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Dear Shareholders:

I would like to express my appreciation for your continued support and patronage.

I am pleased to present to you this Notice of Convocation of the 30th Annual General Meeting of Shareholders.

At the EF-ON Group we are striving to enhance the sustainability of Japan's energy and material use through the use and regeneration of forest resources.

In the fiscal year ended June 30, 2026, prices increased sharply in a wide range of fields, mainly due to the impact of U.S. tariff measures and conflict in the Middle East. The majority of the EF-ON Group's sales are from electricity sales, most of which are sales through Japan's feed-in tariff (FIT) system. This means that we are structurally constrained from passing cost increases through to electricity sales prices, which has weighed on the Company's overall earnings. To mitigate this impact, we aim to develop our business with the aim of stably increasing future earnings by expanding sales of wood raw materials and manufacturing and selling lumber products.

I would like to conclude this message by asking all shareholders for their further understanding and support.

Tomotada Shimazaki  
President and Representative Director  
EF-ON INC.

(Translation)

Securities Code: 9514

September 4, 2026

Tomotada Shimazaki  
President and Representative Director  
EF-ON INC.  
1-9-2, Marunouchi, Chiyoda-ku,  
Tokyo, Japan

## **NOTICE OF CONVOCAATION OF THE 30TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We are pleased to announce the 30th Annual General Meeting of Shareholders of EF-ON INC. (the “Company”). The meeting will be held for the purposes as described 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. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.ef-on.co.jp/ir/library/meeting/> (in Japanese)

(To refer to these materials, access to the above-mentioned website, select “IR information” from the menu, then “IR library,” then “Materials for the general meeting of shareholders.”)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “EF-ON” in “Issue name (company name)” or the Company’s securities code “9514” 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 are unable to attend the meeting, you can exercise your voting rights via the Internet, etc. or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders, and cast your vote by 5:30 p.m. Japan time on Thursday, September 24, 2026.

[Exercising voting rights via the Internet, etc.]

Access the designated website for the exercise of voting rights (<https://www.web54.net> (in Japanese)), use the voting rights exercise code and password displayed on the Voting Rights Exercise Form that was sent with this Notice, then follow the on-screen instructions to indicate your vote for or against the proposal. Please complete the procedure by the deadline for voting given above.

When exercising voting rights via the Internet, etc., please first refer to the “Guide to Exercise of Voting Rights Via the Internet, etc.”

[Exercising voting rights in writing (by mail)]

Please indicate your vote for or against each proposal on the Voting Rights Exercise Form, and return it so that we receive it by the deadline for voting given above.

**1. Date and Time:** Friday, September 25, 2026 at 10 a.m. Japan time (The venue opens at 9:30 a.m.)

**2. Place:** Tokyo Convention Hall in Tokyo Square Garden, 5F,  
3-1-1 Kyobashi, Chuo-ku, Tokyo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 30th Fiscal Year (July 1, 2025 – June 30, 2026) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-Consolidated Financial Statements for the Company’s 30th Fiscal Year (July 1, 2025 – June 30, 2026)

**Proposals to be resolved:**

**Company proposals**

**Proposal 1:** Election of Nine (9) Directors

**Proposal 2:** Election of One (1) Audit & Supervisory Board Member

**Shareholder proposals**

**Proposal 3:** Amendment to the Articles of Incorporation Regarding the Decision-Making Body for Distribution of Surplus, etc.

**Proposal 4:** Appropriation of Surplus

- 4. Matters Decided Upon Convocation (Guide to Exercise of Voting Rights):**
- (1) If neither approval nor disapproval of each proposal is indicated on the voting form, the Company will deem that you indicated your approval for Company proposals and disapproval for shareholder proposals.
  - (2) The content of each proposal is as listed in the “Reference Documents for the General Meeting of Shareholders” described below. The Board of Directors of the Company opposes the shareholder proposals (Proposal 3 and Proposal 4). For the summaries of the shareholder proposals and the opinions of the Board of Directors of the Company on the shareholder proposals, please refer to pages 15 to 18.

**5. Other Matters Related to Exercise of Voting Rights**

If exercising voting rights by proxy, the proxy must be another shareholder with voting rights.

