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Securities code: 6630

July 9, 2025

(Start date of measures for electronic provision: July 2, 2025)

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 51ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to inform you that the 51st Annual General Meeting of Shareholders of YA-MAN LTD. (the “Company”) will be held as described below.

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

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

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

Tokyo Stock Exchange website:

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

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

If you are unable to attend the Meeting, you may exercise your voting rights either electronically (via the Internet, etc.) or in writing. Please review the Reference Documents for the Annual General Meeting of Shareholders posted in the matters regarding measures for electronic provision and exercise your voting rights by 5:00 p.m. on Thursday, July 24, 2025, Japan time.

- 1. Date and Time:** Friday, July 25, 2025 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 51st Fiscal Year (May 1, 2024 - April 30, 2025), 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 51st Fiscal Year (May 1, 2024 - April 30, 2025)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member
- Proposal 6:** Determination of Amount of Compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 7:** Determination of Amount of Compensation, etc. for Directors who are Audit and Supervisory Committee Members

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- When attending the Meeting, please submit the Voting Form at reception.
 - In the event of any revisions to the matters regarding measures for electronic provision, the revisions will be posted on the respective websites where they are posted.
 - Pursuant to the provisions of laws and regulations and Article 19 of the Company's Articles of Incorporation, the following matters are not provided on the paper copy sent to shareholders who have requested it.
 - Matters Concerning the Development of Systems, etc. for Ensuring Appropriate Business Operations
 - Notes to the Consolidated Financial Statements
 - Notes to the Non-consolidated Financial Statements

Accordingly, these documents are part of the documents audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing the audit reports.

- In order to save electricity, the temperature of the air-conditioning system will be adjusted and the Company staff will be in light clothing (Cool Biz) at the Meeting. Shareholders are kindly requested to attend the Meeting in light clothing as well. We appreciate your understanding.
- Please note that there will be no shuttle bus service between the venue and the Toyochi station on the day of the Meeting.
- Please also note that we will not be distributing gifts to attendees or holding a product sales event on the day of the Meeting.

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

Guidance for Exercising Your Voting Rights

For Those Attending the General Meeting of Shareholders

Date and time of the General Meeting of Shareholders: Friday, July 25, 2025 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: Thursday, July 24, 2025 (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: Thursday, July 24, 2025 (The voting form must reach us by 5:00 p.m. Japan time)

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

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

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

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

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

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

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

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

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

2 Choose the method of exercising voting rights

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

[Options]

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

3 Choose your vote for or against the proposals

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

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

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

1 Access the Voting Rights Exercise Website

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

2 Log in

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

3 Enter the password

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

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

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

Handling of passwords

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

If you have any questions, please contact the following:

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

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

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

Contact information for other inquiries

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

Dear institutional investors:

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

Reference Documents for the Annual General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

With respect to the year-end dividends for the 51st fiscal year, the Company proposes to pay dividends as follows, taking into consideration future business development and the status of retained earnings.

(1) Type of dividend property

Cash

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

¥4.75 per share of the Company's common stock

Total amount: ¥261,350,614

(3) Effective date of dividend of surplus

July 28, 2025

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) Required to strengthen the supervisory function of the Board of Directors and to establish a corporate governance structure for further activating strategic discussion over the medium- to long-term, the Company has made a decision to transition from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee. Accordingly, we will add new provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members, and delete provisions concerning Audit & Supervisory Board Members and the Audit & Supervisory Board, which are necessary for the transition to a company with an Audit and Supervisory Committee. Supplementary Provisions will also be added as a transitional measure in connection with the transition to a company with an Audit and Supervisory Committee.
- (2) The Company's fiscal year is from May 1 to April 30 of the following year. However, by unifying our accounting period with that of our overseas consolidated subsidiaries, we expect to improve transparency through timely and appropriate information disclosure and to increase comparability with the overseas companies. Therefore, the Company has decided to change its fiscal year from January 1 to December 31 of each year. The 52nd fiscal year, which is the transitional period for the change in accounting period, is an eight-month accounting period from May 1, 2025 to December 31, 2025. Supplementary Provisions will also be added as a transitional measure in connection with the change to the fiscal year.
- (3) The Company employs the Executive Officer System with the aim of clarifying responsibilities and authority for business execution and enhancing management agility. Therefore, "Chapter IV: Directors and Board of Directors" of the current Articles of Incorporation will be changed to "Chapter IV: Directors, Board of Directors and Executive Officers," and related provisions will be newly changed to Article 22 (Representative Director and Executive Officers, etc.).
- (4) Article 30 (Limited Liability Agreements with Directors) of the current Articles of Incorporation will be amended (Exemption of Directors from Liability) to add a provision that Directors may be exempt from liability to the extent provided by laws and regulations by a resolution of the Board of Directors so that they can fully fulfill their expected roles. The Company has obtained consent of each Audit & Supervisory Board Member for the amendment to Article 30 (Limited Liability Agreements with Directors) of the current Articles of Incorporation.
- (5) In order to enable flexible capital and dividend policies, a new Article 43 (Organ to Determine Dividends of Surplus, etc.) will be added to the Articles of Incorporation, so that dividends of surplus, etc. can be resolved by the Board of Directors in accordance with Article 459, paragraph (1) of the Companies Act. At the same time, the Articles 7 (Acquisition of Own Shares) and 48 (Interim Dividend) of the current Articles of Incorporation will be deleted due to duplication.
- (6) Other necessary amendments in wording shall be made.

2. Details of the amendments

The details of the amendments are as follows.

The amendments to the Articles of Incorporation in this Proposal shall become effective at the conclusion of this Annual General Meeting of Shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
Chapter I: General Provisions	Chapter I: General Provisions
Articles 1 to 3 [Omitted] (Organs) Article 4 The Company shall have, in addition to the General Meeting of Shareholders and Directors, the following organs: (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor Article 5 [Omitted]	Articles 1 to 3 [Unchanged] (Organs) Article 4 The Company shall have, in addition to the General Meeting of Shareholders and Directors, the following organs: (1) Board of Directors [Deleted] (2) <u>Audit and Supervisory Committee</u> (3) Accounting Auditor Article 5 [Unchanged]
Chapter II: Shares	Chapter II: Shares
Article 6 [Omitted] (Acquisition of Own Shares) <u>Article 7</u> <u>The Company may acquire its own shares by a resolution of the Board of Directors in accordance with the provisions of Article 165, paragraph (2) of the Companies Act.</u> Article 8 [Omitted] Article 9 [Omitted] Article 10 [Omitted] Article 11 [Omitted] Article 12 [Omitted]	Article 6 [Unchanged] [Deleted] Article 7 [Unchanged] Article 8 [Unchanged] Article 9 [Unchanged] Article 10 [Unchanged] Article 11 [Unchanged]
Chapter III: General Meetings of Shareholders	Chapter III: General Meetings of Shareholders
(Convocation of General Meetings of Shareholders) Article 13 1. The Company's Annual General Meeting of Shareholders shall be convened in <u>July</u> of each year and Extraordinary General Meetings of Shareholders shall be convened whenever necessary.	(Convocation of General Meetings of Shareholders) Article 12 1. The Company's Annual General Meeting of Shareholders shall be convened in <u>March</u> of each year and Extraordinary General Meetings of Shareholders shall be convened whenever necessary.

