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Securities code: 6630

July 7, 2023

(Start date of measures for electronic provision: July 5, 2023)

**To Shareholders with Voting Rights:**

Kimiyo Yamazaki  
President and Representative Director  
YA-MAN LTD.  
1-4-4 Furuishiba, Koto-ku, Tokyo,  
Japan

**NOTICE OF  
THE 49TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to inform you that the 49th Annual General Meeting of Shareholders of YA-MAN LTD. (the “Company”) will be held as described below.

The Company has adopted measures for electronic provision of materials for notice of this General Meeting of Shareholders and matters regarding measures for electronic provision are posted on the following website on the Internet.

Our website: <https://www.ya-man.co.jp/ir/meeting/>

In addition to the above, the information is also posted on the following website on the Internet.

Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Access the website above, enter the Company name or securities code (6630) and click “Search,” and select “Basic information” and then “Documents for public inspection/PR information” to view the information.

**If you are unable to attend the Meeting, you may exercise your voting rights either electronically (via the Internet, etc.) or in writing. Please review the Reference Documents for the Annual General Meeting of Shareholders posted in the matters regarding measures for electronic provision and exercise your voting rights by 5 p.m. on Wednesday July 26, 2023, Japan time.**

- 1. Date and Time:** Thursday, July 27, 2023 at 10:00 a.m. Japan time  
(Reception scheduled to open at 9:00 a.m.)
- 2. Place:** “EAST21 HALL” (1F), Hotel East 21 Tokyo,  
6-3-3 Toyo, Koto-ku, Tokyo, Japan  
(Please refer to “Map to the Venue of Annual General Meeting of Shareholders” on the last page of the Japanese original.)
- 3. Meeting Agenda:**
  - Matters to be reported:** 1. The Business Report and Consolidated Financial Statements for the Company’s 49th Fiscal Year (May 1, 2022 - April 30, 2023), and results of audits by the Accounting Auditor and the Audit & Supervisory Board

of the Consolidated Financial Statements  
2. Non-consolidated Financial Statements for the Company's 49th Fiscal  
Year (May 1, 2022 - April 30, 2023)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Seven (7) Directors  
**Proposal 3:** Election of One (1) Audit & Supervisory Board Member  
**Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

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- When attending the Meeting, please submit the Voting Form at reception.
  - In the event of any revisions to the matters regarding measures for electronic provision, the revisions will be posted on the respective websites where they are posted.
  - Pursuant to the provisions of laws and regulations and Article 19 of the Company's Articles of Incorporation, the following matters are not provided on the paper copy sent to shareholders who have requested it.
    - Matters Concerning the Development of Systems, etc. for Ensuring Appropriate Business Operations
    - Notes to the Consolidated Financial Statements
    - Notes to the Non-consolidated Financial StatementsAccordingly, these documents are part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit reports.
  - In order to save electricity, the temperature of the air-conditioning system will be adjusted and the Company staff will be in light clothing (Cool Biz) at the Meeting. Shareholders are kindly requested to attend the Meeting in light clothing as well. We appreciate your understanding.
  - Please also note that there will be no shuttle bus service between the venue and the Toyoko station on the day of the Meeting.

The Company's corporate information site (for Annual General Meeting of Shareholders)  
<https://www.ya-man.co.jp/ir/meeting/>

## Guidance for Exercising Your Voting Rights

### For Those Attending the General Meeting of Shareholders

Date and time of the General Meeting of Shareholders: Thursday, July 27, 2023 at 10:00 a.m. Japan time

Please bring the enclosed Voting Form and submit it at the reception desk.  
Attendees are requested to bring this document with them for their reference.

### For Those Not Attending the General Meeting of Shareholders

#### Exercise of Voting Right via the Internet

Deadline for the exercise of voting rights: Wednesday, July 26, 2023 (must be inputted by 5:00 p.m. Japan time)

Please indicate your vote for or against the proposals on the Company's designated Voting Rights Exercise Website at <https://www.web54.net>

#### Exercise of Voting Rights in Writing (by postal mail)

Deadline for the exercise of voting rights: Wednesday, July 26, 2023 (The voting form must reach us by 5:00 p.m. Japan time)

Please indicate your vote for or against the proposals on the enclosed Voting Form and detach the relevant part of the Form and return it to us by post.

For more information, please read the instructions on pages 4 to 5.

- (1) Via Smart Exercise (No need to enter your "voting rights exercise code" and "password")
- (2) Via the Internet other than Smart Exercise (Need to enter your "voting rights exercise code" and "password")
  - If there is no indication of your vote for or against proposals when you exercise your voting rights in writing, the Company will deem that you have voted for the proposals.
  - If you exercise your voting rights both via the Voting Form and the Internet, the vote exercised via the Internet will be recognized as valid.
  - If you exercise your voting rights several times via the Internet, only the final vote will be deemed valid.

## Guidance for Exercising your Voting Rights via the Internet, etc.

Your voting rights can be exercised via the Internet, etc. only by using the following Voting Rights Exercise Website designated by the Company. For those using smartphones, you can access the Voting Rights Exercise Website without entering your “voting rights exercise code” or “password” by scanning the “Login QR code® for Voting Rights Exercise Website for Smartphone” printed on the enclosed Voting Form.

(1) Via “Smart Exercise” (No need to enter your “voting rights exercise code” and “password”)

You can access the Voting Rights Exercise Website without entering your “voting rights exercise code” or “password” by scanning the “Login QR code® for Voting Rights Exercise Website for Smartphone”.

\* You can exercise your voting rights only once using “Smart Exercise”.

1 Scan the QR code on your Voting Form (QR Code is a registered trademark of DENSO WAVE INCORPORATED). Scan the “Login QR code ® for Voting Rights Exercise Website for Smartphone” on the enclosed Voting Form using your smartphone or tablet device.

2 Choose the method of exercising voting rights

The Voting Rights Exercise Website screen will open. Please choose the method of exercising voting rights from the options shown on the screen as below.

[Options]

- “Approve” all the proposals by the Company  
→ Please follow the instructions on the screen to complete the exercise.
- Specify individually for each proposal  
→ Proceed to 3.

3 Choose your vote for or against the proposals

Please follow the instructions on the screen and choose your vote on each proposal.

\*If you would like to change your votes after exercising your voting rights, please scan the QR code again and log in by entering the “voting rights exercise code” and “password” provided on the enclosed Voting Form.

(2) Via the Internet other than Smart Exercise (Need to enter your “voting rights exercise code” and “password”)

1 Access the Voting Rights Exercise Website

Voting Rights Exercise Website URL: <https://www.web54.net/>

2 Log in

Enter the “voting rights exercise code” provided on your Voting Form.

3 Enter the password

First, enter the “initial password” provided on your Voting Form.

Second, set a new password that you will actually use.

Then, please follow the instructions on the screen to indicate your vote for or against the proposals.

Handling of passwords

- The password serves as a tool to verify the voter’s identity.  
Please be sure to keep it in a safe place until the conclusion of this General Meeting of Shareholders.
- We are unable to provide your password over the phone.
- If you enter the wrong password for a specified number of times in succession, the web page will be locked and become unusable. If you wish to have your password reissued, please follow the instructions on the screen.

If you have any questions, please contact the following:

Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited (Shareholder Registry Administrator)

Contact information for the exercise of voting rights via the Internet inquires

0120-652-031 (9:00 - 21:00)

Contact information for other inquiries

0120-782-031 (Weekdays from 9:00 - 17:00)

Dear institutional investors:

If you apply in advance to use the Electronic Voting System Platform operated by ICJ, Inc., you may exercise your voting rights using that platform.

# Reference Documents for the Annual General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

With respect to the year-end dividends for the 49th fiscal year, the Company proposes to pay dividends as follows, taking into consideration future business development and the status of retained earnings, and adding a commemorative dividend to celebrate the 45th anniversary of our founding in May 2023.

