

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 8097

June 6, 2023

To our shareholders:

Hiroshi Hayata
Representative Director, President
SAN-AI OBBLI CO., LTD.
(Location of the Main Office)
5-22-5 Higashioi, Shinagawa-ku, Tokyo, Japan
(Head Office)
2-3-2 Otemachi, Chiyoda-ku, Tokyo, Japan

Notice of the 92nd Annual General Meeting of Shareholders

You will be notified of the 92nd Annual General Meeting of Shareholders of SAN-AI OBBLI CO., LTD. (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on the Company’s website. Please access the following website to view the information.

The Company website:

<https://www.san-ai-obbli.com/en/>

(From the above website, select “IR Documents.”)

In addition to the Company’s website, the matters subject to measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the information as explained below.

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “SAN-AI OBBLI” in “Issue name (company name)” or the Company’s securities code “8097” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you do not attend the meeting in person, you may exercise your voting rights via the internet or in writing (by mail). Please review the Reference Documents for General Meeting of Shareholders before exercising your voting rights by 5.40 p.m. on Tuesday, June 27, 2023 (JST).

- 1. Date and Time:** Wednesday, June 28, 2023, at 10:00 a.m. (JST)
- 2. Venue:** 10th floor, Company Conference Room, Otemachi Place East Tower
2-3-2 Otemachi, Chiyoda-ku, Tokyo, Japan

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 92nd fiscal year (from April 1, 2022 to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 92nd fiscal year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Eight Directors |
| Proposal No. 3 | Election of One Audit & Supervisory Board Member |
| Proposal No. 4 | Revision of Amount of Remuneration for Outside Directors and Outside Audit & Supervisory Board Members |

4. Guidance on Exercising Voting Rights, etc.

Please refer to the “Guidance on Exercising Voting Rights,” “Guidance for Filling in the Voting Form” on page 3 and the “Guidance on Exercising Voting Rights via the Internet, etc.” on page 4.

If there is no indication of approval or disapproval of a proposal on the voting form if you exercise your voting rights in writing (by mail), it shall be deemed that you have indicated your approval of the proposal.

5. Matters Concerning Request for Delivery of Paper-Based Documents

We will send paper-based documents that contain the matters subject to measures for electronic provision to shareholders who have requested delivery of paper-based documents. However, pursuant to the relevant laws and regulations and the provisions of Article 14 of the Company’s Articles of Incorporation, “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are not included in these documents.

Accordingly, these documents consist of part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members and the Financial Auditor in preparing the Audit Reports.

- When attending the meeting in person, please hand in the voting form at the reception desk.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s website and the TSE website.

Guidance on Exercising Voting Rights

The voting rights at the Annual General Meeting of Shareholders are the important rights of all shareholders. Please review the Reference Documents for General Meeting of Shareholders, and exercise your voting rights. Voting rights can be exercised in the following three ways.

Attending the Meeting

Please hand in the voting form at the reception desk.

Date and Time: Wednesday, June 28, 2023, at 10:00 a.m. (JST)

Voting in Writing (by Mail)

Please indicate your approval or disapproval of each proposal on the voting form and post it.

Voting deadline: To be received no later than 5:40 p.m., Tuesday, June 27, 2023

Voting via the Internet, etc.

Follow the instructions on the next page to indicate your approval or disapproval of each proposal.

Voting deadline: To be completed no later than 5:40 p.m., Tuesday, June 27, 2023

Guidance for Filling in the Voting Form

Please indicate your approval or disapproval to each proposal.

Proposals No. 1, 3 and 4

- If you approve:
Mark a ○ in the box marked “賛”
- If you disapprove:
Mark a ○ in the box marked “否”

Proposal No. 2

- If you approve all candidates:
Mark a ○ in the box marked “賛”
- If you disapprove all candidates:
Mark a ○ in the box marked “否”
- If you selectively veto certain candidates:
Mark a ○ in the box marked “賛” and write the number of each candidate you choose to veto.

