</p> <p>Mar.2014. Director and member of the Board, Japan Print Co., Ltd.</p> <p>Apr.2014. Director, Member of the Board, Telepo Co., Ltd.</p> <p>Apr.2014. Representative Director and President, T.V. Weekly Planning Co., Ltd.</p> <p>Aug.2014. Director, Member of the Board, Tresident Ceremony Co., Ltd. (present TreCere Co., Ltd.)</p> <p>Jun.2016. Director, Member of the Board, the Company.(outside) (present)</p>	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 him that he continue to be appointed. We 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 seven 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.
7	MORIBAYASHI Ikuyo Date of Birth Oct. 11, 1964 New Election	<p>Jun.2012 Established Non –Profit Corporation Diversity Comyu. And Chairman. (present)</p> <p>Sep. 2016 Established Seeds Place, and Representative Director & President. (present)</p> <p>Feb, 2021 Established Seeds Palette and Representative Director & President. (present)</p> <p>Significant concurrent positions. Representative Director & Chairman Non-Profit Corporation Diversity Comyu. Representative Director & President Seeds Place Co., Ltd. Seeds Palette Co., Ltd</p>	-shares
		<p>[Reasons for selection as a candidate for Outside Director]</p> <p>After working as a professional musician and in sales at various companies, Ms. MORIBAYASHI Ikuyo is actively launched an NPO and business company with the aim of promoting diversity, such as career development and child-rearing support for women working in the Tama area.</p> <p>We have nominated her as a candidate for Outside Director based on the judgment that she will be able to provide advice based on her wide-ranging knowledge and her experience in promoting our diversity and enhancing our contribution to the local community.</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	OKUMURA Kazuhito Date of Birth Jul.19, 1976 New Election	<p>Apr.1999 Joined to Asahi Bank Co., Ltd.(present Risona Bank Co., Ltd.)</p> <p>Oct. 2003 Joined to Grakks & Associates</p> <p>Feb, 2014 Registered as a Small and Medium sized Enterprise Management Consultant.</p> <p>Jun.2015 Corporate Auditor (outside), ISHIZAWA INDUSTRY Co., Ltd. (present)</p> <p>Jan.2022 Established Okumura Kazuhito Small and Mediem sized Enterprise Management Consultant Office. (present)</p> <p>Apr. 2022 Joined Akasaka Limited Liability Audit Corporation.</p> <p>Apr. 2023 Transferred to Akasaka Tax Accountant Corporation. (present)</p> <p>Significant concurrent positions. Corporate Auditor (outside), ISHUZAWA INDUSTRY Co., Ltd.</p>	-shares
<p>[Reasons for selection as a candidate for Outside Director]</p> <p>Mr. OKUMURA Kazuhito worked at a financial institution and a consulting company after that he actively has been working at independent accounting firm for corporate revitalization and M&A business using qualification as an SME management consultant and a certified financial planner.</p> <p>We have nominated him as an outside director candidate based on our judgment that he will be able to provide advice on M&A and a wide range of advice based on his experience and knowledge toward strengthening the financial position of the Company and its consolidated subsidiaries.</p>			

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

2. Of Director nominees, Mess, KIFUNE Tsuneyasu, MORIBAYASHI Ikuyo and OKUMURA Kazuhoto, are nominated as outside director.

3. The Company conclude a Limitation of Liability Agreement with Mr. KIFUNE Tsuneyasu, 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, his liability for damages shall be limited ¥5 million or the amount prescribed by laws whichever higher. If Mr KIFUNE Tsuneyasu would be permitted to be reelected as proposed, we will continue to conclude the same agreement with him. And if Messees MORIBAYASHI Ikuyo and OKUMURA Kazuhito would be permitted to be elected we will conclude the same Limitation Of Liability Agreement with them,

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, the insurance contract will cover the damages and litigation costs incurred by which the insured acts based on the status of officers of the company (Including omission). 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 designate Mr.KIFUNE Tsuneyasu as an independent director based on the provisions of the Tokyo Stock Exchange, and has notified the exchange. If their reappointment is approved, he will continue to be independent directors.
6. If the appointment of Messes MORIBAYASHI Ikuyo and OKUNURA Kazuhito is approved, the Company plans to designate them as independent officers as stipulated by the Tokyo Stock Exchange and notify them to the exchange.