Current Articles of Incorporation	Proposed amendments
<p>2. [Omitted]</p> <p>(Record date for Annual General Meeting of Shareholders)</p> <p>Article 14</p> <p>The record date for voting rights at the Annual General Meeting of Shareholders of the Company shall be <u>April 30</u> of each year.</p> <p>(Convenor and Chairperson)</p> <p>Article 15</p> <ol style="list-style-type: none"> General Meetings of Shareholders shall be convened and chaired by the <u>President and Director</u>. When the <u>President and Director</u> is unavailable, another Director shall convene and chair a General Meeting of Shareholders in the order predetermined by the Board of Directors. <p>Article 16 [Omitted] Article 17 [Omitted] Article 18 [Omitted] Article 19 [Omitted]</p>	<p>2. [Unchanged]</p> <p>(Record date for Annual General Meeting of Shareholders)</p> <p>Article 13</p> <p>The record date for voting rights at the Annual General Meeting of Shareholders of the Company shall be <u>December 31</u> of each year.</p> <p>(Convenor and Chairperson)</p> <p>Article 14</p> <ol style="list-style-type: none"> General Meetings of Shareholders shall be convened and chaired by the <u>Representative Director</u>. When the <u>Representative Director</u> is unavailable, another Director shall convene and chair a General Meeting of Shareholders in the order predetermined by the Board of Directors. <p>Article 15 [Unchanged] Article 16 [Unchanged] Article 17 [Unchanged] Article 18 [Unchanged]</p>
Chapter IV: Directors <u>and Board of Directors</u>	Chapter IV: Directors, <u>Board of Directors and Executive Officers</u>
<p>(Number of <u>Members</u>)</p> <p>Article 20</p> <p>[Omitted] [Newly established]</p> <p>(Method of Appointment)</p> <p>Article 21</p> <ol style="list-style-type: none"> Directors shall be elected at General Meetings of Shareholders. 	<p>(Number of <u>Directors</u>)</p> <p>Article 19</p> <ol style="list-style-type: none"> [Unchanged] <u>At least three (3) of the Directors referred to in the preceding paragraph shall be Directors who are Audit and Supervisory Committee Members.</u> <p>(Method of Appointment <u>of Directors</u>)</p> <p>Article 20</p> <ol style="list-style-type: none"> Directors shall be elected <u>by a resolution of a General Meeting of Shareholders, distinguishing between Directors who are Audit and Supervisory Committee Members and Directors who are not.</u>

Current Articles of Incorporation	Proposed amendments
<p data-bbox="359 264 596 297">[Newly established]</p> <p data-bbox="245 611 767 875">2. Resolutions for the appointment of <u>Directors</u> shall be passed by attendance of the shareholders holding no less than one-third (1/3) of the voting rights of the shareholders who are entitled to exercise voting rights, and by a majority of the voting rights of the shareholders present.</p> <p data-bbox="245 920 596 994">3. [Omitted] [Newly established]</p> <p data-bbox="188 1361 381 1395">(Term of Office)</p> <p data-bbox="188 1406 309 1440">Article 22</p> <p data-bbox="245 1451 759 1615">The term of office of Directors shall continue until the conclusion of the Annual General Meeting of Shareholders for the final fiscal year ending within one (1) year of their appointment.</p> <p data-bbox="359 1720 596 1753">[Newly established]</p>	<p data-bbox="858 264 1380 600">2. <u>Substitute Directors who are Audit and Supervisory Committee Members may be elected at the Annual General Meeting of Shareholders in preparation for when the number of Directors who are Audit and Supervisory Committee Members falls short of the number stipulated for in laws and regulations and these Articles of Incorporation.</u></p> <p data-bbox="858 611 1380 913">3. Resolutions for the appointment as <u>referred to in the preceding two (2) paragraphs</u> shall be passed by attendance of the shareholders holding no less than one-third (1/3) of the voting rights of the shareholders who are entitled to exercise voting rights, and by a majority of the voting rights of the shareholders present.</p> <p data-bbox="858 920 1075 954">4. [Unchanged]</p> <p data-bbox="858 965 1380 1335">5. <u>The period during which a resolution to appoint a substitute Director who is an Audit and Supervisory Committee Member appointed pursuant to Article 329, paragraph (3) of the Companies Act shall remain in effect, shall be until the start of the Annual General Meeting of Shareholders for the final fiscal year which ends within two (2) years of appointment, unless shortened by such resolution.</u></p> <p data-bbox="798 1361 1139 1395">(Term of Office <u>of Directors</u>)</p> <p data-bbox="798 1406 919 1440">Article 21</p> <p data-bbox="858 1451 1380 1709">1. <u>The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> shall continue until the conclusion of the Annual General Meeting of Shareholders for the final fiscal year ending within one (1) year of their appointment.</p> <p data-bbox="858 1720 1380 1955">2. <u>The term of office of Directors who are Audit and Supervisory Committee Members shall continue until the conclusion of the Annual General Meeting of Shareholders for the final fiscal year ending within two (2) years of their appointment.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>[Newly established]</p> <p>(Representative Director and <u>Directors with Titles</u>)</p> <p>Article 23</p> <ol style="list-style-type: none"> 1. The Board of Directors shall select a Representative Director by a resolution. 2. The Board of Directors may appoint <u>one (1) Chairperson and Director, one (1) President and Director, and several Vice Presidents and Directors, Senior Managing Directors, and Managing Directors</u> by a resolution. <p>[Newly established]</p> <p>[Newly established]</p> <p>(Convener and Chairperson of the Meetings of the Board of Directors)</p> <p>Article 24</p> <ol style="list-style-type: none"> 1. Unless otherwise provided for in laws and regulations, meetings of the Board of Directors shall be convened and chaired by the <u>President and Director</u>. 2. When the <u>President and Director</u> is unavailable, another Director shall convene and chair a meeting of the Board of Directors in the order predetermined by the Board of Directors. 	<ol style="list-style-type: none"> 3. <u>The term of a Director who is an Audit and Supervisory Committee Member that has been appointed as a substitute for a Director who is an Audit and Supervisory Committee Member who has resigned from office before the expiration of the term of office shall continue until the expiration of the term of office of the Director who is an Audit and Supervisory Committee Member who resigned.</u> <p>(Representative Director and <u>Executive Officers, etc.</u>)</p> <p>Article 22</p> <ol style="list-style-type: none"> 1. The Board of Directors shall select a Representative Director <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by a resolution. 2. The Board of Directors may select a <u>Chairperson and Director from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by a resolution. 3. <u>The Board of Directors shall appoint Executive Officers by a resolution to have them execute business operations.</u> 4. <u>The Board of Directors may select a President and other Executive Officers with titles from among the Executive Officers by a resolution.</u> <p>(Convener and Chairperson of the Meetings of the Board of Directors)</p> <p>Article 23</p> <ol style="list-style-type: none"> 1. Unless otherwise provided for in laws and regulations, meetings of the Board of Directors shall be convened and chaired by the <u>Representative Director</u>. 2. When the <u>Representative Director</u> is unavailable, another Director shall convene and chair a meeting of the Board of Directors in the order predetermined by the Board of Directors.

Current Articles of Incorporation	Proposed amendments
<p>(<u>Notice of Convocation of the Meetings of the Board of Directors</u>)</p> <p>Article 25</p> <ol style="list-style-type: none"> 1. A notice of convocation of the Board of Directors shall be sent to each Director <u>and Audit & Supervisory Board Member</u> no less than three (3) days prior to the date of the meeting. However, this period may be shortened when urgently necessary. 2. With the consent of all Directors <u>and Audit & Supervisory Board Members</u>, a meeting of the Board of Directors may be held without following the convening procedures. <p>Article 26 [Omitted]</p> <p>[Newly established]</p> <p>(Minutes of Board of Directors Meetings)</p> <p>Article 27</p> <p>The minutes of a meeting of the Board of Directors shall state or record a summary of the progress of the agenda and the results thereof and other matters provided for by laws and regulations, and shall be affixed with the names and seals or electronic signatures of Directors <u>and Audit & Supervisory Board Members</u> present thereat.</p> <p>Article 28 [Omitted]</p> <p>(Compensation, etc.)</p>	<p>(Convocation of the Meetings of the Board of Directors)</p> <p>Article 24</p> <ol style="list-style-type: none"> 1. A notice of convocation of the Board of Directors shall be sent to each Director no less than three (3) days prior to the date of the meeting. However, this period may be shortened when urgently necessary. 2. With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures. <p>Article 25 [Unchanged]</p> <p>(<u>Delegation of Decisions on Important Operations</u>)</p> <p>Article 26</p> <p><u>The Company may, in accordance with Article 399-13, paragraph (6) of the Companies Act, delegate to Directors all or part of the decision-making on the execution of important operations (excluding the matters provided for in each item of paragraph (5) of the same Article), by the resolution of the Board of Directors.</u></p> <p>(Minutes of Board of Directors Meetings)</p> <p>Article 27</p> <p>The minutes of a meeting of the Board of Directors shall state or record a summary of the progress of the agenda and the results thereof and other matters provided for by laws and regulations, and shall be affixed with the names and seals or electronic signatures of Directors present thereat.</p> <p>Article 28 [Unchanged]</p> <p>(Compensation, etc. <u>for Directors</u>)</p>