- * If you exercise your voting rights via the internet, etc. more than once, the last exercise shall be treated as valid.
- * If you exercise your voting rights both in writing (by postal mail) and via the internet etc., only the vote placed via the internet, etc. shall be deemed to be valid.

Guidance on Exercising Voting Rights via the Internet, etc.

Scanning the QR Code “Smart Vote”

You can simply log in to the voting website without entering your voting code and password.

- (i) Please scan the QR Code printed on the lower right-hand side of the voting form.
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
- (ii) Next, follow the instructions on the screen to indicate your approval or disapproval of each proposal.

Please note that exercising voting rights by using “Smart Vote” method is available only once.

If you need to change your votes after exercising your voting rights, please log in to the voting website for PC by using your voting code and password printed on the voting form, and exercise your voting rights again.

* If you rescan the QR Code, you can access the voting website for PC.

Entering Voting Code and Password

Voting website: <https://www.web54.net> (in Japanese)

- (i) Access the voting website.
Click “Next.”
- (ii) Enter the “voting rights exercise code” which is provided on your voting form.
Enter the “voting rights exercise code.”
Click “Login.”
- (iii) Enter the “password” which is provided on your voting form.
Enter the “password.”
Enter the new password that you will actually use.
Click “Register.”
- (iv) Next, follow the instructions on the screen to indicate your approval or disapproval of each proposal.

In case you need instructions for how to operate your personal computer or smartphone in order to exercise your voting rights via the internet, please contact:

Sumitomo Mitsui Trust Bank, Limited Stock Transfer Web Support Phone No.

Toll-free (within Japan): 0120-652-031 (9:00 a.m. to 9:00 p.m.) (JST)

You may use the Electronic Voting Platform for Institutional Investors operated by ICJ Inc., as a method of exercising your voting rights.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

In the mid-term business plan from FY 2021 to FY 2023, the Company has set investing more efficiently and expanding returns to shareholders as key management issues, as we aim to become a corporate group that continues to grow, with the goal of achieving a consolidated ROE of 8% or above and a consolidated dividend payout ratio of 30% or above in FY 2023.

In accordance with this policy, the Company proposes to pay a year-end dividend for the 92nd fiscal year of ¥36 per common share.

Type of dividend property

Cash

Allotment of dividend property and total amount to be paid

¥36 per common share of the Company (ordinary dividend)

Total amount: ¥2,410,750,692

Since the Company has already paid an interim dividend (ordinary dividend of ¥19) during the fiscal year ended March 31, 2023, the annual dividend will be ¥55 per share (ordinary dividend), which is ¥15 higher than for the previous fiscal year.

Effective date of dividends of surplus

June 29, 2023

Proposal No. 2 Election of Eight Directors

At the conclusion of this meeting, the terms of office of all seven Directors will expire. Therefore, in order to strengthen the management structure, the Company proposes an increase of one in the number of Directors with the election of eight Directors (including three outside Directors).

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company	
1	Jun Kaneda	Representative Director, Chairman of the Board	Reelection
2	Hiroshi Hayata	Representative Director, President and Executive Officer	Reelection
3	Naoto Ohnuma	Director, Senior Managing Executive Officer In charge of General Accounting Department, Corporate Planning Department, and Information Technologies Department	Reelection
4	Takashi Satoh	Executive Officer In charge of Human Resources & General Affairs Department, Legal & Credit Department, and Sustainability Promotion Department General Manager of Human Resources & General Affairs Department and Legal & Credit Department	New election
5	Kohichiroh Ishii	Executive Officer In charge of LPG Division General Manager of LPG Division and LPG Sales Department	New election
6	Keiko Unotoro	Director	Reelection Outside Independent
7	Yoji Ninomiya		New election Outside Independent
8	Hisayasu Suzuki		New election Outside Independent

