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Securities code: 6630

July 8, 2022

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 48TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We express our condolences to those who lost their lives due to COVID-19. We also express our deepest sympathies to those who have been affected by the disease and their families, and hope for their earliest recovery.

We are pleased to inform you that the 48th Annual General Meeting of Shareholders of YA-MAN LTD. (the “Company”) will be held as described below.

We have decided to hold this General Meeting of Shareholders by taking appropriate measures to prevent the spread of COVID-19.

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 attached herein and exercise your voting rights by 5 p.m. on Wednesday July 27, 2022, Japan time.

- 1. Date and Time:** Thursday, July 28, 2022 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 48th Fiscal Year (May 1, 2021 - April 30, 2022), 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 48th Fiscal Year (May 1, 2021 - April 30, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Seven (7) Directors
- Proposal 4:** Election of Two (2) Audit & Supervisory Board Members
- Proposal 5:** Election of One (1) Substitute Audit & Supervisory Board Member

- When attending the Meeting, please submit the Voting Form at reception.
- If any revisions were made to the Reference Documents for the Annual General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements, they will be posted on the Company's corporate information site (<https://www.ya-man.co.jp/>).
- Of the documents to be provided together with this convocation notice, "Matters Concerning the Development of Systems, etc. for Ensuring Appropriate Business Operations" in the Business Report, Supplementary Schedules of the Consolidated Financial Statements, and Supplementary Schedules of the Non-consolidated Financial Statements are disclosed on the Company's corporate information site (<https://www.ya-man.co.jp/>) pursuant to the provisions of laws and regulations as well as Article 19 of the Articles of Incorporation of the Company, and not provided in the documents attached herein.
- 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 note that drinks or hand towels will not be provided at the Meeting.
- Please also note that there will be no shuttle bus service between the venue and the Toyochō station on the day of the Meeting.

[Notes on attending the Meeting]

1. The venue of this Annual General Meeting of Shareholders is subject to change due to blockage of the venue scheduled for the Meeting and other reasons. If there is a change in the venue of the Meeting, it will be notified on the Company's corporate information site shown below.
2. Shareholders attending the Meeting are kindly requested to wear face masks. Shareholders not wearing face masks may be denied attending the Meeting.
3. The body temperature of shareholders will be measured near the entrance of the venue. A shareholder who is recognized as having a fever and/or showing signs of ill health may be denied attending the Meeting.
4. To ensure enough distance between shareholders, there will be limited seating available for shareholders at the Meeting. It is possible that you may not be able to be seated or enter the venue.
5. In addition to the abovementioned measures, necessary measures to prevent COVID-19 will be taken as of the date of the Meeting.

The Company's corporate information site (for Annual General Meeting of Shareholders) (Japanese only)

<https://www.ya-man.co.jp/ir-info/>

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 28, 2022 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 27, 2022 (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 27, 2022 (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)

The website will be temporarily unavailable due to maintenance on
Saturday, July 16, 2022, 5:00 am to Tuesday, July 19, 2022, 5:00 am

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 48th fiscal year, the Company proposes to pay dividends as follows, taking into consideration the future business development and the status of retained earnings, and from the perspective of distributing profits to shareholders.

