

30 April 2025

Dear All

Company Name	SANYO SHOKAI LTD.
Name of Representative	Shinji Oe Representative Director Chief Executive Officer and President (Code: 8011 Tokyo Stock Exchange Prime)
Contact	Yoshihiro Taniuchi General Manager IR and PR Strategy Corporate Management Headquarters (TEL: 03-6380-5623)

## Sanyo's Opinion on ISS's Recommendation to Vote Against our Second Proposal of the 82nd Annual General Meeting of Shareholders

Sanyo Shokai Ltd. ("Sanyo") is aware of the fact that Institutional Shareholder Services Inc (hereinafter "ISS"), a proxy advisory firm, has issued a report recommending voting against the election of Mr Shinji Oe, who is a nominee for Director, with regard to the second proposal for the 82nd Annual General Meeting of Shareholders to be held on 29 May 2025, entitled "the Election of Seven Directors." Sanyo would like to explain our views on the fact that we have not violated ISS's dissident recommendation criteria, as described below.

For our shareholders and investors, please refer to our Notice of the 82nd Annual General Meeting of Shareholders (hereinafter the "Notice of AGM") and the content thereof, and ask for your accurate understanding of the proposal and exercise of your voting rights.

### Notes

#### 1. Overview of ISS's recommendation to vote against our proposal

ISS has established quantitative standards to recommend against proposals for the election of the top executive(s) if a company allocates a significant portion (20% or more) of its net assets to cross-shareholdings.

As stated on page 16 of our Notice of AGM, Sanyo reduced our cross-shareholdings. As a result, the ratio of cross-shareholdings decreased from 22.2% at the end of February 2024 to 14.9% at the end of February 2025.

Notice of AGM

<https://ssl4.eir-parts.net/doc/8011/announcement1/109008/00.pdf>

However, ISS recommends voting against the proposal for the election of our Director based on the ratio as of the end of February 2024.

#### 2. Sanyo's opinion

According to ISS's "Japan Proxy Voting Guidelines 2025," the status of cross-shareholdings is determined in principle by using the information on cross-shareholdings contained in the Annual Securities Report. Therefore, it is presumed that ISS made the above recommendation based on the information contained in the previous year's Annual Securities Report submitted by Sanyo in May 2024.

Note: This document is a translation of the original Japanese document and is only for reference purposes.  
In the any discrepancy between this translated document and the original Japanese document, the later shall prevail.

#### The status of cross-shareholdings

	FY Feb/2024 (PY)		FY Feb/2025 (TY)	
	Number of stocks	Total amount recorded on B/S (¥M)	Number of stocks	Total amount recorded on B/S (¥M)
Unlisted stocks	4	3	2	0
Shares other than unlisted stocks	1	9,174	1	5,869
Total	5	9,177	3	5,869
Consolidated net assets	—	41,258	—	39,301
Cross-shareholdings ratio to consolidated net assets	—	22.2%	—	14.9%

\* There are no applicable items regarding deemed shareholdings.

Sanyo's shareholders and investors are pleased to ask for their correct understanding of the proposal and exercise of their voting rights in light of the fact that we have been reducing the balance of cross-stockholdings to 14.9% of consolidated net assets at the end of the financial year ended 28 February 2025, and that we have clarified our policy of gradually reducing cross-shareholdings in the Medium-Term Business Plan (from the financial year ending 28 February 2026 to the financial year ending 28 February 2028) announced on 14 April 2025 for the financial year ending February 2026 and beyond.