1. If you attend the meeting in person, please submit the Voting Rights Exercise Form at the reception desk.
2. If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the aforementioned websites.
3. For this General Meeting of Shareholders, paper-based documents stating items subject to measures for electronic provision are sent simultaneously to all shareholders, regardless of whether there was a request for delivery of paper-based documents or not. However, those documents do not include the following items in accordance with the provisions of laws and regulations and Article 13 of the Company’s Articles of Incorporation.

Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 13 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered.

1. “Notes to Consolidated Financial Statements”
2. “Notes to Non-Consolidated Financial Statements”

Accordingly, Consolidated Financial Statements and Non-Consolidated Financial Statements stated in the above-mentioned documents constitute part of the documents that were audited by the Accounting Auditor when preparing its accounting audit report and by Audit & Supervisory Board Members when preparing their audit report.

4. Except in special circumstances, only shareholders may enter the venue. No waiting room will be set up for the meeting.
5. If you are a shareholder who requires assistance with a wheelchair or guidance to seats or restrooms when attending the event, please contact us in advance (03-4500-6450).

## Guide to Exercise of Voting Rights

Exercise of voting rights at the Company's General Meeting of Shareholders is shareholders' important right. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights.

There are three methods to exercise your voting rights as indicated below.

| <b>Attending the meeting in person</b>                                                                                                                                                                       | <b>Exercising voting rights in writing<br/>(by mail)</b>                                                                                                                         | <b>Exercising voting rights via the<br/>Internet, etc.</b>     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| <p>If you attend the meeting in person, please submit the Voting Rights Exercise Form that was sent with this Notice at the reception desk.</p> <p>Date and time of the General Meeting of Shareholders:</p> | <p>Please indicate your vote for or against the proposal on the Voting Rights Exercise Form that was sent with this Notice, and return it to us.</p> <p>Deadline for voting:</p> | <p>Deadline for voting:</p>                                    |
| <p>Friday, September 25, 2026 at 10 a.m.</p>                                                                                                                                                                 | <p>No later than 5:30 p.m. on Thursday, September 24, 2026</p>                                                                                                                   | <p>No later than 5:30 p.m. on Thursday, September 24, 2026</p> |

If voting rights are exercised both in writing (by mail) and via the Internet, etc., votes arriving later shall be considered valid; if both arrive on the same day, voting rights exercised via the Internet, etc. shall be considered valid. Additionally, if voting rights are exercised more than once via the Internet, etc., only the most recent vote shall be deemed valid. Furthermore, if neither approval nor disapproval of each proposal is indicated on the voting form, the Company will deem that you indicated your approval for Company proposals and disapproval for shareholder proposals.

|                                                                                                                                                              |                                                                                                                                                                                                                       |
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| <p>For inquiries on how to use the personal computer or smart phone in relation to the exercise of voting rights via the Internet, etc., please contact:</p> | <p>Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support Dedicated Hotline<br/>Telephone: 0120 (652) 031 (toll free, available only in Japan)<br/>(Business Hours: 9 a.m. – 9 p.m. (Japan time))</p> |
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Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

# Reference Documents for the General Meeting of Shareholders

Company Proposals (Proposal 1 and Proposal 2)

## Proposal 1: Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of nine (9) Directors is proposed.

The candidates for Directors are as follows.

| Candidate No. | Name                      | Current position at the Company     |                                  |                                       |
|---------------|---------------------------|-------------------------------------|----------------------------------|---------------------------------------|
| 1             | <b>Tomotada Shimazaki</b> | <input type="checkbox"/> Reelection |                                  | President and Representative Director |
| 2             | <b>Hisahito Koike</b>     | <input type="checkbox"/> Reelection |                                  | Managing Director                     |
| 3             | <b>Koutaro Fujii</b>      | <input type="checkbox"/> Reelection |                                  | Managing Director                     |
| 4             | <b>Hiroshi Suto</b>       | <input type="checkbox"/> Reelection |                                  | Director                              |
| 5             | <b>Yasuyuki Matsuo</b>    | <input type="checkbox"/> Reelection |                                  | Director                              |
| 6             | <b>Yoshio Kosuge</b>      | <input type="checkbox"/> Reelection |                                  | Director                              |
| 7             | <b>Maiko Sako</b>         | <input type="checkbox"/> Reelection | <input type="checkbox"/> Outside | <input type="checkbox"/> Independent  |
| 8             | <b>Eiko Matsumura</b>     | <input type="checkbox"/> Reelection | <input type="checkbox"/> Outside | <input type="checkbox"/> Independent  |
| 9             | <b>Sou Aoki</b>           | <input type="checkbox"/> Reelection | <input type="checkbox"/> Outside | <input type="checkbox"/> Independent  |