Reelection	Candidate for Director to be reelected
New election	Candidate for Director to be newly elected
Outside	Candidate for outside Director
Independent	Independent officer as defined by the Tokyo Stock Exchange

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Jun Kaneda (September 24, 1948) Reelection	Oct. 1972 Joined the Company June 2001 Director Apr. 2004 Managing Director June 2007 Representative Director, President June 2017 Representative Director, Chairman of the Board (current position)	40,000 shares
	<p>[Reasons for nomination as candidate for Director] Mr. Kaneda has broad insight into corporate management and is currently serving as Representative Director, Chairman of the Board of the Company, demonstrating executive ability and leadership, and contributing to business development. Therefore, the Company proposes his reelection as Director.</p>		
2	Hiroshi Hayata (March 17, 1963) Reelection	Mar. 1986 Joined the Company June 2017 Full-time Audit & Supervisory Board Member June 2020 Executive Officer In charge of Energy Solution Business Division General Manager of Energy Solution Business Department In charge of Chemical Products Business Division General Manager of Chemical Products Business Department Apr. 2022 Managing Executive Officer June 2022 Director Apr. 2023 Representative Director, President (current position) President, Executive Officer (current position)	10,673 shares
	<p>[Reasons for nomination as candidate for Director] Following on from his positions as Full-time Audit & Supervisory Board Member and Managing Executive Officer in charge of Energy Solution Business Division and in charge of Chemical Products Business Division, Mr. Hayata has been demonstrating leadership as Representative Director, President and Executive Officer since April 2023, contributing to business development. Therefore, the Company proposes his reelection as Director.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Naoto Ohnuma (May 13, 1957) Reelection	<p>Apr. 1980 Joined Mitsubishi Corporation</p> <p>Apr. 2008 General Manager of Chemicals Group Administration Dept.</p> <p>Apr. 2013 Administrative Officer, General Manager of Living Essentials Group Administration Dept.</p> <p>Apr. 2015 Administrative Officer, General Manager of Internal Audit Dept.</p> <p>June 2017 Director, Managing Executive Officer In charge of Accounting & Finance, General Affairs and Human Resources Departments of ITOHAM YONEKYU HOLDINGS INC.</p> <p>June 2019 Managing Director of the Company In charge of General Accounting Department, Corporate Planning Department, and Information Technologies Department (current position)</p> <p>June 2020 Director (current position) Managing Executive Officer</p> <p>Apr. 2022 Senior Managing Executive Officer (current position)</p>	8,582 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Ohnuma has served in positions such as General Manager of the Chemicals Group Administration Dept., Administrative Officer, General Manager of the Living Essentials Group Administration Dept. and Administrative Officer, General Manager of Internal Audit Dept. of Mitsubishi Corporation, and then served as Director, Managing Executive Officer in charge of Accounting & Finance, General Affairs and Human Resources Departments of ITOHAM YONEKYU HOLDINGS INC. He is therefore well versed in the accounting & finance and administration fields. He is currently serving as Director, Senior Managing Executive Officer in charge of the General Accounting Department, Corporate Planning Department, and Information Technologies Department of the Company, contributing to business development, and has a wealth of experience and high-level insight. Therefore, the Company proposes his reelection as Director.</p>			
