



**SINANEN**

## Notice of the **90th** Ordinary General Meeting of Shareholders



### Date and time

Wednesday, June 26, 2024  
at 10:00 a.m.



### Location

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



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

Complete entry by Tuesday,  
**June 25, 2024 at 5:30 p.m.**



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

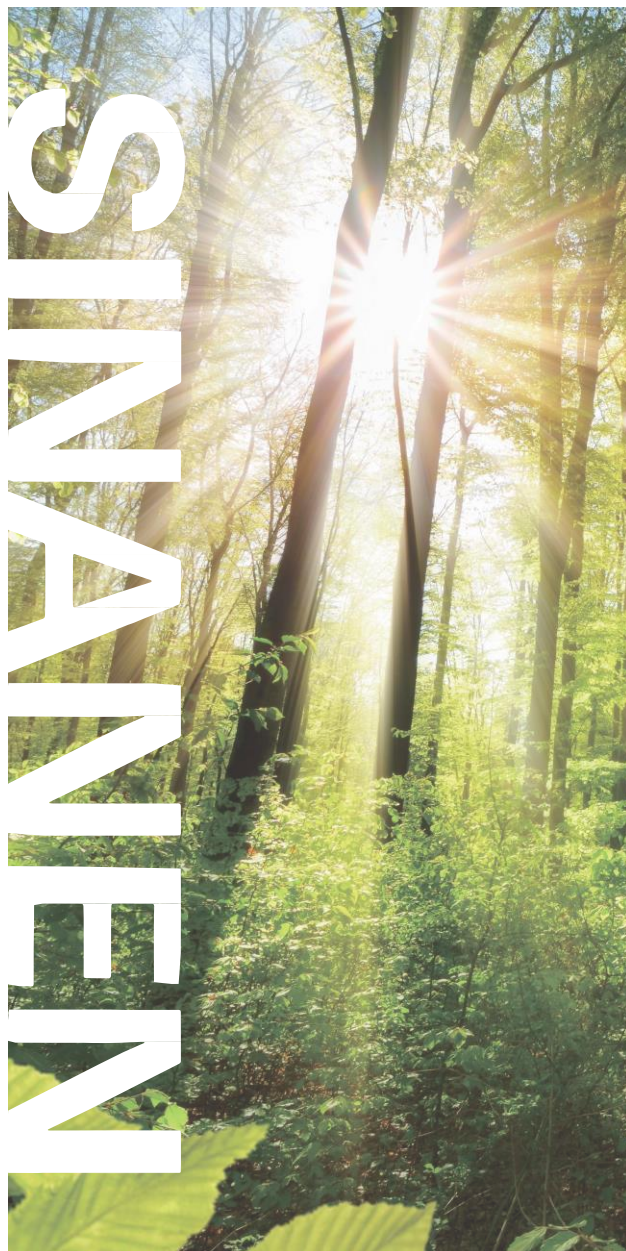
Arrive by Tuesday,  
**June 25, 2024 at 5:30 p.m.**

### **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



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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.

Please allow me to begin by expressing my deepest sympathies to the victims of the 2024 Noto earthquake, and I pray for the swift recovery of the affected areas.

It is with great pleasure that we deliver this Notice of the 90th Ordinary General Meeting of Shareholders (FY2023).

The Group commenced its third medium-term management plan from FY2023. However, in the electricity business, the gross profit fell significantly below the initial expectations, which greatly impacted our performance. I would like to deeply apologize to our shareholders for the results that fell short of their expectations.

We take this situation seriously, and we will proceed with a fundamental review of the electricity business, including business restructuring, going forward. Also, the decision was made to renew our management system to both clarify management responsibility and strongly implement business reforms to achieve a recovery in business performance. From now, the Company will work together as a group under the new management system with the aim of sustainable growth and improved corporate value.

We will continue to accelerate the strengthening of our management foundation and implement our growth strategy toward the 100th anniversary of our founding in FY2027, to achieve evolution into a comprehensive energy life creation group that contributes to achieving a decarbonized society, while contributing to the realization of comfortable homes and lifestyles for our customers.

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



President and CEO  
**Masaki Yamazaki**

Securities code: 8132

June 7, 2024

(Start date for providing information in electronic format) June 3, 2024

To our shareholders

3-5-27 Mita, Minato-ku, Tokyo  
Sinanen Holdings Co., Ltd.  
President and CEO  
**Masaki Yamazaki**

## Notice of the 90th Ordinary General Meeting of Shareholders

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

Notice is hereby given that the 90th 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 Information Service)  
<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.

End

## Details

<b>1</b>	<b>Date and time</b>	Wednesday, June 26, 2024 at 10:00 a.m.
<b>2</b>	<b>Location</b>	Sumitomo Realty & Development Tokyo Mita Garden Tower BELLESALLE Mita Garden 2F, 3-5-19 Mita, Minato-ku, Tokyo
<b>3</b>	<b>Purpose</b>	<b>Matters to be reported</b> <ol style="list-style-type: none"><li>1. Business Report, Consolidated Financial Statements, and the results of audit of the Consolidated Financial Statements by the Accounting Auditor and Audit/Supervisory Committee for the 90th term (from April 1, 2023 to March 31, 2024)</li><li>2. Non-Consolidated Financial Statements for the 90th term (from April 1, 2023 to March 31, 2024)</li></ol> <b>Matters to be resolved</b> <ul style="list-style-type: none"><li><b>Proposal No. 1</b> Partial Amendments to the Articles of Incorporation</li><li><b>Proposal No. 2</b> Election of Five Directors (Excluding Directors Who Are Audit/Supervisory Committee Members)</li><li><b>Proposal No. 3</b> Election of Four Directors Who Are Audit/Supervisory Committee Members</li><li><b>Proposal No. 4</b> Election of One Substitute Director Who Is an Audit/Supervisory Committee Member</li></ul>

### 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, etc., the vote via the Internet, etc. will be treated as valid.
- If you exercise your voting rights more than once via the Internet, etc., 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 (2) to (3) below have been audited by 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
- ◎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 Tuesday, June 25, 2024 at 5:30 p.m.

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 Tuesday, June 25, 2024 at 5:30 p.m.

Please access the website for exercising voting rights designated by the Company (<https://soukai.mizuho-tb.co.jp/>) (available in Japanese language only) and enter your approval or disapproval. A QR code for smartphones is provided on the voting form (no need to enter your ID and password).

**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 26, 2024 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

Deadline for  
exercising

Complete entry by Tuesday,  
June 25, 2024 at 5:30 p.m.

## How to read the login QR code “Smart exercise”

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.

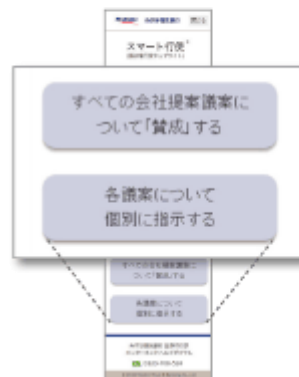
\*The voting form is for reference purposes only.



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

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.

\*Please read the QR code again to move to the PC  
website.



# 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."

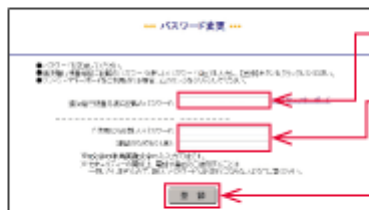
**2** Please enter the voting code shown on the voting form.