(1) Type of dividend property

Cash

(2) Matters concerning the allocation of dividend property to shareholders and the total amount thereof

¥8.75 per share of the Company's common stock

(Ordinary dividend: ¥4.25 / Commemorative dividend: ¥4.50)

Total amount: ¥481,435,605

(3) Effective date of dividend of surplus

July 28, 2023

**Proposal 2:** Election of Seven (7) Directors

The terms of office of Directors Ms. Kimiyo Yamazaki, Mr. Masaya Miyazaki, Mr. Shota Toda, Mr. Jun Takada, Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect seven (7) Directors: Ms. Kimiyo Yamazaki, Mr. Masaya Miyazaki, Mr. Shota Toda, Mr. Jun Takada, Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Kimiyo Yamazaki (February 9, 1961)	April 1983      Joined the Company May 1984      Marketing Manager July 1986      Director, Marketing Manager December 1989   Representative Director, Yamazaki Shokai Ltd. (trade name changed to KA-MAN LTD.) May 1993      Director, General Manager of Overseas Operations Department, the Company February 1999   President and Representative Director (current position) February 2015   Representative Director, YA-MAN U.S.A. LTD. (current position) May 2015      Representative Director, LABO WELL Co. (current position) [Significant concurrent positions] Representative Director, LABO WELL Co. Representative Director, YA-MAN U.S.A. LTD.	6,204,600 shares
[Reason for nomination as candidate for Director] Ms. Kimiyo Yamazaki has worked in the Marketing and Overseas Operations Divisions since she joined the Company. She has served as Director since 1986 and as President and Representative Director since February 1999, and has abundant experience and achievement in the business and management of the Company. She also works to ensure the proper operations and invigoration of the Board of Directors as the Board's chairperson. The Company believes that these experiences can be utilized in the execution and supervision of the Company's management to address management issues including enhancement of R&D, corporate branding, and creation of new markets and to achieve the medium-term management plan, a milestone for the Company, and thus proposes her reappointment as Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
2	Masaya Miyazaki (November 22, 1975)	August 1996	Joined the Company	20,000 shares
		December 2000	Section Manager of Accounting Department	
		January 2008	Director, General Manager of Administration Division and General Manager of Accounting Department	
		February 2008	Director, LABO WELL Co. (current position)	
		October 2008	Director, General Manager of Administration Division and General Manager of Planning Management Department, the Company	
		June 2009	Director, LABOWELL CORPORATION	
		January 2010	Director, General Manager of Administration Division, the Company (current position)	
			[Significant concurrent positions] None	
[Reason for nomination as candidate for Director] Mr. Masaya Miyazaki has supervised the Administration Division for many years since he joined the Company. He has served as Director since 2008, and has abundant experience and achievement in the business and management of the Company. The Company believes that these experiences can be utilized in the execution and supervision of the Company's management to optimize management resources and realize continual growth in the future while maintaining a stable financial position, and thus proposes his reappointment as Director.				
3	Shota Toda (December 30, 1977)	April 2001	Joined the Company	48,000 shares
		July 2002	General Manager of Health Care Equipment Business Department I	
		January 2008	Executive Officer, General Manager of Health Care Equipment Business Department II	
		May 2010	Executive Officer, General Manager of Health Care Equipment Business Department II, Sales Division	
		July 2010	Director, General Manager of Health Care Equipment Business Department II, Sales Division	
		May 2017	Director, General Manager of Brand Strategy Division and General Manager of Health Care Equipment Business Department II, Sales Division	
		May 2018	Director, General Manager of Brand Strategy Division (current position)	
			[Significant concurrent positions] None	
[Reason for nomination as candidate for Director] Mr. Shota Toda has been actively involved in the operations of the Sales Division since he joined the Company. He has served as Director since 2010 and supervised the Brand Strategy Division since 2017, and has abundant experience and achievement in the business and management of the Company. The Company believes that these experiences can be utilized in the execution and supervision of the Company's management to address management issues including control over advertising activities from a comprehensive perspective and establishment and promotion of the YA-MAN brand, and thus proposes his reappointment as Director.				



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Jun Takada (October 10, 1976)	April 1999      Joined the Company January 2009    General Manager of Quality Management Department May 2020        Executive Officer, General Manager of Quality Management Department August 2020     Executive Officer, General Manager of Quality Management Department and General Manager of Production Engineering Department May 2021        Executive Officer, General Manager of Development Division, General Manager of Quality Management Department and General Manager of Production Engineering Department July 2021        Director, General Manager of Development Division, General Manager of Quality Management Department and General Manager of Production Engineering Department (current position)  [Significant concurrent positions] None	4,000 shares
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Jun Takada has been actively involved in the quality management operations in the Development Division since he joined the Company, and has abundant experience and achievement in the wide range of the Company's business. The Company believes that these experiences can be utilized in the execution and supervision of the Company's management to address management issues including enhancement of the R&amp;D systems and launching globally competitive products that are unique and of great originality, and thus proposes his reappointment as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Kazuo Ishida (December 11, 1954)	<p>April 1979      Joined Daiwa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>June 2007      Executive Officer, in charge of Operations Control Department, Resona Trust &amp; Banking Co., Ltd. (currently Resona Bank, Limited)</p> <p>April 2009      Executive Officer, in charge of Trust Business Department, Resona Bank, Limited</p> <p>June 2010      Managing Executive Officer</p> <p>April 2012      Full-time Audit &amp; Supervisory Board Member, Saitama Resona Bank, Limited</p> <p>February 2015   Full-time Corporate Auditor, HOKKO CHEMICAL INDUSTRY CO., LTD.</p> <p>July 2016      Senior Managing Executive Officer, in charge of Planning and Management Group</p> <p>July 2016      Outside Director, the Company (current position)</p> <p>February 2018   Representative Director, HOKKO Pax Co., Ltd.</p> <p>July 2020      Director, C. Murata &amp; Co., Ltd.</p> <p>February 2021   Representative Director</p> <p>June 2021      Outside Director Audit &amp; Supervisory Committee Member, Nomura Trading Co., Ltd.</p> <p>[Significant concurrent positions] None</p>	1,500 shares
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Kazuo Ishida has held key positions in financial institutions, chemical companies, and other companies and has broad knowledge and abundant experience in corporate management, corporate governance, and internal control. Since assuming the position of Outside Director of the Company in July 2016, he has utilized his experience and knowledge to actively provide the Board of Directors with advice and recommendations and appropriately make decisions while remaining objective and neutral. In the expectation that he may provide advice on overall management, enhance supervisory functions, and appropriately make decisions at the Board of Directors, the Company proposes his reappointment as Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Takeshi Kurihara (May 19, 1972)	<p>October 1996      Joined Ota Showa Audit Corporation (currently ERNST &amp; YOUNG SHINNIHON LLC)</p> <p>October 2000      Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>July 2004          Joined Heiseikaikeisha Tax Corporation (currently Reiwakaikeisha Tax Corporation)</p> <p>July 2010          Joined Hinata Audit Corporation, Partner (current position)</p> <p>July 2019          Outside Director, the Company (current position)</p> <p>[Significant concurrent position] Certified Public Accountant</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Takeshi Kurihara is a licensed certified public accountant and has extensive insight and broad practical experience in financial accounting. Since assuming the position of Outside Director of the Company in July 2019, he has utilized his experience and knowledge to actively provide the Board of Directors with advice and recommendations and appropriately make decisions while remaining objective and neutral. In the expectation that he may provide overall supervision over and advice on financial accounting of the Company, and appropriately make decisions at the Board of Directors, the Company proposes his reappointment as Outside Director.</p>			
7	Saki Igawa (October 10, 1980)  The name on the family register: Saki Shimomura	<p>April 2003          Joined STAFF SERVICE HOLDINGS CO., LTD.</p> <p>April 2006          Joined M-OUT Inc.</p> <p>June 2010          Joined Pretzel Japan Co., Ltd.</p> <p>September 2013      Joined TORIDOLL Holdings Corporation</p> <p>November 2014      Joined BLUE BOTTLE COFFEE</p> <p>June 2015          Director, Representative of Japan</p> <p>November 2018      Transferred to BLUE BOTTLE COFFEE Inc., VP of Experience</p> <p>August 2019        Asia President</p> <p>October 2020        Chief Brand Officer</p> <p>July 2021          Outside Director, the Company (current position)</p> <p>March 2022         External Director, Uzabase, inc.</p> <p>[Significant concurrent position] None</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Ms. Saki Igawa has experience in a broad range of industries and excellent ability as a corporate executive. She is also well versed in branding, one of the Company's management issues, and the Company highly values her experience and ability. In the expectation that she may provide advice on branding of the Company and recommendations with respect to the Company's management from her multifaceted perspectives, the Company proposes her reappointment as Outside Director.</p>			

- Notes: 1. There are no special interests between each candidate and the Company.
2. Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa are candidates for Outside Director.
3. If Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa assume the position of Director, they will continue to be registered as Independent Directors as prescribed by the Tokyo Stock Exchange.