Current Articles of Incorporation	Proposed amendments
<p>Article 29</p> <p><u>Compensation, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Directors</u> shall be determined by a resolution of a General Meeting of Shareholders.</p> <p>(<u>Limited Liability Agreements with Directors</u>)</p> <p>Article 30</p> <p>[Newly established]</p> <p>The Company may enter into agreements with Directors (excluding Executive Directors, etc.) pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, by which Directors shall be liable for damages arising from negligence in the performance of their duties, subject to the limits prescribed by laws and regulations.</p>	<p>Article 29</p> <p><u>Compensation, etc. for Directors (meaning compensation, etc. stipulated in Article 361, paragraph (1) of the Companies Act)</u> shall be determined by a resolution of a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit and Supervisory Committee Members and Directors who are not.</u></p> <p>(<u>Exemption of Directors from Liability</u>)</p> <p>Article 30</p> <p>1. <u>The Company may, by a resolution of the Board of Directors, in accordance with the provisions of Article 426, paragraph (1) of the Companies Act, exempt Directors (including former Directors) from liability for damages arising from negligence in the performance of their duties, within the scope prescribed in laws and regulations.</u></p> <p>2. The Company may enter into agreements with Directors (excluding Executive Directors, etc.) pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, by which Directors shall be liable for damages arising from negligence in the performance of their duties, subject to the limits prescribed by laws and regulations.</p>
Chapter V: <u>Audit & Supervisory Board Members and Audit & Supervisory Board</u>	Chapter V: <u>Audit and Supervisory Committee</u>
<p>(<u>Number of Members</u>)</p> <p>Article 31</p> <p><u>The Company shall have no more than four (4) Audit & Supervisory Board Members.</u></p> <p>(<u>Method of Appointment</u>)</p> <p>Article 32</p> <p>1. <u>Audit & Supervisory Board Members shall be elected at General Meetings of Shareholders.</u></p>	<p>[Deleted]</p> <p>[Deleted]</p>

Current Articles of Incorporation	Proposed amendments
<p>2. <u>Resolutions for the appointment of Audit & Supervisory Board Members shall be passed by attendance of the shareholders holding no less than one-third (1/3) of the voting rights of the shareholders who are entitled to exercise voting rights, and by a majority of the voting rights of the shareholders present.</u></p>	<p>[Deleted]</p>
<p>(Term of Office)</p>	
<p>Article 33</p>	<p>[Deleted]</p>
<p>1. <u>The term of office of Audit & Supervisory Board Members shall continue until the conclusion of the Annual General Meeting of Shareholders for the final fiscal year ending within four (4) years of their appointment.</u></p>	
<p>2. <u>The term of an Audit & Supervisory Board Member that has been appointed as a substitute for an Audit & Supervisory Board Member who has resigned from office before the expiration of the term of office shall continue until the expiration of the term of office of the Audit & Supervisory Board Member who resigned.</u></p>	<p>[Deleted]</p>
<p>(Full-Time <u>Audit & Supervisory Board Members</u>)</p>	<p>(Full-Time <u>Directors who are Audit and Supervisory Committee Members</u>)</p>
<p>Article 34</p>	<p>Article 31</p>
<p>The <u>Audit & Supervisory Board</u> shall select full-time <u>Audit & Supervisory Board Members</u> by a resolution.</p>	<p>The <u>Audit and Supervisory Committee</u> may select full-time <u>Audit and Supervisory Committee Members from among the Audit and Supervisory Committee Members</u> by a resolution.</p>
<p>(<u>Notice of Convocation of the Audit & Supervisory Board Meetings</u>)</p>	<p>(<u>Convocation of the Audit and Supervisory Committee Meetings</u>)</p>
<p>Article 35</p>	<p>Article 32</p>
<p>1. A notice of convocation of the <u>Audit & Supervisory Board</u> shall be sent to each <u>Audit & Supervisory Board Member</u> no less than three (3) days prior to the date of the meeting. However, this period may be shortened when urgently necessary.</p>	<p>1. A notice of convocation of the <u>Audit and Supervisory Committee</u> shall be sent to each <u>Audit and Supervisory Committee Member</u> no less than three (3) days prior to the date of the meeting. However, this period may be shortened when urgently necessary.</p>

Current Articles of Incorporation	Proposed amendments
<p>2. With the consent of all <u>Audit & Supervisory Board Members</u>, a meeting of the <u>Audit & Supervisory Board</u> may be held without following the convening procedures.</p> <p>(Method of Resolutions of the <u>Audit & Supervisory Board</u>)</p> <p>Article 36</p> <p><u>Unless otherwise provided for in laws and regulations, resolutions of the Audit & Supervisory Board shall be passed by a majority of Audit & Supervisory Board Members.</u></p> <p>(Minutes of <u>Audit & Supervisory Board Meetings</u>)</p> <p>Article 37</p> <p>The minutes of a meeting of the <u>Audit & Supervisory Board</u> shall state or record a summary of the progress of the agenda and the results thereof and other matters provided for by laws and regulations, and shall be affixed with the names and seals or electronic signatures of <u>the Audit & Supervisory Board Members</u> present thereat.</p> <p>(Regulations of <u>Audit & Supervisory Board</u>)</p> <p>Article 38</p> <p>Matters relating to <u>the Audit & Supervisory Board</u> shall be governed by <u>the Regulations of the Audit & Supervisory Board</u> established by <u>the Audit & Supervisory Board</u>, in addition to laws and regulations, or these Articles of Incorporation.</p> <p>(Compensation, etc.)</p> <p>Article 39</p> <p><u>Compensation, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Audit & Supervisory Board Members shall be determined by a resolution of a General Meeting of Shareholders.</u></p> <p>(<u>Limited Liability Agreements with Audit & Supervisory Board Members</u>)</p>	<p>2. With the consent of all <u>Audit and Supervisory Committee Members</u>, a meeting of the <u>Audit and Supervisory Committee</u> may be held without following the convening procedures.</p> <p>(Method of Resolutions of the <u>Audit and Supervisory Committee</u>)</p> <p>Article 33</p> <p><u>Resolutions of the Audit and Supervisory Committee shall be passed by attendance of a majority of the Audit and Supervisory Committee Members entitled to participate in the vote, and by a majority of the votes of the Audit and Supervisory Committee Members present.</u></p> <p>(Minutes of <u>Audit and Supervisory Committee Meetings</u>)</p> <p>Article 34</p> <p>The minutes of a meeting of <u>the Audit and Supervisory Committee</u> shall state or record a summary of the progress of the agenda and the results thereof and other matters provided for by laws and regulations, and shall be affixed with the names and seals or electronic signatures of <u>the Audit and Supervisory Committee Members</u> present thereat.</p> <p>(Rules of <u>Audit and Supervisory Committee</u>)</p> <p>Article 35</p> <p>Matters relating to <u>the Audit and Supervisory Committee</u> shall be governed by <u>the Rules of the Audit and Supervisory Committee</u> established by <u>the Audit and Supervisory Committee</u>, in addition to laws and regulations, or these Articles of Incorporation.</p> <p>[Deleted]</p>