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.

## Handling of password

- Passwords (including those changed by the shareholder) are valid only for this General Meeting of Shareholders. A new password will be issued for the next General Meeting of Shareholders.
- The password is a means of confirming the identity of the person casting the vote. The Company will not ask you for your password.
- If you make a mistake in entering your password more than a certain number of times, your password will be locked, and you will not be able to use it. If the password is locked, please follow the instructions on the screen.

## Note

The cost of Internet connection is to be borne by the shareholder. Although the operation of exercising voting rights via the Internet has been confirmed using general Internet connection devices, it may not be possible to use the Internet depending on the device used or its condition.

Inquiries regarding the exercise of voting rights via the Internet

Stock Transfer Agency Department  
Mizuho Trust & Banking Co., Ltd.  
Internet Help Dial



0120-768-524

(toll free within Japan)

(Business hours: 9:00 - 21:00 except for year-end and New Year holidays)

## ■ Reference Materials for the General Meeting of Shareholders

### Proposal No. 1 Partial Amendments to the Articles of Incorporation

#### 1. Reason for proposal

We have constructed a new headquarters building to provide employees with a place where they can achieve environmental symbiosis, work in comfort, and communicate freely in “Shinagawa” where the Company was founded. Therefore, the address of the head office defined in Article 3 of the current Articles of Incorporation (Head Office) will change from “Minato-ku, Tokyo” to “Shinagawa-ku, Tokyo.” The change will be effective as of July 29, 2024, the scheduled date of the relocation of the head office, and a supplementary provision to that effect will be added, and the supplementary provision will be deleted after the effective date of the change.

#### 2. Description of change

The details of the change are as follows.

(Underlines indicate changes.)

Current Articles of Incorporation	Proposed change
Article 3 (Head Office) The head office of the Company is located in <u>Minato-ku</u> , Tokyo.	Article 3 (Head Office) The head office of the Company is located in <u>Shinagawa-ku</u> , Tokyo.
(New)	(Supplementary provisions) <u>Article 2 (Transitional measures concerning address of head office)</u> <u>The change to Article 3 (Head Office) of the Articles of Incorporation shall be effective as of July 29, 2024.</u> <u>This Article will be deleted after the effective date of the head office relocation.</u>



Proposal No. 2

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

The terms of office of all four Directors (excluding Directors who are Audit/Supervisory Committee Members), Masaki Yamazaki, Naoki Shimizu, Kenji Madokoro, and Miwa Mitsuhashi will expire at the conclusion of this General Meeting of Shareholders. Therefore, in order to strengthen the management structure, the Company proposes to increase the number of Directors by one and to elect five 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.

1

### Masaki Yamazaki

Reelection

Born on January 19, 1955

Number of the Company’s shares held

5,900 shares



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

April 1979	Joined AIU Insurance Company, Ltd. (currently AIG General Insurance Company, Ltd.)	December 2012	Vice President & Representative Director of Vale, Japan Limited
January 1996	Joined Walt Disney Enterprise, Japan (currently The Walt Disney Company (Japan) Ltd.)	June 2016	Outside Director and Audit/Supervisory Committee Member (Full-time) of the Company
	Finance Director	June 2018	Deputy President and Officer in Charge of Planning of the Company
January 2001	Joined Electronic Arts, Japan		
	CFO, Vice President	June 2019	President and CEO of the Company (present position)
April 2004	Joined Vale, Japan Limited		
	Director, Responsible for finance and business management		

#### Reason for nomination as candidate for Director

Since assuming the position of President and CEO of the Company in June 2019, Masaki Yamazaki has been directing the management of the entire Group, tackling management issues with strong leadership, and otherwise ensuring the sustainable growth of the entire Group. The Company believes that his management skills will support the new management structure and 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

Taro Nakagome

New  
election

Born on April 9, 1973

Number of the Company's shares held

1,600 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.
April 2020	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. (present position)

**Reason for nomination as candidate for Director**

Taro Nakagome achieved excellent results in the sales department and contributed significantly to the expansion of the oil and gas business since joining the Company in 1997. After assuming the position of President and CEO of Indess Co., Ltd. in 2012, he used his strong leadership skills to rebuild the business in terms of its performance, and grew Indess Co., Ltd. with his ability to execute quickly according to the situation. In October 2023, he launched Sinanen Axia Co., Ltd. by leading and organizing the building maintenance and management business and has built the foundations to redevelop our domestic business base and strengthen our retail service strategies in the future. Furthermore, in our succession plan established to select successors of management positions in the Company, he was selected based on external training and other factors from over 40 people during a period of six years in the past, and after being evaluated by several outside lecturers he was selected based on a recommendation from the voluntary Nominating and Compensation Committee. The Company believes that this experience and track record will contribute to the sustainable growth of the Group and increase its corporate value and has therefore nominated him as a new candidate for Director.

Candidate No.

3

Miwa Mitsuhashi

Reelection

Born on September 16, 1973

Number of the Company's shares held

2,600 shares



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

April 1996	Joined the Company	June 2023	Director and CCO of the Company (present position)
April 2019	President and CEO of Sinanen Mobility Plus Co., Ltd.		

**Reason for nomination as candidate for Director**

Miwa Mitsuhashi became the first president of Sinanen Mobility Plus Co., Ltd., which provides bicycle sharing services, a new business, in 2019, and has developed the company into one of the leading bicycle sharing business operators in Japan by emphasizing data-driven approach and building strong partnerships with local governments and partners to revitalize regions and create excitement to enhance service quality. The Company believes that her management skills will contribute to the sustainable growth of the Group and increase its corporate value and has therefore continued to nominate her as a candidate for Director.

Candidate No.

4

Tetsuya Nakamura

New  
election

Born on July 13, 1959

Number of the Company's shares held

- shares



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

April 1982	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, 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.
February 2011	Transferred to Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)		
June 2011	Executive Officer of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	October 2019	Joined the Company
		April 2020	General Manager of Audit Department of the Company (present position)

**Reason for nomination as candidate for Director**

Tetsuya Nakamura has served as the head of the internal auditing department as a certified internal auditor since joining the Company in October 2019, after gaining extensive work experience in planning, risk management, compliance, examination, general affairs, and working in the United States at a major financial institution. Based on his experience and deep knowledge, which has contributed towards building the Group's governance, risk management, and internal control, we have determined that he will contribute towards the sustainable growth of the Group and improve our corporate value. Therefore, we have decided to nominate him as a new candidate for Director.

Candidate No.