(1) Type of dividend property

Cash

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

¥6.50 per share of the Company's common stock Total amount: ¥357,637,878

(3) Effective date of dividend of surplus

July 29, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) Due to the enforcement of the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Act No. 70 of 2021), listed companies may now hold general meetings of shareholders without a location (a so-called virtual-only shareholders' meeting) subject to confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice. Along with this, Article 13, Paragraph 2 of the Company's Articles of Incorporation will be added so that a virtual-only shareholders meeting may be held, which has the advantage of enabling shareholders that are located in both remote and close areas to attend under the same conditions, leading to more efficient, smoother and more diversified schedules of shareholder meetings as it is not necessary to secure a physical venue, as well as being able to respond to unforeseen circumstances such as COVID-19. By order of the Ministry of Economy, Trade and Industry and the Ministry of Justice, virtual-only meetings are required to contribute to strengthening industrial competitiveness with consideration for securing the interests of shareholders. In light of this requirement, the proposed amendment will take effect subject to approval at the Annual General Meeting and on the day on which the Company receives confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice as provided for in those ministerial orders.
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation shall be amended as follows.
 - 1) The proposed Article 19, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
 - 2) The purpose of the proposed Article 19, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - 3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 19 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
 - 4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.
- (3) Other necessary amendments in wording shall be made.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Convocation of the General Meeting of Shareholders)</p> <p>Article 13 (Omitted)</p> <p style="padding-left: 40px;">(Newly established)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meetings of Shareholders, Etc.)</u></p> <p><u>Article 19 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p style="padding-left: 40px;">(Newly established)</p>	<p>(Convocation of the General Meeting of Shareholders)</p> <p>Article 13 (Unchanged)</p> <p><u>2. The Company may convene General Meetings of Shareholders without a location.</u></p> <p style="text-align: center;">(Deleted)</p> <p style="text-align: center;"><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 19 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Rules of Audit & Supervisory Board)</p> <p>Article 38 Matters relating to the Audit & Supervisory Board shall be governed by the Rules of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to law, ordinance, or these Articles of Incorporation.</p> <p>(Newly established)</p>	<p>(<u>Regulations</u> of Audit & Supervisory Board)</p> <p>Article 38 Matters relating to the Audit & Supervisory Board shall be governed by the <u>Regulations</u> of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to law, ordinance, or these Articles of Incorporation.</p> <p>(<u>Supplementary provisions</u>)</p> <p>(<u>Transitional Measures regarding Convocation of the General Meeting of Shareholders</u>)</p> <p><u>The amendment to the Article 13, Paragraph 2 will take effect on the day on which the Company receives confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice that the general meetings of shareholders without a location held by the Company satisfy the requirements specified by an Ordinance of the Ministry of Economy, Trade and Industry. The supplementary provision shall be deleted after the lapse of the effective day.</u></p> <p>(<u>Transitional Measures regarding Electronic Provision of Documents for the General Meetings of Shareholders</u>)</p> <ol style="list-style-type: none"> 1. <u>The amendment of Article 19 of the Articles of Incorporation shall come into effect on September 1, 2022, which is the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> 2. <u>Notwithstanding the provisions of the preceding paragraph, Article 19 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meetings of Shareholders, Etc.) shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u> 3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

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)	<p>August 1996 Joined the Company</p> <p>December 2000 Section Manager of Accounting Department</p> <p>January 2008 Director, General Manager of Administration Division and General Manager of Accounting Department</p> <p>February 2008 Director, LABO WELL Co. (current position)</p> <p>October 2008 Director, General Manager of Administration Division and General Manager of Planning Management Department, the Company</p> <p>June 2009 Director, LABOWELL CORPORATION</p> <p>January 2010 Director, General Manager of Administration Division, the Company (current position)</p> <p>[Significant concurrent positions] None</p>	20,000 shares
<p>[Reason for nomination as candidate for Director]</p> <p>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.</p>			
3	Shota Toda (December 30, 1977)	<p>April 2001 Joined the Company</p> <p>July 2002 General Manager of Health Care Equipment Business Department I</p> <p>January 2008 Executive Officer, General Manager of Health Care Equipment Business Department II</p> <p>May 2010 Executive Officer, General Manager of Health Care Equipment Business Department II, Sales Division</p> <p>July 2010 Director, General Manager of Health Care Equipment Business Department II, Sales Division</p> <p>May 2017 Director, General Manager of Brand Strategy Division and General Manager of Health Care Equipment Business Department II, Sales Division</p> <p>May 2018 Director, General Manager of Brand Strategy Division (current position)</p> <p>[Significant concurrent positions] None</p>	48,000 shares
<p>[Reason for nomination as candidate for Director]</p> <p>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.</p>			

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&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 & 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, in charge of Trust Business Department</p> <p>April 2012 Full-time Audit & 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 & Co., Ltd.</p> <p>February 2021 Representative Director (current position)</p> <p>June 2021 Outside Director, Audit & Supervisory Committee Member, Nomura Trading Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Representative Director, C. Murata & Co., Ltd. Outside Director, Audit & Supervisory Committee Member, Nomura Trading Co., Ltd.</p>	1,300 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 & YOUNG SHINNIHON LLC)</p> <p>October 2000 Joined Asahi & 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>Although Mr. Takeshi Kurihara has never been directly involved in corporate management, he 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. (current position)</p> <p>[Significant concurrent position] External Director, Uzabase, inc.</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 become 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 six (6) years, three (3) years and one (1) year, 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 4: Election of Two (2) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Member Mr. Eiji Iwasaki will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to reelect him.