4. At the conclusion of this General Meeting, terms of office of candidates Mr. Kazuo Ishida, Mr. Takeshi Kurihara and Ms. Saki Igawa as Outside Director of the Company will have been seven (7) years, four (4) years and two (2) years, respectively.
5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Kazuo Ishida, Mr. Takeshi Kurihara and Ms. Saki Igawa to limit their liability for damages as stipulated in Article 423, paragraph (1) of said Act. The limit of liability for damages under the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of said Act. If the election of Mr. Kazuo Ishida, Mr. Takeshi Kurihara and Ms. Saki Igawa is approved, the above agreement will continue to apply.
6. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured due to negligence and other reasons in the execution of his/her duties. If Ms. Kimiyo Yamazaki, Mr. Masaya Miyazaki, Mr. Shota Toda, Mr. Jun Takada, Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa are elected, they will be included as an insured under said insurance agreement, which is to be retained with the same terms and conditions at the next renewal.
7. The name of Ms. Saki Igawa, a candidate for Outside Director, on the official family register is Ms. Saki Shimomura.

**Proposal 3: Election of One (1) Audit & Supervisory Board Member**

Audit & Supervisory Board Member Mr. Eiji Iwasaki will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect Ms. Tomoko Kawamoto. If elected, she will replace Mr. Iwasaki and serve Mr. Iwasaki's remaining term of office as an Audit & Supervisory Board Member, pursuant to the provisions of the Company's Articles of Incorporation.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for an Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held	
Tomoko Kawamoto (November 20, 1972)	October 2002 April 2005 October 2006 April 2016 April 2019  April 2022 April 2023  [Significant concurrent positions] Attorney at Law	Joined Tokyo Themis Law Offices Founded Kawamoto Sogo Law Office Founded Tokyo Chuo Sogo Law Office Vice-President, Daini Tokyo Bar Association Executive Governor, Japan Federation of Bar Associations  Director, Kanto Federation of Bar Associations Managing Director, Kanto Federation of Bar Associations (current position)	-
[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] Ms. Tomoko Kawamoto is qualified as an Attorney at Law and has abundant practical experience and broad knowledge in corporate legal affairs. The Company believes that she is a person who can appropriately perform her duties as Outside Audit & Supervisory Board Member by utilizing these experiences and knowledge, and thus proposes her appointment as Outside Audit & Supervisory Board Member.			

- Notes:
1. There are no special interests between the candidate and the Company.
  2. Ms. Tomoko Kawamoto is a candidate for Outside Audit & Supervisory Board Member.
  3. If Ms. Tomoko Kawamoto assumes the position of Audit & Supervisory Board Member, she will be registered as an Independent Auditor as prescribed by the Tokyo Stock Exchange.
  4. If Ms. Tomoko Kawamoto assumes the position of Audit & Supervisory Board Member, the Company plans to enter into an agreement with her pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit her liability for damages as stipulated in Article 423, paragraph (1) of said Act. The limit of her liability for damages under the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of said Act.
  5. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured due to negligence and other reasons in the execution of his/her duties. If Ms. Tomoko Kawamoto assumes the position of Audit & Supervisory Board Member, she will be included as an insured under said insurance agreement, which is to be retained with the same terms and conditions at the next renewal.

<Reference>

Expertise and experiences of (prospective) Directors and Audit & Supervisory Board Members

	Corporate management	Sales/ Marketing	Product Development/ Technology/ Research	Global	Finance/ Accounting	HR/HR Development	Legal/ Risk Management/ Internal Control
Directors							
Kimiyo Yamazaki	○	○	○	○		○	
Masaya Miyazaki	○				○	○	○
Shota Toda	○	○	○				
Jun Takada	○		○				○
Kazuo Ishida	○				○		○
Takeshi Kurihara					○		○
Saki Igawa	○	○		○			
Audit & Supervisory Board Members							
Nozomu Toriyama					○		○
Kazuaki Oshiumi					○		○
Tomoko Kawamoto							○

**Proposal 4:** Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes the election of one (1) substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
Mari Nakanishi (June 13, 1980)	April 2005 January 2006 January 2009 August 2012 July 2021 July 2022 [Significant concurrent positions] Certified Public Accountant, Licensed Tax Accountant	-
[Reason for nomination as candidate for Substitute Audit & Supervisory Board Member] Ms. Mari Nakanishi is qualified as a Certified Public Accountant and Licensed Tax Accountant and has abundant practical experience and broad knowledge in financial accounting. The Company believes that she is a person who can appropriately perform her duties as Outside Audit & Supervisory Board Member by utilizing these experiences and knowledge, and thus proposes her appointment as substitute Outside Audit & Supervisory Board Member.		

- Notes:
1. There are no special interests between the candidate and the Company.
  2. Ms. Mari Nakanishi is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. If Ms. Mari Nakanishi assumes the position of Audit & Supervisory Board Member, she will be registered as an Independent Auditor as prescribed by the Tokyo Stock Exchange.
  4. If Ms. Mari Nakanishi assumes the position of Audit & Supervisory Board Member, the Company plans to enter into an agreement with her pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit her liability for damages as stipulated in Article 423, paragraph (1) of said Act. The limit of her liability for damages under the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of said Act.
  5. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured due to negligence and other reasons in the execution of his/her duties. If Ms. Mari Nakanishi assumes the position of Audit & Supervisory Board Member, she will be included as an insured under said insurance agreement, which is to be retained with the same terms and conditions at the next renewal.

(Appendix)

# Business Report

(May 1, 2022 – April 30, 2023)

## 1. Overview of the Corporate Group

### (1) Business Progress and Results

In the fiscal year that ended on April 30, 2023, the Japanese economy gradually accelerated the pace of its recovery as the prolonged COVID-19 pandemic finally showed signs of subsiding.

Economic activity was generally on a recovery trend in other countries as well.

However, uncertainty about the future remained due to continuing price hikes of consumer goods amid mounting inflationary pressure, unstable exchange rates, and the impact of political instability across the world, including Russia's invasion of Ukraine.

Under these circumstances, the YA-MAN Group utilized its technologies and the YA-MAN brand it has fostered in its facial beauty devices to create new categories such as hair care/shavers, which have a larger market.

As the fiscal year under review was also the final year of the medium-term management plan announced in November 2020, the YA-MAN Group focused its investment in advertising and R&D in order to achieve goals of sales of 50.0 billion yen and an operating profit margin of 20%.

Thanks to the significant increase in sales in China in the overseas operations segment and steady sales in each of the domestic sales channels, net sales for the fiscal year under review were up 5.0% year-on-year to 42,996 million yen, exceeding the previous fiscal year. However, earnings did not reach the level of the previous fiscal year due to advance investments, with operating profit down 10.8% year-on-year to 6,134 million yen, ordinary profit down 26.6% year-on-year to 5,917 million yen, and profit attributable to owners of parent down 30.0% year-on-year to 3,913 million yen.