Current Articles of Incorporation	Proposed amendments
<p><u>Article 40</u></p> <p><u>The Company may enter into agreements with Audit & Supervisory Board Members pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, by which Audit & Supervisory Board Members shall be liable for damages arising from negligence in the performance of their duties, subject to the limits prescribed by laws and regulations.</u></p> <p><u>(Substitute Audit & Supervisory Board Member)</u></p> <p><u>Article 41</u></p> <p>1. <u>A substitute Audit & Supervisory Board Members may be elected at a General Meeting of Shareholders in preparation for when the number of Audit & Supervisory Board Members falls short of the number stipulated for in laws and regulations and these Articles of Incorporation.</u></p> <p>2. <u>The provisions of Article 32, shall apply mutatis mutandis to the quorum for resolutions for the appointment of a substitute Audit & Supervisory Board Member.</u></p> <p>3. <u>The term of office of the substitute Audit & Supervisory Board Member that has been appointed in accordance with paragraph (1) shall continue until the expiration of the term of office of the Audit & Supervisory Board Member who resigned.</u></p> <p>4. <u>The period during which a resolution to appoint a substitute Audit & Supervisory Board Member shall remain in effect shall be until the start of the first Annual General Meeting of Shareholders held after such resolution.</u></p>	<p>[Deleted]</p> <p>[Deleted]</p> <p>[Deleted]</p> <p>[Deleted]</p>
Chapter VI: Accounting Auditor	Chapter VI: Accounting Auditor
<p>Article <u>42</u> [Omitted]</p> <p>Article <u>43</u> [Omitted]</p> <p>(Compensation, etc.)</p> <p>Article <u>44</u></p> <p>Compensation, etc. for the Accounting Auditor shall be determined by the Representative Director with the consent of the <u>Audit & Supervisory Board</u>.</p>	<p>Article <u>36</u> [Unchanged]</p> <p>Article <u>37</u> [Unchanged]</p> <p>(Compensation, etc.)</p> <p>Article <u>38</u></p> <p>Compensation, etc. for the Accounting Auditor shall be determined by the Representative Director with the consent of the <u>Audit and Supervisory Committee</u>.</p>

Current Articles of Incorporation	Proposed amendments
Article 45 [Omitted]	Article 39 [Unchanged]
Chapter VII: Calculation	Chapter VII: Calculation
<p>(Fiscal Year)</p> <p>Article 46</p> <p>The fiscal year of the Company shall be one (1) year from <u>May 1 of each year</u> until <u>April 30 of the following year</u>.</p> <p>(Record Date for Dividends of Surplus)</p> <p>Article 47</p> <p>The record date for the Company's year-end dividends shall be <u>April 30</u> of each year.</p> <p>[Newly established]</p> <p><u>(Interim Dividend)</u></p> <p>Article 48</p> <p><u>The Company may, by a resolution of the Board of Directors, pay interim dividends with a record date of October 31 of each year.</u></p> <p>Article 49 [Omitted]</p> <p>[Newly established]</p>	<p>(Fiscal Year)</p> <p>Article 40</p> <p>The fiscal year of the Company shall be one (1) year from <u>January 1</u> until <u>December 31</u> of <u>each year</u>.</p> <p>(Record Date for Dividends of Surplus)</p> <p>Article 41</p> <p>1. The record date for the Company's year-end dividends shall be <u>December 31</u> of each year.</p> <p>2. <u>The record date for the Company's interim dividends shall be June 30 of each year.</u></p> <p>[Deleted]</p> <p>Article 42 [Unchanged]</p> <p><u>(Organ to Determine Dividends of Surplus, etc.)</u></p> <p>Article 43</p> <p><u>Unless otherwise provided for in laws and regulations, the Company may, by a resolution of the Board of Directors, determine dividends of surplus and other matters set forth in each item of Article 459, paragraph (1) of the Companies Act.</u></p>
[Newly established]	Supplementary Provisions
	<u>(Transitional Measures Regarding the Exemption of Audit & Supervisory Board Members from Liability)</u>

Current Articles of Incorporation	Proposed amendments
[Newly established]	<p>1. <u>Agreements to limit liability for damages under Article 423, paragraph (1) of the Companies Act with respect to acts by Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) prior to the conclusion of the 51st Annual General Meeting of Shareholders shall be governed by the provisions of Article 40 of the Articles of Incorporation prior to amendment by a resolution of the same Annual General Meeting of Shareholders.</u></p> <p><u>(Transitional Measures for Changes to the Fiscal Year)</u></p> <p>1. <u>Notwithstanding the provisions of Article 40 (Fiscal Year), the 52nd fiscal year shall be from May 1, 2025 to December 31, 2025.</u></p> <p>2. <u>Notwithstanding the provisions of Article 41 (Record Date for Dividends of Surplus), paragraph (2), the record date for interim dividends for the 52nd fiscal year, if any, shall be October 31, 2025.</u></p> <p>3. <u>The preceding two (2) paragraphs and this paragraph shall be deleted after the end of the 52nd fiscal year.</u></p>
[Newly established]	
[Newly established]	
[Newly established]	

Proposal 3: Election of Two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Subject to the approval of Proposal 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this Annual General Meeting of Shareholders, and the terms of office of Directors Ms. Kimiyo Yamazaki, Mr. Masaya Miyazaki, Mr. Shota Toda, Mr. Jun Takada, Mr. Kazuo Ishida, Mr. Takeshi Kurihara, and Ms. Saki Igawa will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members): Ms. Kimiyo Yamazaki and Mr. Masaya Miyazaki.

This proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2: “Partial Amendment to the Articles of Incorporation” take effect.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

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

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) Male	<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>			

- Notes: 1. There are no special interests between each candidate and the Company.
2. 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 and Mr. Masaya Miyazaki 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.

Proposal 4: Election of Three (3) Directors who are Audit and Supervisory Committee Members

Subject to the approval of Proposal 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect three (3) Directors who are Audit and Supervisory Committee Members: Mr. Nozomu Toriyama, Mr. Kazuo Ishida, and Ms. Saki Igawa.

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

This proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2: “Partial Amendment to the Articles of Incorporation” take effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Nozomu Toriyama (April 11, 1961) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div>	April 1985 Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) May 2009 Branch Manager of Sendai Branch, The Sumitomo Trust and Banking Co., Ltd. September 2012 Branch Manager of Sendai Branch and Sendai Aoba Branch, Sumitomo Mitsui Trust Bank, Limited April 2013 General Manager of Head Office Sales Dept. X June 2015 Director, Okasan Securities Co., Ltd. June 2017 Senior Executive Officer July 2021 Outside Audit & Supervisory Board Member, the Company (current position) [Significant concurrent positions] None	-
[Reason for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member and expected roles] Mr. Nozomu Toriyama has held key positions at financial institutions and has extensive knowledge and practical experience in corporate management and finance. Since assuming the position of Audit & Supervisory Board Member of the Company in July 2021, in addition to leading the audit system of the Company as a Full-Time Audit & Supervisory Board Member, he has utilized his experience and knowledge to audit the execution of duties by Directors and work with the Board of Directors to establish a high-quality corporate governance framework, while remaining objective and neutral as an independent outside officer. In the expectation that he may provide advice on overall management, exercise supervisory functions, and appropriately make decisions at the Board of Directors from an independent standpoint and appropriate perspective, the Company proposes his appointment as an Outside Director who is an Audit and Supervisory Committee Member.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>Kazuo Ishida (December 11, 1954)</p> <p>Outside Independent Male</p>	<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</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</p> <p>June 2021 Outside Director Audit & Supervisory Committee Member, Nomura Trading Co., Ltd.</p> <p>June 2021 Outside Director, Reiwa Accounting Holdings Co., Ltd.</p> <p>June 2025 Outside Director (Audit & Supervisory Committee Member) (current position)</p> <p>[Significant concurrent position] Outside Director (Audit & Supervisory Committee Member), Reiwa Accounting Holdings Co., Ltd.</p>	1,500 shares
<p>[Reason for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member 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 as an independent outside officer. In the expectation that he may provide advice on overall management, exercise supervisory functions, and appropriately make decisions at the Board of Directors from an independent standpoint and appropriate perspective, the Company proposes his appointment as an Outside Director who is an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Saki Igawa (October 10, 1980)</p> <p>The name on the family register: Saki Shimomura</p> <p>Outside Independent Female</p>	<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>January 2022 Founded inflorescence Inc. Representative Director (current position)</p> <p>March 2022 External Director, Uzabase, Inc.</p> <p>July 2023 Outside Director, Smaregi, Inc. (current position)</p> <p>October 2024 Outside Director, Eternal Hospitality Group Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Representative Director, inflorescence Inc. Outside Director, Smaregi, Inc. Outside Director, Eternal Hospitality Group Co., Ltd.</p>	-
<p>[Reason for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member 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. Since assuming the position of Outside Director of the Company in July 2021, she has utilized her experience and knowledge to actively provide the Board of Directors with advice and recommendations and appropriately make decisions while remaining objective and neutral as an independent outside officer. 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, and appropriately make decisions at the Board of Directors from an independent standpoint and appropriate perspective, the Company proposes her appointment as an Outside Director who is an Audit and Supervisory Committee Member.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
 2. Mr. Nozomu Toriyama, Mr. Kazuo Ishida, and Ms. Saki Igawa are candidates for Outside Directors who are Audit and Supervisory Committee Members.
 3. If Mr. Nozomu Toriyama, Mr. Kazuo Ishida, and Ms. Saki Igawa assume the position of Outside Directors who are Audit and Supervisory Committee Members, they will be 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 and Ms. Saki Igawa as Outside Director of the Company will have been nine (9) years and four (4) years, respectively.
 5. At the conclusion of this General Meeting, term of office of Mr. Nozomu Toriyama as Outside Audit & Supervisory Board Member of the Company will have been four (4) years.