Proposal No. 3: Election of one Audit & Supervisory Board Members.

The term of office of one of the three Audit & Supervisory Board Members will expire at the conclusion of this General Meeting of Shareholders. Therefore, we would like to request the election of one corporate auditor (outside).

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

Candidates for 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.
TAKADA Naoki Date of Birth Jan.18, 1947 Reelection	Jul. 1971 Joined to Export Import Bank of Japan. Jul. 1997 Conciliar for International cum General Manager, Public Relation Office, Export Import Bank of Japan. Jun.1998 General Manager, Loan Department No.2, Export Import Bank of Japan. Oct.1999 General Manager, Loan Department No.2, Japan Bank for International Cooperation. Jun.2000 Joined to Sumitomo Corporation. Apr.2002 Deputy General Manager, Electricity Project Headquarter, Sumitomo Corporation. Apr.2003 Director and General Manager, Electro Motive business Div., Sumitomo Corporation. Mar.2012 Special Advisor, Nichiei International Co., Ltd.(present) Jun.2015 Corporate Auditor(outside), the Company. (present)	-shares
[Reasons for selection as a candidate for Audit & Supervisory Board Member] The reason for appointing Mr.TAKADA Naoki as an Outside Audit & Supervisory Board Member is that we believe that his extensive experience and expertise gained from working for financial institutions and trading companies will lead to the enhancement of our audit system, and we are requesting him to serve as an Outside Audit & Supervisory Board Member. Although he is currently an Outside Audit & Supervisory Board Member of the Company, his term of office as an Outside Audit & Supervisory Board Member will be eight years at the conclusion of this Ordinary General Meeting of Shareholders.		

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

2. Mr. TAKADA Naoki is a candidate for outside corporate auditor.

3. The Company 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 under the contract is 3 million yen or the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act.
If the reappointment of Mr. TAKADA Naoki is approved, the Company plans to continue the same contract with him.

4. The Company designate Mr. TAKADA Naoki as an independent officer and notify to the Tokyo Stock Exchange.

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

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

Proposal No. 4: Election of one 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	Apr.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 Act with an insurance company, and the insurance contract will cover the damages and litigation costs incurred due to the claim for damages by which the insured acts based on the status of officers of the company (Including omission). 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.

Proposal No.5: Appropriation of Surplus.

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

1. Details of proposal.

While expressing our heartfelt gratitude to all of company's employees over the past 50 years and to YAC for their hard work over the past 50 years. For the following reasons, I request to decide to pay an annual dividend of 50 yen per share as an ordinary dividend and a 50th anniversary commemorative special dividend 50 yen for a total of 100 yen. Therefore, since the interim dividend was 25 yen per share, the year-end dividend will be 75 yen per share.

2. Reason of proposal

(1) I would like to express my sincere gratitude to all of you who supported last year's shareholder proposal with approximately 15% (voting rights). However, about 8% of those votes were in favor of both the company proposal and the shareholder proposal regarding dividends, rendering the vote "ineffective." Even if you oppose the company proposal, you can still receive dividends. Therefore, with peace of mind, it would be possible for you to oppose company proposal and support the shareholder proposal.

(2) Let's make YAC a "sustainable high-dividend company" and a "100-year company". If it is recognized in the stock market as a "sustainable high-dividend company," the market capitalization will increase due to the rise in the stock price. It becomes a hostile takeover bid (TOB) measure against YAC and M&A (acquisition) of another company is executed with treasury stock or cash and treasury stock, the value of treasury stock held by YAC increases, so the cost of M&A can be reduced. This is beneficial not only to shareholders but also to YAC. In addition, rising stock prices also increase the chances of stock splits.