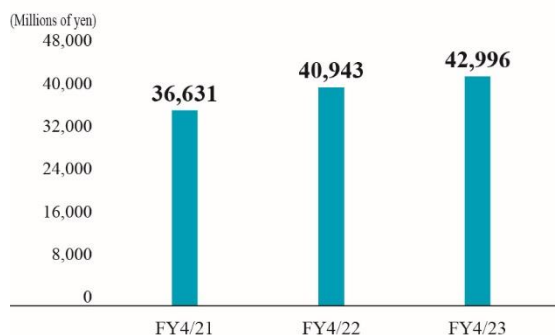
Following the failure to achieve the medium-term management plan, on June 13, 2023, the YA-MAN Group formulated a new medium-term management plan, "Going Global Strategy," and once again set out its path to becoming a global brand company, and has also announced that it is aiming for net sales of 70.0 billion yen in the medium term (by the end of the fiscal year ending April 30, 2028).

In order to achieve this, the YA-MAN Group will continue to strengthen investment in branding, R&D, and overseas expansion, and strive to further expand each sales channel.

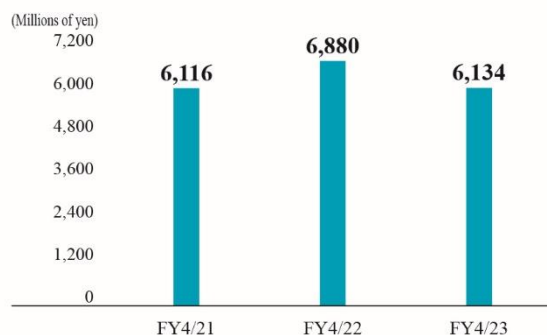
### Consolidated Financial Highlights

#### Consolidated Financial Highlights

##### • Net sales



##### • Operating profit





The state of each segment is as below.

The YA-MAN Group's beauty and health business can be largely divided by sales channel into four segments—home shopping sales, store sales, direct sales, and overseas sales.

For the home shopping sales segment, net sales were solid mainly through sales channels such as terrestrial TV shopping and catalog sales, resulting in a year-on-year increase in both sales and earnings. Segment sales increased 28.1% year-on-year to 6,666 million yen, and segment profit increased 7.9% year-on-year to 2,299 million yen.

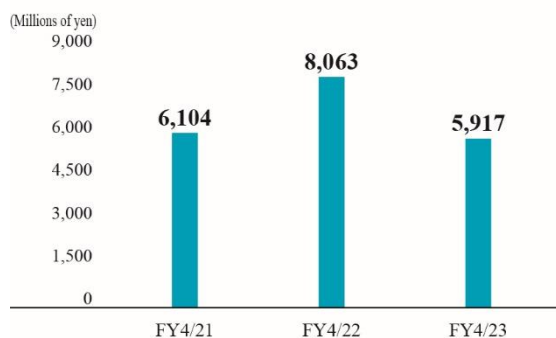
For the store sales segment, although there were signs of recovery at department stores and directly managed stores, sales to home appliance stores and variety shops struggled, resulting in a year-on-year decrease in both sales and earnings. Segment sales decreased 5.3% year-on-year to 7,953 million yen, and segment profit decreased 27.2% year-on-year to 1,826 million yen.

For the direct sales segment, due to continuing focused investment to strengthen repeat sales of products such as cosmetics, results fell short of the previous fiscal year. Segment sales decreased 14.2% year-on-year to 9,922 million yen, and segment profit decreased 21.5% year-on-year to 4,587 million yen.

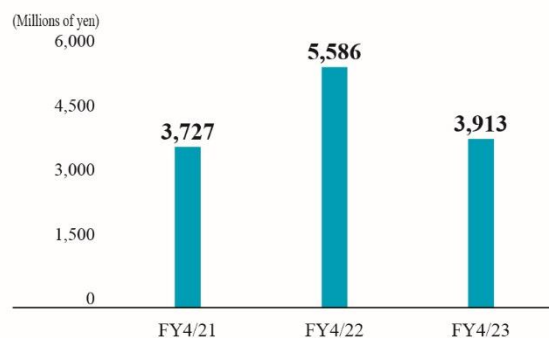
For the overseas sales segment, the YA-MAN Group started to strengthen investments in its subsidiaries in the United States and China, and also actively worked to expand business into other countries and regions.

As the Chinese domestic market continued to perform well, both sales and profits significantly exceeded those of the previous fiscal year. Segment sales increased 23.2% year-on-year to 17,894 million yen, and segment profit increased 56.7% year-on-year to 6,870 million yen.

• Ordinary profit



• Profit attributable to owners of parent



## (2) Financing and facilities and equipment investment

### a. Financing

In the fiscal year under review, the YA-MAN Group did not raise any funds. Meanwhile, the Group repaid 624 million yen in long-term borrowings.

### b. Facilities and equipment investments

The total amount of facilities and equipment investment that the YA-MAN Group made during the fiscal year under review was 310 million yen, consisting mainly of investments in the purchase of molds used to manufacture products and investments to build the Group's new core system.

## (3) Changes in assets and business results

### a. Changes in assets and business results of the YA-MAN Group

Fiscal year Item	FY4/20 May 1, 2019 to April 30, 2020	FY4/21 May 1, 2020 to April 30, 2021	FY4/22 May 1, 2021 to April 30, 2022	FY4/23 (The fiscal year under review) May 1, 2022 to April 30, 2023
Net sales (thousand yen)	22,975,758	36,631,026	40,943,193	42,996,308
Ordinary profit (thousand yen)	2,310,752	6,104,957	8,063,479	5,917,504
Profit attributable to owners of parent (thousand yen)	1,322,586	3,727,926	5,586,869	3,913,141
Net income per share (yen)	23.66	67.75	101.54	71.12
Total assets (thousand yen)	17,292,977	25,855,511	30,552,173	30,979,525
Net assets (thousand yen)	13,361,715	16,893,058	22,093,208	25,435,945
Net assets per share (yen)	242.85	307.03	401.54	462.29

b. Changes in assets and business results of YA-MAN

Fiscal year Item	FY4/20 May 1, 2019 to April 30, 2020	FY4/21 May 1, 2020 to April 30, 2021	FY4/22 May 1, 2021 to April 30, 2022	FY4/23 (The fiscal year under review) May 1, 2022 to April 30, 2023
Net sales (thousand yen)	21,897,239	36,122,257	40,674,041	42,695,057
Ordinary profit (thousand yen)	2,752,077	6,546,621	8,312,464	6,763,342
Profit (thousand yen)	1,700,287	3,474,832	5,597,727	4,712,724
Net income per share (yen)	30.42	63.15	101.74	85.65
Total assets (thousand yen)	17,255,600	26,043,066	30,684,148	31,762,111
Net assets (thousand yen)	13,841,052	17,117,699	22,258,750	26,379,997
Net assets per share (yen)	251.56	311.11	404.55	479.45

Note: Net income per share is calculated based on the average number of shares outstanding during the period, while net assets per share is calculated based on the number of shares outstanding at the end of the period. The figures have been rounded to the nearest hundredths.

#### **(4) Issues to be addressed**

The YA-MAN Group is focused on the following initiatives in order to achieve its new medium-term management plan.

##### **a. Strengthen R&D activities**

In the beauty and health industry in which the YA-MAN Group operates, a wide variety of products and goods are sold. In order to be chosen by customers, it is necessary not only to meet their needs but also to develop products with dreams and surprises that will rewrite the conventional wisdom of beauty.

We will further strengthen our investment in R&D, including the promotion of industry-academia collaboration, centered on the “HYOJO Science Lab” launched in 2020, and will also focus on compliance with various certifications such as FDA and NMPA.

##### **b. Corporate branding**

In order to grow sales, we need to conduct global activities for increasing awareness of not only individual products and goods but also the YA-MAN corporate brand.

In particular, we will continue to invest aggressively in advertising for the new category of hair care/shavers as a nurturing brand, and also increase advertising to give people a better perception of YA-MAN.

We will continue our efforts to establish and spread the YA-MAN brand by fully utilizing diverse talent in the YA-MAN workforce, and engagement in environmental activities to promote the SDGs.

##### **c. Strengthen global expansion**

As a “global brand company based in Japan,” the Group aims to expand its business not only in Asia but also throughout the world.

We will promote universal design, develop globally accepted products by acquiring various certifications, and develop advertisements with an eye to overseas markets.

In addition, the Group has overseas subsidiaries in the United States and China, and will step up investment to accelerate global expansion using these subsidiaries as footholds.

