

Notice of the 91st Ordinary General Meeting of Shareholders



Date and time Wednesday, June 25, 2025
at 10:00 a.m.

Location
BELLESALLE Mita Garden 2F,
Sumitomo Realty & Development
Tokyo Mita Garden Tower,
3-5-19 Mita, Minato-ku, Tokyo

■ **Deadline for exercising voting rights via the Internet**

Complete entry by 5:30 p.m. on Tuesday, June 24, 2025

■ **Deadline for exercising voting rights in writing (by mail)**

Arrive by 5:30 p.m. on Tuesday, June 24, 2025

Notice to shareholders

We will not be providing any souvenirs for shareholders attending the meeting. We would appreciate your understanding.

Sinanen Holdings Co., Ltd.
Securities code: 8132

Contribute to realizing a comfortable life for all customers in their communities through energy and home & life services

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To our shareholders

Thank you for your support of Sinanen Holdings Co., Ltd. It is with great pleasure that we deliver this Notice of the 91st Ordinary General Meeting of Shareholders (FY2024).

The 91st term was a year of new beginnings, including the launch of our new management structure and the relocation of our headquarters to Higashi-shinagawa, the place where the Company was founded. Based on the decline in business performance during the 90th term, under a new management system, we drastically reviewed the electricity business to achieve a significant return to profitability.

During the current period, we have been proceeding with business structure reforms to integrate and restructure our core businesses while focusing on the growth strategy axes of "reorganizing the domestic business foundation" and "strengthening the retail service strategy" under the Medium-Term Management Plan as we move toward our 100th year anniversary in FY2027. In order to transform the energy business, which is a core business rooted in the local community, into a growth business, it is essential to create a structure so that every Group company provides personalized services addressing the smallest details from the customer's perspective, and we recognize that integrating and restructuring our core businesses is an important initiative to achieve this goal.

My management beliefs are "Profit lies on the ground," "Profit lies outside," and "Profit lies in people." The driving force to transform and grow the Company is "people," therefore, the growth of each individual employee is essential. We will continue to work together as a group with the aim of achieving sustainable growth and contribute to achieving comfortable homes and lifestyles for our customers.

I would like to take this opportunity to ask for your continued support.

President and CEO
Taro Nakagome



Securities code: 8132

June 6, 2025

(Start date for providing information in electronic format) June 3, 2025

To our shareholders

1-39-20, Higashi-Shinagawa, Shinagawa-ku, Tokyo

Sinanen Holdings Co., Ltd.

President and CEO Taro Nakagome

Notice of the 91st Ordinary General Meeting of Shareholders

Thank you for your support of Sinanen Holdings Co., Ltd.

Notice is hereby given that the 91st Ordinary General Meeting of Shareholders of Sinanen Holdings Co., Ltd. (the “Company”) will be held as follows.

The Company has provided information in electronic format for the convocation of this General Meeting of Shareholders, and the information provided in electronic format has been posted on the following websites.

The Company’s website: <https://sinanengroup.co.jp/en/ir/stock/report.html>



In addition to the above website, the information provided in electronic format is also posted on the website of the Tokyo Stock Exchange. Please enter or search for “Sinanen Holdings” in the “Issue name (company name)” or our securities code “8132” in the “Code” and click “Search.” Then, select “Basic information,” “Documents for public inspection/PR information,” and “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” to confirm the information.

TSE website (TSE Listed Company Search)

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



Please review the Reference Materials for the General Meeting of Shareholders below and exercise your voting rights in accordance with the instructions on pages 4 through 6.

Details

1 Date and time Wednesday, June 25, 2025 at 10:00 a.m.

2 Location **BELLESALLE Mita Garden 2F**,
Sumitomo Realty & Development Tokyo Mita Garden Tower, 3-5-19 Mita, Minato-ku, Tokyo

3 Purpose **Report**

1. Business Report, Consolidated Financial Statements, and the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit/Supervisory Committee for the 91st term (from April 1, 2024 to March 31, 2025)
2. Non-Consolidated Financial Statements for the 91st Term (from April 1, 2024 to March 31, 2025)

Resolutions

Proposal No. 1 Partial Amendments to the Articles of Incorporation
Proposal No. 2 Election of Four Directors (Excluding Directors Who Are Audit/Supervisory Committee Members)
Proposal No. 3 Election of One Director Who Is an Audit/Supervisory Committee Member

Matters to be decided upon convocation

- If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of any of the proposals, it will be treated as if you indicated your approval.
- If you exercise your voting rights both in writing (by mail) and via the Internet, the vote via the Internet will be treated as valid.
- If you exercise your voting rights more than once via the Internet, the last exercise of voting rights shall be treated as the valid exercise of voting rights.

End

- ◎ For this General Meeting of Shareholders, regardless of whether or not a request for paper-based documents is made, the Company will uniformly send the shareholders paper-based documents that state the information to be provided in electronic format.
- ◎ If there are any revisions to the information provided in electronic format, the revised information will be posted on the respective websites where the information is posted.
- ◎ For the following information among the information provided in electronic format, we will not include them in the documents to be delivered to shareholders who have requested delivery of the documents pursuant to the provisions of laws and regulations and Article 16 of the Articles of Incorporation. Items (1) to (3) below have been audited by the Audit/Supervisory Committee and the Accounting Auditor.
 - (1) "System for ensuring appropriate business operations" and "Outline of operation of the system for ensuring appropriate business operations" of the Business Report
 - (2) Notes to the Consolidated Financial Statements
 - (3) "Balance Sheet," "Statements of Income," "Statement of Changes in Equity," and "Notes to the Non-Consolidated Financial Statements" of the Financial Statements
 - (4) "Accounting Auditor's Audit Report on the Consolidated Financial Statements," "Accounting Auditor's Audit Report on the Financial Statements," and "Audit/Supervisory Committee's Audit Report" of the Audit Reports
- ◎ If you attend the meeting, please submit the voting form to the receptionist at the meeting.

The Company's website ►►► <https://sinanengroup.co.jp/en/>

■ Information on Exercising Voting Rights

If you do not attend the General Meeting of Shareholders

Exercising voting rights in writing (by mail)



Deadline for exercising
voting rights

Arrive by 5:30 p.m. on Tuesday, June 24, 2025

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it.

If you do not indicate your approval or disapproval of any of the proposals, it will be treated as if you indicated your approval.

Exercising voting rights via the Internet



Deadline for exercising
voting rights

Complete entry by 5:30 p.m. on Tuesday, June 24, 2025

Scan the QR code listed on the voting form using a smartphone to access the website for exercising voting rights from "Smart SR" or directly access the website for exercising voting rights by entering the URL (<https://soukai.mizuho-tb.co.jp/>) (available in Japanese only), then enter your approval or disapproval.

Please refer to the next page for details.

If you do attend the General Meeting of Shareholders



Date and time of the
General Meeting of
Shareholders

Wednesday, June 25, 2025 at 10:00 a.m.

(Reception desk opens at 9:30 a.m.)

Please submit the enclosed voting form to the receptionist at the meeting.

If you wish to exercise your voting rights by proxy, one other shareholder with voting rights may attend the General Meeting of Shareholders as your proxy.

In this case, a letter of proxy must be submitted together with the voting form.

Handling of your vote

If you exercise your voting rights both in writing and via the Internet, the Internet vote will be treated as valid. If you exercise your voting rights more than once via the Internet, the last exercise of voting rights will be deemed valid.

(Reference) Institutional investors may use the platform for the electronic exercise of voting rights operated by ICJ, Inc.



Exercising voting rights via the Internet

How to read the login QR code “Smart SR”

You can log in to the website for exercising voting rights without entering your voting code and password.

- 1 Please read the QR Code shown in the lower right corner of the voting form.



*QR Code is a registered trademark of DENSO WAVE INCORPORATED.

- 2 Tap the “To website for exercising voting rights” button at the top of the “Smart SR” screen. Please follow the on-screen guidance and enter your approval or disapproval of the proposals.

*If it is difficult to connect due to problems with the network, please wait for a short time and then try to access the website again.



Tap “To website for exercising voting rights.”

You can exercise your voting rights only once with Smart exercise.

If you wish to change your vote after exercising your voting rights, please access the PC website, enter your voting code and password indicated on the voting form, log in, and exercise your voting rights again.

How to enter your voting code and password

Website for exercising voting rights
(available in Japanese language only)

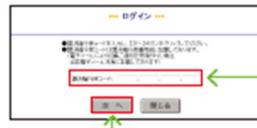
<https://soukai.mizuho-tb.co.jp/>

- 1 Please access the website for exercising voting rights.



Click “Next.”

- 2 Please enter the voting code shown on the voting form.



Enter your voting code.

Click “Next.”

- 3 Please enter the password shown on the voting form.



Enter the initial password.

Please set a new password that you will actually use.

Click “Register.”

- 4 Please follow the on-screen guidance and enter your approval or disapproval of the proposals.