In addition, Audit & Supervisory Board Member Mr. Kazumi Kojima will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect Mr. Kazuaki Oshiumi. If elected, he will replace Mr. Kojima and serve Mr. Kojima'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.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Eiji Iwasaki (February 22, 1950)	April 1973 Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) June 1996 Branch Manager of Konandai Branch June 1997 Branch Manager of Kichijoji Branch June 1999 Branch Manager of Tokyo Business Department June 2003 Executive Officer, STB Leasing Co., Ltd. (currently Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.) June 2009 Managing Executive Officer July 2010 Outside Audit & Supervisory Board Member, the Company (current position) [Significant concurrent positions] None	6,600
[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] Mr. Eiji Iwasaki has a high level of knowledge and extensive experience in corporate management and corporate finance through many years of experience working at a bank. Since becoming Audit & Supervisory Board Member of the Company in July 2010, he has led the audit system of the Company as a Full-Time Audit & Supervisory Board Member, and has also provided the Audit & Supervisory Board and the Board of Directors with appropriate advice and recommendations. Based on the above, the Company believes that he is adequate to serve as Outside Audit & Supervisory Board Member of the Company, and thus proposes his reappointment as Outside Audit & Supervisory Board Member.			

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
2	Kazuaki Oshiumi (July 17, 1965) [New appointment]	<p>April 1990 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>July 1993 Joined Junichiro Yamada Certified Public Accountants and Tax Accountants Office (currently Grant Thornton Yamada & Partners)</p> <p>September 1996 Joined Kazuyoshi Oshiumi Certified Public Accountants Office</p> <p>April 1999 Partner, YUSEI Audit & Co. (currently Grant Thornton Taiyo LLC)</p> <p>January 2000 Founded Oshiumi Tax Corporation</p> <p>November 2000 Representative Partner, YUSEI Audit & Co.</p> <p>August 2004 Representative Director and Founder Xbrain Co., Ltd. (current position)</p> <p>January 2010 Representative Partner, Oshiumi Tax Corporation (current position)</p> <p>January 2012 Councillor, Tokyo Symphony Orchestra (current position)</p> <p>June 2015 Auditor, Japan Pair Go Association (current position)</p> <p>June 2016 CEO and Founder of Rev Partners. Inc. (current position)</p> <p>July 2018 Partner, Grant Thornton Taiyo LLC</p> <p>[Significant concurrent positions] Certified Public Accountant, Licensed Tax Accountant Representative Director of Xbrain Co., Ltd. CEO of Rev Partners. Inc.</p>	-
<p>[Reason for nomination as candidate for Outside Audit & Supervisory Board Member]</p> <p>Mr. Kazuaki Oshiumi is qualified as a Certified Public Accountant and Licensed Tax Accountant and has abundant practical experience and broad knowledge in financial accounting and corporate management. The Company believes that he is a person who can appropriately perform his duties as Outside Audit & Supervisory Board Member by utilizing these experiences and knowledge, and thus proposes his appointment as Outside Audit & Supervisory Board Member.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
 2. Mr. Eiji Iwasaki and Mr. Kazuaki Oshiumi are candidates for Outside Audit & Supervisory Board Member.
 3. If Mr. Eiji Iwasaki and Mr. Kazuaki Oshiumi assume the position of Audit & Supervisory Board Member, they will become Independent Auditors as prescribed by the Tokyo Stock Exchange.
 4. At the conclusion of this General Meeting, term of office of Mr. Eiji Iwasaki as Outside Audit & Supervisory Board Member of the Company will have been twelve (12) years.
 5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Eiji Iwasaki to limit his liability for damages as stipulated in Article 423, paragraph (1) of said Act. The limit of his 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. Eiji Iwasaki is approved, the above agreement will continue to apply. Furthermore, if the election of Mr. Kazuaki Oshiumi is approved, the Company intends to enter into the above agreement with him as well.
 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 Mr. Eiji Iwasaki and Mr. Kazuaki Oshiumi 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.

<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							
Eiji Iwasaki					○		○
Nozomu Toriyama					○		○
Kazuaki Oshiumi					○		○

Proposal 5: 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
Tomoko Kawamoto (November 20, 1972)	October 2002 Joined Tokyo Themis Law Offices April 2005 Founded Kawamoto Sogo Law Office October 2006 Founded Tokyo Chuo Sogo Law Office April 2016 Vice-President, Daini Tokyo Bar Association April 2019 Executive Governor, Japan Federation of Bar Associations April 2022 Director, Kanto Federation of Bar Associations [Significant concurrent positions] Attorney at Law	-

[Reason for nomination as candidate for Substitute 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 substitute 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 substitute Outside Audit & Supervisory Board Member.
 3. If Ms. Tomoko Kawamoto assumes the position of Audit & Supervisory Board Member, she will become 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.