5

Hiroyuki Ohashi

New  
election

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	Director of CHIC Holdings INC. (present position)
August 2016	Director of MEMobile Co., Ltd. (present position)	April 2022	Senior Executive Officer of Business Department Group 2 (currently Business Department Group 1) of HIKARI TSUSHIN, INC.
April 2017	General Manager of Alliance Finance Department, Sales Administration Division of HIKARI TSUSHIN, INC.	June 2023	Director of DLX Holdings Co., Ltd. (currently Arciel Co., Ltd.)
April 2018	Executive Officer of Alliance Finance Department, Sales Administration Division of HIKARI TSUSHIN, INC.	December 2023	Director of N-STAFF Co., Ltd. (currently Arciel Co., Ltd.) (present position)
June 2019	Director of FTGroup CO., LTD. (present position)	January 2024	Senior Executive Officer of Business Department Group 2 of HIKARI TSUSHIN, INC.
		April 2024	Managing Executive Officer of Business Department Group 1 and Business Department Group 2 of HIKARI TSUSHIN, INC. (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 nominated him as a new candidate for Outside Director in the expectation that he will 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.
- Hiroyuki Ohashi concurrently serves as a Managing Executive Officer of HIKARI TSUSHIN, INC., an affiliate of the Company.
  - If Hiroyuki Ohashi is appointed, the Company plans to enter into a liability limitation agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act. However, the maximum amount of liability for damages under such agreement shall be the amount stipulated by laws and regulations.
  - 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 34 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, 2024.

## Proposal No. 3 Election of Four Directors Who Are Audit/Supervisory Committee Members

Of the five Directors who are Audit/Supervisory Committee Members, Kazuhisa Hirano, Ren Shino, and Hiroyuki Mitani's term of office will expire at the conclusion of this General Meeting of Shareholders. Therefore, in order to strengthen the audit structure, the Company proposes to increase the number of Directors by one and to elect four Directors who are Audit/Supervisory Committee Members.

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

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

Candidate No.

1

Ren Shino

Reelection

Outside

Independent

Born on February 26, 1957

Number of the Company's shares held

- shares



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

October 1986	Passed the bar examination	June 2016	Outside Director and Audit/Supervisory Committee Member of the Company (present position)
April 1989	Registered as an attorney-at-law		
January 1990	Participated in the establishment of Kohwa Sohgo Law Offices as Partner (present position)	June 2018	Outside Director and Audit and Supervisory Committee Member of Takashima & Co., Ltd. (present position)
		June 2019	Outside Audit and Supervisory Committee Member of Maeda Corporation

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

Ren Shino has contributed to the improvement of the Company's corporate governance by actively providing opinions and suggestions based on her broad insights and extensive experience as an attorney-at-law and as an Outside Director of other listed companies. Based on such experience, we have nominated her as a candidate for Outside Director who is an Audit/Supervisory Committee Member, in the expectation that she will contribute to the improvement of the supervisory and auditing functions of the Company's management and the enhancement of the Company's corporate governance. We believe that the reasons stated above will enable her to appropriately perform her duties as an Outside Director who is an Audit/Supervisory Committee Member.

Candidate No.

2

## Hiroyuki Mitani

Reelection

Outside

Independent

Born on April 4, 1953

Number of the Company's shares held

- shares



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

April 1977	Joined Kawasaki Steel Corporation (currently JFE Steel Corporation)	October 2013	Representative of Office Mitani (present position)
May 1988	Joined Boston Consulting Group		Advisor of Layers Consulting Co., Ltd. (present position)
May 1992	General Manager of Planning and Development Department of General Electric Company Japan (currently GE Japan Inc.)	April 2014	Part-time lecturer at the School of Engineering at the University of Tokyo (present position)
October 1998	President and General Manager of Aircraft Engine North Asia Division of General Electric Company	August 2019	Professor at Graduate School of Leadership and Innovation, Shizenkan University (present position)
May 2002	President and CEO of GE Yokogawa Medical Systems Inc. (currently GE Healthcare Japan Corporation)	November 2019	Senior Advisor of the Boston Consulting Group
July 2005	Company Officer of Headquarters of General Electric Company	July 2020	Nominating and Compensation Committee Member of the Company (present position)
May 2007	Representative Director and President (CEO) of Novartis Pharma K.K.	July 2021	President & CEO of NC Medical Research, Inc. (present position)
March 2008	Representative Director and President (CEO) of Novartis Pharma K.K. and Representative Director and President of Novartis Holding Japan K.K.	June 2022	Outside Director and Audit/Supervisory Committee Member of the Company (present position)
		January 2024	Advisor of CEAMS LLC (present position)
		February 2024	Auditor of Rugby School Japan (present position)

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

Hiroyuki Mitani has contributed to the improvement of the Company's corporate governance by actively providing opinions and suggestions based on his broad experience in corporate management and university teaching and extensive insights including human resource development. Based on such experience, we have nominated him as a candidate for Outside Director who is an Audit/Supervisory Committee Member, in the expectation that he will contribute to the improvement of the supervisory and auditing functions of the Company's management and the enhancement of the Company's corporate governance.

Candidate No.

3

Motoshi Muraoka

New  
election

Outside

Independent

Born on January 1, 1964  
Number of the Company's shares held

- shares



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

April 1988	Joined Marubeni Corporation	June 2010	Outside Director of EnBioTec Laboratories Inc. (currently ENBIO HOLDINGS, INC.)
January 1992	Joined The Japan Research Institute, Limited.		
June 2001	Joined NTT Data Institute of Management Consulting, Inc.	August 2011	Outside Director of Waseda Environmental Institute Co., Ltd.
August 2006	Established Land Concierge, Inc. (currently EnBio Engineering, Inc.) as Representative Director	April 2017	Professor of Department of Bio-Industrial Creation, Faculty of Applied Life Sciences, Niigata University of Pharmacy and Medical and Life Sciences
April 2009	Visiting Researcher of Environmental Research Institute, Waseda University (present position)	July 2021	Executive Officer and Partner of NTT Data Institute of Management Consulting, Inc. (present position)
October 2009	Established J Social Solutions Co., Ltd. as Representative Director	April 2023	Visiting Professor of SBI Graduate School (present position)

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

Motoshi Muraoka has extensive experience in areas including environmental management strategy, decarbonization-related consulting, support for overseas development of environmental energy infrastructure, and support for creation of new decarbonization-related businesses based on his high level of expertise in nuclear materials engineering. Based on such achievements and knowledge, we have nominated him as a new candidate for Outside Director who is an Audit/Supervisory Committee Member, in the expectation that he will provide useful advice towards the Group's aim of taking on the task of building our decarbonization and renewable energy business, improve the supervisory and auditing functions of the Company's management, and contribute to the enhancement of the Company's corporate governance.

Candidate No.

4

# Yoshishige Takenaka

New  
election

Outside

Independent

Born on July 31, 1980  
Number of the Company's shares held

- shares



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

September 2009	Passed the bar examination	November 2018	Guidance and Audit Committee Member of Kanagawa Prefecture Medical Insurance Association (present position)
December 2010	Registered as an attorney-at-law Joined Bashamichi Law Office	June 2020	Outside Director of INEST, Inc (currently INT, Inc)
June 2016	Outside Audit and Supervisory Committee Member of INEST, Inc (currently INT, Inc) Auditor of MitoProject (present position)	June 2021	Outside Director and Audit and Supervisory Committee Member of INEST, Inc
		October 2022	Outside Director and Audit and Supervisory Committee Member of INEST, Inc (present position)
		July 2023	Outside Director and Audit and Supervisory Committee Member of ZAPPALLAS, INC. (present position)

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

Yoshishige Takenaka, in addition to his experience and expertise as an attorney-at-law, has broad insight and extensive experience as an Outside Director of other listed companies. Based on such experience, we have nominated him as a new candidate for Outside Director who is an Audit/Supervisory Committee Member, in the expectation that he will contribute to the improvement of the supervisory and auditing functions of the Company's management and the enhancement of the Company's corporate governance. We believe that the reasons stated above will enable him to appropriately perform his duties as an Outside Director who is an Audit/Supervisory Committee Member.