<Reference> Areas of expertise and experience of candidates for Director (Skill Matrix)

\* Not every area of expertise and experience possessed by each candidate is presented.

| No. | Name                      | Corporate management | Finance and accounting | Compliance and risk management | Long-term outlook & strategic thinking | Sustainability management thinking | The Company's business management | Personnel management |
|-----|---------------------------|----------------------|------------------------|--------------------------------|----------------------------------------|------------------------------------|-----------------------------------|----------------------|
| 1   | <b>Tomotada Shimazaki</b> | ○                    | ○                      | ○                              | ○                                      | ○                                  | ○                                 |                      |
| 2   | <b>Hisahito Koike</b>     | ○                    | ○                      | ○                              | ○                                      | ○                                  |                                   | ○                    |
| 3   | <b>Koutaro Fujii</b>      | ○                    |                        | ○                              | ○                                      | ○                                  | ○                                 | ○                    |
| 4   | <b>Hiroshi Suto</b>       |                      |                        | ○                              | ○                                      | ○                                  | ○                                 | ○                    |
| 5   | <b>Yasuyuki Matsuo</b>    |                      |                        | ○                              | ○                                      | ○                                  | ○                                 | ○                    |
| 6   | <b>Yoshio Kosuge</b>      |                      |                        | ○                              | ○                                      | ○                                  | ○                                 | ○                    |
| 7   | <b>Maiko Sako</b>         | ○                    |                        | ○                              | ○                                      | ○                                  |                                   |                      |
| 8   | <b>Eiko Matsumura</b>     | ○                    |                        | ○                              | ○                                      | ○                                  |                                   |                      |
| 9   | <b>Sou Aoki</b>           | ○                    | ○                      | ○                              | ○                                      | ○                                  |                                   |                      |

|                                         |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| Candidate<br>No. 1<br><u>Reelection</u> | <b>Tomotada Shimazaki</b><br>(Date of Birth:<br>August 27, 1962)<br><br>Number of shares of the<br>Company held:<br>24,000 shares | Past experience, positions and responsibilities at the Company, and<br>significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                         |                                                                                                                                   | September 2002 Deputy General Manager, Mitsubishi Securities<br>Co., Ltd.<br><br>June 2005 Corporate Planning Department, the Company<br>September 2006 Director<br>May 2008 President and Representative Director<br>(to present)                                                                                                                                                                                                                                                                                                                                                             |
|                                         |                                                                                                                                   | <b>Reasons for selection as a candidate</b><br>The Company has selected Mr. Tomotada Shimazaki as a candidate<br>for Director because he has abundant experience and achievements<br>from his duties as Representative Director in overseeing management<br>as a whole and is well-versed in business management. The Company<br>has judged that he will be able to continue utilizing his abundant<br>experience and expertise in the management of the Company.                                                                                                                              |
| Candidate<br>No. 2<br><u>Reelection</u> | <b>Hisahito Koike</b><br>(Date of Birth:<br>May 18, 1961)<br><br>Number of shares of the<br>Company held:<br>51,000 shares        | Past experience, positions and responsibilities at the Company, and<br>significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                         |                                                                                                                                   | May 2003 Deputy General Manager, Group Management<br>Department, Administrative Division, and<br>General Manager, KMG Accounting Center,<br>Kyoritsu Maintenance Co., Ltd.<br><br>October 2006 General Manager, Accounting Department, the<br>Company<br>September 2009 Director and General Manager, Finance and<br>Accounting Department<br>March 2011 Director and General Manager, Administrative<br>Division<br>September 2011 Managing Director and General Manager,<br>Administrative Division<br>October 2013 Managing Director and Head of Administrative<br>Division<br>(to present) |
|                                         |                                                                                                                                   | <b>Reasons for selection as a candidate</b><br>The Company has selected Mr. Hisahito Koike as a candidate for<br>Director because he has abundant experience and achievements in the<br>administrative division of the Company as a Director. The Company<br>has judged that he will be able to continue utilizing his operational<br>experience and expertise in the management of the Company.                                                                                                                                                                                               |