(Appendix)

Business Report

(May 1, 2021 – April 30, 2022)

1. Overview of the Corporate Group

(1) Business Progress and Results

In the fiscal year that ended on April 30, 2022, the Japanese economy saw a trend of moderate recovery, but restrictions on economic activity caused by the intermittent waves of COVID-19 infections, as well as the impact of Russia's invasion of Ukraine and other factors, meant that it fell short of a full-scale recovery.

In overseas markets as well, although there were some differences among countries and regions, the deterioration of the economic environment has been prolonged, and the sense of uncertainty about the future has not yet been dispelled.

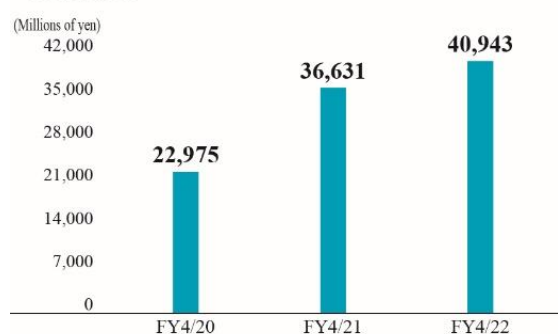
Under such circumstances, the YA-MAN Group engaged in challenges such as advertising activities that give people a better perception of the YA-MAN brand and the development of a line-up of unprecedented products, with the aim of growing and optimizing each of its sales channels, including mail-order sales, store sales, direct sales, and overseas sales.

Due to significant growth in net sales in the overseas sales segment in China and firm net sales results in each of the domestic sales channels, consolidated net sales increased 11.8% year-on-year to 40,943 million yen, operating profit increased 12.5% year-on-year to 6,880 million yen, ordinary profit increased 32.1% year-on-year to 8,063 million yen, and profit attributable to owners of parent increased 49.9% year-on-year to 5,586 million yen, resulting in much stronger performance than one year earlier, with record-high sales and earnings.

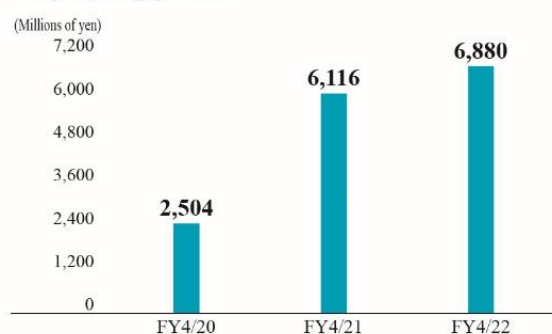
In the year ending April 30, 2023, which is the final year of the medium-term management plan that was announced in November 2020, we will actively invest in areas such as advertising, R&D, and business alliances and strive to achieve further growth in each sales channel, to achieve the goals of sales of 50 billion yen and an operating margin of 20% as stated in the plan.

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--mail-order sales, store sales, direct sales, and overseas sales.

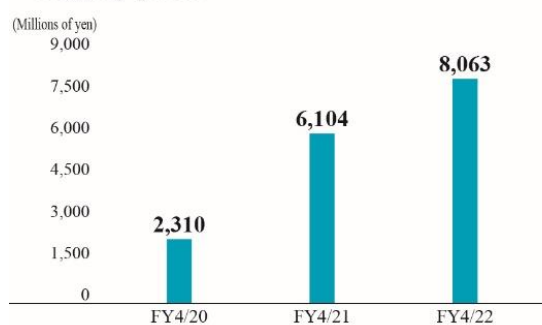
For the mail-order sales segment, although sales via terrestrial TV shopping channels struggled somewhat, particularly while the Tokyo Olympic and Paralympic Games were being held, overall sales were firm, and both sales and earnings were higher than in the previous fiscal year. Segment sales increased 5.1% year-on-year to 5,202 million yen and segment profit increased 6.7% year-on-year to 2,132 million yen.

For the store sales segment, sales at department stores and directly managed stores struggled to recover, but sales to volume-sales electronics retailers performed well, resulting in a 10.4% increase in total sales to 8,398 million yen and a 25.2% increase in segment profit year-on-year to 2,508 million yen.

