

Nanahoshi Management Ltd.
Founder CEO
Satoru Matsuhashi
11 January 2023

YAIZU SUISANKAGAKU INDUSTRY CO.,LTD.
The Nomination and Remuneration Committee

RE: Recommendation of candidates for the Board of Directors

To the Nomination and Remuneration Committee,

We are strongly concerned that the share price valuation of YAIZU SUISANKAGAKU INDUSTRY CO.,LTD. (hereafter referred to as the 'Company') has been left at a significantly undervalued level. We requested a meeting with President Yamada or your board of directors to exchange opinions on this situation, but this was refused. Subsequently, we published a campaign website summarising the Company's share price valuation, the solutions we consider, etc. We again requested an exchange of opinions. However, that request was also ignored.

We must consider that the directors of the Company, who are charged with increasing shareholders' value, have abandoned that responsibility. Therefore, we have concluded that the Company's board of directors needs a director who will enhance the company's shareholders' value.

According to the Company's report on corporate governance dated 23 June 2022, the Company stipulates that the Nomination and Remuneration Committee discuss decisions on the nomination and remuneration of directors before resolution by the board of directors."

Therefore, to promote the enhancement of the Company's shareholders' value, we have decided to recommend our representative director Satoru Matsuhashi to the Nomination and Remuneration Committee as a candidate for director (non-executive) who is not a member of the Company's Audit Committee. We urge you to deliberate on this matter at the Nomination and Remuneration Committee and submit it to the Board of Directors, which will then consult Matsuhashi as a candidate for the Company's proposed directorship at the coming AGM.

The appointment of an ex-research analyst to the board of directors has attracted much attention, and Matsuhashi also has a research analyst background. Matsuhashi's brief biography is as follows.

Apr 2009 - Mar 2014 (Japanese equity) Analyst Nippon Life Insurance Company

Apr 2014 - Mar 2018 (European equities) Fund manager and analyst

NIPPON LIFE SCHRODERS ASSET MANAGEMENT EUROPE LIMITED

Apr 2018 - May 2022 (Japanese equities) Chief analyst Strategic Capital Co.

Sep 2022-present Founder CEO Nanahoshi Management Ltd.

Best wishes,
Satoru Matsuhashi