6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Nozomu Toriyama, Mr. Kazuo Ishida, 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. Nozomu Toriyama, Mr. Kazuo Ishida, and Ms. Saki Igawa is approved, the Company plans to enter into an agreement with the same content.
7. 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. Nozomu Toriyama, Mr. Kazuo Ishida, 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.
8. The name of Ms. Saki Igawa, a candidate for Outside Director who is Audit and Supervisory Committee Member, on the official family register is Ms. Saki Shimomura.

<Reference>

Expertise and experiences of Directors (assuming approval of Proposals 2, 3, and 4 as originally proposed)

	Corporate management	Sales/ Marketing	Product Development/ Technology/ Research	Global	Finance/ Accounting	HR/HR Development	Legal/ Risk Management/ Internal Control
Directors (excluding Directors who are Audit and Supervisory Committee Members)							
Kimiyo Yamazaki	○	○	○	○		○	
Masaya Miyazaki	○				○	○	○
Directors who are Audit and Supervisory Committee Members							
Nozomu Toriyama	○				○		○
Kazuo Ishida	○				○	○	○
Saki Igawa	○	○		○		○	

Expertise and experiences of (prospective) Executive Officers

Executive Officers							
Shota Toda	○	○	○				
Jun Takada	○		○				○

Notes: Mr. Shota Toda and Mr. Jun Takada are scheduled to be elected as Executive Officers at the meeting of the Board of Directors to be held after the conclusion of this Annual General Meeting of Shareholders.

Proposal 5: Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

Subject to the approval of Proposal 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect, in advance, one (1) substitute Director who is an Audit and Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number stipulated for in laws and regulations.

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

This proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2: “Partial Amendment to the Articles of Incorporation” take effect.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
Mari Nakanishi (June 13, 1980) <div>Female</div>	April 2005 Joined Chuo Aoyama Audit Corporation January 2006 ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC) January 2009 Joined HSK Consulting Co., Ltd. (currently Reiwa Accounting Holdings Co., Ltd.) August 2012 Founded Mari Nakanishi Certified Public Accountants Office Director (current position) July 2021 Representative partner, AKAHOSHI AUDIT CORPORATION (current position) July 2022 Supervisory Officer, SHIMIZU PRIVATE REIT, Inc. (current position) June 2024 Outside Director, KAPPA CREATE CO., LTD. (current position) [Significant concurrent positions] Certified Public Accountant, Licensed Tax Accountant	-

[Reason for nomination as candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and expected roles]

Ms. Mari Nakanishi is qualified as a Certified Public Accountant and Licensed Tax Accountant and has abundant practical experience and broad knowledge in financial accounting. The Company believes that she is a person who can appropriately perform her duties as substitute Outside Director who is an Audit and Supervisory Committee Member by utilizing these experiences and knowledge, and thus proposes her appointment as substitute Outside Director who is an Audit and Supervisory Committee Member.

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- Notes:
- There are no special interests between the candidate and the Company.
 - Ms. Mari Nakanishi is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
 - If Ms. Mari Nakanishi assumes the position of Outside Director who is an Audit and Supervisory Committee Member, she will be registered as an Independent Auditor as prescribed by the Tokyo Stock Exchange.
 - If Ms. Mari Nakanishi assumes the position of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with her pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit her liability for damages as stipulated in Article 423, paragraph (1) of said Act. The limit of her

liability for damages under the agreement shall be the minimum amount of liability stipulated in Article 425, paragraph (1) of said Act.

5. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured due to negligence and other reasons in the execution of his/her duties. If Ms. Mari Nakanishi assumes the position of Outside Director who is an Audit and Supervisory Committee Member, she will be included as an insured under said insurance agreement, which is to be retained with the same terms and conditions at the next renewal.

Proposal 6: Determination of Amount of Compensation, etc. for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Subject to the approval of Proposal 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this Annual General Meeting of Shareholders.

The 32nd Annual General Meeting of Shareholders held on July 3, 2006 resolved to set the maximum amount of Directors’ compensation at 300 million yen per fiscal year (not including employee salaries for Directors concurrently serving as employees), and this remains in effect to date.

In accordance with the transition to a company with an Audit and Supervisory Committee, the Company proposes to set the maximum amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) at 300 million yen per fiscal year. It is noted that the compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) does not include employee salaries for Directors concurrently serving as employees.

The Company has established the policy for determining details of compensation, etc. for each director as stated in the Business Report. This proposal is in line with such policy, and was decided upon by the Board of Directors after deliberation by the Nomination and Compensation Advisory Committee, considering various circumstances including the recent economic situation. Accordingly, we believe that the content of this proposal is appropriate.

If Proposal 2: “Partial Amendments to the Articles of Incorporation” and Proposal 3: “Election of Two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) related to this proposal will be two (2).

In addition, this proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2: “Partial Amendment to the Articles of Incorporation” take effect.

Proposal 7: Determination of Amount of Compensation, etc. for Directors who are Audit and Supervisory Committee Members

Subject to the approval of Proposal 2: “Partial Amendments to the Articles of Incorporation” as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes to set the maximum amount of compensation for Directors who are Audit and Supervisory Committee Members at 30 million yen per fiscal year, the same amount as the amount of compensation for Audit & Supervisory Board Members approved at the 33rd Annual General Meeting of Shareholders held on July 30, 2007.

This proposal was decided upon by the Board of Directors after deliberation by the Nomination and Compensation Advisory Committee, comprehensively considering various circumstances, including the scale of the Company’s business, the responsibilities of Audit and Supervisory Committee Members, and the recent economic situation, as well as the need to be able to respond flexibly to future requests to strengthen governance. Accordingly, we believe that the content of this proposal is appropriate.

If Proposal 2: “Partial Amendments to the Articles of Incorporation” and Proposal 4: “Election of Three (3) Directors who are Audit and Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be three (3).

In addition, this proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2: “Partial Amendment to the Articles of Incorporation” take effect.

Business Report

(May 1, 2024 – April 30, 2025)

1. Overview of the Corporate Group

(1) Business Progress and Results

In the fiscal year that ended on April 30, 2025, while the Japanese economy saw an increase in inbound demand, the depreciation of the yen and other factors caused raw material and energy prices to remain high and logistics and other costs to rise. As a result of soaring prices, consumers remained budget-minded, and the recovery in personal consumption stalled.

In addition, responses by different countries to tariff policies in the United States brought existing international cooperative frameworks to a turning point, and the future of the economy remains uncertain.

Under these circumstances, to achieve 70.0 billion yen in net sales by the fiscal year ending April 30, 2028, as outlined in the medium-term management plan, “Going Global Strategy” formulated in June 2023, the YA-MAN Group has been optimizing its sales channels in the home shopping sales, store sales, direct sales, and overseas operations while conducting R&D and overseas investments.

In Japan, forty-four Inc., consolidated in August 2024, launched a new beauty and health equipment. In addition, the Ginza flagship store set a new record for the highest monthly sales in April 2025. Overseas, we started sales in Saudi Arabia, our first advance into Middle East area in January 2025.