The spread of COVID-19 has drastically changed the consumer behavior of our customers and continues to do so even as signs of convergence begin to emerge.

Viewing these changes in the business environment as business opportunities, the YA-MAN Group’s goals are to create new markets and identify new needs. All these measures are aimed at making YA-MAN a global brand company based in Japan.

#### **(5) The main business**

The YA-MAN Group is mainly involved in the research and development, manufacture and sale of beauty and health equipment as well as planning and development, and purchase and sale of cosmetics, miscellaneous goods, apparel and fashion items, etc.

**(6) Main offices of the YA-MAN Group**

a. Main offices of the YA-MAN Group

Name	Location
Registered Office	Koto-ku, Tokyo
Head Office	Koto-ku, Tokyo
LABO WELL Co.	Koto-ku, Tokyo
YA-MAN U.S.A. LTD.	Wilmington, Delaware, U.S.A.
YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD	Shanghai, China

b. Number of employees in the YA-MAN Group

Segment	Number of employees
Home shopping sales	9
Store sales	148
Direct sales	28
Overseas sales	19
Other	1
Company-wide (common)	170
Total	375

Note: Company-wide (common) refers to the employees in the Administration Division, Development Division and the Production and Logistics Division.

c. Employees at YA-MAN

Number of employees	Difference from the previous fiscal year	Average number of years employed	Average age
369	+10	4.9 years	35.5 years

**(7) Status of significant parent and subsidiaries, etc.**

a. Status of parent

No items to report.

b. The status of subsidiaries, etc.

Company name	Capital (thousand yen)	Equity ownership ratio	Main business
LABO WELL Co.	10,000	100.0%	Sales of beauty and health equipment, cosmetics and apparel, etc.
YA-MAN U.S.A. LTD.	1,165,905	100.0%	Sales of beauty and health equipment and cosmetics, etc.
YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD	320,268	100.0%	Sales of cosmetics, etc.
MACHERIE BEAUTY TECHNOLOGY CO., LTD	984,287	35.0%	Manufacture and sales of beauty and health equipment
EFFECTIM Company, Limited	499,900	35.0%	Planning and sales of beauty and health equipment and cosmetics, etc.

c. The status of specified wholly-owned subsidiaries as of April 30, 2023

No items to report.

**(8) Major lenders and amounts of borrowings**

Lender	Amount of borrowing (thousand yen)
Sumitomo Mitsui Banking Corporation	550,000
MUFG Bank, Ltd.	260,000
Mizuho Bank, Ltd.	260,000
Sumitomo Mitsui Trust Bank, Limited	260,000

Note: Listing lenders for amounts of 100 million or more as of the end of the fiscal year.

**(9) Other significant matters concerning current status of the YA-MAN Group**

No items to report.

## 2. Status of Shares

- (1) Total number of shares authorized to be issued 195,555,520 shares
- (2) Total number of shares outstanding 58,348,880 shares  
(including 3,327,668 treasury shares)
- (3) Number of shareholders as of the end of the fiscal year 72,264 persons

### (4) Major shareholders

Shareholder's name	Number of shares	Shareholding ratio (%)
Shizuko Yamazaki	9,527,450	17.31
Kimiyo Yamazaki	6,204,600	11.27
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,965,200	5.38
General Incorporated Association Biyamazaki	2,811,050	5.10
Mitsuhide Yamazaki	2,453,600	4.45
Victoria Yamazaki	2,080,000	3.78
Tomomi Yamazaki	2,080,000	3.78
Iwao Yamazaki	1,473,600	2.67
Ecolite Limited Liability Company	650,000	1.18
Custody Bank of Japan, Ltd. (Trust Account and others)	635,000	1.15

- Notes: 1. Shareholding ratios are rounded down to the second decimal place.  
2. Treasury shares are excluded for calculating the shareholding ratios.

### (5) Other significant matters concerning shares

No items to report.

## 3. Matters concerning share acquisition rights

No items to report.

#### 4. Matters concerning company officers

##### (1) Directors and Audit & Supervisory Board Members (As of April 30, 2023)

Name	Positions and responsibilities	Significant concurrent positions
Kimiyo Yamazaki	President and Representative Director	Representative Director, LABO WELL Co. Representative Director, YAMAN U.S.A. LTD.
Masaya Miyazaki	Director, General Manager of Administration Division	-
Shota Toda	Director, General Manager of Brand Strategy Division	-
Jun Takada	Director, General Manager of Development Division	-
Kazuo Ishida	Director	-
Takeshi Kurihara	Director	Certified Public Accountant
Saki Igawa	Director	-
Nozomu Toriyama	Full-time Audit & Supervisory Board Member	-
Eiji Iwasaki	Audit & Supervisory Board Member	-
Kazuaki Oshiumi	Audit & Supervisory Board Member	Certified Public Accountant, Licensed Tax Accountant Outside Company Auditor, Sobal Corporation Outside Audit & Supervisory Board Member, Tama Home Co., Ltd.

- Notes:
1. Directors Kazuo Ishida, Takeshi Kurihara, and Saki Igawa are Outside Directors as stipulated in Article 2, item 15 of the Companies Act.
  2. Audit & Supervisory Board Members Nozomu Toriyama, Eiji Iwasaki, and Kazuaki Oshiumi are Outside Audit & Supervisory Board Members as stipulated in Article 2, item 16 of the Companies Act.
  3. We have notified the Tokyo Stock Exchange that Directors Kazuo Ishida, Takeshi Kurihara, and Saki Igawa and Audit & Supervisory Board Members Nozomu Toriyama, Eiji Iwasaki, and Kazuaki Oshiumi are independent officers as stipulated in the regulations of the exchange.
  4. Audit & Supervisory Board Member Kazuaki Oshiumi is a certified public accountant and licensed tax accountant with a high degree of knowledge and broad experience in financial accounting.
  5. The Company employs the Executive Officer System to ensure expeditious and effective decision making and execution of duties by the Board of Directors.
  6. The Company appointed one (1) substitute Audit & Supervisory Board Member under the provisions of Article 329, paragraph (3) of the Companies Act as a precaution against a shortage in the number of Audit & Supervisory Board Members required by applicable laws and regulations.

##### (2) Outline of the limited liability agreement

The Company has entered into an agreement with each Outside Director and each Outside Audit & Supervisory Board Member pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, to limit their liability for damages as stipulated in Article 423, paragraph (1) of said Act.

The limit of the liability under the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act.



### **(3) Outline of the directors and officers liability insurance agreement**

The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured due to negligence and other reasons in the execution of his/her duties.

However, to avoid any deterioration in the appropriateness of the insured person's execution of duties, this agreement does not cover certain causes such as claims for compensation of damages where there is violation of laws and regulations due to the intent of the insured person.

Insured persons under this directors and officers liability insurance agreement shall be all Directors and Audit & Supervisory Board Members of the Company, and the insurance premiums for all insured persons is fully borne by the Company.

### **(4) Compensation, etc. for Directors and Audit & Supervisory Board Members in the fiscal year under review**

#### **a. Matters concerning the policy for determining details of compensation, etc. for each director**

At the Board of Directors meeting convened on February 13, 2021, the Company resolved a policy for determining the details of compensation, etc. for each Director as follows.

In addition, the Board of Directors has confirmed that details including the method of determining details of compensation, etc. and the determined compensation, etc. for each Director in the fiscal year under review are consistent with the resolution and judged it to be in line with the policy.

On December 14, 2021, the Company established the Nomination and Compensation Advisory Committee, an optional committee, to ensure greater transparency of the details of nomination of Directors and the details and process of determining Directors' compensation and to further enhance corporate governance. The Committee deliberates on such matters in response to a request by the Board of Directors, and those matters are determined on the basis of the Committee's response.

#### **i. Basic policy**

The basic policy is that the compensation for Directors of the Company shall be at an appropriate level taking account of each Director's responsibility when determining the compensation for each Director, with comprehensive consideration given to factors such as each Director's position, designated duties, outcomes, level of contribution to the Company, social status, reasons why each Director assumed his or her office and the Company's earnings so that the compensation can serve as an incentive for sustainable increase of corporate value.