4	Takashi Satoh (August 9, 1963) New election	<p>Mar. 1987 Joined the Company</p> <p>Oct. 2015 General Manager of Human Resources & General Affairs Department (current position)</p> <p>June 2018 Director In charge of Human Resources & General Affairs Department, General Accounting Department, Legal & Credit Department, Information Technologies Department, and CSR Promotion Department (currently Sustainability Promotion Department) General Manager of CSR Promotion Department (currently Sustainability Promotion Department)</p> <p>June 2019 In charge of Human Resources & General Affairs Department, Legal & Credit Department, and CSR Promotion Department (current position)</p> <p>June 2020 Executive Officer (current position) General Manager of Legal & Credit Department (current position)</p>	7,485 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. Satoh is currently serving as Executive Officer in charge of the Human Resources & General Affairs Department, the Legal & Credit Department, and the Sustainability Promotion Department of the Company, contributing to business development, and has a wealth of experience and broad insight in administration and operation of the Human Resources & General Affairs Department. Therefore, the Company deems he is suitable as Director, and proposes his election as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Kohichiroh Ishii (June 6, 1968)</p> <p>New election</p>	<p>Mar. 1991 Joined the Company</p> <p>June 2013 Representative Director, and President of Nishimura Co., Ltd. (currently SAN-AI OBBLI GAS SANSHIN CO., LTD.)</p> <p>June 2015 Deputy Manager, LPG Division, LPG Sales Department of the Company</p> <p>June 2017 Representative Director and President of SAN-AI OBBLI GAS KYUSHU CO., LTD. Representative Director and President of SAN-AI GAS SERVICE CO., LTD. (currently SAN-AI OBBLI GAS SERVICE KYUSHU CO., LTD.)</p> <p>May 2020 General Manager of LPG Sales Department of the Company (current position)</p> <p>Apr. 2022 Executive Officer (current position) In charge of LPG Division (current position) General Manager of LPG Division (current position)</p>	4,417 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Following on from his position as Representative Director and President of Nishimura Co., Ltd. and Representative Director and President of SAN-AI OBBLI GAS KYUSHU CO., LTD., Mr. Ishii is currently serving as Executive Officer in charge of the LPG Division, contributing to business development, and has a wealth of experience and broad insight in the LP gas business. Therefore, the Company deems he is suitable as Director, and proposes his election as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p style="text-align: center;">Keiko Unotoro (October 26, 1954)</p> <p style="text-align: center;">Reelection Outside Independent</p>	<p>Apr. 1977 Joined Secretariat of Japan Fair Trade Commission</p> <p>Apr. 2000 Part-time lecturer of Graduate School of Economics of Senshu University (current position)</p> <p>Jan. 2007 Director General of Trade Practices Department, General Secretariat of Japan Fair Trade Commission</p> <p>June 2008 Senior Deputy Secretary General of Secretariat</p> <p>Jan. 2011 Director General of Economic Affairs Bureau</p> <p>Nov. 2012 Advisor of OH-EBASHI LPC & PARTNERS (current position)</p> <p>Apr. 2013 Professor of Faculty of Business Administration of Toyo Gakuen University</p> <p>June 2013 Outside Director of Olympus Corporation</p> <p>Mar. 2015 Member of the Board (outside) of Bridgestone Corporation</p> <p>June 2019 Director of the Company (current position)</p> <p>Apr. 2020 Outside Director of OS Co., Ltd. (current position)</p> <p>Aug. 2020 Outside Director of OHBA CO., LTD. (current position)</p> <p>Jan. 2021 Member of Public Security Examination Commission (current position)</p> <p>Mar. 2021 Outside Director of Frontier Management Inc. (current position)</p> <p>[Significant concurrent positions outside the Company] Outside Director of OS Co., Ltd. Outside Director of OHBA CO., LTD. Outside Director of Frontier Management Inc. Member of Public Security Examination Commission</p>	1,900 shares
<p>[Reasons for nomination as candidate for outside Director, and overview of expected role]</p> <p>Ms. Unotoro has been involved in the economic and legal fields for many years at the Japan Fair Trade Commission, and has subsequently accumulated high-level insight and a wealth of experience cultivated in these positions that she has used to provide timely and useful recommendations and proposals in deliberations on agenda items at meetings of the Company's Board of Directors. The Company expects that she will continue to apply her high-level insight and wealth of experience to appropriately supervise the decision-making of the Company's Board of Directors and the execution of duties by Directors. Therefore, the Company proposes her reelection as outside Director. Furthermore, upon her election as outside Director, the Company intends to have her objectively and from a neutral