Our overseas operation was affected by downturn at the entire cosmetic market in China. Regarding domestic operations, direct sales segment was affected by the negative impact to out-of-home consumption trend after the COVID-19 pandemic. In addition, we could not achieve the target sales amount in sales season in Japan because of curbing of the advertising expenses for securing profit. As a result, net sales for the fiscal year under review decreased 21.8% year-on-year to 25,040 million yen, underperforming the previous fiscal year. Operating profit increased 50.9% year-on-year to 628 million yen, and ordinary profit decreased 69.3% year-on-year to 310 million yen, due to a decrease in net sales and the increased procurement costs resulting from yen depreciation, despite curbing the advertising expenses for maximizing profits. Profit attributable to owners of parent increased 77.5% year-on-year to 706 million yen, due to recording 961 million yen of extraordinary income from gain on sale of shares of subsidiaries and associates.

In direct sales segment in Japan, we accelerated the strength measures of the infomercials at forty-four Inc., we have consolidated. As a result, we could complete the sales system which is expected to grow direct sales segment for the Group for the next fiscal year onward, despite an impact on net sales due to curbing of advertising expenses for maximizing profits.

Overseas, we actively expanded the sales system and advance investment for improving our brand awareness in China. As a result, we could produce the remarkable results by participating the Singles day event for the first time and prepare for further growth for the next fiscal year onward.

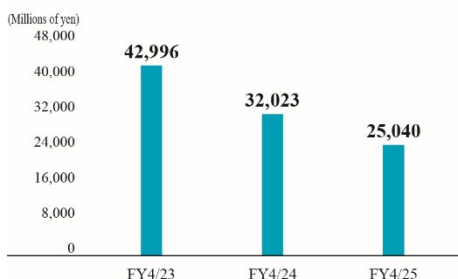
To reinforce our business foundation, the Company believes it is necessary to accelerate the development of unique technology and global expansion, and to facilitate faster management decision-making. This requires a stronger supervisory function of the Board of Directors, as well as a corporate governance structure for further activating strategic discussions over the medium- to long-term. Therefore, we have decided to make a transition from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee.

Furthermore, we plan to change the fiscal year-end date from the current April 30 to December 31. By unifying our accounting period with overseas consolidated subsidiaries, we expect mainly to improve transparency through timely and appropriate information disclosure and to increase comparability with overseas companies. The next fiscal year, which will be the transitional period for the change in the accounting period, will have an eight-month accounting period from May 1, 2025 to December 31, 2025.

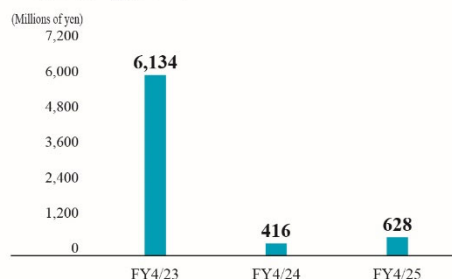
At the 51st Annual General Meeting of Shareholders scheduled to be held on July 25, 2025, we plan to request approval for partial amendments to the Articles of Incorporation and other matters necessary for the change in the accounting period and the transition to a company with an Audit and Supervisory Committee.

Consolidated Financial Highlights

• Net sales



• Operating profit



The state of each segment is as below.

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

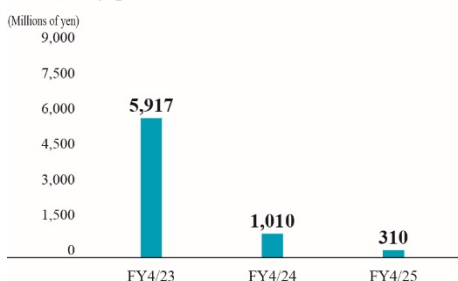
For the home shopping sales segment, terrestrial TV shopping and shopping channels struggled. As a result, segment sales decreased 21.0% year-on-year to 3,330 million yen. Meanwhile, segment profit increased 10.0% year-on-year to 1,003 million yen due to curbing of advertising expenses for maximizing profits.

For the store sales segment, sales were solid, especially at the Ginza flagship store that opened in November 2023, as well as at department stores and home appliance stores. As a result, segment sales increased 8.0% year-on-year to 8,068 million yen and segment profit increased 88.9% year-on-year to 1,878 million yen due to curbing of advertising expenses for maximizing profits.

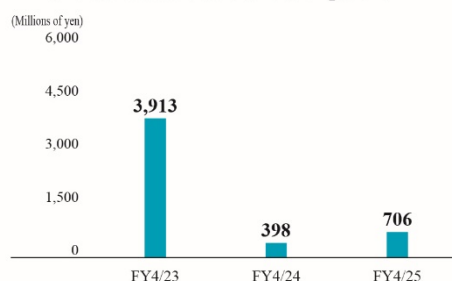
For the direct sales segment, sales of beauty equipment and repeat sales were sluggish, impacted by out-of-home consumption trend after the COVID-19 pandemic and curbed investments in advertising for maximizing profits. As a result, segment sales decreased 25.7% year-on-year to 6,313 million yen, and segment profit decreased 35.2% year-on-year to 1,732 million yen.

For the overseas sales segment, despite ranking first in sales in the beauty equipment category on Tmall, China's largest comprehensive e-commerce platform, on November 11 ("Singles Day"), known as the biggest online sales event in the world, we were affected by downturn of cosmetic market in China. As a result, segment sales decreased 48.0% year-on-year to 5,858 million yen and segment profit decreased 56.3% year-on-year to 1,341 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 increased long-term borrowings by 410 million yen, while repaying 1,055 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 249 million yen, consisting mainly of investments in the purchase of molds used to manufacture products.

(3) Changes in assets and business results

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

Item \ Fiscal year	FY4/22 May 1, 2021 to April 30, 2022	FY4/23 May 1, 2022 to April 30, 2023	FY4/24 May 1, 2023 to April 30, 2024	FY4/25 (The fiscal year under review) May 1, 2024 to April 30, 2025
Net sales (million yen)	40,943	42,996	32,023	25,040
Ordinary profit (million yen)	8,063	5,917	1,010	310
Profit attributable to owners of parent (million yen)	5,586	3,913	398	706
Net income per share (yen)	101.54	71.12	7.24	12.85
Total assets (million yen)	30,552	30,979	29,090	29,436
Net assets (million yen)	22,093	25,435	25,113	25,897
Net assets per share (yen)	401.54	462.29	456.44	470.69

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

Item \ Fiscal year	FY4/22 May 1, 2021 to April 30, 2022	FY4/23 May 1, 2022 to April 30, 2023	FY4/24 May 1, 2023 to April 30, 2024	FY4/25 (The fiscal year under review) May 1, 2024 to April 30, 2025
Net sales (million yen)	40,674	42,695	30,849	21,769
Ordinary profit (million yen)	8,312	6,763	2,037	995
Profit (million yen)	5,597	4,712	162	(69)
Net income per share (yen)	101.74	85.65	2.95	(1.26)
Total assets (million yen)	30,684	31,762	28,925	28,593
Net assets (million yen)	22,258	26,379	25,826	25,846
Net assets per share (yen)	404.55	479.45	469.40	469.76

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

(4) Issues to be addressed

The YA-MAN Group is focused on the following initiatives in order to achieve its medium-term management plan, “Going Global Strategy,” which was formulated in June 2023.

a. Strengthen R&D activities

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

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

During the fiscal year under review, we continued efforts to obtain approvals from the U.S. FDA and the Chinese NMPA. In Japan, we also continued R&D activities aimed at acquiring medical device approvals.

b. Corporate branding

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

To increase customer touchpoints, we are focusing on hosting facial beauty device trial sessions at our flagship store, YA-MAN the store GINZA, and promoting the placement of our products in various facilities such as hotels.

Furthermore, we will enhance our overseas communications, based on YA-MAN the store GINZA. Domestically, we will intensify marketing efforts, leveraging social media and other platforms, to further raise awareness of our core product category: facial beauty devices.

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

During the fiscal year under review, YA-MAN the store GINZA marked the first anniversary of its opening, allowing even more customers, both domestic and overseas, to experience our products and technologies.

c. Strengthen global expansion

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

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

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

During the fiscal year under review, our Chinese subsidiary participated in a large-scale e-commerce event for the first time through direct sales. We also made a full-fledged entry into the Vietnam and Saudi Arabia markets.