*Screen shot is for reference purposes only.

Institutional investors can use the platform for the electronic exercise of voting rights for institutional investors, which is operated by ICJ, Inc.



Information about “Smart SR”

“Smart SR” is a web service that promotes the digital transformation of communication between the Company and shareholders provided by Mizuho Trust & Banking Co., Ltd. Shareholders can scan the QR code on the voting form to log in to this service without needing to enter their ID and password, after which they can use the following functions.

*QR Code is a registered trademark of DENSO WAVE INCORPORATED. *Shareholders are responsible for any communication-related fees incurred when connecting to this service.

■ Pre-meeting questions

Questions relating to the objectives of the General Meeting of Shareholders can be entered at the “Smart SR” website. We plan to answer any questions that shareholders consider to be of particularly high interest at the General Meeting of Shareholders.

Reply deadline By 5:30 p.m. on Tuesday, June 17, 2025

Important points

- Please limit the content of the questions to matters concerning the objectives of the General Meeting of Shareholders.
- Each shareholder can ask up to three questions with each question limited to 200 characters or less.
- There is no guarantee that we can give a reply to every question. Also, please understand that we will not be able to answer each question individually.

■ Questionnaire

We would like to update our future management and IR activities with the opinions of all our shareholders. Therefore, please fill in the questionnaire available from “Smart SR”.

Reply deadline By 5:30 p.m. on Tuesday, June 24, 2025

(Note)

If it is not possible to use “Smart SR” due to network problems, please refer to the reverse side on the right of the voting form to log in to the “Website for exercising voting rights”, then exercise your voting rights.

Example images of the “Smart SR” screen for mobile devices



*Contact information concerning how to use “Smart SR” (Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.)
Toll free number: 0120-768-524 (9:00 a.m. to 9:00 p.m. except during New Year's holiday)

■ Reference Materials for the General Meeting of Shareholders

Proposal No. 1 Partial Amendments to the Articles of Incorporation

1. Reason for proposal

This amendment is intended to clarify the content of our business in accordance with the current status of the Company Group business while adding additional business objectives in order to address the diversification of our businesses.

2. Description of change

The details of the change are as follows.

(Underlines indicate changes.)

Current Articles of Incorporation	Proposed change
Article 2 (Objectives) The Company shall engage in the following businesses as well as hold shares in companies engaged in such businesses and/or foreign-owned corporations engaged in equivalent businesses, with the objective of controlling or managing the business activities of said companies.	Article 2 (Objectives) The Company shall engage in the following businesses as well as hold shares in companies engaged in such businesses and/or foreign-owned corporations engaged in equivalent businesses, with the objective of controlling or managing the business activities of said companies.
1. Production, purchase, sale, import, and export of the following items 1) Coal briquettes, charcoal briquettes, and other processed fuels 2 to 22) (Text omitted)	1. Production, purchase, sale, import, and export of the following items 1) Coal briquettes, charcoal briquettes, and other processed fuels 2 to 22) (Same as current)
23) Bicycles <u>and motorcycles and their parts</u>	23) Bicycles, <u>specified small motorized bicycles, similar mobility devices, their parts and accessories</u>
24) Toys	24) Toys
2 to 6. (Text omitted)	2 to 6. (Same as current)
7. Management, maintenance, leasing, purchase and sale, brokerage, and surveying of real estate <Newly established>	7. Management, maintenance, leasing, purchase and sale, brokerage, and surveying of real estate <u>8. Specified Joint Real Estate Ventures based on the Act on Specified Joint Real Estate Ventures</u> 9 to 29. (Same as current)
8 to 28. (Text omitted)	<u>30. Rental operations for bicycles, specified small motorized bicycles, similar mobility devices, their parts and accessories</u>
29. <u>Bicycle rental</u> <Newly established>	<u>31. Provision of sharing services for bicycles, specified small motorized bicycles, and other mobility devices</u>
30 to 42. (Text omitted)	<u>32 to 44. (Same as current)</u>

Proposal No. 2

Election of Four Directors (Excluding Directors Who Are Audit/Supervisory Committee Members)

The terms of office of all five Directors (excluding Directors who are Audit/Supervisory Committee Members), Masaki Yamazaki, Taro Nakagome, Miwa Mitsuhashi, Tetsuya Nakamura, and Hiroyuki Ohashi, will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes to elect four Directors.

In addition, the Audit/Supervisory Committee considered the election of Directors from the viewpoints of each candidate's qualifications, the effectiveness of the Board of Directors as a whole, and the enhancement of corporate value, and has determined that it is appropriate to nominate each candidate as a Director.

The candidates for Director are as follows.

Candidate No.	Name	Current position and responsibilities in the Company	Board of Directors attendance during the current fiscal year
1	Re-elect Taro Nakagome	President and CEO	13/13 (100%)
2	Re-elect Miwa Mitsuhashi	Director Responsible for Sustainability Promotion and Human Resources and General Affairs Department	18/18 (100%)
3	Re-elect Tetsuya Nakamura	Director and CCO Responsible for the Corporate Planning Department, IT Strategy Department, Operations Management Department, Legal Affairs Office	13/13 (100%)
4	Re-elect Outside Hiroyuki Ohashi	Outside Director	13/13 (100%)

(Note) Taro Nakagome, Tetsuya Nakamura, and Hiroyuki Ohashi have been serving on the Board of Directors after being appointed to Company Directors on June 26, 2024.

Candidate No.

1

Taro Nakagome

Reelection

Born on April 9, 1973

Number of the Company's shares held: 2,100 shares



Brief personal history, positions, responsibilities, and important concurrent positions

April 1997	Joined the Company	June 2020	President and CEO of Takara Building Maintenance Co., Ltd., President and CEO of Indess Co., Ltd., and President and CEO of U-Techs Co., Ltd.
February 2012	President and CEO of Indess Co., Ltd.	June 2021	President and CEO of Takara Building Maintenance Co., Ltd.
May 2018	President and CEO of Indess Co., Ltd. and President and CEO of U-Techs Co., Ltd.	October 2023	President and CEO of Sinanen Axia Co., Ltd.
		June 2024	President and CEO of the Company (present position)

Reason for nomination as candidate for Director

Since assuming the position of President and CEO of the Company in June 2024, Taro Nakagome has been directing the management of the entire Group, strengthening retail service strategies with strong leadership, and otherwise leading Group as a whole. The Company believes that his management skills will contribute to the sustainable growth of the Group and increase its corporate value, and has therefore continued to nominate him as a candidate for Director.

Candidate No.

2

Miwa Mitsuhashi

Reelection

Born on September 16, 1973

Number of the Company's shares held: 2,800 shares



Brief personal history, positions, responsibilities, and important concurrent positions

April 1996	Joined the Company	June 2023	Director and CCO of the Company
April 2019	President and CEO of Sinanen Mobility Plus Co., June 2024 Ltd.	June 2024	Director of the Company Responsible for Sustainability Promotion and Human Resources and General Affairs Department (present position)

Reason for nomination as candidate for Director

As the first President of bicycle-sharing business operator Sinanen Mobility Plus Co., Ltd., Miwa Mitsuhashi has developed business strategy and achieved favorable results through strong leadership. Additionally, she possesses a wealth of experience and insight at the Company's human resources department, and has helped to achieve sustainable growth and enhance corporate value. These management skills have led us to determine that she is an appropriate person to promote sustainability management, and we have therefore continued to nominate her as a candidate for Director.

Candidate No.

3

Tetsuya Nakamura

Reelection

Born on July 13, 1959

Number of the Company's shares held: 500 shares



Brief personal history, positions, responsibilities, and important concurrent positions

April 1982	Joined The Mitsubishi Bank, Ltd. (currently MUFG October 2019 Bank, Ltd.)	April 2020	Joined the Company General Manager of the Audit Department of the Company
February 2011	Transferred to Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	June 2024	Director and CCO of the Company Responsible for the Corporate Planning Department, IT Strategy Department, Operations Management Department, Legal Affairs Office (present position)
June 2011	Executive Officer of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.		
June 2016	Managing Director of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Managing Director of Mitsubishi UFJ Securities Holdings Co., Ltd., and Executive Officer of Mitsubishi UFJ Financial Group, Inc.		

Reason for nomination as candidate for Director

Tetsuya Nakamura possesses a wealth of experience and insight regarding governance and management strategy. After holding key positions at financial institutions, he joined the Company in October 2019, assuming responsibility for internal auditing. Since June 2024, as a Director, he has been responsible for corporate planning, risk management, and the IT department, and has promoted management strategy. The Company believes that his management skills will contribute to the sustainable growth of the Group and increase its corporate value, and has therefore continued to nominate him as a candidate for Director.

Candidate No.