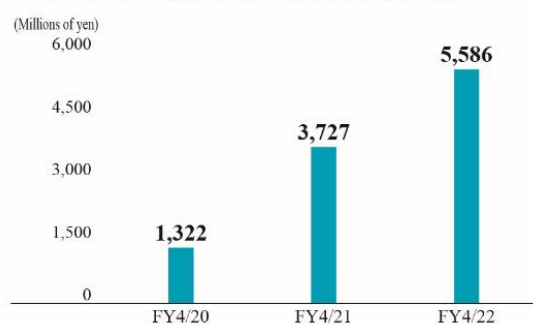
For the direct sales segment, we continued to concentrate our efforts on web-based sales, mainly at our direct sales website and online shopping mall, but the results failed to reach the extremely strong results of the previous fiscal year, with sales decreasing 4.1% year-on-year to 11,566 million yen and segment profit falling 2.3% year-on-year to 5,844 million yen.

For the overseas sales segment, the Chinese domestic market continued to be exceptionally strong, and both sales and earnings were much higher than one year earlier as sales increased 32.0% year-on-year to 14,522 million yen and segment profit increased 45.6 % year-on-year to 4,385 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 628.7 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 380 million yen. These investments were mainly 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	FY4/19 May 1, 2018 to April 30, 2019	FY4/20 May 1, 2019 to April 30, 2020	FY4/21 May 1, 2020 to April 30, 2021	FY4/22 (The fiscal year under review) May 1, 2021 to April 30, 2022
Net sales (thousand yen)	27,252,371	22,975,758	36,631,026	40,943,193
Ordinary profit (thousand yen)	5,715,275	2,310,752	6,104,957	8,063,479
Profit attributable to owners of parent (thousand yen)	3,539,647	1,322,586	3,727,926	5,586,869
Net income per share (yen)	62.65	23.66	67.75	101.54
Total assets (thousand yen)	17,959,780	17,292,977	25,855,511	30,552,173
Net assets (thousand yen)	13,072,242	13,361,715	16,893,058	22,093,208
Net assets per share (yen)	233.67	242.85	307.03	401.54

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

Fiscal year Item	FY4/19 May 1, 2018 to April 30, 2019	FY4/20 May 1, 2019 to April 30, 2020	FY4/21 May 1, 2020 to April 30, 2021	FY4/22 (The fiscal year under review) May 1, 2021 to April 30, 2022
Net sales (thousand yen)	26,407,220	21,897,239	36,122,257	40,674,041
Ordinary profit (thousand yen)	6,095,712	2,752,077	6,546,621	8,312,464
Profit (thousand yen)	3,662,116	1,700,287	3,474,832	5,597,727
Net income per share (yen)	64.82	30.42	63.15	101.74
Total assets (thousand yen)	17,615,450	17,255,600	26,043,066	30,684,148
Net assets (thousand yen)	13,166,676	13,841,052	17,117,699	22,258,750
Net assets per share (yen)	235.35	251.56	311.11	404.55

Note: 1. 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 medium-term management plan.

a. Strengthen R&D activities

In the beauty and health industry in which the YA-MAN Group operates, various manufacturers and dealers are selling a wide variety of products.

Under such conditions, the YA-MAN Group needs to constantly create original and innovative products based on the YA-MAN spirit of “A new beautiful.” to have consumers select products of the Group.

Furthermore, to expand our overseas development so that customers in diverse countries will use our products with peace of mind, it is an urgent task to obtain certifications, such as FDA certification in the United States and NMPA certification in China.

The YA-MAN Group sees strengthening R&D activities as one of our highest priorities. As a manufacturer that started as a supplier of professional beauty equipment, we will develop products based on our technological capabilities that change how people perceive beauty care. We also plan to assign more people to measuring the effectiveness, confirming safety and managing the quality of new products as well as to build a sound infrastructure for these operations.

b. Corporate branding

The YA-MAN Group aims to be “a global brand company based in Japan.” To this end, in addition to increasing awareness of individual products and product brands, we need to conduct global activities for increasing awareness of the YA-MAN corporate brand.

Our ongoing branding initiatives were recognized in the Japan Branding Awards 2021, organized by Interbrand Japan, Inc. in December 2021, with YA-MAN winning the “Rising Stars” award for creating significant growth through branding, with excellent originality.