position be involved in the determination of remuneration for directors and other officers, and the selection of candidates for directors and officers of the Company, as a member of the Nomination and Remuneration Advisory Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p style="text-align: center;">Yoji Ninomiya (March 23, 1951)</p> <p style="text-align: center;">New election Outside Independent</p>	<p>Apr. 1975 Joined Ministry of Finance</p> <p>May 1986 First Secretary, Embassy of Japan in Singapore, Ministry of Foreign Affairs</p> <p>July 1990 General Manager, Finance Department, Kinki Local Finance Bureau</p> <p>July 1993 Director for Banking Division, Bank Bureau</p> <p>July 1997 Director for Special Finance Division, Bank Bureau</p> <p>July 1999 Director-General of Hokkaido Local Finance Bureau</p> <p>July 2001 Counselor of the Minister's Secretariat</p> <p>July 2002 Director-General of Kobe Customs</p> <p>July 2003 Assistant Vice-Minister of Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>June 2005 Executive Trustee of The Open University of Japan Foundation</p> <p>Oct. 2008 Senior Executive Director of Japan Finance Organization for Municipal Enterprises (currently Japan Finance Organization for Municipalities)</p> <p>June 2011 Full-Time Audit & Supervisory Board Member of TSI HOLDINGS CO., LTD.</p> <p>June 2014 Representative Director and President of THE SAGA KYOEI BANK, LTD. (current position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President of THE SAGA KYOEI BANK, LTD.</p>	0 shares
<p>[Reasons for nomination as candidate for outside Director, and overview of expected role]</p> <p>Mr. Ninomiya has high-level insight and wealth of experience cultivated through many years of working in the field of finance, including at the Ministry of Finance, and his current position as Representative Director and President of THE SAGA KYOEI BANK, LTD. The Company expects that he will apply his high-level insight and wealth of experience to appropriately supervise the decision-making of the Company's Board of Directors and the execution of duties by Directors. Therefore, the Company proposes his election as outside Director. Furthermore, upon his election as outside Director, the Company intends to have him objectively and from a neutral position be involved in the determination of remuneration for directors and other officers, and the selection of candidates for directors and officers of the Company, as a member of the Nomination and Remuneration Advisory Committee.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	Hisayasu Suzuki (March 31, 1953) New election Outside Independent	<p>Apr. 1975 Joined Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>July 2006 Director General of Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>July 2009 Japan Coast Guard Commandant</p> <p>Jan. 2014 Senior Managing Executive Officer, Japan Airport Terminal Co., Ltd.</p> <p>June 2014 Member of the Board of Directors, Executive Vice President and Executive Officer</p> <p>June 2015 Representative Director, Executive Vice President and Executive Officer (current position)</p> <p>[Significant concurrent positions outside the Company] Representative Director, Executive Vice President and Executive Officer of Japan Airport Terminal Co., Ltd.</p>	0 shares
<p>[Reasons for nomination as candidate for outside Director, and overview of expected role] Mr. Suzuki has high-level insight and wealth of experience cultivated through key positions such as Director General of the Civil Aviation Bureau and Japan Coast Guard Commandant at the Ministry of Land, Infrastructure, Transport and Tourism in addition to serving as Representative Director, Executive Vice President of Japan Airport Terminal Co., Ltd. The Company expects that he will apply his high-level insight and wealth of experience to appropriately supervise the decision-making of the Company's Board of Directors and the execution of duties by Directors. Therefore, the Company proposes his election as outside Director. Furthermore, upon his election as outside Director, the Company intends to have him objectively and from a neutral position be involved in the determination of remuneration for directors and other officers, and the selection of candidates for directors and officers of the Company, as a member of the Nomination and Remuneration Advisory Committee.</p>			