- (Notes)
1. There are no special interests between each candidate and the Company.
  2. Each candidate is a candidate for Outside Director.
  3. The Company has registered Ren Shino and Hiroyuki Mitani with the Tokyo Stock Exchange as independent officers in accordance with its regulations. Both of them will continue to be independent officers if they are reelected. In addition, if Motoshi Muraoka and Yoshishige Takenaka are elected, they will become independent officers as stipulated by the Tokyo Stock Exchange.
  4. The Company has entered into a liability limitation agreement with Ren Shino and Hiroyuki Mitani to limit their liability for damages under Article 423, paragraph (1) of the Companies Act, and will continue such agreement with them if they are reelected. However, the maximum amount of liability for damages under such agreement shall be the amount stipulated by laws and regulations. If Motoshi Muraoka and Yoshishige Takenaka are elected, the Company plans to enter into the same liability limitation agreement with them as above.
  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 34 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, 2024.
  6. Ren Shino's and Hiroyuki Mitani's term of office as Outside Directors who are Audit/Supervisory Committee Members at the conclusion of this General Meeting of Shareholders will be eight years and two years, respectively.



(Reference) Composition of the Board of Directors [Scheduled on and after June 26, 2024]

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.

Director	Areas in which the Company has particular expectations of each Director							<ul style="list-style-type: none"> <li>● Male</li> <li>○ Female</li> </ul>	
	Corporate management	Sales Marketing	Finance Accounting	Legal affairs/Risk management	Human resources Labor	International perspective	Sustainability		
Masaki Yamazaki	○		○			○	○	●	
Taro Nakagome	○	○			○		○	●	
Miwa Mitsuhashi	○	○			○		○	○	
Tetsuya Nakamura	○		○	○		○		●	
Hiroyuki Ohashi	Outside	○	○					●	
Yuichiro Munakata	Audit/Supervisory Committee Member	Outside	Independent		○	○	○	○	●
Ren Shino	Audit/Supervisory Committee Member	Outside	Independent			○	○		○
Nobutaka Muraio	Audit/Supervisory Committee Member	Outside	Independent		○	○	○	○	●
Hiroyuki Mitani	Audit/Supervisory Committee Member	Outside	Independent	○	○		○	○	●
Motoshi Muraoka	Audit/Supervisory Committee Member	Outside	Independent	○			○	○	●
Yoshishige Takenaka	Audit/Supervisory Committee Member	Outside	Independent			○	○		●

\*The above list does not represent all the expertise possessed by the candidates.

## Proposal No. 4

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

In preparation for a shortage in the number of Directors who are Audit/Supervisory Committee Members as stipulated by laws and regulations, the Company proposes the election of one substitute Director who is an Audit/Supervisory Committee Member to fill the vacancy left by the absence of all the Directors who are Audit/Supervisory Committee Members.

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

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

## Akiyo Yasuda

Outside

Independent

Born on December 10, 1975

Number of the Company's shares held

- shares



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

November 2002	Passed the bar examination	July 2017	Joined Shinju Law Offices as Partner
October 2004	Registered as an attorney-at-law	October 2018	Civil Conciliator (part-time judge)
October 2004	Joined Kohwa Sohgo Law Offices	February 2019	Joined Teramoto Law Office as Partner (present position)
June 2016	Substitute Director who is an Audit/Supervisory Committee Member of the Company (present position)	June 2019	Outside Director of the Board of Ikegami Tsushinki Co., Ltd. (present position)
		March 2023	Outside Audit and Supervisory Committee Member of Nakano Refrigerators Co., Ltd. (present position)

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

Akiyo Yasuda has extensive experience and broad insight as an attorney-at-law and Outside Director of other companies. We have nominated her as a candidate for substitute Outside Director, in the expectation that she will play a supervisory and advisory role on the execution of duties by Directors, particularly from a legal and regulatory perspective. We believe that the reasons stated above will enable her to appropriately perform her duties as an Outside Director who is an Audit/Supervisory Committee Member.

- (Notes)
1. There are no special interests between the candidate and the Company.
  2. Akiyo Yasuda is a candidate for substitute Outside Director.
  3. If Akiyo Yasuda is elected, she will become an independent officer as stipulated by the Tokyo Stock Exchange.
  4. If Akiyo Yasuda is appointed as an Outside Director who is an Audit/Supervisory Committee Member, the Company plans to enter into a liability limitation agreement with her to limit her liability for damages under Article 423, paragraph (1) of the Companies Act. 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 34 of the Business Report. If Akiyo Yasuda is appointed as a Director who is an Audit/Supervisory Committee Member, she will be included as insured under the said insurance contract. The said insurance contract is scheduled to be renewed on July 1, 2024.

End

## **(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 a business executor 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.

### **[Opinion of the Audit/Supervisory Committee]**

Regarding the appointment of Directors, the voluntary Nominating and Compensation Committee, chaired by an Outside Director who is an Audit/Supervisory Committee Member, has evaluated the Company's performance, qualifications, and achievements based on the Company's appointment policy for Directors, and the Audit/Supervisory Committee has determined that it is appropriate. Some Audit/Supervisory Committee Member expressed the opinion that when appointing major shareholders or their representatives as a candidate for Outside Director, attention should be paid to the risk of conflicts of interest with minority shareholders, but the Audit/Supervisory Committee has determined that there are no special circumstances to report to the General Meeting of Shareholders based on the Companies Act.

## 1 Matters concerning the current status of the corporate group

### (1) Business progress and results

During the fiscal year under review, in the domestic energy industry, the price of crude oil and propane contract prices, which affect the purchase prices in our mainstay area of petroleum and LP gas, temporarily surged due to the extension of coordinated production cuts by major oil-producing countries. However, overall they remained low when compared to the previous fiscal year due to the slackening of supply and demand due to such factors as global warming and economic slowdown in China. Furthermore, in the electricity market, power supply and demand was stable and prices in the wholesale electricity market remained low overall when compared to the previous fiscal year due to falling fuel prices and decreased demand.

In the midst of this environment, the Group launched its 3rd Medium-Term Management Plan in the fiscal year under review toward the 100th anniversary of its founding in FY2027. To achieve our vision of “Evolution into a comprehensive energy life creation group that contributes to achieving a decarbonized society,” we are accelerating shift to a stronger management foundation and advancing our growth strategy. In business development, we have improved profitability by “expanding earnings from existing businesses” and “creating new businesses that contribute to the realization of a decarbonized society.”

In the fiscal year under review, sales volume of petroleum products and electricity increased, resulting in net sales of 348,282 million yen (up 1.8% year on year).