| Candidate<br>No. 3<br><u>Reelection</u>                                                                                               |  | Past experience, positions and responsibilities at the Company, and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p><b>Koutaro Fujii</b><br/>(Date of Birth:<br/>March 26, 1964)</p> <p>Number of shares of the<br/>Company held:<br/>4,800 shares</p> |  | <p>April 1997      South Kanto Manager, Sales Division, Copal Electronics Co., Ltd.</p> <p>April 2005      General Manager, Electric Power Business Department, the Company</p> <p>April 2007      General Manager, ESCO Business Division</p> <p>October 2007    Managing Director, VEGLIALaboratories Inc.</p> <p>September 2013   Director and Vice President</p> <p>May 2016      Technology &amp; Development Department, the Company</p> <p>                    Seconded to EF-BIOS INC., General Manager, Bungo-Ono Office</p> <p>September 2016   Director, the Company</p> <p>                    General Manager, Bungo-Ono Office, EF-BIOS INC.</p> <p>July 2017      Director, the Company</p> <p>                    General Manager, Hita Office, EF-BIOS INC.</p> <p>September 2019   Director, the Company</p> <p>                    Executive Officer and General Manager, Preparatory Office, Mibu Power Plant, EF-BIOS INC.</p> <p>January 2020    Director, the Company</p> <p>                    Executive Officer and General Manager, Mibu Office, EF-BIOS INC.</p> <p>June 2020      Director, the Company</p> <p>                    General Manager, Electricity Business Planning Department</p> <p>July 2020      Director and General Manager, Electric Power Project Department</p> <p>June 2022      Director and General Manager, Electric Power Project Department, and General Manager, Sustainability Promotion Preparatory Office</p> <p>December 2022   Director and General Manager, Electric Power Project Department</p> <p>September 2025   Managing Director and Head of Technology &amp; Development Department, Energy Saving Support Department, and Electric Power Project Department, and General Manager, Electric Power Project Department (to present)</p> |
|                                                                                                                                       |  | <p><b>Reasons for selection as a candidate</b></p> <p>The Company has selected Mr. Koutaro Fujii as a candidate for Director because he is well-versed in the energy saving business and the electric power business, and has abundant experience and achievements in these areas. The Company has judged that he will be able to continue utilizing his operational experience and expertise in the management of the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| Candidate<br>No. 4<br>Reelection | <b>Hiroshi Suto</b><br>(Date of Birth:<br>August 26, 1974)<br><br>Number of shares of the<br>Company held:<br>300 shares      | Past experience, positions and responsibilities at the Company, and<br>significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                  |                                                                                                                               | September 2013 Deputy General Manager, Forestry Department,<br>Kyowa Mokuzai Co., Ltd.<br>November 2016 Deputy General Manager, Tokyo Sales Office<br>September 2017 Joined EF-BIOS INC.<br>October 2017 Deputy Manager, Forestry Section, Forestry<br>Department<br>October 2019 General Manager, Forestry Business<br>Department<br>July 2020 Executive Officer and General Manager,<br>Forestry Business Department<br>September 2021 Director, the Company<br>Executive Officer and General Manager,<br>Forestry Business Department, EF-BIOS INC.<br>September 2023 Director, the Company<br>Director and General Manager, Forestry<br>Business Department, EF-BIOS INC. (to<br>present)                                                                                     |
| Candidate<br>No. 5<br>Reelection | <b>Yasuyuki Matsuo</b><br>(Date of Birth:<br>October 9, 1975)<br><br>Number of shares of the<br>Company held:<br>1,500 shares | <b>Reasons for selection as a candidate</b><br>The Company has selected Mr. Hiroshi Suto as a candidate for<br>Director because he is well-versed in forestry business and has<br>abundant experience and achievements as Executive Officer and<br>General Manager of Forestry Business Department of EF-BIOS<br>INC., which is the Company's consolidated subsidiary. The Company<br>has judged that he will be able to continue utilizing his operational<br>experience and expertise in the management of the Company.                                                                                                                                                                                                                                                         |
|                                  |                                                                                                                               | Past experience, positions and responsibilities at the Company, and<br>significant concurrent positions<br>April 1994 Joined DAIICHI DENRO KOGYO K.K.<br>June 2006 Joined EF-BIOS INC.<br>October 2011 Manager, Facilities Group Section, Hita Office<br>April 2016 Manager, Facilities Group Section, Bungo-Ono<br>Office<br>September 2019 Acting General Manager, Hita Office<br>October 2020 General Manager, Hita Office<br>September 2022 Director, the Company<br>Executive Officer and General Manager, Hita<br>Office, EF-BIOS INC.<br>February 2023 Director, the Company<br>Executive Officer and General Manager,<br>Shingu Office, EF-BIOS INC.<br>September 2023 Director, the Company<br>Director and General Manager, Shingu Office,<br>EF-BIOS INC. (to present) |
|                                  |                                                                                                                               | <b>Reasons for selection as a candidate</b><br>The Company has selected Mr. Yasuyuki Matsuo as a candidate for<br>Director because he has abundant experience and achievements as<br>General Manager of power plant, which is a consolidated subsidiary<br>of the Company. The Company has judged that he will be able to<br>continue utilizing his operational experience and expertise in the<br>management of the Company.                                                                                                                                                                                                                                                                                                                                                     |