- Notes:
1. The special interest between each of the above candidates and the Company is as described below.
 - (1) Yoji Ninomiya is Representative Director and President of THE SAGA KYOEI BANK, LTD. There are borrowing transactions between SAGA GAS CO., LTD., a subsidiary of the Company, and the Bank. The amount borrowed from the Bank was less than 0.2% of the Company's total consolidated assets in each of the past three business years, and is not deemed to affect the independence of the outside Director.
 - (2) Hisayasu Suzuki is Representative Director, Executive Vice President of Japan Airport Terminal Co., Ltd., and there are transactions related mostly to office rental between the Company and the Japan Airport Terminal group. The amount of the transactions with the Japan Airport Terminal group was less than 0.2% of the consolidated net sales of the Company and Japan Airport Terminal in each of the past three business years. In addition, there is a shareholding relationship between the Company and Japan Airport Terminal. However, the shareholding of Japan Airport Terminal in the Company and the shareholding of the Company in Japan Airport Terminal are both minimal at less than 1%, and these shareholdings are not deemed to affect the independence of the outside Director.
 - (3) There is no special interest between any of the other above candidates and the Company.
 2. Matters related to candidates for outside Directors are as follows:
 - (1) Keiko Unotoro, Yoji Ninomiya, and Hisayasu Suzuki are candidates for outside Directors.
 - (2) The term of office of Keiko Unotoro as outside Director of the Company will be four years at the conclusion of this meeting.
 - (3) The Company has entered into limited liability agreement with Ms. Unotoro, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation. If her reelection is approved, the Company plans to renew the limited liability agreement with her. The outline of the agreement is to limit liability for compensation of damages incurred due to negligence of duties provided for under Article 423, paragraph (1) of the Companies Act to the amount of ¥3 million, or the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act, whichever is higher.
 - (4) If the elections of Yoji Ninomiya and Hisayasu Suzuki are approved, the Company plans to enter a limited liability agreement with each of them pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation. The outline of the agreement is to limit liability for compensation of damages incurred due to negligence of duties provided for under Article 423, paragraph (1) of the Companies Act to the amount of ¥3 million, or the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act, whichever is higher.