4

Hiroyuki Ohashi

Reelection

Outside

Born on June 19, 1976
Number of the Company's shares held: - shares



Brief personal history, positions, responsibilities, and important concurrent positions

April 2009	Joined HIKARI TSUSHIN, INC. General Manager of Industry Specialized Business Department, Corporate Business Division	April 2021 April 2022 June 2023	Director of CHIC Holdings INC. (present position) Senior Executive Officer of HIKARI TSUSHIN, INC. Director of DLX Holdings Co., Ltd. (currently Arciel Co., Ltd.)
August 2016	Director of MEmobile Co., Ltd. (present position)	December 2023	Director of N-STAFF Co., Ltd. (currently Arciel Co., Ltd.) (present position)
April 2017	General Manager of Alliance Finance Department, Sales Administration Division of HIKARI TSUSHIN, INC.	April 2024	Managing Executive Officer of HIKARI TSUSHIN, INC. (present position)
April 2018	Executive Officer of Alliance Finance Department, Sales Administration Division of HIKARI TSUSHIN, INC.	June 2024	Outside Director of the Company (present position) Director of HCMA Alpha Co., Ltd. (present position)
June 2019	Director of FTGroup CO., LTD. (present position)		

Reasons for nomination as candidate for Outside Director and summary of expected roles

Hiroyuki Ohashi has broad insight on corporate management and finance across a wide range of business areas. In addition, he has abundant experience serving as an executive or director of other companies, and we have continued to nominate him as a candidate for Outside Director in the expectation that he will continue to provide beneficial statements and accurate advice that will contribute to the sustainable growth and enhancement of corporate value of the Company.

(Notes) 1. There are no special interests between each candidate and the Company.

2. Hiroyuki Ohashi concurrently serves as a Managing Executive Officer of HIKARI TSUSHIN, INC., an affiliate of the Company.

3. The Company has entered into a liability limitation agreement with Hiroyuki Ohashi to limit his liability for damages under Article 423, paragraph (1) of the Companies Act, and will continue such agreement with him if he is reelected. However, the maximum amount of liability for damages under such agreement shall be the amount stipulated by laws and regulations.

4. The Company has concluded a directors and officers liability insurance (D&O insurance) contract with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and an outline of the contents of such insurance contract is shown on page 31 of the Business Report. If the election of the candidates for Director is approved, they will be included as insured under the said insurance contract. The said insurance contract is scheduled to be renewed on July 1, 2025.

5. Hiroyuki Ohashi's term of office as an Outside Director at the conclusion of this General Meeting of Shareholders will be one year.

Proposal No. 3

Election of One Director Who Is an Audit/Supervisory Committee Member

Of the six Directors who are Audit/Supervisory Committee Members, both Yuichiro Munakata and Nobutaka Murao's term of office will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes to elect one Director who is an Audit/Supervisory Committee Member.

The Company has obtained the consent of the Audit/Supervisory Committee with respect to this proposal.

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

	Name	Current position and responsibilities in the Company	Board of Directors attendance during the current fiscal year
Re-elect Outside Independent	Yuichiro Munakata	Outside Director (Full-time Audit/Supervisory Committee Member)	18/18 (100%)

Yuichiro Munakata

Reelection

Outside

Independent

Born on January 5, 1960

Number of the Company's shares held: - shares



Brief personal history, positions, responsibilities, and important concurrent positions

March 1993	Registered as a Certified Public Accountant	September	EY Japan Area Assurance Deputy Leader, Ernst & Young ShinNihon LLC.
June 1993	Joined Ota Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)	2016	General Manager of FAAS Division of Ernst & Young ShinNihon LLC.
July 1998	Stationed at Ernst & Young LLP New York Office	April 2018	Representative Director of Ernst & Young Solutions Co., Ltd.
May 2000	Joined Century Ota Showa & Co. as Partner (currently Ernst & Young ShinNihon LLC)	May 2018	Outside Director and Audit & Supervisory Board Member of Kasumigaseki Capital Co., Ltd. (present position)
December 2001	Obtained US Certified Public Accountant license	November 2022	Outside Director and Audit & Supervisory Committee Member of the Company
July 2014	Leader of EY Japan Area Accountants and member of the Steering Committee, Ernst & Young ShinNihon LLC. (currently Ernst & Young ShinNihon LLC.)	June 2023	Outside Auditor of Santen Pharmaceutical Co., Ltd. (present position)
		June 2024	Outside Director and Audit/Supervisory Committee Member (Full time) of the Company (present position)

Reasons for nomination as candidate for Outside Director and summary of expected roles

Yuichiro Munakata has accumulated professional knowledge and abundant experience in finance, accounting, and auditing as a certified public accountant, and possesses a high level of expertise in management administration and risk management, as well as a wealth of international experience and an international perspective through his overseas assignments. Based on such experience, we have continued to nominate him as a candidate for Outside Director who is an Audit/Supervisory Committee Member, in the expectation that he will contribute to the sustainable improvement of the Company's corporate value through his advice on the management and supervision of business execution, and enhancement of the Company's corporate governance.

(Notes)

1. There are no special interests between the candidate and the Company.
2. The candidate is a candidate for Outside Director.
3. The Company has registered Yuichiro Munakata with the Tokyo Stock Exchange as an independent officer in accordance with its regulations. He will continue to be an independent officer if he is reelected.
4. The Company has entered into a liability limitation agreement with Yuichiro Munakata to limit his liability for damages under Article 423, paragraph (1) of the Companies Act, and will continue such agreement with him if he is reelected. However, the maximum amount of liability for damages under such agreement shall be the amount stipulated by laws and regulations.
5. The Company has concluded a directors and officers liability insurance (D&O insurance) contract with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, and an outline of the contents of such insurance contract is shown on page 31 of the Business Report. If the election of the candidate for Director is approved, he will be included as insured under the said insurance contract. The said insurance contract is scheduled to be renewed on July 1, 2025.
6. Yuichiro Munakata's term of office as Outside Director who is an Audit/Supervisory Committee Member at the conclusion of this General Meeting of Shareholders will be two years.

(Reference)

[Criteria for Determining the Independence of Outside Directors]

In appointing independent Outside Directors, the Company considers that they do not have sufficient independence for the Company if they fall under any of the following items in addition to the independence standards set forth by the financial instruments exchanges.

1. A person from the Company and its consolidated subsidiaries (below, the “Group”)
2. Major shareholder of the Company (Notes 1)
3. Business executors of companies that fall under any of the following:
 - Major business partners of the Group (Notes 2)
 - Major lenders to the Group (Notes 3)
 - Companies, etc. in which the Group owns 10% or more of the shares on a voting right basis
4. Certified public accountants belonging to the auditing firm which is the Accounting Auditor of the Group
5. Consultants, accountants, tax accountants, attorneys at law, judicial scriveners, patent attorneys, and other professionals who receive a large amount (Notes 4) of money or other assets from the Group
6. Business executors of other companies with which the outside officers have a mutual relationship of appointment (Notes 5)
7. Notwithstanding the provisions of the preceding paragraphs, any other person who is deemed to have special reasons that may cause a conflict of interest with the Company

(Notes)

1. A major shareholder is a shareholder who owns 5% or more of a company's voting rights as of the end of the fiscal year under his or her own name or that of another person, and if the major shareholder is a corporation, partnership, or other organization, the person in charge of operations belonging to the organization.
2. Major business partner means a customer or supplier of the Group's products, etc., whose annual transaction amount exceeds 2% of the Company's consolidated net sales or the consolidated net sales of the counterparty.
3. Major lender means a financial institution from which the Group borrows and whose balance of borrowings exceeds 2% of the total consolidated assets of the Company or the total consolidated assets of the relevant financial institution at the end of the fiscal year.
4. Large amount is defined as follows, depending on the involvement of the relevant expert in the provision of services.
 - In the case that the relevant expert provides services to the Group as an individual, the amount of consideration received from the Group (excluding officer compensation) exceeding 10 million yen per year is considered a large amount.
 - In the case that a corporation, partnership, or other organization to which the expert belongs provides services to the Group, the total amount of consideration received by the organization from the Group shall be considered a large amount if it exceeds 2% of the annual gross income of the organization. However, even if the amount does not exceed 2%, it shall be considered a large amount if the total amount of consideration received by the organization for the services directly provided by the expert exceeds 10 million yen per year.
5. It refers to a relationship in which an executive officer of the Group is an external officer of another company and an executive officer of that other company is an external officer of the Company.

(Reference) Composition of the Board of Directors [Scheduled from June 25, 2025]

The Company's Board of Directors shall be composed of individuals with a high level of knowledge and experience in various fields related to corporate management.

The areas of particular importance to corporate management are defined as follows, and each Director is expected to fully demonstrate his or her abilities.

Candidates for the Company's Directors are determined by the Board of Directors based on the opinions of the voluntary Nominating and Compensation Committee, and the following composition of the Board of Directors is based on the assumption that Proposals No. 2 and No. 3 are approved as originally proposed at this General Meeting of Shareholders.