In terms of profit and loss, the electricity business saw a deterioration of gross profit due to the fact we were forced to sell relative power sources procured in the previous fiscal year at a negative spread, which were affected by prices in the wholesale electricity market remaining low. As a result, operating loss was 711 million yen (compared to an operating profit of 895 million yen in the previous fiscal year). Meanwhile, the impact of recording 1,057 million yen in non-operating income, such as dividend income and insurance claim income, and other factors resulted in an ordinary profit of 93 million yen (down 92.4% year on year). Furthermore, the impact of recording extraordinary losses of 389 million yen, which includes loss on disaster because of solar power generation facilities and other equipment damaged by the 2024 Noto earthquake, resulted in a loss attributable to owners of parent of 1,039 million yen (profit attributable to owners of parent was 478 million yen in the previous fiscal year).

In addition, we reviewed the future implementation system for the electricity business to minimize loss risks. While promoting the transition to a market-linked plan for the B to B Business, in the B to C Business we have been participating in balancing groups with other companies (a system in which several electricity retailing companies form a single group and enter a single consignment supply agreement with general electric power distributors) and outsourcing power procurement and supply and demand management to optimize the balance between supply and demand.

### <Reference> Financial Highlights

Net sales	Operating loss	Ordinary profit	Loss attributable to owners of parent
348,282 million yen	711 million yen	93 million yen	1,039 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

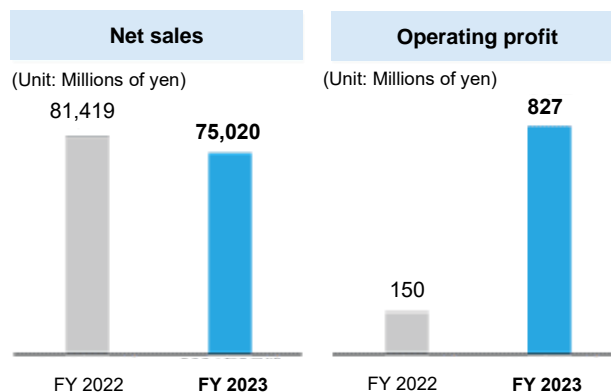
Sales composition ratio: **21.5%**

The sales volume was down as the mainstay area of LP gas and kerosene was impacted by average temperatures that were higher than usual, and as a result, sales decreased.

In terms of profit and loss, profits increased due to the contribution of price revisions implemented in the previous fiscal year in mainstay LP gas sales.

In addition, as a new initiative to expand the number of customers as indicated in the 3rd Medium-Term Management Plan, we began sales of Melife carbon neutral LP gas, which emits virtually zero CO2 emissions.

As a result of the above, net sales for the fiscal year under review in the Retail/Wholesale Energy & Related Business were 75,020 million yen (down 7.9% year on year) and operating profit was 827 million yen (up 448.0% 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

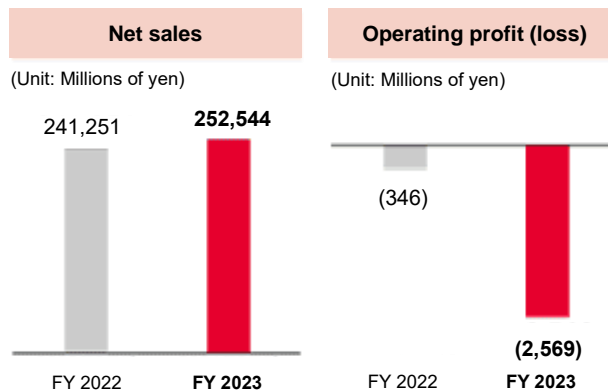
Sales composition ratio: **72.5%**

In terms of sales, we secured a sales volume higher than the previous fiscal year mainly for light oil and heavy oil in the mainstay petroleum business. Furthermore, sales increased in the electricity business due to such factors as the acquisition of new large customers for market-linked plans.

In terms of profits, the deterioration of gross profit in the electricity business as mentioned above had a significant impact on results, which resulted in a larger loss.

In addition, we are working on efforts to “shift our portfolio to comprehensive energy services including electricity and renewable energy,” as outlined in the 3rd Medium-Term Management Plan by such as starting to supply renewable energy through an off-site corporate PPA and the launch of trade of Susteo, a next-generation biodiesel fuel that contributes to reducing CO2 emissions.

As a result of the above, net sales for the fiscal year under review in the Energy Solution Business were 252,544 million yen (up 4.7% year on year) and operating loss was 2,569 million yen (operating loss for the previous fiscal year was 346 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

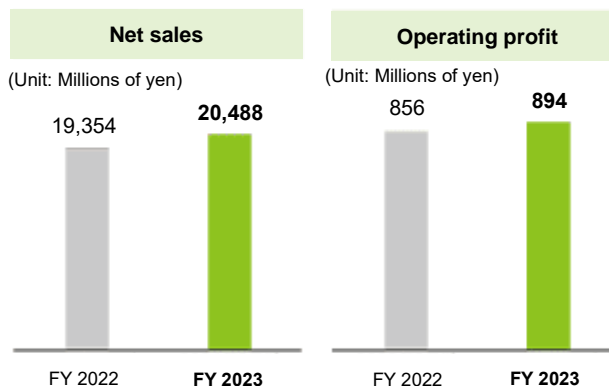
Sales composition ratio: **5.9%**

Overall for Non-energy Businesses, both sales and profits were up, mainly due to strong performance in the bicycle business.

The circumstances of each business are outlined below.

The bicycle business operator Sinanen Bike Co., Ltd. posted increases in both sales and profits thanks to the company strengthening its sales of private brand products and promoting developing new corporations, in addition to the contribution of price revisions implemented from the second half of the previous fiscal year.

Bicycle sharing business operator Sinanen Mobility Plus Co., Ltd. promoted development of bicycle sharing service DAICHARI locations and started field tests together with new municipalities such as Warabi City, Saitama Prefecture. As of March 31, 2024, the scale of the business has grown to more than 3,500 stations and more than 12,000 bicycles, resulting in increased sales. However, profit decreased due to the impact of factors such as the increased selling, general and administrative expenses associated with battery replacement. In addition, we have established a system to take charge of maintenance for other companies and are improving the overall operational quality of HELLO CYCLING.



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

Antimicrobial business operator Sinanen Zeomic Co., Ltd. experienced lower demand overseas stemming from the stagnation of China's economy, while sales in Japan have performed well, leading to an overall increase in both sales and profits. In addition, we are pursuing new initiatives, such as signing an exclusive distributorship agreement for a natural antimicrobial agent from Finland.

Systems business operator Minos Co., Ltd. posted profits at the same level as in the previous fiscal year due to steady demand for its flagship LP gas backbone operation system. In addition, new developments are underway as needed for the customer information system (Power CIS), including the establishment of a market-linked function that adjusts prices and services in response to market fluctuations.

The four group companies engaged in the building maintenance and management business was integrated as Sinanen Axia Co., Ltd. in October 2023 and made a fresh start as a comprehensive building maintenance company. During the fiscal year under review, although there was an increase in sales due to the expansion of its area of building maintenance operations for multi-family housing and strong performance in the facility operation business, including funeral halls and hospitals, profits decreased due to an increase in selling, general and administrative expenses associated with the integration. In addition, the company is preparing to open a new office in the Saitama area for further expansion of areas of operations as indicated in the 3rd Medium-Term Management Plan. Furthermore, we are seeing results from efforts towards "ensuring stable profits" by such as starting to manage large properties.

As a result of the above, net sales for the fiscal year under review in the Non-energy Business were 20,488 million yen (up 5.9% year on year) and operating profit was 894 million yen (up 4.5% year on year).