- (5) The Company has submitted notification to the Tokyo Stock Exchange that Ms. Unotoro has been designated as an independent officer as provided for by the aforementioned exchange. If the reelection of Ms. Unotoro is approved, the Company plans for her appointment as an independent officer to continue.
 - (6) If the elections of Yoji Ninomiya and Hisayasu Suzuki are approved, the Company plans to submit notification to the Tokyo Stock Exchange that they are designated as independent officers as provided for by the aforementioned exchange.
3. The Company has entered into directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This policy covers damages arising from liability borne by the insured, which includes Directors of the Company, in the course of the execution of their duties or claims pertaining to the pursuit of such liability. However, there are certain grounds for exemptions, such as no coverage provided for damages arising from actions that are done with the acknowledgement that such actions are in violation of laws and regulations. If all of the candidates are elected and assume office as Director, they will be the insured in this policy. Furthermore, the Company plans to renew this policy on July 1, 2023, which is during the terms of office of the candidates.

Proposal No. 3 Election of One Audit & Supervisory Board Member

Hirobumi Kawano retired on September 26, 2022. Therefore, the Company proposes the election of one Audit & Supervisory Board Member. In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
<p>Fumihiko Kato (February 14, 1953)</p> <p>New election Outside Independent</p>	<p>Apr. 1976 Joined the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>June 1995 Director, Petroleum Distribution and Retail Division, Agency for Natural Resources and Energy</p> <p>Oct. 2006 Deputy Commissioner, Small and Medium Enterprise Policy, Small and Medium Enterprise Agency</p> <p>July 2007 Member of Board of Nippon Export and Investment Insurance</p> <p>Aug. 2011 Advisor of NIPPON LIFE INSURANCE COMPANY</p> <p>Feb. 2013 Ambassador Extraordinary and Plenipotentiary to Uzbekistan</p> <p>Jan. 2017 Managing Director of National Federation Petroleum Commercial Associations Director of National Federation Petroleum Cooperative Associations</p> <p>June 2017 Vice Chairman, Executive Director of National Federation Petroleum Commercial Associations (scheduled to retire in June 2023) Vice Chairman, Director of National Federation Petroleum Cooperative Associations (scheduled to retire in June 2023)</p>	<p>0 shares</p>
<p>[Reasons for nomination as candidate for outside Audit & Supervisory Board Member]</p> <p>Mr. Kato has a wealth of experience and high-level insight primarily in the field of natural resources and energy, including working in the field of trade and energy at the Ministry of Economy, Trade and Industry and subsequently serving as Vice Chairman of National Federation Petroleum Commercial Associations. Therefore, the Company deems that he will be able to sufficiently fulfill his responsibilities as an outside Audit & Supervisory Board Member, and proposes his election.</p>		

- Notes:
1. There is no special interest between the above candidate and the Company.
 2. Matters related to the candidate for outside Audit & Supervisory Board Member are as follows:
 - (1) Fumihiko Kato is a candidate for outside Audit & Supervisory Board Member.
 - (2) If the election of Fumihiko Kato is approved, the Company plans to enter a limited liability agreement with him pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation. The outline of the agreement is to limit liability for compensation of damages incurred due to negligence of duties provided for under Article 423, paragraph (1) of the Companies Act to the amount of ¥3 million, or the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act, whichever is higher.
 - (3) If the election of Fumihiko Kato is approved, the Company plans to submit notification to the Tokyo Stock Exchange that he is designated as an independent officer as provided for by the aforementioned exchange.
 3. The Company has entered into directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This policy covers damages arising from liability borne by the insured, which includes Audit & Supervisory Board Members of the Company, in the course of the execution of their duties or claims pertaining to the pursuit of such liability. However, there are certain grounds for exemptions, such as no coverage provided for damages arising from actions that are done with the acknowledgement that such actions are in violation of laws and regulations. If the candidate is elected and assumes office as Audit & Supervisory Board Member, he will be the insured in this policy. Furthermore, the Company plans to renew this policy on July 1, 2023, which is during the term of office of the candidate.

(Reference) Skill Matrix of Directors and Audit & Supervisory Board Members

The Company's Board of Directors comprises the number of Directors in accordance with business strategies, taking into consideration the balance between knowledge, experience and skills of the Board of Directors as a whole. Listed in the skill matrix below are the knowledge, experience, skills, etc. if Proposal No. 2 and Proposal No. 3 are approved as proposed.

Name	Position	Corporate Management	Legal and Risk Management	Finance, Accounting and Money	Industry Knowledge	Sales and Marketing	Personnel, Labor and Human Resource Development	ESG
Jun Kaneda	Representative Director, Chairman of the Board	●	●		●	●		●
Hiroshi Hayata	Representative Director, President and Executive Officer	●	●		●	●		●
Naoto Ohnuma	Director, Senior Managing Executive Officer	●	●	●			●	●
Takashi Satoh	Director, Executive Officer		●		●	●	●	●
Kohichiroh Ishii	Director, Executive Officer	●			●	●		●
Keiko Unotoro	Outside Director		●		●			
Yoji Ninomiya	Outside Director	●	●	●				●
Hisayasu Suzuki	Outside Director	●	●		●			●
Atsushi Ueno	Full-time Audit & Supervisory Board Member		●		●	●		
Junichi Matsumura	Full-time Audit & Supervisory Board Member	●	●		●			
Kantaro Toyozumi	Outside Audit & Supervisory Board Member		●					
Hidetoshi Watanabe	Outside Audit & Supervisory Board Member			●				
Fumihiko Kato	Outside Audit & Supervisory Board Member		●		●			

* The above listed contents do not indicate the full knowledge and experience that each person has.

(Reference) Independence Standards for Outside Officers

The Company deems outside officers to be independent when none of the following apply, either currently or for the past three years.