Specifically, the decision of the amount of compensation, etc. for each Director shall, within the limit for compensation of Directors decided at the general meeting of shareholders, for Executive Directors, give comprehensive consideration to factors such as each Director's position, designated duties, outcomes, level of contribution to the Company, social status, reasons why each Director assumed his or her office and the Company's earnings within the limit for compensation of Directors decided at the general meeting of shareholders. For Outside Directors, who are responsible for a supervisory function, comprehensive consideration shall be given to factors such as Director's level of contribution to the Company, social status, reasons why each Director assumed his or her office in light of such responsibilities, and in either case only basic compensation shall be paid.

#### **ii. Policy concerning the determination of the amount of compensation, etc. for each Director's basic compensation (monetary compensation) (including the policy concerning the determination of the period and terms and conditions applied to the compensation, etc.)**

The basic compensation for Directors of the Company shall be fixed monthly compensation, and the compensation for Executive Directors shall be determined, with consideration given to factors such as each Director's position, designated duties, outcomes, level of contribution to the Company, social status, reasons why each Director assumed his or her office and the Company's earnings by multiplying the maximum amount of salaries for the rank of General Manager by a coefficient based on the positions of Directors determined at the Board of Directors as well as general levels of the compensation of Executive Directors

and the compensation of Outside Directors. For Outside Directors, the basic compensation shall be determined with comprehensive consideration given to factors such as each Director's level of contribution to the Company, social status and reasons why each Director assumed his or her office as well as reference to general levels of the compensation of Executive Directors and the compensation of Outside Directors.

- iii. Policy concerning the determination of the details, the amount and calculation method for performance-linked compensation, etc. as well as non-monetary compensation (including the policy concerning the determination of the timing and terms and conditions applied to the compensation, etc.)

The Company has not introduced performance-linked compensation, etc. or non-monetary compensation, etc. and will consider in future, as necessary.

- iv. Policy concerning the determination of the proportion of compensation, etc. for each Director to be allocated in terms of the amount of monetary compensation, the amount of performance-linked compensation, etc., and the amount of non-monetary compensation, etc.

The Company pays basic compensation (monetary compensation) only and will consider introducing performance-linked compensation, etc. and non-monetary compensation, etc. in future, as necessary.

- v. Matters concerning the determination of details of compensation, etc. of each Director

For the amount of compensation for each Director, specific details shall be delegated to the Representative Director in accordance with a resolution of the Board of Directors, and the details of the delegated authority are the evaluation allotment of the amount of each Director's basic compensation.

- b. Matters concerning a resolution of the general meeting of shareholders concerning compensation, etc. for Directors and Audit & Supervisory Board Members

The 32nd Annual General Meeting of Shareholders held on July 3, 2006 resolved to set the maximum amount of Directors' monetary compensation at 300 million yen per fiscal year (not including employee salaries for Directors concurrently serving as employees). There were seven (7) Directors as at the conclusion of the Annual General Meeting of Shareholders.

The 33rd Annual General Meeting of Shareholders held on July 30, 2007 resolved to set the maximum amount of Audit & Supervisory Board Members' monetary compensation at 30 million yen per fiscal year. There were three (3) Audit & Supervisory Board Members as at the conclusion of the Annual General Meeting of Shareholders.

- c. Matters concerning the delegation relating to the determination of the details of compensation, etc. of each Director

For the fiscal year under review, the Board of Directors resolved at a meeting held on July 28, 2022 to delegate the determination of specific details of the amounts of compensation for each Director to Representative Director Kimiyo Yamazaki.

The details of the authority are the determination of the annual salary amount for basic compensation that take account of factors such as the details of the duties designated to each Director and the level of his or her contribution to the Company's earnings.

The reason for delegating the authority to the Representative Director is that she is familiar with the business environment surrounding the Company and the Company's management situation, the Representative Director is deemed to be the most suitable person for evaluating the designated duties of each Director while having an overarching view of the Company as a whole.

- d. Total amount of compensation, etc. for Directors and Audit & Supervisory Board Members, etc.

Category	Number of recipients	Basic remuneration
Directors	7	122,060 thousand yen
Audit & Supervisory Board Members	4	16,800 thousand yen
Total	11	138,860 thousand yen

Notes: 1. The above includes one (1) Outside Audit & Supervisory Board Member who resigned at the conclusion of the 48th Annual General Meeting of Shareholders held on July 28, 2022.

2. The above amounts include the amount for three (3) Outside Directors and the amount for four (4) Outside Audit & Supervisory Board Members for which the total amount was 30,000 thousand yen.
3. Apart from the above amounts, the Company does not pay performance-linked compensation, etc. or non-monetary compensation, etc.

**(5) Other significant matters concerning the Company's Officers**

No items to report.

**(6) Matters concerning Outside Officers**

- a. Matters concerning significant concurrent positions as an executive officer of another corporation, etc.  
No items to report.
- b. Matters concerning significant concurrent positions as an outside officer of another corporation, etc.  
Director Kazuaki Oshiumi is Outside Company Auditor of Sobal Corporation and Outside Audit & Supervisory Board Member of Tama Home Co., Ltd., but the company has no particular relationship with these companies.
- c. Familial relationship with executive officers or officers (excluding persons who are executive officers) of the Company or specified associated service provider.  
No items to report.
- d. Principal activities of each Outside Officer

Category	Name	Principle activities
Director	Kazuo Ishida	Attended all 14 meetings of the Board of Directors held during the fiscal year under review and provided advice to ensure the adequacy and appropriateness of the Board of Directors' decision making such as expressing his opinion based on his extensive practical experience in corporate management. He appropriately fulfilled the role of supervision and advice on overall management expected by the Company.
Director	Takeshi Kurihara	Attended all 14 meetings of the Board of Directors held during the fiscal year under review and provided advice to ensure the adequacy and appropriateness of the Board of Directors' decision making mainly by expressing his opinion from an expert perspective as a Certified Public Accountant. He appropriately fulfilled the role of overall supervision and advice on financial accounting expected by the Company.
Director	Saki Igawa	Attended all 14 meetings of the Board of Directors held during the fiscal year under review and provided advice to ensure the adequacy and appropriateness of the Board of Directors' decision making, mainly by expressing her opinion based on her insights regarding corporate branding. She appropriately fulfilled the role of supervision and advice on management from diverse perspectives expected by the Company.
Audit & Supervisory Board Member	Nozomu Toriyama	Attended all 14 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the fiscal year under review, and provided appropriate advice and recommendations utilizing his wide-ranging experience and insights in corporate management based on his long years of service at financial institutions.

Audit & Supervisory Board Member	Eiji Iwasaki	Attended all 14 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the fiscal year under review, and provided appropriate advice and recommendations based on his wide-ranging experience in corporate management and corporate finance gained through his service at banks.
Audit & Supervisory Board Member	Kazuaki Oshiumi	Attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board held during the fiscal year under review after assuming office on July 28, 2022 and provided appropriate advice and recommendations, such as by expressing his opinions based on his wide-ranging insights concerning financial accounting.

## 5. Matters concerning the Accounting Auditor

### (1) Name

KPMG AZSA LLC

### (2) Matters concerning the limited liability agreement

The Company and KPMG AZSA LLC have entered into an agreement pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, to limit their liability for damages under Article 423, paragraph (1) of the same Act.

The limit of the liability in accordance with the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of the Companies Act.

### (3) Amount paid as compensation, etc. to Accounting Auditor

	Type	Amount of compensation, etc.
1.	Amount of compensation, etc. for audit services provided for in Article 2, paragraph (1) of the Certified Public Accountants Act (Act No. 103 of 1948)	40,400 thousand yen
2.	Total amount of compensation and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	40,400 thousand yen

- Notes:
1. The Audit & Supervisory Board furnished its consent with respect to amount of compensation, etc. payable to the Accounting Auditor upon having adequately verified the appropriateness of the content of the Accounting Auditor's audit plan, status of performing duties of the accounting audit, the basis for calculating estimates of the compensation and other such details.
  2. The audit contract between the Company and the Accounting Auditor does not clearly specify and cannot materially classify the amounts of compensation that are paid for audits performed under provisions of the Companies Act or provisions of the Financial Instruments and Exchange Act. Accordingly, the table entries for compensation, etc. are the totals of these respective amounts.