In preparation for the next fiscal year, we began laying the groundwork to strengthen cross-border sales in order to accelerate global expansion.

A new medium-term management plan is currently being formulated, with the interim target of achieving 70.0 billion yen in net sales in the fiscal year ending December 31, 2028. We plan to announce it by the end of December 2025.

(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
forty-four Inc.	Shibuya-ku, Tokyo
YA-MAN U.S.A. LTD.	Wilmington, Delaware, U.S.A.
YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD	Shanghai, China
YA-MAN (ZHEJIANG) E- COMMERCE CO., LTD.	Yuhuan City, Zhejiang Province, China

b. Number of employees in the YA-MAN Group

Segment	Number of employees
Home shopping sales	9
Store sales	194
Direct sales	26
Overseas sales	31
Other	1
Company-wide (common)	187
Total	448

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
424	-8	5.2 years	35.8 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 (million yen)	Equity ownership ratio	Main business
LABO WELL Co.	10	100.0%	Sales of beauty and health equipment, cosmetics and apparel, etc.
forty-four Inc. ^(Note 1)	10	100.0%	Advertising agency operations, and planning, wholesale, and sale of household appliances and related products.
YA-MAN U.S.A. LTD.	2,048	100.0%	Sales of beauty and health equipment and cosmetics, etc.
YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD ^(Note 2)	471	100.0%	Sales of cosmetics, etc.
YA-MAN (ZHEJIANG) E- COMMERCE CO., LTD.	10	100.0%	Sales of beauty and health equipment and cosmetics, etc.
EFFECTIM Company, Limited	499	35.0%	Planning and sales of beauty and health equipment and cosmetics, etc.

Notes: 1. In the fiscal year under review, forty-four Inc. was newly consolidated as a subsidiary.
2. The shares of YA-MAN (ZHEJIANG) E-COMMERCE CO., LTD. are indirectly owned through YA-MAN (SHANGHAI) BEAUTY TECHNOLOGY CO., LTD.
3. In the fiscal year under review, the Company transferred all its investments in MACHERIE BEAUTY TECHNOLOGY CO., LTD.

c. The status of specified wholly-owned subsidiaries as of April 30, 2025

No items to report.

(8) Major lenders and amounts of borrowings

Lender	Amount of borrowing (million yen)
Sumitomo Mitsui Banking Corporation	40
MUFG Bank, Ltd.	20
Mizuho Bank, Ltd.	20
Sumitomo Mitsui Trust Bank, Limited	20

(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 3,327,698 treasury shares)
- (3) Number of shareholders as of the end of the fiscal year 88,556 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)	3,642,600	6.62
General Incorporated Association Biyamazaki	2,811,050	5.10
Mitsuhide Yamazaki	2,453,600	4.45
Victoria Yamazaki	2,080,000	3.78
Tomomi Yamazaki	2,080,000	3.78
Iwao Yamazaki	1,473,600	2.67
Ecolite Limited Liability Company	641,900	1.16
Chihomi Ito	429,600	0.78

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, 2025)

Name	Positions and responsibilities	Significant concurrent positions
Kimiyo Yamazaki	President and Representative Director	Representative Director, LABO WELL Co. Representative Director, YA-MAN U.S.A. LTD.
Masaya Miyazaki	Director, General Manager of Administration Division	-
Shota Toda	Director, General Manager of Sales Division	-
Jun Takada	Director, General Manager of Development Division	-
Kazuo Ishida	Director	Outside Director, Reiwa Accounting Holdings Co., Ltd.
Takeshi Kurihara	Director	Certified Public Accountant
Saki Igawa	Director	Representative Director, inflorescence Inc. Outside Director, Smaregi, Inc. Outside Director, Eternal Hospitality Group Co., Ltd.
Nozomu Toriyama	Full-time Audit & Supervisory Board Member	-
Kazuaki Oshiumi	Audit & Supervisory Board Member	Certified Public Accountant, Licensed Tax Accountant Representative Employee, Oshiumi Tax Corporation Outside Company Auditor, Sobal Corporation Outside Audit & Supervisory Board Member, Tama Home Co., Ltd.
Tomoko Kawamoto	Audit & Supervisory Board Member	Attorney at Law

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

(2) Outline of the limited liability agreement

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

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

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

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

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

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

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

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

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

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

i. Basic policy

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

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

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

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

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

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

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

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

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

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

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

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

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

For the fiscal year under review, the Board of Directors resolved at a meeting held on July 26, 2024 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	102 million yen
Audit & Supervisory Board Members	3	17 million yen
Total	10	120 million yen

- Notes: 1. The above amounts include the amount for three (3) Outside Directors and the amount for three (3) Outside Audit & Supervisory Board Members for which the total amount was 37 million yen.
2. 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 Saki Igawa is Representative Director of inflorescence Inc., but the Company has no particular relationship with the said company.
Audit & Supervisory Board Member Kazuaki Oshiumi is Representative Employee of Oshiumi Tax Corporation, but the Company has no particular relationship with the said corporation.
- b. Matters concerning significant concurrent positions as an outside officer of another corporation, etc.
Director Kazuo Ishida is Outside Director of Reiwa Accounting Holdings Co., Ltd., but the Company has no particular relationship with the said company.
Director Saki Igawa is Outside Director of Smaregi, Inc. and Eternal Hospitality Group Co., Ltd., but the Company has no particular relationship with the said companies.
Director Kazuaki Oshiumi is Outside Company Auditor of Sobal Corporation and Outside Audit & Supervisory Board Member of Tama Home Co., Ltd., but the company has no particular relationship with these companies.
- c. Familial relationship with executive officers or officers (excluding persons who are executive officers) of the Company or specified associated service provider.
No items to report.

d. Principal activities of each Outside Officer

Category	Name	Principle activities
Director	Kazuo Ishida	Attended all 14 meetings of the Board of Directors held during the fiscal year under review and provided advice to ensure the adequacy and appropriateness of the Board of Directors' decision making such as expressing his opinion based on his extensive practical experience in corporate management. He appropriately fulfilled the role of supervision and advice on overall management expected by the Company.
Director	Takeshi Kurihara	Attended all 14 meetings of the Board of Directors held during the fiscal year under review and provided advice to ensure the adequacy and appropriateness of the Board of Directors' decision making mainly by expressing his opinion from an expert perspective as a Certified Public Accountant. He appropriately fulfilled the role of overall supervision and advice on financial accounting expected by the Company.
Director	Saki Igawa	Attended all 14 meetings of the Board of Directors held during the fiscal year under review and provided advice to ensure the adequacy and appropriateness of the Board of Directors' decision making, mainly by expressing her opinion based on her insights regarding corporate branding. She appropriately fulfilled the role of supervision and advice on management from diverse perspectives expected by the Company.
Audit & Supervisory Board Member	Nozomu Toriyama	Attended all 14 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the fiscal year under review, and provided appropriate and useful advice and recommendations regarding management in general utilizing his wide-ranging experience and insights in corporate management based on his long years of service at financial institutions.
Audit & Supervisory Board Member	Kazuaki Oshiumi	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 and useful advice and recommendations, such as by expressing his highly professional opinions on corporate finance and accounting based on his abundant experience and knowledge as a certified public accountant and licensed tax accountant.
Audit & Supervisory Board Member	Tomoko Kawamoto	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 and useful advice and recommendations, such as by expressing her highly professional opinions from the viewpoint of risk management and compliance based on her abundant experience and knowledge as an Attorney at Law specializing in corporate legal affairs.

5. Matters concerning the Accounting Auditor

(1) Name

Forvis Mazars Japan Audit LLC

(Note) Forvis Mazars Japan Audit LLC was newly appointed as our Accounting Auditor at the 50th Annual General Meeting of Shareholders held on July 26, 2024, and KPMG AZSA LLC, the former Accounting Auditor, stepped down from the role.