\*CIS stands for Customer Information System. It is a system allowing centralized management of everything from customer information management to fee calculation and invoicing according to contract type.

### Net sales by business segment

Segment name	Net sales	Composition ratio	Previous fiscal year
	Millions of yen	%	Millions of yen
Retail/Wholesale Energy & Related Business (B to C Business)	75,020	21.5	81,419
Energy Solution Business (B to B Business)	252,544	72.5	241,251
Non-energy Business	20,488	5.9	19,354
Other	229	0.1	228
	Millions of yen	%	Millions of yen
Total	348,282	100	342,254



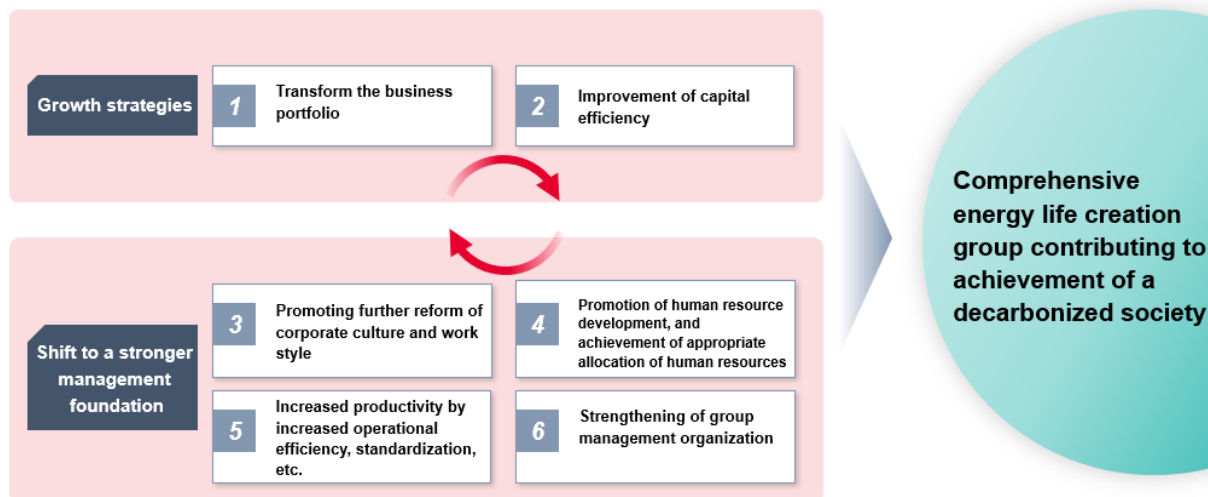
## (2) Issues to be addressed

The environment surrounding the petroleum and gas businesses, which are the mainstay businesses of the Group, remains harsh as energy demand continues to decline in the face of a decreasing population in Japan, the spread of energy-saving equipment, and changes to lifestyles. Furthermore, in addition to heightened awareness of global decarbonization and SDGs, efforts to achieve carbon neutrality by 2050 are picking up steam in Japan. Demand will rise significantly for us to take responsible action as a comprehensive energy service group.

In order to respond to these changes in the business environment and the trend of the times, 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 the fiscal year under review.

We believe that the issues to be addressed by the Group are to accelerate the reinforcement of our management foundation and to steadily implement our growth strategy in order to realize the vision set forth in the 3rd Medium-Term Management Plan.

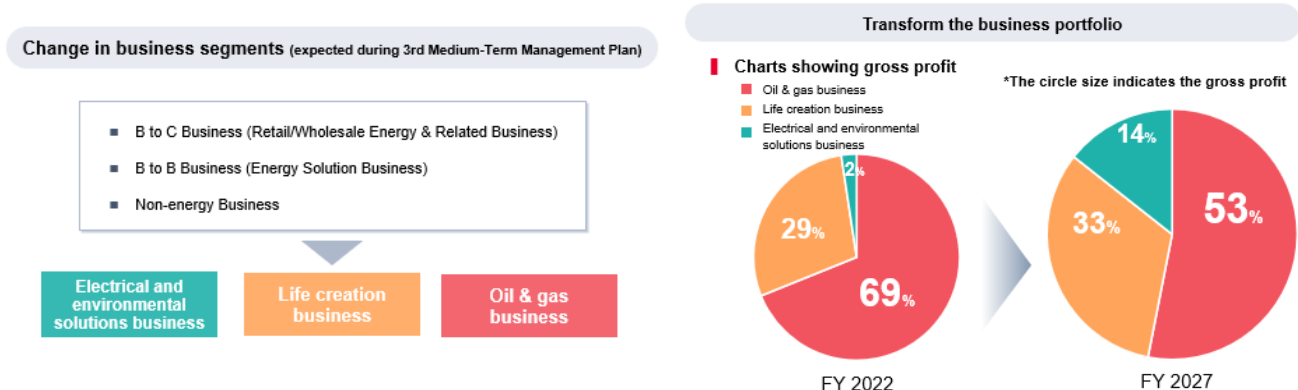
The overall strategy of the 3rd Medium-Term Management Plan is as follows.



[Growth strategies]

- Transforming the business portfolio

To shift from a business portfolio dependent on the petroleum and gas business, which is heavily influenced by external factors such as season and climate, to a sustainable business portfolio that is less affected by external factors, we will identify growth areas, focusing on the electricity business, renewable energy business, and lifestyle-related business, and concentrate investment of management resources, while promoting the creation of new businesses. In addition, to clarify the portfolio transformation, we will change our business segments during the period of the 3rd Medium-Term Management Plan.



- Improving capital efficiency

Starting with the integration of the building maintenance and management business, we will promote reorganization within the Group based on selection and concentration of existing businesses. In addition, we will promote area efficiency improvements in our core businesses to maximize earnings.

In particular, in FY2024, we will implement business structure reforms by redeveloping domestic business foundations and strengthening retail service strategies.

[Shift to a stronger management foundation]

- Promoting further reform of corporate culture and work style

We will further promote reforms in corporate culture and work styles, which we have been working on from the 2nd Medium-Term Management Plan, to foster a free and vigorous organizational culture that enhances and makes the most of individual strengths, and to develop systems and frameworks that contribute to employee growth.

- Promoting human resource development and achieving appropriate allocation of human resources

Based on the idea that corporate value is the sum of the market value of employees, we will develop a training system that contributes to the autonomous growth of employees and shift personnel based on our business portfolio, aiming to build an organization that maximizes profits.

- Increasing productivity by increased operational efficiency, standardization, etc.

We will promote productivity improvement by establishing optimal business processes in line with our business strategy and by establishing a smooth business management system through the creation of a new core system.

- Strengthening the group management system

We will work to strengthen group governance, particularly reinforce the risk management system, and establish an effective and flexible group management system. In particular, in FY2024, we recognize the strengthening of portfolio management, especially the strengthening of investment risk management, and the thorough management of costs such as headquarters expenses to achieve efficient and waste-free management as priority issues to be addressed. In addition, we will strengthen our group management system by working to create new value through cross-functional collaboration among business units and operating companies and digital technology.