Inside the Company



Taro Nakagome



Miwa Mitsuhashi



Tetsuya Nakamura

Position	President and CEO	Director	Director
Skill matrix			
Corporate management	●	●	●
Business expertise	●	●	
Finance/Accounting			●
Legal affairs/Risk management			●
Human rights, human resources development, and diversity	●	●	
International perspective			●
Sustainability	●	●	
Gender	Male	Female	Male

Skill matrix overview

	Skill		
	Corporate management	Business expertise	Finance/Accounting
Overview	Has experience in management as a CEO, COO or similar role, and the skills to improve corporate value in a sustained manner through management with awareness of the capital market	Has a deep knowledge and experience about product development, logistics, sales and marketing, and the skills to accurately understand customer needs to accelerate business growth	Has a specialization in areas such as finance and accounting, and the skills to promote appropriate strategies based on the Group's financial situation
Reason for selection	To promote growth strategies and strengthen the management foundation to achieve our vision	To provide specialist knowledge for each business area with the aim of evolving into a comprehensive energy life creation group	To promote growth investment and stable shareholder return while maintaining and using a healthy financial base

Outside the Company					
					
Hiroyuki Ohashi	Yuichiro Munakata	Ren Shino	Hiroyuki Mitani	Motoshi Muraoka	Yoshishige Takenaka
Outside Director	Independent Officer Outside Director (Full-time Audit/Supervisory Committee Member)	Independent Officer Outside Director (Audit/Supervisory Committee Member)	Independent Officer Outside Director (Audit/Supervisory Committee Member)	Independent Officer Outside Director (Audit/Supervisory Committee Member)	Independent Officer Outside Director (Audit/Supervisory Committee Member)
●			●	●	
●			●		
●	●				
	●	●			
	●		●		●
Male	Male	Female	Male	Male	Male

(Note) The above list does not represent all the expertise possessed by the candidates.

Item	Legal affairs/Risk management	Human rights, human resources development, and diversity	International perspective	Sustainability
Has extensive knowledge and experience about legal affairs and risk management, and the skills to appropriately understand and manage business risks	The skills to establish an environment where employees can demonstrate their capability, respect diversity, and promote strategies that link employee and company growth	The skills to understand diverse foreign values, culture and customs with a global perspective, and promote business strategies adapted to local conditions	Has knowledge concerning sustainability and ESG, and the skills to promote strategies to resolve social issues through business	
To appropriately respond to a wide range of business risks for the Group, and strengthen the risk management system	To achieve human resource development, corporate culture reforms, and work style reforms promoted as management strategies	To promote strategies based on understanding of foreign diverse values, culture and customs to grow globally	To bring together social value and economic value with the aim of transforming the business structure to address decarbonization	

1 Matters concerning the current status of the corporate group

(1) Business progress and results

The Group is accelerating the shift to a stronger management foundation and advancing growth strategies to achieve the vision of “Evolution into a comprehensive energy life creation group that contributes to achieving a decarbonized society” based on the 3rd Medium-Term Management Plan focusing on the 100th anniversary of its founding in FY2027. As announced in timely disclosures on December 27, 2024, we are working together as a group under a new management structure to re-examine the business portfolio from a perspective of profitability and capital effectiveness improvement and integrate and restructure the core businesses of the Group.

For the energy market environment during the fiscal year under review, crude oil prices remained weak due to sluggish demand caused by the economic slowdown in China, U.S. Policies, and anticipated production increases from OPEC+, while propane contract prices remained firm due to factors such as increased domestic demand in Southeast Asia. Crude oil prices and propane contract prices affect the purchasing prices of petroleum and LP gas related to the Group's mainstay businesses.

In the midst of this market environment, the results for the fiscal year under review were as follows.

Sales decreased to 317,118 million yen (down 8.9% year on year) due to factors such as a drop in electricity sales. In terms of profit and loss, mainly in the electricity business, the transition to market-linked plans and the review of the management system have contributed, marking a return to profit, etc. This resulted in an operating profit of 4,009 million yen (compared to an operating loss of 711 million yen in the previous fiscal year) and an ordinary profit of 4,483 million yen (compared to an ordinary profit of 93 million yen in the previous fiscal year). Additionally, due to recorded impairment losses on non-current assets and loss on sale of shares of subsidiaries, profit attributable to owners of parent was 3,153 million yen (compared to loss attributable to owners of parent of 1,039 million yen for the previous fiscal year).

<Reference> Financial highlights

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
317,118 million yen	4,009 million yen	4,483 million yen	3,153 million yen

Business overview by segment



Retail/Wholesale Energy & Related Business (B to C business)

Description of main business

- LP gas and fuel sales business for households and retailers
- Household energy-related business, including renovation and gas appliance sales
- City gas supply business
- LP gas maintenance and delivery business and household electricity sales business

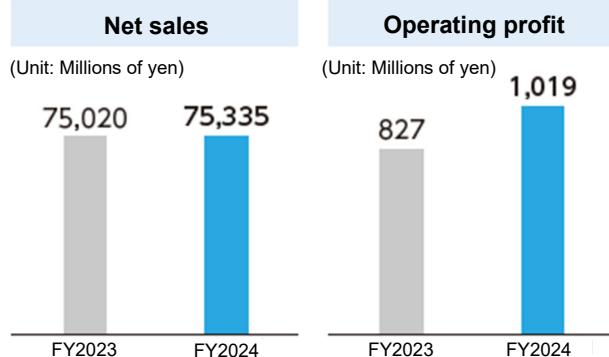


In terms of sales, although sales volumes in the electricity business decreased, the upward trend in propane contract prices compared to the previous year and other factors meant that unit selling prices for our mainstay area of LP gas and kerosene remained high, which increased sales.

In terms of profit and loss, although factors such as transportation costs and personnel expenses increased, profit increased mainly due to such as improvements in electricity business gross profit, which had deteriorated in the previous fiscal year.

We are continuing to improve profitability by growing sales of goods to expand our customer base and redeveloping our business foundations in Japan in anticipation of integrating our core businesses planned for April 2026, in addition to expanding the traditional energy business.

As a result of the above, net sales for the fiscal year under review in the Retail/Wholesale Energy & Related Business (B to C Business) were 75,335 million yen (up 0.4% year on year) and operating profit was 1,019 million yen (up 23.3% year on year).





Energy Solution Business (B to B business)

Description of main business

- Petroleum products sales business
- Electricity sales business
- Solar power generation business
- Solar power generation system sales and maintenance business
- Housing equipment sales business
- Renewable energy power source development business in Japan and other countries

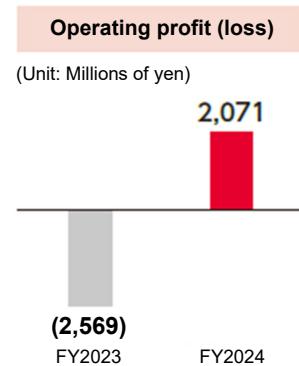
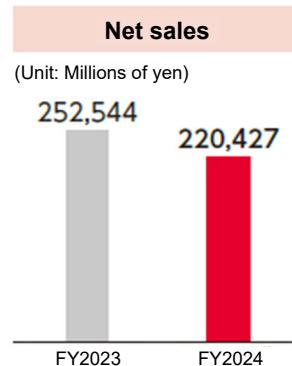


In terms of sales, sales decreased due to factors such as the impact of a decrease in sales volume accompanying the transition to market-linked plans in the electricity business.

As for profit and loss, profits increased due to the impact of factors including the above-mentioned transition to market-linked plans and the review of the management system that improved the gross profit margin of the electricity business, which had deteriorated.

We will continue to seek stable profits in our petroleum and electricity businesses, and introduce systems to promote the optimization of operations and logistical efficiency, working to achieve sustainable growth.

As a result of the above, net sales for the fiscal year under review in the Energy Solution Business (B to B Business) were 220,427 million yen (down 12.7% year on year) and operating profit was 2,071 million yen (operating loss for the previous fiscal year was 2,569 million yen).





Non-energy Business

Description of main business

- Bicycle business
- Bicycle sharing business
- Environment and recycling business
- Antimicrobial business
- Systems business
- Building maintenance and management business

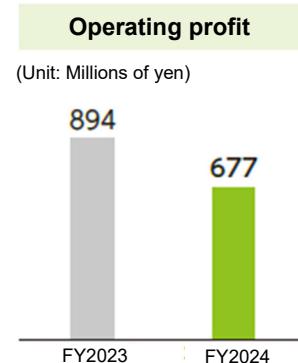
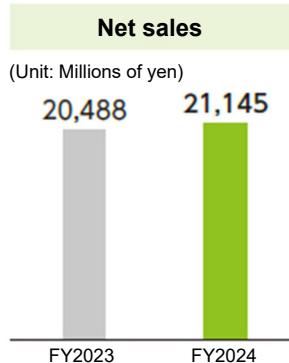


Overall for Non-energy Businesses, though sales were up due to strong performance mainly in the bicycle sharing business and the building maintenance and management business, profits were down, affected by increased SG&A expenses, etc.