(2) Matters concerning the limited liability agreement

The Company and Forvis Mazars Japan 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)	35 million yen
2.	Total amount of compensation and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	35 million 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) Non-audit services

The Company has outsourced the transfer of auditing duties related to the change in Accounting Auditor to KPMG AZSA LLC.

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

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

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

Consolidated Balance Sheet

(As of April 30, 2025)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	25,640	Current liabilities	2,979
Cash and deposits	16,968	Notes and accounts payable-trade	1,030
Notes and accounts receivable-trade, and contract assets	3,943	Current portion of long-term borrowings	182
Merchandise and finished goods	2,781	Lease obligations	9
Work in process	81	Accounts payable - other	877
Raw materials and supplies	863	Income taxes payable	1
Accounts receivable – other	301	Provision for bonuses	101
Income taxes refund receivable	378	Other	777
Other	321		
Non-current assets	3,796		
Property, plant and equipment	761	Non-current liabilities	559
Buildings and structures	438	Long-term borrowings	387
Machinery, equipment and vehicles	51	Lease obligations	17
Land	158	Deferred tax liabilities	155
Leased assets	25		
Construction in progress	6	Total liabilities	3,539
Other	81		
Intangible assets	1,257	(Net assets)	
Goodwill	615	Shareholders' equity	25,260
Other	642	Share capital	1,813
		Capital surplus	1,432
Investments and other assets	1,776	Retained earnings	24,901
Investment securities	1,153	Treasury shares	(2,887)
Shares of subsidiaries and associates	163	Accumulated other comprehensive income	636
Other	459	Valuation difference on available-for-sale securities	584
		Foreign currency translation adjustment	52
		Total net assets	25,897
Total assets	29,436	Total liabilities and net assets	29,436

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

Consolidated Statement of Income

(May 1, 2024 – April 30, 2025)

(In millions of yen)

Description	Amount	
Net sales		25,040
Cost of sales		10,825
Gross profit		14,215
Selling, general and administrative expenses		13,587
Operating profit		628
Non-operating income		
Interest and dividend income	34	
Purchase discounts	6	
Bounty income	12	
Other	11	
		65
Non-operating expenses		
Interest expenses	11	
Guarantee commission	3	
Foreign exchange losses	161	
Donations	26	
Share of loss of entities accounted for using equity method	176	
Other	4	
		383
Ordinary profit		310
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	961	
		961
Extraordinary losses		
Loss on valuation of inventories	21	
Loss on forgiveness of debt	11	
Loss on retirement of non-current assets	62	
		95
Profit before income taxes		1,176
Income taxes-current	20	
Income taxes-deferred	449	
		469
Profit		706
Profit attributable to owners of parent		706

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

Consolidated Statement of Changes in Equity

(May 1, 2024 – April 30, 2025)

(In millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at May 1, 2024	1,813	1,432	24,688	(2,887)	25,047
Changes of items during the period					
Dividends of surplus	-	-	(495)	-	(495)
Profit attributable to owners of parent	-	-	706	-	706
Purchase of treasury shares	-	-	-	(0)	(0)
Other	-	-	2	-	2
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes of items during the period	-	-	213	(0)	213
Balance at April 30, 2025	1,813	1,432	24,901	(2,887)	25,260

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at May 1, 2024	-	66	66	25,113
Changes of items during the period				
Dividends of surplus	-	-	-	(495)
Profit attributable to owners of parent	-	-	-	706
Purchase of treasury shares	-	-	-	(0)
Other	-	-	-	2
Net changes of items other than shareholders' equity	584	(13)	570	570
Total changes of items during the period	584	(13)	570	784
Balance at April 30, 2025	584	52	636	25,897

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

Balance Sheet

(As of April 30, 2025)

(In millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	25,096	Current liabilities	2,566
Cash and deposits	16,411	Accounts payable-trade	759
Notes receivable-trade	10	Current portion of long-term borrowings	100
Accounts receivable-trade, and contract assets	3,778	Lease obligations	6
Merchandise and finished goods	2,649	Accounts payable - other	836
Work in process	62	Accrued expenses	77
Raw materials and supplies	863	Advances received	35
Advance payments	35	Deposits received	13
Prepaid expenses	192	Provision for bonuses	101
Accounts receivable – other	296	Other	637
Other	797		
Non-current assets	3,496	Non-current liabilities	180
Property, plant and equipment	736	Lease obligations	17
Buildings	420	Deferred tax liabilities	163
Structures	0		
Machinery and equipment	50	Total liabilities	2,746
Tools, furniture and fixtures	78		
Land	158	(Net assets)	
Leased assets	22	Shareholders' equity	25,262
Construction in progress	6	Share capital	1,813
Intangible assets	639	Capital surplus	1,432
Patent right	79	Legal capital surplus	1,313
Software	325	Other capital surplus	118
Other	234	Retained earnings	24,903
Investments and other assets	2,120	Legal retained earnings	61
Investment securities	1,153	Other retained earnings	24,841
Shares of subsidiaries and associates	536	General reserve	5
Other	430	Retained earnings brought forward	24,836
		Treasury shares	(2,887)
		Valuation and translation adjustments	584
		Valuation difference on available-for-sale securities	584
		Total net assets	25,846
Total assets	28,593	Total liabilities and net assets	28,593

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

Statement of Income
(May 1, 2024 – April 30, 2025)

(In millions of yen)

Description	Amount	
Net sales		21,769
Cost of sales		9,113
Gross profit		12,656
Selling, general and administrative expenses		11,503
Operating profit		1,153
Non-operating income		
Interest and dividend income	35	
Outsource service income	0	
Other	6	42
Non-operating expenses		
Interest expenses	7	
Guarantee commission	3	
Foreign exchange losses	159	
Donations	26	
Other	4	200
Ordinary profit		995
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	42	42
Extraordinary losses		
Loss on retirement of non-current assets	62	
Loss on valuation of shares of subsidiaries and associates	608	670
Profit before income taxes		368
Income taxes-current	15	
Income taxes-deferred	421	437
Profit		(69)

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

Statement of Changes in Equity

(May 1, 2024 – April 30, 2025)

(In millions 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, 2024	1,813	1,313	118	1,432	61	5	25,400	25,467
Changes of items during the period								
Dividends of surplus	-	-	-	-	-	-	(495)	(495)
Profit (loss)	-	-	-	-	-	-	(69)	(69)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes of items during the period	-	-	-	-	-	-	(564)	(564)
Balance at April 30, 2025	1,813	1,313	118	1,432	61	5	24,836	24,903

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total Valuation and translation adjustments	
Balance at May 1, 2024	(2,887)	25,826	-	-	25,826
Changes of items during the period					
Dividends of surplus	-	(495)	-	-	(495)
Profit (loss)	-	(69)	-	-	(69)
Purchase of treasury shares	(0)	(0)	-	-	(0)
Net changes of items other than shareholders' equity	-	-	584	584	584
Total changes of items during the period	(0)	(564)	584	584	19
Balance at April 30, 2025	(2,887)	25,262	584	584	25,846

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

Independent Auditor's Report

(English Translation)

June 18, 2025

To the Board of Directors
YA-MAN LTD.

Forvis Mazars Japan Audit LLC
Minato-ku, Tokyo, Japan

Shota Oya
Designated Engagement Partner
Certified Public Accountant

Masashi Uchida
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, 2024 to April 30, 2025.

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 measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

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 18, 2025

To the Board of Directors
YA-MAN LTD.

Forvis Mazars Japan Audit LLC
Minato-ku, Tokyo, Japan

Shota Oya
Designated Engagement Partner
Certified Public Accountant

Masashi Uchida
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 51st fiscal year from May 1, 2024 to April 30, 2025.

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, 2024, 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 measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

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 51st fiscal year from May 1, 2024 to April 30, 2025, 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; received reports regarding the status of execution of audit and its results from each Audit & Supervisory Board Member; received reports from the Directors, etc. 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 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), 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.

(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 Forvis Mazars Japan Audit 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 Forvis Mazars Japan Audit LLC are appropriate.

June 18, 2025

Audit & Supervisory Board, YA-MAN LTD.

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

Nozomu Toriyama (Seal)
Kazuaki Oshiumi (Seal)
Tomoko Kawamoto (Seal)