We will continue our efforts to establish and spread the YA-MAN brand by increasing advertising activities that give people a better perception of YA-MAN. Initiatives also include new services such as HYOJO Science Lab, FACE LIFT GYM, and live commerce, enhancement and revitalization of our organization by fully utilizing diverse talent in the YA-MAN workforce, and engagement in environmental activities to promote the SDGs.

c. Businesses that use the convergence of beauty care devices and cosmetics

We plan to increase emphasis on the planning and development of cosmetics used with beauty care devices in order to increase effectiveness and of products that incorporate both beauty care devices and cosmetics.

Developing these types of products is expected to increase the number of repeat users of YA-MAN cosmetics, resulting in consistent sales. Strengthening activities involving the convergence of beauty care devices and cosmetics is also expected to differentiate YA-MAN products from those of competitors.

The COVID-19 pandemic is entering a new phase with the shift toward lifestyles that co-exist with COVID-19, and customers’ consumption patterns continue to change.

Viewing these changes in the business environment as business opportunities, the YA-MAN Group’s goals are to continue upgrading services for customers, 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
Mail-order sales	9
Store sales	154
Direct sales	26
Overseas sales	16
Other	1
Company-wide (common)	158
Total	364

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
359	+34	4.5 years	34.4 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.	1,120,244	100.0%	Sales of beauty and health equipment and cosmetics, etc.
YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD	170,293	100.0%	Sales of cosmetics, etc.
MACHERIE BEAUTY TECHNOLOGY CO.,LTD	978,000	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, 2022

No items to report.

(8) Major lenders and amounts of borrowings

Lender	Amount of borrowing (thousand yen)
Sumitomo Mitsui Banking Corporation	814,000
MUFG Bank, Ltd.	380,000
Mizuho Bank, Ltd.	380,000
Sumitomo Mitsui Trust Bank, Limited	380,000

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 63,481 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)	3,422,900	6.22
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
Custody Bank of Japan, Ltd. (Trust Account and others)	782,500	1.42
Ecolite Limited Liability Company	650,000	1.18

- 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, 2022)

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	Representative Director, C. Murata & Co., Ltd. Outside Director, Audit & Supervisory Committee Member, Nomura Trading Co., Ltd.
Takeshi Kurihara	Director	Certified Public Accountant
Saki Igawa	Director	External Director, Uzabase, inc.
Eiji Iwasaki	Full-time Audit & Supervisory Board Member	-
Kazumi Kojima	Audit & Supervisory Board Member	-
Nozomu Toriyama	Audit & Supervisory Board Member	-

- 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 Eiji Iwasaki, Kazumi Kojima, and Nozomu Toriyama are Outside Company Auditors 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 Eiji Iwasaki, Kazumi Kojima, and Nozomu Toriyama are independent officers as stipulated in the regulations of the exchange.
 4. Audit & Supervisory Board Member Kazumi Kojima has been engaged in corporate accounting and financial operations over many years and has considerable knowledge relating to finances and 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.

From the next fiscal year (49th Fiscal Year ending April 30, 2023), this Committee will deliberate on these matters in response to a request by the Board of Directors, and those matters will be 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 29, 2021 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	109,547 thousand yen
Audit & Supervisory Board Members	4	17,460 thousand yen
Total	11	127,007 thousand yen

- Notes:
1. The above includes one (1) Outside Audit & Supervisory Board Member who retired at the conclusion of the 47th Annual General Meeting of Shareholders held on July 29, 2021.
 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 27,547 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.
Director Kazuo Ishida is Representative Director of C. Murata & Co., Ltd., but the company has no particular relationship with the Company.
- b. Matters concerning significant concurrent positions as an outside officer of another corporation, etc.
Director Kazuo Ishida is Outside Director and Audit & Supervisory Committee Member of Nomura Trading Co., Ltd., but the company has no particular relationship with the Company.
Director Saki Igawa is External Director of Uzabase, inc., but the company has no particular relationship with the Company.
- 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 13 out of 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 10 meetings of the Board of Directors held during the fiscal year under review after assuming office on July 29, 2021 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	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 utilizing his wide-ranging experience cultivated at the bank.

Audit & Supervisory Board Member	Kazumi Kojima	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 such as expressing his opinion based on his wide-ranging insights concerning accounting and finance.
Audit & Supervisory Board Member	Nozomu Toriyama	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 29, 2021 and provided appropriate advice and recommendations utilizing his wide-ranging experience and insights in corporate management.