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

### (3) Changes in assets and profit and loss

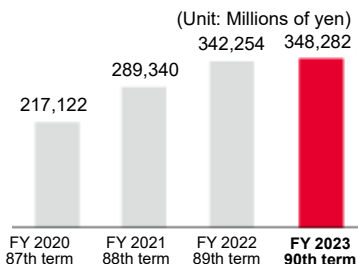
(Unit: Millions of yen)

Category	FY2020 87th term	FY2021 88th term	FY2022 89th term	FY2023 90th term (current fiscal year)
Net sales	217,122	289,340	342,254	348,282
Operating profit	2,935	2,480	895	(711)
Ordinary profit	3,023	3,272	1,227	93
Profit attributable to owners of parent	2,717	2,487	478	(1,039)
Profit per share	249.83 yen	228.33 yen	43.82 yen	(95.53 yen)
Total assets	96,834	104,908	101,350	108,480
Net assets	51,905	54,381	53,631	53,315
Net assets per share	4,707.96 yen	4,922.46 yen	4,902.63 yen	4,900.02 yen

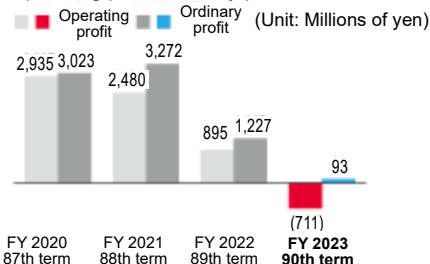
(Note) Effective from the beginning of the 88th term, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and has followed the transitional treatment stipulated in the proviso of paragraph (84) of the Accounting Standard for Revenue Recognition.

#### <Reference>

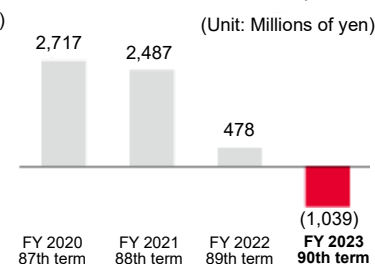
##### Net sales



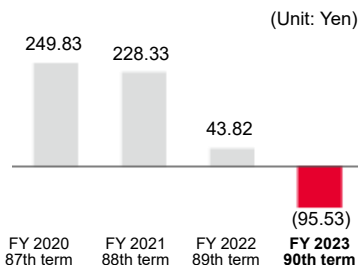
##### Operating profit/ordinary profit



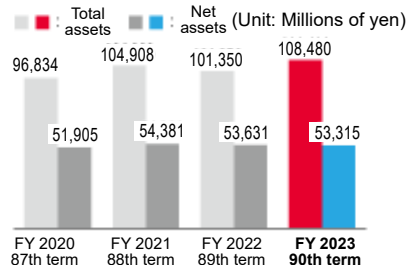
##### Profit attributable to owners of parent



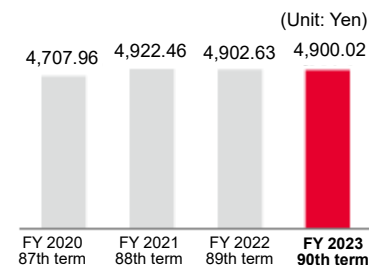
##### Profit per share



##### 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 2.5 billion yen, which consisted mainly of the following:

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

(5) Status of fund procurement

There is no significant fund procurement.

(6) Status of employees (As of March 31, 2024)

(i) Status of employees of the corporate group

Segment name	Number of employees	YoY change
Retail/Wholesale Energy & Related Business (B to C Business)	905 (240)	+35 (+3)
Energy Solution Business (B to B Business)	224 (126)	-4 (-3)
Non-energy Business	513 (1,232)	+35 (+67)
Companywide (common)	122 (16)	+5 (+3)
Total	1,764 (1,614)	+71 (+70)

- (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
122 (16)	+5 (+3)	43.5	9.7

- (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, 2024)

Lender	Borrowing amount
	Millions of yen
Mizuho Bank, Ltd.	4,000
Sumitomo Mitsui Banking Corporation	4,000

## (8) Principal offices and important subsidiaries (As of March 31, 2024)

The Company Headquarters 3-5-27 Mita, Minato-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: Minato-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: Minato-ku, Tokyo	100	100.00	Sales of various fuels
	Sinanen Bike Co., Ltd.	Headquarters: Minato-ku, Tokyo	100	100.00	Bicycle import and sales
Subsidiaries	Sinanen Mobility Plus Co., Ltd.	Headquarters: Minato-ku, Tokyo	30	100.00	Bicycle sharing
	Sinanen Ecowork Co., Ltd.	Headquarters: Minato-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/management

## 2

## Matters concerning the Company's shares

(As of March 31, 2024)

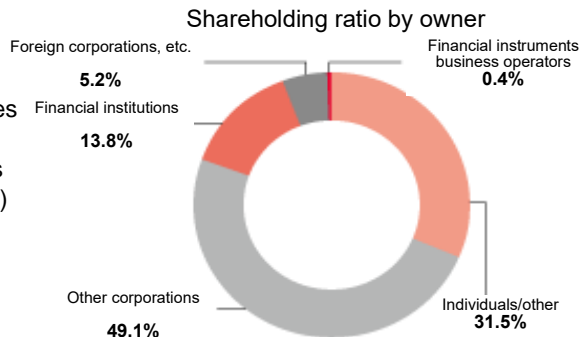
(1) Total number of authorized shares 47,520,600 shares

(2) Total number of issued shares 13,046,591 shares  
(including 2,169,811 shares of treasury stock)

(3) Number of shareholders 4,485

## (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
System Integrating Laboratory Co., Ltd.	815	7.49
HIKARI TSUSHIN, INC.	811	7.46
Cosmo Oil Marketing Co., Ltd.	789	7.25
The Master Trust Bank of Japan, Ltd. (trust account)	681	6.26
Meiji Yasuda Life Insurance Company	672	6.17
Sinanen Group Clients Shareholding Association	449	4.12
Idemitsu Kosan Co., Ltd	379	3.48
Rinnai Corporation	374	3.44



(Notes) 1. The Company holds 2,169,811 shares of treasury stock but is excluded from the above major shareholders.

2. The shareholding ratio is calculated excluding 2,169,811 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	4

(Note) The details of the Company's stock-based compensation are described in "(2) Compensation, etc. for Directors" on pages 32 to 34 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, 2024)

Position	Name	Responsibilities and important concurrent positions
President and CEO	Masaki Yamazaki	
Representative Director and Senior Managing Director	Naoki Shimizu	President and CEO of Sinanen Co., Ltd.
Director	Kenji Madokoro	
Director	Miwa Mitsuhashi	CCO
Director who is an Audit/Supervisory Committee Member (Full-time)	Kazuhisa Hirano	Representative Director of Japan Society of U.S. CPAs
Director who is an Audit/Supervisory Committee Member	Ren Shino	Partner of Kohwa Sohgho 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 Adviser 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. Adviser of CEAMS LLC Auditor of Rugby School Japan
Director who is an Audit/Supervisory Committee Member	Yuichiro Munakata	Outside Director and Audit & Supervisory Board Member of Kasumigaseki Capital Co., Ltd.