|                                  |                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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| Candidate<br>No. 6<br><div>Reelection</div>                                           | <b>Yoshio Kosuge</b><br>(Date of Birth:<br>November 27, 1968)<br><br>Number of shares of the<br>Company held:<br>0 shares | Past experience, positions and responsibilities at the Company, and<br>significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                       |                                                                                                                           | <div> <div>April 1987</div> <div>Joined Tochigi Sogo Bank, Ltd. (currently THE TOCHIGI BANK, LTD.)</div> </div> <div> <div>May 1990</div> <div>Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</div> </div> <div> <div>January 2017</div> <div>Executive Officer, as-support Co., Ltd.</div> </div> <div> <div>September 2018</div> <div>Joined EF-BIOS INC.</div> </div> <div> <div>July 2020</div> <div>Manager, Fuel Business Department</div> </div> <div> <div>January 2022</div> <div>Manager, Fuel Business Department and Acting General Manager, Shirakawa Office</div> </div> <div> <div>March 2024</div> <div>General Manager, Fuel Business Department and General Manager, Mibu Office</div> </div> <div> <div>July 2025</div> <div>General Manager, Fuel Business Department</div> </div> <div> <div>September 2025</div> <div>Director, the Company<br/>General Manager, Fuel Business Department, EF-BIOS INC.</div> </div> <div> <div>October 2025</div> <div>Director, the Company<br/>Executive Officer and General Manager, Fuel Business Department, EF-BIOS INC. (to present)</div> </div> <div> <b>Reasons for selection as a candidate</b><br/> The Company has selected Mr. Yoshio Kosuge as a candidate for Director because he has abundant experience and achievements as General Manager of power plant, which is a consolidated subsidiary of the Company, and as General Manager of the Fuel Business Department of EF-BIOS INC. The Company has accordingly judged that he will be able to continue utilizing his operational experience and expertise in the management of the Company. </div> |
| Candidate<br>No. 7<br><div>Reelection</div> <div>Outside</div> <div>Independent</div> | <b>Maiko Sako</b><br>(Date of Birth:<br>November 21, 1980)<br><br>Number of shares of the<br>Company held:<br>0 shares    | Past experience, positions and responsibilities at the Company, and<br>significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                       |                                                                                                                           | <div> <div>December 2008</div> <div>Registered as attorney-at-law</div> </div> <div> <div>January 2009</div> <div>Joined Kasumigaseki Law and Accounting Offices</div> </div> <div> <div>October 2013</div> <div>Junior Partner, Kasumigaseki Law and Accounting Offices</div> </div> <div> <div>March 2015</div> <div>Junior Partner, SAKURADA DORI PARTNERS</div> </div> <div> <div>September 2018</div> <div>Outside Director, the Company (to present)</div> </div> <div> <div>February 2020</div> <div>Partner, SAKURADA DORI PARTNERS (to present)</div> </div> <div> <div>June 2024</div> <div>Outside Director, TECHNO RYOWA LTD. (to present)</div> </div> <div> <b>Reasons for selection as a candidate and outline of roles expected</b><br/> The Company has selected Ms. Maiko Sako as a candidate for Outside Director because, although she has never been directly involved in the management of a company except as an outside officer, she has experience and specialist knowledge in corporate legal affairs as an attorney. The Company has judged that she will continue to appropriately execute her duties as an Outside Director from an objective standpoint as a legal specialist. </div>                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Candidate<br>No. 8<br><div>Reelection</div> <div>Outside</div> <div>Independent</div> | <b>Eiko Matsumura</b><br>(Date of Birth:<br>May 29, 1983)<br><br>Number of shares of the<br>Company held:<br>0 shares | Past experience, positions and responsibilities at the Company, and<br>significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                       |                                                                                                                       | September 2007      Joined Future Architect, Inc.<br>May 2011              CEO, heyday, Inc.<br>April 2014             Representative Director and President, Basket<br>Inc.<br>August 2015           Director, CTO/CDO and General Manager of<br>EC Division, STRIPE INTERNATIONAL INC.<br>November 2017       Director, Smarby, Inc.<br>July 2018               Director, JigyokaSozo Inc. (to present)<br>November 2018       Outside Director, Photream Inc.<br>October 2020          COO, BRH Inc.<br>October 2020          Fellow, Chiba Dojo Inc.<br>September 2024       Outside Director, the Company (to present)<br>October 2025          Director, At mark Inc (to present) |
|                                                                                       |                                                                                                                       | <b>Reasons for selection as a candidate and outline of roles expected</b><br>The Company has selected Ms. Eiko Matsumura as a candidate for Outside Director because of her extensive knowledge of the e-commerce business and experience as an entrepreneur. The Company has judged that she will continue to appropriately execute her duties as an Outside Director.                                                                                                                                                                                                                                                                                                                 |
| Candidate<br>No. 9<br><div>Reelection</div> <div>Outside</div> <div>Independent</div> | <b>Sou Aoki</b><br>(Date of Birth:<br>September 21, 1984)<br><br>Number of shares of the<br>Company held:<br>0 shares | Past experience, positions and responsibilities at the Company, and<br>significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                       |                                                                                                                       | April 2007              Joined Recruit Co., Ltd.<br>June 2016              Joined The Gibraltar Life Insurance Co., Ltd.<br>February 2018       Representative Director and President,<br>Loveable Inc. (to present)<br>October 2019          Joined Surpass Co., Ltd., Director<br>May 2024               Outside Director, ARBEIT-TIMES CO., LTD.<br>(to present)<br>September 2024       Outside Director, the Company (to present)<br>June 2026               Outside Director, BTM, Inc. (to present)                                                                                                                                                                              |
|                                                                                       |                                                                                                                       | <b>Reasons for selection as a candidate and outline of roles expected</b><br>The Company has selected Ms. Sou Aoki as a candidate for Outside Director because of her abundant experience and high level of insight in corporate management and financial affairs, having worked in corporate planning and sales at listed companies, and been involved in supporting various companies as a director of the company she founded. The Company has judged that she will continue to appropriately execute her duties as an Outside Director.                                                                                                                                             |