### (4) Policy on determination of the dismissal or non-reappointment

Apart from the Audit & Supervisory Board dismissing the Accounting Auditor pursuant to Article 340 of the Companies Act, if the Audit & Supervisory Board recognizes that the Accounting Auditor has difficulty in the appropriate execution of its duties, the Audit & Supervisory Board shall determine a proposal concerning the dismissal or non-reappointment of the Accounting Auditor and the Board of Directors shall submit such proposal to the general meeting of shareholders based on such determination.

Note: The amounts in this Business Report are rounded down to the unit used for presentation.

## Consolidated Balance Sheet

(As of April 30, 2023)

(In thousands of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>28,566,696</b>	<b>Current liabilities</b>	<b>4,681,752</b>
Cash and deposits	16,146,142	Notes and accounts payable-trade	1,521,045
Notes and accounts receivable-trade, and contract assets	4,935,153	Current portion of long-term borrowings	624,000
Merchandise and finished goods	4,018,266	Lease obligations	9,498
Work in process	8,030	Accounts payable - other	1,421,382
Raw materials and supplies	1,106,204	Income taxes payable	494,696
Accounts receivable – other	936,297	Provision for bonuses	112,565
Income taxes refund receivable	1,291	Other	498,564
Other	1,415,310		
<b>Non-current assets</b>	<b>2,412,829</b>		
<b>Property, plant and equipment</b>	<b>543,594</b>	<b>Non-current liabilities</b>	<b>861,827</b>
Buildings and structures	262,914	Long-term borrowings	706,000
Machinery, equipment and vehicles	53,221	Lease obligations	12,500
Land	158,177	Liabilities from application of equity method	143,326
Leased assets	19,415		
Construction in progress	5,905	<b>Total liabilities</b>	<b>5,543,580</b>
Other	43,960		
<b>Intangible assets</b>	<b>590,776</b>	<b>(Net assets)</b>	
Other	590,776	<b>Shareholders' equity</b>	<b>25,363,201</b>
<b>Investments and other assets</b>	<b>1,278,459</b>	Share capital	1,813,796
Investment securities	300,000	Capital surplus	1,432,431
Shares of subsidiaries and associates	77,981	Retained earnings	25,004,092
Deferred tax assets	362,578	Treasury shares	(2,887,118)
Other	537,899	<b>Accumulated other comprehensive income</b>	<b>72,743</b>
		Foreign currency translation adjustment	72,743
		<b>Total net assets</b>	<b>25,435,945</b>
<b>Total assets</b>	<b>30,979,525</b>	<b>Total liabilities and net assets</b>	<b>30,979,525</b>

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

## Consolidated Statement of Income

(May 1, 2022 – April 30, 2023)

(In thousands of yen)

Description	Amount	
<b>Net sales</b>		<b>42,996,308</b>
<b>Cost of sales</b>		<b>16,849,147</b>
<b>Gross profit</b>		<b>26,147,160</b>
<b>Selling, general and administrative expenses</b>		<b>20,012,341</b>
<b>Operating profit</b>		<b>6,134,819</b>
<b>Non-operating income</b>		
Interest and dividend income	12,258	
Foreign exchange gains	300,107	
Other	12,647	<b>325,013</b>
<b>Non-operating expenses</b>		
Interest expenses	23,810	
Guarantee commission	3,990	
Loss on sale of trade receivables	3,492	
Share of loss of entities accounted for using equity method	457,333	
Donations	52,000	
Other	1,701	<b>542,327</b>
<b>Ordinary profit</b>		<b>5,917,504</b>
<b>Extraordinary income</b>		
Settlement received	1,350	<b>1,350</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	24,392	
Contribution to loss	57,457	<b>81,849</b>
<b>Profit before income taxes</b>		<b>5,837,005</b>
Income taxes-current	1,772,990	
Income taxes-deferred	150,873	<b>1,923,864</b>
<b>Profit</b>		<b>3,913,141</b>
<b>Profit attributable to owners of parent</b>		<b>3,913,141</b>

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

## Consolidated Statement of Changes in Equity

(May 1, 2022 – April 30, 2023)

(In thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at May 1, 2022	1,813,796	1,432,431	21,678,982	(2,887,118)	22,038,091
Changes of items during the period					
Dividends of surplus	-	-	(591,478)	-	(591,478)
Profit attributable to owners of parent	-	-	3,913,141	-	3,913,141
Other	-	-	3,447	-	3,447
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	-	3,325,110	-	3,325,110
Balance at April 30, 2023	1,813,796	1,432,431	25,004,092	(2,887,118)	25,363,201

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at May 1, 2022	55,117	55,117	22,093,208
Changes of items during the period			
Dividends of surplus	-	-	(591,478)
Profit attributable to owners of parent	-	-	3,913,141
Other	-	-	3,447
Net changes of items other than shareholders' equity	17,626	17,626	17,626
Total changes of items during the period	17,626	17,626	3,342,736
Balance at April 30, 2023	72,743	72,743	25,435,945

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.



**Balance Sheet**  
(As of April 30, 2023)

(In thousands of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>28,106,550</b>	<b>Current liabilities</b>	<b>4,663,613</b>
Cash and deposits	15,872,078	Notes payable-trade	70,272
Notes receivable-trade	15,796	Accounts payable-trade	1,453,792
Accounts receivable-trade, and contract assets	4,901,139	Current portion of long-term borrowings	624,000
Merchandise and finished goods	3,869,154	Lease obligations	8,354
Work in process	8,030	Accounts payable - other	1,408,889
Raw materials and supplies	1,106,204	Accrued expenses	36,531
Advance payments	232,807	Income taxes payable	494,696
Prepaid expenses	261,690	Advances received	2,053
Accounts receivable – other	936,594	Deposits received	14,813
Other	903,054	Provision for bonuses	112,565
<b>Non-current assets</b>	<b>3,655,560</b>	Other	437,644
<b>Property, plant and equipment</b>	<b>538,433</b>	<b>Non-current liabilities</b>	<b>718,500</b>
Buildings	262,914	Long-term borrowings	706,000
Structures	0	Lease obligations	12,500
Machinery and equipment	50,174	<b>Total liabilities</b>	<b>5,382,114</b>
Tools, furniture and fixtures	43,136	<b>(Net assets)</b>	
Land	158,177	<b>Shareholders' equity</b>	<b>26,379,997</b>
Leased assets	18,125	<b>Share capital</b>	<b>1,813,796</b>
Construction in progress	5,905	<b>Capital surplus</b>	<b>1,432,431</b>
<b>Intangible assets</b>	<b>590,776</b>	Legal capital surplus	1,313,795
Patent right	57,369	Other capital surplus	118,636
Software	280,903	<b>Retained earnings</b>	<b>26,020,888</b>
Other	252,502	Legal retained earnings	61,792
<b>Investments and other assets</b>	<b>2,526,351</b>	Other retained earnings	25,959,096
Investment securities	300,000	General reserve	5,500
Shares of subsidiaries and associates	1,013,898	Retained earnings brought forward	25,953,596
Deferred tax assets	681,676	<b>Treasury shares</b>	<b>(2,887,118)</b>
Other	530,776	<b>Total net assets</b>	<b>26,379,997</b>
<b>Total assets</b>	<b>31,762,111</b>	<b>Total liabilities and net assets</b>	<b>31,762,111</b>

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

**Statement of Income**  
(May 1, 2022 – April 30, 2023)

(In thousands of yen)