- (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, Kazuhisa Hirano has been appointed as a Director who is a full-time Audit/Supervisory Committee Member.
2. Kazuhisa Hirano, Ren Shino, Nobutaka Murao, Hiroyuki Mitani, and Yuichiro Munakata are Outside Directors who are Audit/Supervisory Committee Members and have been reported to the Tokyo Stock Exchange as independent officers.
3. Kazuhisa Hirano, a Director who is an Audit/Supervisory Committee Member, is a licensed U.S. Certified Public Accountant and has considerable knowledge of finance and accounting matters.
4. 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.
5. 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.



(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
		Fixed compensation	Performance-linked compensation	Non-monetary compensation	
Directors (excluding Audit/Supervisory Committee Members) (excluding Outside Directors)	101	98	3	-	4
Directors (Audit/Supervisory Committee Members) (excluding Outside Directors)	-	-	-	-	-
Outside Directors	49	49	-	-	5

(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.

The performance-linked compensation for the current fiscal year is determined based on the degree of achievement of consolidated ordinary income, etc. for the previous fiscal year, and the achievement rate for FY2022 was 57.2%.

(iii) Details of non-monetary compensation

The Company has introduced a compensation system under which the Company grants as compensation, etc. 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 close 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 close 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 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
- In the current fiscal year, the Board of Directors, at its meeting held on June 27, 2023, passed a resolution to delegate to a voluntary Nominating and Compensation Committee the authority to determine the specific details of individual compensation, etc. for each Director, and Nominating and Compensation Committee made the decision with the aim of enhancing the objectivity and transparency of procedures related to compensation for Directors.

(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 compensation 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

There is no special relationship between the Company and the entities where the outside officers hold important concurrent positions.

(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 who is an Audit/Supervisory Committee Member (Full-time)	Kazuhisa Hirano	Attended all 17 meetings of the Board of Directors and all 12 meetings of the Audit/Supervisory Committee held during the fiscal year under review. Based on his professional knowledge and abundant experience in accounting and internal auditing, he provided opinions and suggestions on risk management and other issues of the Company. 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 17 meetings of the Board of Directors and all 12 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 17 meetings of the Board of Directors and all 12 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 15 of 17 meetings of the Board of Directors and 10 or 12 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	Yuichiro Munakata	He attended all 14 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 27, 2023. Based on his professional knowledge and abundant experience in accounting and auditing and abundant international experience through his overseas assignments, he provides opinions and recommendations. 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
(i) Total amount of compensation, etc. to be paid by the Company and its subsidiaries to the Accounting Auditor	89 million yen
(ii) Out of the total amount in (i) above, the total amount of compensation, etc. to be paid as compensation for audit certification services stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act	89 million yen
(iii) Out of the total amount in (ii) above, the amount of compensation, etc. to be paid by the Company to the Accounting Auditor	69 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, so the amount of compensation, etc. in (iii) above 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.

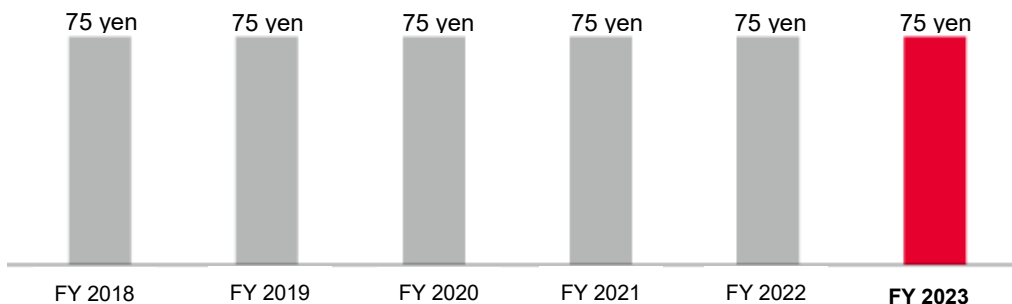
The Company considers returning profit to shareholders the most important management policy. Our basic policy is to provide stable dividends with a consolidated payout ratio of 30% or more, and a minimum of 75 yen per share. We plan to allocate internal reserves to expanding our business domains and capital expenditures to strengthen our business foundation.

Based on the above policy, the Company has decided to pay a year-end dividend of 75 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]

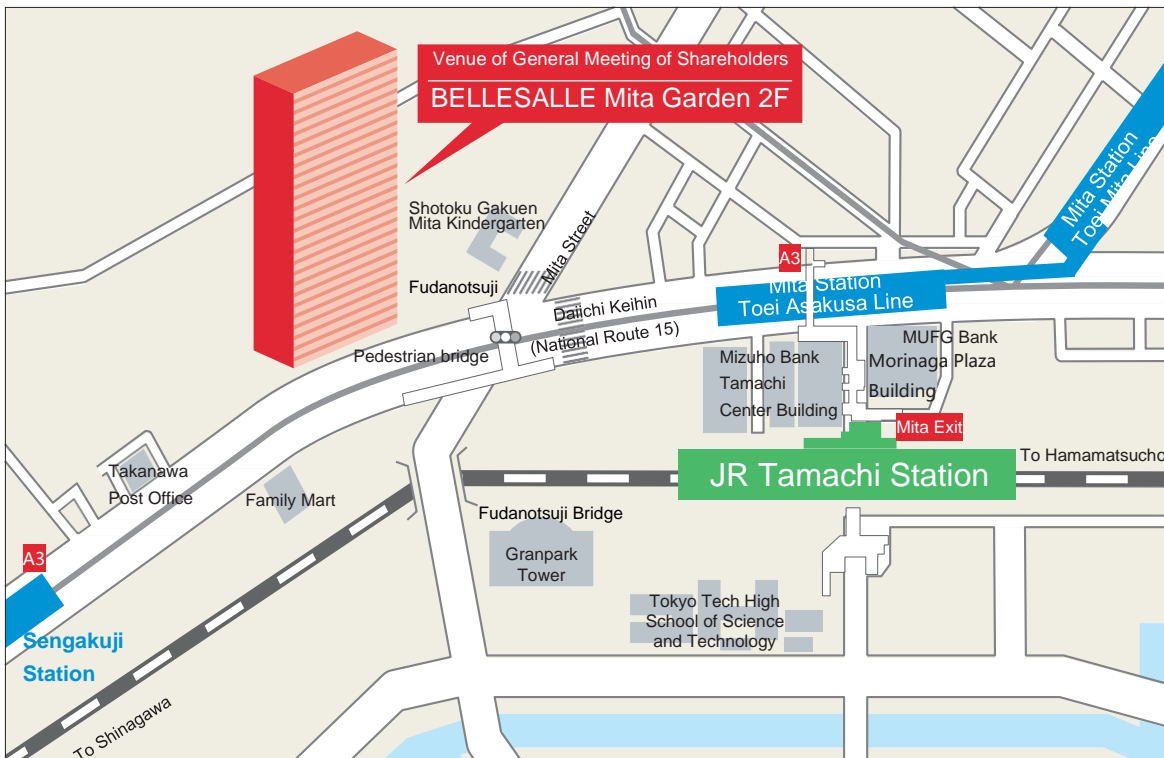
Dividend per share



## Venue of the General Meeting of Shareholders

### Venue

Sumitomo Realty & Development Tokyo Mita Garden Tower BELLESALLE Mita Garden 2F,  
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.



We have adopted a universal design font that is easy to read.