- (Notes) 1. No particular relationship of interest exists between the Company and any of the candidates for Directors.
2. Ms. Maiko Sako, Ms. Eiko Matsumura and Ms. Sou Aoki are candidates for Outside Directors.
3. The Company has registered Ms. Maiko Sako, Ms. Eiko Matsumura and Ms. Sou Aoki with the Tokyo Stock Exchange as independent officers under the stipulations of the said exchange. If their reelection is approved, the Company intends to maintain their designation as independent officers.
4. Ms. Maiko Sako currently serves as an Outside Director of the Company and her term of office as an Outside Director will be eight years as of the conclusion of this General Meeting of Shareholders. Ms. Eiko Matsumura and Ms. Sou Aoki currently serve as Outside Directors of the Company and their terms of office as Outside Directors will be two years as of the conclusion of this General Meeting of Shareholders.
5. In accordance with the provisions of the Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Ms. Maiko Sako, Ms. Eiko Matsumura and Ms. Sou Aoki to limit their liability for damages, as stipulated in Article 423, paragraph (1) of the same Act. If the elections of Ms. Maiko Sako, Ms. Eiko Matsumura and Ms. Sou Aoki are approved, the Company plans to continue the said agreements with them. The maximum amount of liability

pursuant to the said agreement is the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act.

6. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all of the Company's Directors and Audit & Supervisory Board Members as the insureds. This insurance policy covers the insured's losses and such costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured as an officer or a person at a certain position of the Company. If each candidate is elected and assumes office, the Company plans to include each of them as an insured in the insurance policy. In addition, when this insurance policy is renewed, the Company plans to renew the policy with the same terms.

## Proposal 2: Election of One (1) Audit & Supervisory Board Member

The term of office of Mr. Shinichi Yada as Audit & Supervisory Board Member will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed. In addition, this proposal has received the approval of the Audit & Supervisory Board.

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                 |                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <b>Shinichi Yada</b><br>(Date of Birth:<br>September 7, 1960)<br><br>Number of shares of the Company held:<br>0 shares                                                                                                                                                                                                                                                                                                                                                               | Past experience, positions at the Company, and significant concurrent positions |                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | April 1984                                                                      | Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | December 2008                                                                   | Full-time Outside Audit & Supervisory Board Member, KONAKA CO., LTD.         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | December 2012                                                                   | Senior Manager, Public Relations Department, Headquarters, Teikyo University |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | September 2016                                                                  | Outside Director, the Company                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | October 2017                                                                    | Senior Manager, Personnel Department, Headquarters, Teikyo University        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | September 2018                                                                  | Full-time Audit & Supervisory Board Member, the Company (to present)         |
| <b>Reasons for selection as a candidate</b><br>The Company has selected Mr. Shinichi Yada as a candidate for Audit & Supervisory Board Member because he has experience as an Outside Director of the Company and a Full-time Outside Audit & Supervisory Board Member, in addition to specialist knowledge developed through serving at a major financial institution. The Company has judged that he will appropriately execute his duties as an Audit & Supervisory Board Member. |                                                                                 |                                                                              |

- (Notes) 1. No particular relationship of interest exists between the Company and the candidate for Audit & Supervisory Board Member.
2. In accordance with the provisions of the Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Shinichi Yada to limit his liability for damages, as stipulated in Article 423, paragraph (1) of the same Act. If the election of Mr. Shinichi Yada is approved, the Company plans to continue the said agreement with him. The maximum amount of liability pursuant to the said agreement is the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act.
3. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all of the Company's Directors and Audit & Supervisory Board Members as the insureds. This insurance policy covers the insured's losses and such costs as related litigation expenses incurred from claims for damages arising from acts (including nonfeasance) carried out by the insured as an officer or a person at a certain position of the Company. If the candidate is elected and assumes office, the Company plans to include him as an insured in the insurance policy. In addition, when this insurance policy is renewed, the Company plans to renew the policy with the same terms.

## Shareholder Proposals (Proposal 3 and Proposal 4)

Proposal 3 and Proposal 4 are proposals from a single shareholder. The proposal submitted by the proposing shareholder is reproduced verbatim on page 18.

### **Proposal 3: Amendment to the Articles of Incorporation Regarding the Decision-Making Body for Distribution of Surplus, etc.**

#### **1. Details of the proposal**

Amendment to the Articles of Incorporation regarding the decision-making body for distribution of surplus, etc.