The circumstances of each business are outlined below.

Although sales of private brand products contributed, the bicycle business operator Sinanen Bike Co., Ltd. saw lower sales and profit due to such as weather-related factors including rainy weather and extreme heat.

Bicycle sharing business operator Sinanen Mobility Plus Co., Ltd. is promoting development of bicycle sharing service DAICHARI locations. As of March 31, 2025, the scale of the business has grown to more than 4,000 stations and more than 14,300 bicycles, resulting in increased sales. However, profit decreased due to the impact of factors such as the increased SG&A expenses associated with battery replacement. The Company will promote the implementation of maintenance systems and move ahead with initiatives intended to provide services aligned with the needs of local governments.



Environmental and recycling business operator Sinanen Ecowork Co., Ltd. saw lower sales and profit due to a decrease in the volume of construction waste wood generated which was associated with sluggishness in new housing starts, and an increase in product transportation costs.

Despite strong sales of products for North America, factors such as increasing raw material prices resulted in the antimicrobial business operator Sinanen Zeomic Co., Ltd. achieving higher sales but reduced profits.

Systems business operator Minos Co., Ltd. posted an increase in sales but a decrease in profits due to the increase in SG&A expenses, such as personnel expenses and fixed costs, despite the stable contribution from its flagship LP gas backbone operation system. The Company will continue to promote new developments such as next-generation systems while promoting sales activities focused on leading industry players.

Building maintenance and management business operator Sinanen Axia Co., Ltd. posted an increase in sales and profit due to the expansion of its area of building maintenance operations for multi-family housing, as well as strong performance of the facility operation business such as funeral halls and hospitals. The Company is promoting the development of new locations intended to achieve the “Further expansion of areas of operations” laid out in our 3rd Medium-Term Management Plan and is moving ahead with initiatives aimed at “ensuring stable profits” such as new orders for large properties.

As a result of the above, net sales for the fiscal year under review in the Non-energy Business were 21,145 million yen (up 3.2% year on year) and operating profit was 677 million yen (down 24.2% year on year).

Net sales by business segment

Segment name	Net sales	Composition ratio		Previous fiscal year
		Millions of yen	%	
Retail/Wholesale Energy & Related Business (B to C Business)	75,335	23.8	75,020	
Energy Solution Business (B to B Business)	220,427	69.5	252,544	
Non-energy Business	21,145	6.7	20,488	
Other	210	0.0	229	
Total	317,118	100	348,282	

(2) Issues to be addressed

In order to respond to the changes in the environmental conditions of the times, such as the diversification in energy demand brought on by the spread of energy-saving devices and changing lifestyles and the societal demand for decarbonization, the Group started its 3rd Medium-Term Management Plan that aims for an evolution into a comprehensive energy life creation group that contributes to achieving a decarbonized society from FY2023.

[Growth strategies]

• Redevelop domestic business foundations

We will proceed with business structure reforms by collaborating and integrating group businesses to build a system that provides high quality services.

• Strengthen retail service strategies

We will aim to acquire lifetime clients in the region by shifting awareness from being an energy company to a service company, and providing services appropriate to the area.

• Initiatives for new business

We will aim to contribute to decarbonization by creating new businesses based on the keyword of "decarbonization."

[Shift to a stronger management foundation]

• Human resources development and corporate culture reform

We will aim to become a company chosen by customers, and implement measures to promote awareness-building and a change in behavior. We will also rebuild human resources systems that will lead to improving corporate value, and proceed with restructuring that will increase business production efficiency and appropriately allocating human resources, with the aim of deepening human resources development.

• Improving the efficiency of business and assets

We will continue to work on optimizing organizational management and improve the quality of our business portfolio by improving productivity by such means as streamlining operations, actively controlling investment risk, and adopting ROA improvement measures to increase capital efficiency.

We would sincerely like to ask for the further understanding and support of our shareholders in the future regarding these policies.

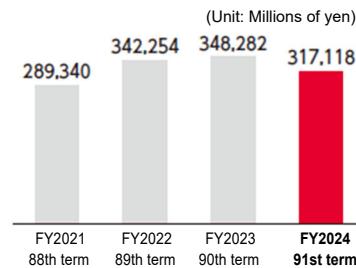
(3) Changes in assets and profit and loss

(Unit: Millions of yen)

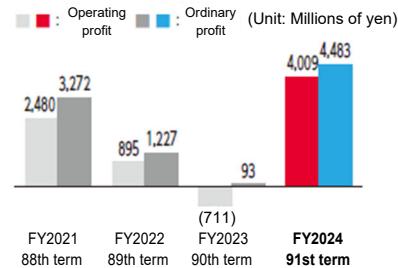
Category	FY2021 88th term	FY2022 89th term	FY2023 90th term	FY2024 91st term (current fiscal year)
Net sales	289,340	342,254	348,282	317,118
Operating profit (loss)	2,480	895	(711)	4,009
Ordinary profit	3,272	1,227	93	4,483
Profit (loss) attributable to owners of parent	2,487	478	(1,039)	3,153
Profit (loss) per share	228.33 yen	43.82 yen	(95.53 yen)	289.93 yen
Total assets	104,908	101,350	108,480	105,934
Net assets	54,381	53,631	53,315	55,230
Net assets per share	4,922.46 yen	4,902.63 yen	4,900.02 yen	5,075.05 yen

<Reference>

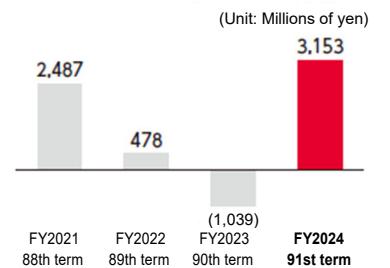
Net sales



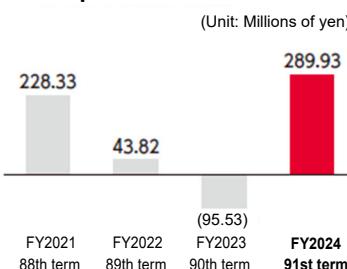
Operating profit/Ordinary profit



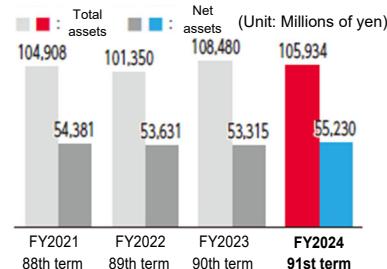
Profit attributable to owners of parent



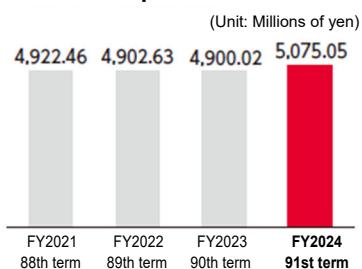
Profit per share



Total assets/net assets



Net assets per share



(4) Status of capital investment

The total amount of capital investment during the current fiscal year was 2.4 billion yen, which consisted mainly of the following:

- Renovation and reconstruction of offices, etc.
- Installation of supply facilities, etc. in the gas business
- Investment related to the bicycle sharing business
- Solar power generation facilities
- Kerosene center facilities, etc.
- Installation of software

(5) Status of fund procurement

There is no significant fund procurement.

(6) Status of employees (As of March 31, 2025)

(i) Status of employees of the corporate group

Segment name	Number of employees	YoY change
Retail/Wholesale Energy & Related Business (B to C Business)	901 (253)	-4 (+13)
Energy Solution Business (B to B Business)	216 (154)	-8 (+28)
Non-energy Business	524 (1,286)	+11 (+54)
Companywide (common)	100 (20)	-22 (+4)
Total	1,741 (1,713)	-23 (+99)

(Notes) 1. The number of employees is the number of full-time employees (excluding employees seconded from the Group to outside the Group and including employees seconded from outside the Group to the Group), and the average number of temporary employees per year is shown in parentheses.
2. The number of employees listed as "Companywide (common)" is the number of employees belonging to the administrative department.

(ii) Status of the Company's employees

Number of employees	YoY change	Average age	Average years of service
100 (20)	-22 (+4)	43.2	9.9

(Notes) 1. The number of employees is the number of full-time employees (excluding employees seconded from the Company to outside the Company and including employees seconded from outside the Company to the Company), and the average number of temporary employees per year is shown in parentheses.
2. Average age and average years of service exclude employees seconded to outside the Company and employees seconded from outside the Company.