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)	36,500 thousand yen
2.	Total amount of compensation and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	36,500 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 above amounts are rounded down to the nearest thousand yen.

Consolidated Balance Sheet

(As of April 30, 2022)

(In thousands of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	27,907,512	Current liabilities	7,120,349
Cash and deposits	16,649,109	Notes and accounts payable-trade	1,870,634
Notes and accounts receivable-trade, and contract assets	5,194,903	Current portion of long-term borrowings	624,000
Merchandise and finished goods	2,887,195	Lease obligations	7,506
Work in process	45,227	Accounts payable - other	2,225,917
Raw materials and supplies	1,186,405	Income taxes payable	1,804,934
Accounts receivable – other	933,772	Provision for bonuses	80,092
Other	1,011,026	Other	507,264
Allowance for doubtful accounts	(128)		
Non-current assets	2,644,661		
Property, plant and equipment	541,324	Non-current liabilities	1,338,614
Buildings and structures	260,013	Long-term borrowings	1,330,000
Machinery, equipment and vehicles	64,815	Lease obligations	8,614
Land	158,177		
Leased assets	14,066	Total liabilities	8,458,964
Construction in progress	4,314		
Other	39,936	(Net assets)	
Intangible assets	624,268	Shareholders' equity	22,038,091
Other	624,268	Share capital	1,813,796
Investments and other assets	1,479,067	Capital surplus	1,432,431
Investment securities	300,000	Retained earnings	21,678,982
Shares of subsidiaries and associates	424,436	Treasury shares	(2,887,118)
Deferred tax assets	513,451	Accumulated other comprehensive income	55,117
Other	241,179	Foreign currency translation adjustment	55,117
		Total net assets	22,093,208
Total assets	30,552,173	Total liabilities and net assets	30,552,173

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

Consolidated Statement of Income

(May 1, 2021 – April 30, 2022)

(In thousands of yen)

Description	Amount	
Net sales		40,943,193
Cost of sales		15,847,528
Gross profit		25,095,665
Selling, general and administrative expenses		18,214,986
Operating profit		6,880,678
Non-operating income		
Interest and dividend income	1,072	
Foreign exchange gains	1,294,847	
Other	12,499	
		1,308,419
Non-operating expenses		
Interest expenses	13,275	
Guarantee commission	2,275	
Loss on sale of trade receivables	4,724	
Share of loss of entities accounted for using equity method	103,890	
Other	1,452	
		125,617
Ordinary profit		8,063,479
Extraordinary income		
Gain on sale of non-current assets	30,702	
Settlement received	1,350	
		32,052
Extraordinary losses		
Loss on retirement of non-current assets	17,154	
Contribution to loss	59,179	
		76,333
Profit before income taxes		8,019,198
Income taxes-current	2,698,290	
Income taxes-deferred	(265,961)	
		2,432,329
Profit		5,586,869
Profit attributable to owners of parent		5,586,869

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

Consolidated Statement of Changes in Equity

(May 1, 2021 – April 30, 2022)

(In thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at May 1, 2021	1,813,796	1,432,431	16,543,880	(2,887,118)	16,902,990
Changes of items during the period					
Dividends of surplus	-	-	(456,676)	-	(456,676)
Profit attributable to owners of parent	-	-	5,586,869	-	5,586,869
Other	-	-	4,907	-	4,907
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	-	5,135,101	-	5,135,101
Balance at April 30, 2022	1,813,796	1,432,431	21,678,982	(2,887,118)	22,038,091

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at May 1, 2021	(9,931)	(9,931)	16,893,058
Changes of items during the period			
Dividends of surplus	-	-	(456,676)
Profit attributable to owners of parent	-	-	5,586,869
Other	-	-	4,907
Net changes of items other than shareholders' equity	65,049	65,049	65,049
Total changes of items during the period	65,049	65,049	5,200,150
Balance at April 30, 2022	55,117	55,117	22,093,208

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

Balance Sheet
(As of April 30, 2022)