Description	Amount	
<b>Net sales</b>		<b>42,695,057</b>
<b>Cost of sales</b>		<b>16,718,882</b>
<b>Gross profit</b>		<b>25,976,175</b>
<b>Selling, general and administrative expenses</b>		<b>19,478,040</b>
<b>Operating profit</b>		<b>6,498,134</b>
<b>Non-operating income</b>		
Interest and dividend income	11,770	
Outsource service income	32,040	
Foreign exchange gains	296,769	
Other	8,601	<b>349,181</b>
<b>Non-operating expenses</b>		
Interest expenses	22,875	
Guarantee commission	3,915	
Loss on sale of trade receivables	3,492	
Donations	52,000	
Other	1,691	<b>83,974</b>
<b>Ordinary profit</b>		<b>6,763,342</b>
<b>Extraordinary income</b>		
Settlement received	1,350	<b>1,350</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	24,392	
Loss on valuation of shares of subsidiaries	45,661	
Contribution to loss	57,457	<b>127,510</b>
<b>Profit before income taxes</b>		<b>6,637,182</b>
Income taxes-current	1,772,813	
Income taxes-deferred	151,643	<b>1,924,457</b>
<b>Profit</b>		<b>4,712,724</b>

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

## Statement of Changes in Equity

(May 1, 2022 – April 30, 2023)

(In thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at May 1, 2022	1,813,796	1,313,795	118,636	1,432,431	61,792	5,500	21,832,349	21,899,641
Changes of items during the period								
Dividends of surplus	-	-	-	-	-	-	(591,478)	(591,478)
Profit	-	-	-	-	-	-	4,712,724	4,712,724
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes of items during the period	-	-	-	-	-	-	4,121,246	4,121,246
Balance at April 30, 2023	1,813,796	1,313,795	118,636	1,432,431	61,792	5,500	25,953,596	26,020,888

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at May 1, 2022	(2,887,118)	22,258,750	22,258,750
Changes of items during the period			
Dividends of surplus	-	(591,478)	(591,478)
Profit	-	4,712,724	4,712,724
Net changes of items other than shareholders' equity	-	-	-
Total changes of items during the period	-	4,121,246	4,121,246
Balance at April 30, 2023	(2,887,118)	26,379,997	26,379,997

Note: Figures presented in the financial statements are rounded down to the nearest thousand yen.

**Independent Auditor's Report**  
(English Translation)

June 15, 2023

To the Board of Directors  
YA-MAN LTD.

KPMG AZSA LLC  
Tokyo Office, Japan

Satsuki Miyahara  
Designated Engagement Partner  
Certified Public Accountant

Ikuo Hiruma  
Designated Engagement Partner  
Certified Public Accountant

**Opinion**

Pursuant to Article 444, Paragraph (4) of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements of YA-MAN LTD. (the "Company") for the fiscal year from May 1, 2022 to April 30, 2023.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the YA-MAN Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Other Information**

Other information refers to the Business Report and the accompanying supplementary schedules.

Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of duties by Directors in the development and operation of the reporting process for the other information.

As the scope of our audit opinions on the consolidated financial statements does not include the other information, we shall not express our opinion on the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information and through the process thereof, examine whether there are any material differences between the other information and the consolidated financial statements or the knowledge we acquired in the course of our audit, and to pay attention to whether there are any signs of a material error in the other information, on top of the material differences.

Based on the operations we conduct, if we deem that there is a material error in the other information, we are required to report the fact.

There are no matters to report regarding other information.

## Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably

considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

**Interest**

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

**Independent Auditor's Report**  
(English Translation)

June 15, 2023

To the Board of Directors  
YA-MAN LTD.

**KPMG AZSA LLC**  
Tokyo Office, Japan

Satsuki Miyahara  
Designated Engagement Partner  
Certified Public Accountant

Ikuo Hiruma  
Designated Engagement Partner  
Certified Public Accountant

**Opinion**

Pursuant to Article 436, Paragraph (2), Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity, and the notes to the financial statements and the accompanying supplementary schedules of YA-MAN LTD. (the "Company") for the 49th fiscal year from May 1, 2022 to April 30, 2023.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of April 30, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Other Information**

Other information refers to the Business Report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of duties by Directors in the development and operation of the reporting process for the other information.

As the scope of our audit opinions on the financial statements does not include the other information, we shall not express our opinion on the other information.

Our responsibility in auditing the financial statements is to read through the other information and through the process thereof, examine whether there are any material differences between the other information and the financial statements or the knowledge we acquired in the course of our audit, and to pay attention to whether there are any signs of a material error in the other information, on top of the material differences.

Based on the operations we conduct, if we deem that there is a material error in the other information, we are required to report the fact.

There are no matters to report regarding other information.

## Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

## Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.



The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

#### Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## **Audit Report** (English Translation)

The Audit & Supervisory Board hereby submits its audit report on Directors' performance of duties for the 49th fiscal year from May 1, 2022 to April 30, 2023, as a collective opinion of all Audit & Supervisory Board Members. The report has been prepared by the Audit & Supervisory Board through discussions based on audit reports prepared by the respective Audit & Supervisory Board Members.

1. Methods and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board
  - (1) The Audit & Supervisory Board established the auditing policies and auditing plan at the beginning of the fiscal year; received reports regarding the status of execution of audit and its results from each Audit & Supervisory Board Member; received reports from Directors, the internal audit division and accounting auditors concerning the performance of their duties; and, when necessary, requested them to provide explanations.
  - (2) In accordance with the Audit & Supervisory Board Members' auditing standards specified by the Audit & Supervisory Board and, the auditing policies and auditing plan, each Audit & Supervisory Board Member ensured effective communication with Directors, employees in the internal audit division and other relevant employees; made efforts to collect necessary information and improve the auditing environment; and conducted the audit with the following methods.
    - (a) The Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings; received reports from Directors and other relevant employees regarding the performance of their duties; requested them to provide explanations when necessary; examined important approval documents and associated information; and apart from studying management, studied the operations and financial conditions at the head office as well as other principal offices. As for the subsidiaries, the Audit & Supervisory Board Members ensured effective communication with directors, audit & supervisory board members and other personnel of subsidiaries and to exchange information therewith, and, when necessary, received reports from the subsidiaries regarding their business.
    - (b) The Audit & Supervisory Board Members regularly received reports from Directors and other employees, requested explanations from them whenever necessary, and expressed the Audit & Supervisory Board Members' opinions, for ensuring that the execution of duties by Directors described in the Business Report conforms to the related laws and regulations and the Articles of Incorporation, the details of the resolution of the Board of Directors concerning the establishment of the system stipulated in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act intended to secure the appropriateness of the operations of the corporate group consisting of the Company and its subsidiaries; and the creation and operation status of a system (internal control system) established in accordance with said resolution.
    - (c) The Audit & Supervisory Board monitored and verified whether the Accounting Auditors maintained their independence and properly conducted their audit, received a report from the Accounting Auditors on the status of their performance of duties, and requested explanations, as necessary. In addition, the Audit & Supervisory Board was notified by the Accounting Auditors that they had established a "system for ensuring that the performance of the duties of Financial Auditors is being carried out correctly" (the matters set forth in the items of Article 131 of the Regulation on Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations, as necessary.

Based on the above-described methods, the Audit & Supervisory Board examined the business report and the supplementary schedules thereto, and the non-consolidated financial statements (balance sheet, statement of income, statement of changes in equity, and notes to non-consolidated financial statements) and the supplementary schedules thereto, as well as the consolidated financial statements (consolidated

balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements), for the fiscal year under review.

## 2. Results of Audit

### (1) Results of Audit of Business Report and Other Relevant Documents

- (a) We acknowledge that the business report and supplementary schedules fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (b) We acknowledge that there is no misconduct or material fact in violation of laws and regulations or the Articles of Incorporation of the Company with regard to the performance of duties by Directors.
- (c) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and the performance of duties by Directors concerning the internal control systems. We believe the continued pursuit of best practice adapted to changes in circumstances is important.

### (2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditors KPMG AZSA LLC are appropriate.

### (3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditors KPMG AZSA LLC are appropriate

June 20, 2023

Audit & Supervisory Board, YA-MAN LTD.

Full-Time Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member  
Outside Audit & Supervisory Board Member

Nozomu Toriyama (Seal)  
Eiji Iwasaki (Seal)  
Kazuaki Oshiumi (Seal)