(7) Major lenders (As of March 31, 2025)

Lender	Borrowing amount
Millions of yen	
Mizuho Bank, Ltd.	1,000
Sumitomo Mitsui Banking Corporation	1,000

(8) Principal offices and important subsidiaries (As of March 31, 2025)

Subsidiaries	The Company Headquarters 1-39-20, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Share capital	The Company's ownership	Description of main business	
				Millions of yen	%
	Melife-West Co., Ltd.	Headquarters: Nishi-ku, Osaka City	90	100.00	Sales of various fuels
	Melife Co., Ltd.	Headquarters: Shinagawa-ku, Tokyo	300	100.00	Sales of various fuels
	Melife-East Co., Ltd.	Headquarters: Aoba-ku, Sendai City	200	100.00	Sales of various fuels
	Sinanen Co., Ltd.	Headquarters: Shinagawa-ku, Tokyo	100	100.00	Sales of various fuels
	Sinanen Bike Co., Ltd.	Headquarters: Shinagawa-ku, Tokyo	100	100.00	Bicycle import and sales
	Sinanen Mobility Plus Co., Ltd.	Headquarters: Shinagawa-ku, Tokyo	30	100.00	Bicycle sharing
	Sinanen Ecowork Co., Ltd.	Headquarters: Shinagawa-ku, Tokyo	30	100.00	Environment and recycling
	Sinanen Zeomic Co., Ltd.	Headquarters: Minato-ku, Nagoya City	50	100.00	Manufacture and sales of antimicrobial agent
	Minos Co., Ltd.	Headquarters: Minato-ku, Tokyo	95	100.00	Computer system service
	Sinanen Axia Co., Ltd.	Headquarters: Shinjuku-ku, Tokyo	10	100.00	Building maintenance and management

2**Matters concerning the Company's shares**

(As of March 31, 2025)

(1) Total number of authorized shares 47,520,600 shares**(2) Total number of issued shares** 11,946,591 shares
(including 1,067,826 shares of treasury stock)**(3) Number of shareholders** 3,973**(4) Major shareholders**

Shareholder name	Number of shares held	Percentage
Thousands of shares		
UH Partners 2, Inc.	1,067	9.81
UH Partners 3, Inc.	818	7.52
SIL, Inc.	815	7.49
HIKARI TSUSHIN, INC.	811	7.46
Cosmo Oil Marketing Co., Ltd.	789	7.25
NOI Co., Ltd.	705	6.49
The Master Trust Bank of Japan, Ltd. (trust account)	689	6.34
Meiji Yasuda Life Insurance Company	672	6.18
Sinanen Group Clients Shareholding Association	430	3.95
Idemitsu Kosan Co., Ltd	379	3.48

(Notes) 1. The Company holds 1,067,826 shares of treasury stock but is excluded from the above major shareholders.
2. The shareholding ratio is calculated excluding 1,067,826 shares of treasury stock.

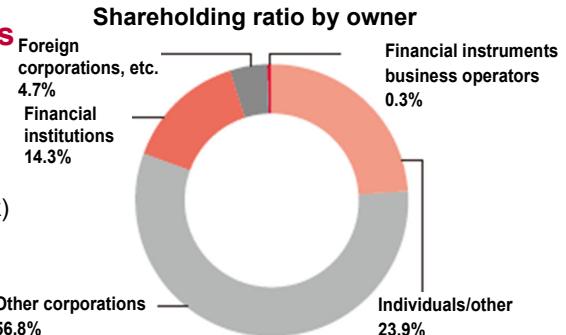
(5) Shares issued to the Company's officers as compensation for the execution of their duties during the fiscal year under review

	Number of shares	Number of persons to whom shares were granted
Directors (excluding Audit/Supervisory Committee Members)	Common stock of the Company 0 share	0

(Note) The details of the Company's stock-based compensation are described in "(2) Compensation, etc. for Directors" on pages 28 to 31 of the Business Report.

(6) Other important matters concerning shares

Not applicable.



3 Matters concerning the Company's officers

(1) Names of Directors (As of March 31, 2025)

Position	Name	Responsibilities and important concurrent positions
Chairman	Masaki Yamazaki	Responsible for the Growth Strategy Department
President and CEO	Taro Nakagome	CEO
Director	Miwa Mitsuhashi	Responsible for the Finance and IR Department, Human Resources and General Affairs Department, Group Reform Promotion Office, and Legal Affairs Office CCO
Director	Tetsuya Nakamura	Responsible for the Corporate Planning Department, IT Strategy Department, and Operations Management Department
Director	Hiroyuki Ohashi	Managing Executive Officer of HIKARI TSUSHIN, INC.
Director who is an Audit/Supervisory Committee Member (Full-time)	Yuichiro Munakata	Outside Director and Audit & Supervisory Board Member of Kasumigaseki Capital Co., Ltd. Outside Auditor of Santen Pharmaceutical Co., Ltd.
Director who is an Audit/Supervisory Committee Member	Ren Shino	Partner of Kohwa Sohgo Law Offices Outside Director (Audit and Supervisory Committee Member) of Takashima & Co., Ltd.
Director who is an Audit/Supervisory Committee Member	Nobutaka Murao	Professor of Kwansei Gakuin University Adviser of Japan Platform
Director who is an Audit/Supervisory Committee Member	Hiroyuki Mitani	Representative of Office Mitani Advisor of Layers Consulting Co., Ltd. Part-time lecturer at the School of Engineering at the University of Tokyo Professor of Graduate School of Leadership and Innovation, Shizenkan University President & CEO of NC Medical Research, Inc. Advisor of CEAMS LLC Auditor of Rugby School Japan
Director who is an Audit/Supervisory Committee Member	Motoshi Muraoka	Executive Officer and Executive Partner of NTT Data Institute of Management Consulting, Inc. Visiting Professor of SBI Graduate School Representative Director of Japan Stadtwerke Network Director of Good on Roofs Invited Researcher of Environmental Research Institute, Waseda University
Director who is an Audit/Supervisory Committee Member	Yoshishige Takenaka	Partner of Bashamichi Law Office Outside Director (Audit and Supervisory Committee Member) of INEST, Inc. Outside Director (Audit and Supervisory Committee Member) of ZAPPALLAS, INC.

(Notes) 1. Based on its fiduciary responsibility to shareholders, the Company has determined that a high level of information gathering capability by a full-time person is necessary to ensure that the Audit/Supervisory Committee conducts objective and appropriate audits, and the Audit/Supervisory Committee Regulations stipulate that a Director who is a full-time Audit/Supervisory Committee Member be selected. In accordance with the said regulations, Yuichiro Munakata has been appointed as a Director who is a full-time Audit/Supervisory Committee Member.
 2. Director Hiroyuki Ohashi is an Outside Director.
 3. Yuichiro Munakata, Ren Shino, Nobutaka Murao, Hiroyuki Mitani, Motoshi Muraoka and Yoshishige Takenaka are Outside Directors who are Audit/Supervisory Committee Members and have been reported to the Tokyo Stock Exchange as independent officers.
 4. Yuichiro Munakata, a Director who is an Audit/Supervisory Committee Member, is a licensed Certified Public Accountant and has considerable knowledge of accounting and auditing matters.
 5. Ren Shino, a Director who is an Audit/Supervisory Committee Member, is a licensed attorney-at-law and has considerable knowledge of corporate legal affairs.
 6. Yoshishige Takenaka, a Director who is an Audit/Supervisory Committee Member, is a licensed attorney-at-law and has considerable knowledge of corporate legal affairs.

(2) Compensation, etc. for Directors

Amount of compensation, etc. for Directors for the current fiscal year

(i) Total amount of compensation, etc. by officer category, total amount of compensation, etc. by type, and number of eligible officers

Officer category	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc. by type (Millions of yen)			Number of eligible officers (People)
		Fixed compensation	Performance-linked compensation	Non-monetary compensation	
Directors (excluding Audit/Supervisory Committee Members) (excluding Outside Directors)	137	128	—	9	6
Directors (Audit/Supervisory Committee Members) (excluding Outside Directors)	—	—	—	—	—
Outside Directors (Audit/Supervisory Committee Members)	56	56	—	—	7
Outside Directors (excluding Audit/Supervisory Committee Members)	—	—	—	—	—

(Notes) 1. The total amount of compensation, etc., for Directors does not include the employee salary for Directors who concurrently serve as employees.
 2. Non-monetary compensation in the form of post-delivery performance-linked share-based compensation is indicated in an amount recorded as an expense for the fiscal year under review.

(ii) Matters regarding performance-linked compensation

In order to raise awareness of the need to improve the Company's performance in each fiscal year, the Company has set consolidated ordinary income as the target performance indicator for a single fiscal year. The amount calculated in accordance with the degree of achievement of the target value is multiplied by the coefficient that corresponds to the contribution to medium- to long-term performance and then paid in cash every month as performance-linked compensation in addition to the fixed compensation.

The reason for selecting consolidated ordinary income as the performance indicator is that the Company believes it is important to improve overall profitability, including not only operating activities but also financial activities.

In addition, performance-linked compensation is determined based on the degree of achievement of consolidated ordinary income, etc., for the previous fiscal year, and there were no payments in the current fiscal year.