(In thousands of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	27,287,446	Current liabilities	7,086,782
Cash and deposits	16,185,210	Notes payable-trade	488,925
Notes receivable-trade	38,933	Accounts payable-trade	1,378,083
Accounts receivable-trade, and contract assets	5,154,755	Current portion of long-term borrowings	624,000
Merchandise and finished goods	2,755,756	Lease obligations	7,506
Work in process	45,227	Accounts payable - other	2,219,308
Raw materials and supplies	1,186,405	Accrued expenses	34,114
Advance payments	147,892	Income taxes payable	1,804,658
Prepaid expenses	356,531	Advances received	40,600
Accounts receivable – other	933,477	Deposits received	11,164
Other	483,255	Provision for bonuses	80,092
Non-current assets	3,396,701	Other	398,328
Property, plant and equipment	537,362	Non-current liabilities	1,338,614
Buildings	260,013	Long-term borrowings	1,330,000
Structures	0	Lease obligations	8,614
Machinery and equipment	60,912	Total liabilities	8,425,397
Tools, furniture and fixtures	39,877	(Net assets)	
Land	158,177	Shareholders' equity	22,258,750
Leased assets	14,066	Share capital	1,813,796
Construction in progress	4,314	Capital surplus	1,432,431
Intangible assets	624,190	Legal capital surplus	1,313,795
Patent right	64,875	Other capital surplus	118,636
Software	235,335	Retained earnings	21,899,641
Other	323,979	Legal retained earnings	61,792
Investments and other assets	2,235,148	Other retained earnings	21,837,849
Investment securities	300,000	General reserve	5,500
Shares of subsidiaries and associates	863,924	Retained earnings brought forward	21,832,349
Deferred tax assets	833,320	Treasury shares	(2,887,118)
Other	237,903	Total net assets	22,258,750
Total assets	30,684,148	Total liabilities and net assets	30,684,148

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

Statement of Income
(May 1, 2021 – April 30, 2022)

(In thousands of yen)

Description	Amount	
Net sales		40,674,041
Cost of sales		15,752,592
Gross profit		24,921,448
Selling, general and administrative expenses		17,940,566
Operating profit		6,980,882
Non-operating income		
Interest and dividend income	767	
Outsource service income	42,612	
Foreign exchange gains	1,297,625	
Other	12,002	1,353,007
Non-operating expenses		
Interest expenses	13,048	
Guarantee commission	2,200	
Loss on sale of trade receivables	4,724	
Other	1,452	21,425
Ordinary profit		8,312,464
Extraordinary income		
Gain on sale of non-current assets	30,702	
Settlement received	1,350	32,052
Extraordinary losses		
Loss on retirement of non-current assets	17,154	
Loss on valuation of shares of subsidiaries and associates	335,340	
Contribution to loss	59,179	411,673
Profit before income taxes		7,932,843
Income taxes-current	2,695,474	
Income taxes-deferred	(360,358)	2,335,116
Profit		5,597,727

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

Statement of Changes in Equity

(May 1, 2021 – April 30, 2022)

(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, 2021	1,813,796	1,313,795	118,636	1,432,431	61,792	5,500	16,691,298	16,758,590
Changes of items during the period								
Dividends of surplus	-	-	-	-	-	-	(456,676)	(456,676)
Profit	-	-	-	-	-	-	5,597,727	5,597,727
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes of items during the period	-	-	-	-	-	-	5,141,051	5,141,051
Balance at April 30, 2022	1,813,796	1,313,795	118,636	1,432,431	61,792	5,500	21,832,349	21,899,641

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at May 1, 2021	(2,887,118)	17,117,699	17,117,699
Changes of items during the period			
Dividends of surplus	-	(456,676)	(456,676)
Profit	-	5,597,727	5,597,727
Net changes of items other than shareholders' equity	-	-	-
Total changes of items during the period	-	5,141,051	5,141,051
Balance at April 30, 2022	(2,887,118)	22,258,750	22,258,750

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

Independent Auditor's Report
(English Translation)

June 16, 2022

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, 2021 to April 30, 2022.

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 16, 2022

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 48th fiscal year from May 1, 2021 to April 30, 2022.

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 48th fiscal year from May 1, 2021 to April 30, 2022, 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.

As stated in the business report, YA-MAN received an order for action from Japan's Consumer Affairs Agency on March 31, 2020 pursuant to the Act against Unjustifiable Premiums and Misleading Representations. The Audit & Supervisory Board has confirmed that YA-MAN and its subsidiaries have established an appropriate system for ensuring compliance with laws and regulations, including this Act.

(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, 2022

Audit & Supervisory Board, YA-MAN LTD.

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

Eiji Iwasaki (Seal)
Kazumi Kojima (Seal)
Nozomu Toriyama (Seal)