1. Individuals whose principal business partner is the Company or its subsidiary (refers to individuals who have received payment from the Company or its subsidiaries amounting to 2% or more of consolidated turnover in any of the past three business years of the relevant individual) or persons who execute the relevant business (“executives”)
2. Individuals whose principal business partner is the Company or its subsidiary (refers to individuals who have made payments to the Company or its subsidiaries amounting to 2% or more of consolidated net sales in any of the past three business years of the relevant individual) or persons who execute the relevant business (“executives”)
3. A principal lender to the Company or its subsidiaries (refers to a lender where the amount of borrowings from the relevant lender at the end of any of the past three business years exceeds 2% of total consolidated assets) or persons who execute the relevant business (“executives”)
4. Individuals who have received donations that exceed ¥10 million or 2% of the total income of the relevant person from the Company or its subsidiaries in any of the past three business years (where the entity that received the relevant donation is an organization, such as a corporation or a union, etc., refers to individuals who belong to the relevant organization)
5. Consultants, accounting experts or legal professionals who have received more than ¥10 million in cash or other assets from the Company or its subsidiaries in any of the past three business years, beyond remuneration as an officer (where the entity that acquired the relevant assets is an organization, such as a corporation or a union, etc., refers to individuals who belong to the relevant organization)
6. Main shareholders of the Company (refers to shareholders with 10% or more of voting rights) or persons who execute the relevant business (“executives”)
7. A relative within the second degree of kinship with persons who execute business (“executives”) of the Company or its subsidiaries (excluding persons who are unimportant)
8. A relative within the second degree of kinship with an outside Director of the Company (limited to determining independence of outside Audit & Supervisory Board Members)
9. A relative within the second degree of kinship with an individual to whom any of 1 through 6 above apply (excluding persons who are unimportant)

Proposal No. 4 Revision of Amount of Remuneration for Outside Directors and Outside Audit & Supervisory Board Members

The amount of remuneration for the Company's Directors and Audit & Supervisory Board Members were approved to be within ¥340 million per year for Directors' remuneration (including within ¥14.4 million per year for outside Directors' remuneration) and within ¥80 million per year for Audit & Supervisory Board Members' remuneration (including within ¥14.4 million per year for outside Audit & Supervisory Board Members' remuneration) at the 89th Annual General Meeting of Shareholders held on June 26, 2020, and these have continued remaining valid up until now.

With the increasing responsibilities of the outside Directors and the outside Audit & Supervisory Board Members due to changes in economic conditions and the management environment, the Company proposes to revise the amount of remuneration for the outside Directors and outside Audit & Supervisory Board Members in order to secure and retain the human resources that are essential for the Company's sustainable growth.

The Company proposes to leave the amount of remuneration for Directors unchanged from the current amount of within ¥340 million per year and to revise the amount of remuneration for outside Directors to within ¥22 million per year.

Furthermore, the Company proposes to leave the amount of remuneration for Audit & Supervisory Board Members unchanged from the current amount of within ¥80 million per year and to revise the amount of remuneration for outside Audit & Supervisory Board Members to within ¥22 million per year.

The above revision of the amount of remuneration for Directors is in line with "Policy on Determining the Content of Remuneration for Officers, etc." in the Business Report. In addition, the Board of Directors has decided to submit this proposal to this General Meeting of Shareholders based on the deliberations and report of the Nomination and Remuneration Advisory Committee, and thus deems it to be appropriate.

There are currently seven Directors (including three outside Directors), but if Proposal No. 2 is approved and adopted as proposed, the number of Directors will be eight (including three outside Directors).

In addition, there are currently four Audit & Supervisory Board Members (including two outside Audit & Supervisory Board Members), and if Proposal No. 3 is approved and adopted as proposed, the number of Audit & Supervisory Board Members will be five (including three outside Audit & Supervisory Board Members).