(iii) Details of non-monetary compensation

The Company has introduced a compensation system under which the Company grants as compensation, etc. for eligible Directors the number of the Company's common stock calculated in accordance with the ratio of achievement of the target value of evaluation indicators related to performance during the period (three fiscal years from April 1, 2023 to March 31, 2026) determined by the Board of Directors of the Company to Directors (excluding Directors who are Audit/Supervisory Committee Members) for the purpose of giving them incentives to continuously improve the Group's corporate value and to further share value with shareholders. Because the evaluation period is still in progress, whether or not to grant shares of common stock of the Company to each eligible Director and the amount of the number of shares to be granted have not been determined.

(iv) Matters concerning a resolution of the General Meeting of Shareholders on compensation, etc. for Directors

At the 82nd Ordinary General Meeting of Shareholders held on June 24, 2016, maximum annual compensation for Directors (excluding Directors who are Audit/Supervisory Committee Members) was set at 276 million yen (not including salaries as employees), and the maximum annual compensation for Directors who are Audit/Supervisory Committee Members was set at 72 million yen. As of the conclusion of the 82nd Ordinary General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit/Supervisory Committee Members) was four and the number of Directors who are Audit/Supervisory Committee Members was three.

In addition, at the 89th Ordinary General Meeting of Shareholders held on June 27, 2023, it was resolved that the total number of shares of the Company's common stock to be issued to eligible Directors (excluding Directors who are Audit/Supervisory Committee Members) shall be up to 30,000 shares per year, however, a cumulative total of up to 90,000 shares for three years may be issued as a lump sum, and should unavoidable circumstances arise requiring adjustment of the total number of shares of the Company's common stock to be issued or disposed, such as a stock split (including the gratis allotment of common shares of the Company) or a reverse stock split, the total number of shares of common stock shall be adjusted within reasonable limits; and the total amount of monetary compensation claims to be paid shall be up to 60 million yen per year, however, a cumulative total of up to 180 million yen for three years may be paid as a lump sum, in addition to the above maximum amount of compensation. As of the conclusion of the 89th Ordinary General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit/Supervisory Committee Members) was four.

(v) Policy for determination of compensation, etc. for individual Directors

(a) Method of determining the policy for determination of compensation, etc. for individual Directors

The Company resolved at the meetings of the Board of Directors held on March 31, 2021 and May 24, 2021 to revise and enact rules and regulations concerning officer compensation, including a policy for determining the details of remuneration, etc. for individual Directors (below, the "Decision Policy").

The individual compensation of Directors who are Audit/Supervisory Committee Members will be determined through consultation with the Directors who are Audit/Supervisory Committee Members.

(b) Outline of the details of the Decision Policy

- A) The basic remuneration for the President shall be determined at a competitive level, taking into consideration the levels of other companies in the same industry and public.
- B) The basic remuneration for full-time officers shall be determined by multiplying the base amount by a coefficient determined for each position, with the base remuneration for the President as the base amount. The determination of the base amount and the coefficients for each position shall be left to the discretion of the voluntary Nominating and Compensation Committee.
- C) Remuneration for part-time Directors (excluding Directors who are Audit/Supervisory Committee Members) shall be determined separately.
- D) The ratio of performance-linked compensation to the total amount of compensation for officers shall be approximately 15%.
- E) The performance-linked compensation for the President shall be determined by calculating based on the consolidated ordinary income, etc., and this shall be the base performance-linked amount. The performance-linked compensation for other full-time officers shall be initially determined by multiplying the base performance-linked amount by a coefficient determined for each position. The total amount of performance-linked compensation shall not exceed a certain percentage of consolidated ordinary income, etc. The performance-linked compensation for each individual, including the President, will be finally determined by taking into account the contribution to medium- to long-term performance. The determination of the base performance-linked amount, coefficients for each position, and medium- to long-term evaluation shall be left to the discretion of the voluntary Nominating and Compensation Committee.
- F) Post-delivery performance-linked share-based compensation is a system that grants the number of the Company's common stock calculated in accordance with the ratio of achievement of the target value of evaluation indicators related to performance during the period determined by the Board of Directors of the Company (three fiscal years beginning April 1, 2023 and ending March 31, 2026) to Directors other than those who are Audit/Supervisory Committee Members as compensation for eligible Directors. Because the evaluation period is still in progress, whether or not to grant shares of common stock of the Company to each eligible Director and the amount of the number of shares to be granted have not been determined.

(c) Reasons why the Board of Directors determined that the content of individual compensation, etc. of Directors for the current fiscal year is in line with the Decision Policy

In determining the content of individual compensation, etc., for Directors, the voluntary Nominating and Compensation Committee makes decisions based on multifaceted considerations, including consistency with the Decision Policy, and the Board of Directors has determined that the results of its deliberations are in line with the Decision Policy.

(vi) Matters concerning delegation of authority to determine individual compensation, etc. for Directors

For the purpose of ensuring greater objectivity and transparency, it was decided that any decisions concerning specific details of individual compensation etc., of Directors should be delegated to a voluntary Nominating and Compensation Committee, and any such decisions are made by the voluntary Nominating and Compensation Committee.

Members of the voluntary Nominating and Compensation Committee who made decisions concerning compensation, etc., for the current fiscal year are President and CEO Taro Nakagome, Outside Director Hiroyuki Mitani, Outside Director Yuichiro Munakata, Outside Director Ren Shino, Outside Director Nobutaka Murao, Outside Director Motoshi Muraoka, and Outside Director Yoshishige Takenaka.

(3) Outline of the contents of the liability limitation agreement

Pursuant to Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with each Director (excluding Business Executive Directors, etc.) to limit his or her liability for damages under Article 423, paragraph (1) of the Companies Act to the extent provided by laws and regulations.

(4) Summary of contents of D&O liability insurance contract

The Company has concluded a D&O liability insurance contract with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act, which covers damages such as compensation and litigation costs to be borne by the insured in the event that a claim for damages is brought by a shareholder or third party.

The insured under the contract are Directors, Auditors, Executive Officers, and other key executives of the Company and its subsidiaries and sub-subsidiaries. The Company pays all insurance premiums.

(5) Matters concerning outside officers

(i) Significant concurrent positions held at other companies and relationship between such companies and the Company

Director Hiroyuki Ohashi concurrently serves as a Managing Executive Officer of HIKARI TSUSHIN, INC., an affiliate of the Company.

(ii) Principal activities of outside officers

Category	Name	Summary of attendance, statements made, and duties performed in relation to the roles expected of Outside Directors
Director	Hiroyuki Ohashi	Attended all 13 meetings of the Board of Directors held during the fiscal year under review since his appointment on June 26, 2024. He provides opinions and recommendations based on his extensive experience in corporate management and broad knowledge in finance.
Director who is an Audit/Supervisory Committee Member (Full-time)	Yuichiro Munakata	Attended all 18 meetings of the Board of Directors and all 13 meetings of the Audit/Supervisory Committee held during the fiscal year under review. He provides opinions and recommendations based on his knowledge and abundant experience in finance, accounting, and auditing, and his high level of expertise in management administration and risk management, as well as his wealth of international experience and international perspective developed from his overseas assignments. In addition, as a member of the voluntary Nominating and Compensation Committee, he plays a supervisory and advisory role through his involvement in the selection of candidates for Directors and executive compensation.
Director who is an Audit/Supervisory Committee Member	Ren Shino	Attended all 18 meetings of the Board of Directors and all 13 meetings of the Audit/Supervisory Committee held during the fiscal year under review. Based on her extensive experience and broad insight as an attorney-at-law and Outside Director, etc. of other companies, she provides opinions and recommendations regarding the Company's compliance system, etc. In addition, as a member of the voluntary Nominating and Compensation Committee, she plays a supervisory and advisory role through her involvement in the selection of candidates for Directors and executive compensation.
Director who is an Audit/Supervisory Committee Member	Nobutaka Murao	Attended all 18 meetings of the Board of Directors and all 13 meetings of the Audit/Supervisory Committee held during the fiscal year under review. Based on his professional experience and insight, he provides opinions and recommendations without being restricted to existing corporate management, and in light of social and international conditions. In addition, as a member of the voluntary Nominating and Compensation Committee, he plays a supervisory and advisory role through his involvement in the selection of candidates for Directors and executive compensation.
Director who is an Audit/Supervisory Committee Member	Hiroyuki Mitani	Attended 17 of 18 meetings of the Board of Directors and 12 or 13 meetings of the Audit/Supervisory Committee held during the fiscal year under review. Based on his extensive business experience, he provides opinions and recommendations regarding the Company's management and business execution. In addition, as a member of the voluntary Nominating and Compensation Committee, he plays a supervisory and advisory role through his involvement in the selection of candidates for Directors and executive compensation.
Director who is an Audit/Supervisory Committee Member	Motoshi Muraoka	Attended all 13 meetings of the Board of Directors and all 10 meetings of the Audit/Supervisory Committee held during the fiscal year under review since his appointment on June 26, 2024. He provides opinions and recommendations on decarbonization and renewable energy related topics based on his wealth of experience and broad knowledge of sustainability management strategies and decarbonization related topics. In addition, as a member of the voluntary Nominating and Compensation Committee, he plays a supervisory and advisory role through his involvement in the selection of candidates for Directors and executive compensation.
Director who is an Audit/Supervisory Committee Member	Yoshishige Takenaka	Attended all 13 meetings of the Board of Directors and all 10 meetings of the Audit/Supervisory Committee held during the fiscal year under review since his appointment on June 26, 2024. Based on his extensive experience and broad insight as an attorney-at-law and Outside Director, etc. of other companies, he provides opinions and recommendations regarding the Company's compliance system, etc. In addition, as a member of the voluntary Nominating and Compensation Committee, he plays a supervisory and advisory role through his involvement in the selection of candidates for Directors and executive compensation.