3. The type of dividend property, the effective date of distribution of surplus, and the start date of dividend payment shall be the same as the company proposal. "We apologize for the inconvenience, but we appreciate your understanding."

< Opinion of the Company's Board of Directors on the Shareholder Proposal.>

Overview of the Shareholder Proposal

This shareholder proposal proposes to pay a dividend of 100 yen per share of our common stock (ordinary dividend of 50 yen and commemorative dividend of 50 yen). (Including year-end dividend of 75 yen)

Opinion of our Board of Directors.

The Board of Directors of the Company **opposes** this Shareholder Proposal.

<Opposition reason.>

A. In the past, our basic policy was to continue stable dividends regardless of fluctuations in business performance. However, with the transition to the prime market accompanying the reorganization of the Tokyo Stock Exchange's market divisions, we changed to aim for further shareholder returns from fiscal year of 2021 and adopt a new stable dividend policy targeting a dividend payout ratio of 30%. As an important shareholder return policy,

we announced it in the "plan for meeting the listing maintenance criteria for the new market segment" disclosed on December 24, 2021.

- B. In accordance with A above, at the 50th Ordinary General Meeting of Shareholders held on June 29, 2022, an annual dividend of 36 yen per share (including a year-end dividend of 24 yen) was submitted as a proposal (company proposal), and we have received the support from the majority of shareholders.

It is explained in Shareholder's Proposal that about 15% of the proposing shareholders voted in favor, but this is based on the premise that all of the voting rights exercised for which the approval or disapproval was invalid naturally supported both the Company Proposal and the Shareholder Proposal. It is the one that stood in the at the 50th Ordinary General Meeting of Shareholders held in the previous fiscal year, the approval ratio for the Shareholder Proposal was 7.15% of the voting rights of the shareholders present. And proposed shareholder's explanation which was assumed that all of the invalid voted were in favor of the shareholder proposal and we believe that the explanation is misleading, and we cannot agree.

- C. As stated in the "Summary of Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese Standards] (Consolidated)" and Notice of Differences between Earnings Forecasts and Results for the Fiscal Year Ended March 31, 2023 announced May.11,2023, net income attributable to owners of parent was 921 million yen, and net income per share was 100.57 yen, far below our forecast. However, in the milestone year of the 50th anniversary of our founding, in order to reciprocate the support we have received from our shareholders, as announced in the "Notice Concerning Revised Dividend Forecast (Commemorative Dividend)" dated February 10, 2023, including the dividend of 25 yen, we plan to pay an annual dividend of 75 yen (including a year-end dividend of 50 yen). If the annual dividend is 75 yen, the dividend payout ratio will be 74.6%, and even if only the ordinary dividend excluding the commemorative dividend is used, the dividend payout ratio will be 49.7%. We believe that we have been able to provide sufficient returns to shareholders.

- D. The capital adequacy ratio for the current fiscal year ended March 31, 2023 is 41.1% (consolidated). In addition, we believe that M&A is essential, and it is important to secure the necessary internal reserves and prepare for flexible utilization. In addition, in order to prepare for unforeseen circumstances, it is necessary to strike an appropriate balance between dividends and internal reserves. Therefore, we believe that additional expenditures associated with the increase in the commemorative dividend for the fiscal year ended March 31, 2023 based on this shareholder proposal should be restrained. Going forward, we will continue to work to strengthen our management base and improve our financial position through the steady execution of our medium-term management plan, and we will strive to further improve our corporate value and meet the expectations of our shareholders.

Based on the above, the Shareholder Proposal is not consistent with the Company's shareholder return policy and future fund utilization policy, and it is unlikely that it will contribute to the further enhancement of the Company's medium- to long-term corporate value.

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)