4 Status of Accounting Auditor

(1) Name of Accounting Auditor Ernst & Young ShinNihon LLC

(2) Amount of compensation, etc. for the current fiscal year

	Amount paid
Amount of Accounting Auditor compensation, etc., for the current fiscal year	79 million yen
Total amount of money or other assets benefit to be paid by the Company and its subsidiaries to the Accounting Auditor	100 million yen

(Notes) 1. The audit contract between the Company and the Accounting Auditor does not clearly distinguish between the amounts of compensation, etc. for audits based on the Companies Act and those for audits based on the Financial Instruments and Exchange Act, and it is practically impossible to do so. Therefore, the amount of Accounting Auditor compensation etc., for the current fiscal year is the total of these amounts.

2. Based on the Practical Guidelines for Cooperation with Accounting Auditors published by the Japan Audit & Supervisory Board Members Association, the Audit/Supervisory Committee reviewed the actual audit time by audit item and the amount of compensation in the audit plan for the past fiscal year and the status of the execution of duties by the Accounting Auditor, and examined the appropriateness of the audit plan and the amount of compensation for the current fiscal year. As a result, the Audit/Supervisory Committee consented to the compensation, etc. of the Accounting Auditor in accordance with Article 399, paragraph (1) of the Companies Act.

(3) Policy on dismissal or non-reappointment of Accounting Auditor

The Audit/Supervisory Committee decides the details of the proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders when it determines that such action is necessary, such as when there is a problem with the Accounting Auditor's performance of its duties.

In addition, the Audit/Supervisory Committee will dismiss the Accounting Auditor with the unanimous consent of all Audit/Supervisory Committee Members if the Accounting Auditor falls under any of the items of Article 340, paragraph (1) of the Companies Act and the dismissal of the Accounting Auditor is deemed appropriate. In this case, a Director who is an Audit/Supervisory Committee Member selected by the Audit/Supervisory Committee will report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

5 Policy on determination of dividends from surplus, etc.

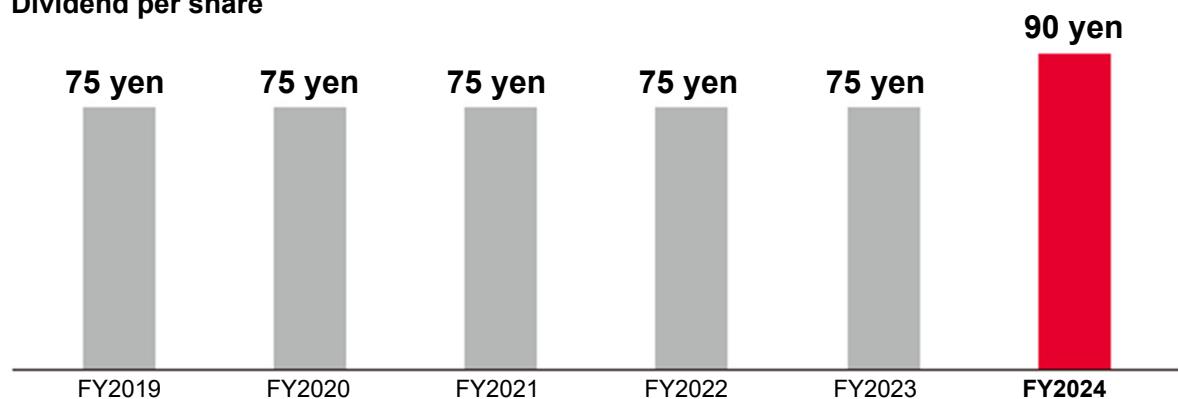
The Company considers returning profit to all shareholders as the most important management policy. The Company's basic policy is to provide stable dividends with a consolidated payout ratio of 30% while taking into account factors such as the investment activities for growth, financial situation, and profit level in a comprehensive manner. Furthermore, the Company will continue to allocate internal reserves to expand its business domains and capital expenditures to strengthen its business foundation.

Based on the above policy, the Company has decided to increase the year-end dividend by 15 yen per share, resulting in a payment of 90 yen per share for the current fiscal year.

In accordance with Article 459, paragraph (1) of the Companies Act, the Company's Articles of Incorporation stipulate that dividends from surplus may also be paid by a resolution of the Board of Directors.

(Reference) [Dividends]

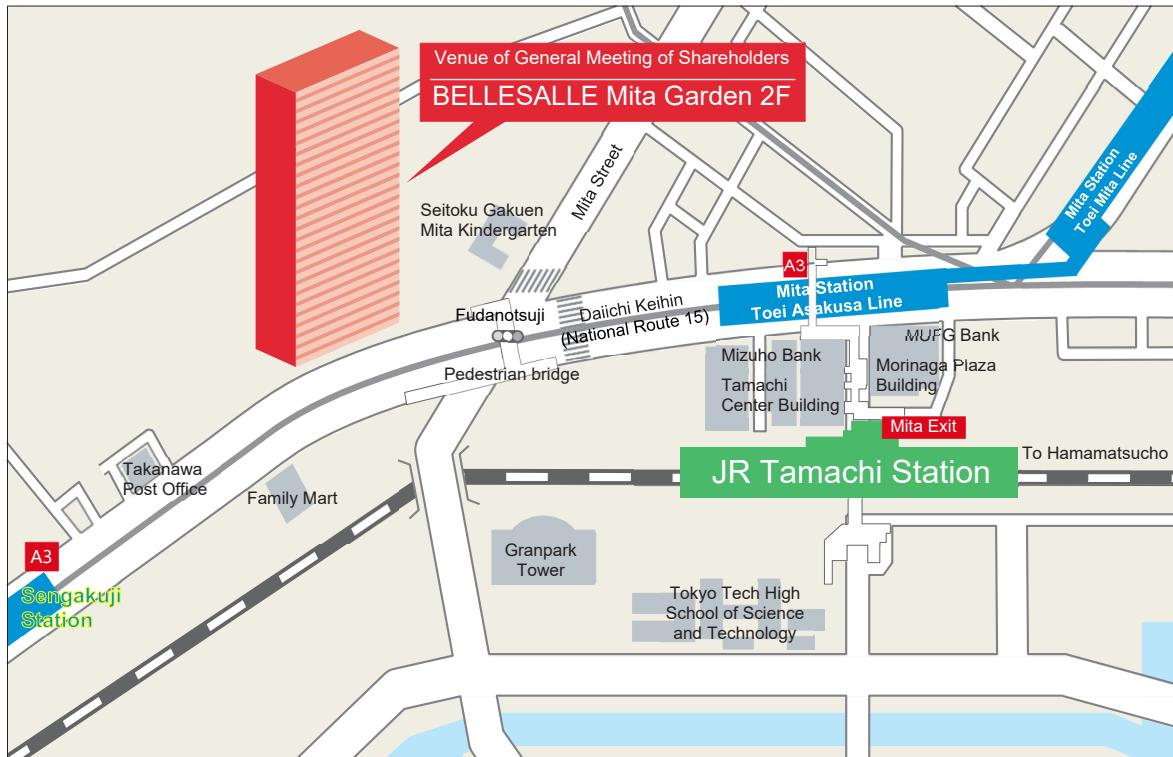
Dividend per share



Venue of the General Meeting of Shareholders

Venue BELLESALLE Mita Garden 2F, Sumitomo Realty & Development Tokyo Mita Garden Tower, 3-5-19 Mita, Minato-ku, Tokyo

(Please refer to the venue map below and make sure you are at the correct location.)



Transportation information

- JR (Yamanote Line/Keihin-Tohoku Line) Tamachi Station Mita Exit: 8-minute walk
- Subway (Toei Asakusa Line, Toei Mita Line) Mita Station, Exit A3: 6-minute walk
- Subway (Toei Asakusa Line, Keikyu Line) Sengakuji Station, Exit A3: 6-minute walk

*Please use public transportation as parking is not available at the venue.