#### **2. Details of the amendments**

Details of the amendments are as follows.

(Underlines indicate amended parts.)

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>(Decision-Making Body for Distribution of Surplus, etc.)</u></p> <p><u>Article 46.</u></p> <p><u>Matters set forth in each item of Article 459, paragraph (1) of the Companies Act, including the distribution of surplus, shall be determined by resolution of the Company's Board of Directors, excluding cases otherwise provided for by laws and ordinances.</u></p> <p><u>(Distribution of Surplus)</u></p> <p><u>Article 47.</u></p> <p>1. <u>The Company may distribute dividends of surplus to shareholders or registered pledgees of shares recorded in the final shareholders register at the record date.</u></p> <p>2. <u>The Company's record date for year-end dividends shall be June 30 every year.</u></p> <p>3. <u>The Company's record date for interim dividends shall be December 31 every year.</u></p> <p>4. <u>In addition to the preceding two paragraphs, the Company may decide on a record date and distribute dividends of surplus.</u></p> | <p><u>(Distribution of Surplus)</u></p> <p><u>Article 46.</u></p> <p><u>The Company may, by resolution of the General Meeting of Shareholders, distribute dividends of surplus to shareholders or registered pledgees of shares stated or recorded in the final shareholder register at June 30 of each year.</u></p> <p><u>(Interim Dividend)</u></p> <p><u>Article 47.</u></p> <p><u>The Company may, by resolution of the Board of Directors, distribute dividends of surplus to shareholders or registered pledgees of shares stated or recorded in the final shareholders register at December 31 of each year.</u></p> |

#### Opinion of the Board of Directors of the Company

The Board of Directors of the Company **opposes** this shareholder proposal.

The Company recognizes shareholder returns as an important management issue.

On the other hand, the Group is engaged in the wood biomass power generation business, the Electricity Retailing Business, and the forestry business, and is conducting continuous growth investment and business foundation enhancement to achieve medium- to long-term corporate value increase while responding to a changing business environment.

For our dividend policy, we need make flexible decisions, giving overall consideration not only to shareholder returns, but also our future investment plan, financial soundness, and business environment.

For this reason, at the 11th Annual General Meeting of Shareholders held on September 19, 2007, the Company received approval for a change to the current Articles of Incorporation, in which the distribution of surplus, etc. is a matter for resolution by the Board of Directors, for the purpose of further clarifying the Board of Directors' responsibility for management and executing flexible capital policy and dividend policy in response to the rapid changes in the management environment.

The Company recognizes that shareholder returns are still an important management issue; however, from a perspective of increasing corporate value and shareholders' common interests, we consider the current system to be rational as it enables capital policy and dividend policy to be executed flexibly. Therefore, the Board of Directors of the Company opposes this shareholder proposal.

## Proposal 4: Appropriation of Surplus

Provided that Proposal 3 “Amendment to the Articles of Incorporation Regarding the Decision-Making Body for Distribution of Surplus, etc.” is approved and adopted, the year-end dividend shall be as follows.

1. **Type of dividend property**  
To be distributed in cash.
2. **Allotment of dividend property and their aggregate amount**  
The amount shall be ¥30 per common share of the Company.  
The total dividends in this case would be ¥649,049,520.
3. **Effective date of distribution of surplus**  
October 16, 2026

Opinion of the Board of Directors of the Company

The Board of Directors of the Company **opposes** this shareholder proposal.

The Company has positioned stable, continuous shareholder returns as an important management policy.

On the other hand, the Group is working on important management issues such as expanding the Electricity Retailing Business, enhancing the competitiveness of the wood biomass power generation business, and improving the profitability of the forestry business. Steadily promoting these initiatives and realizing a medium- to long-term increase in corporate value requires continuous investment and maintenance of the Company’s financial foundation.

We believe that the dividend policy should not be decided based on the results of a single fiscal year alone, but that overall consideration should be given to the business environment, investment opportunities, the Company’s financial position, and its future growth strategies.

The Board of Directors of the Company judges that aiming for the appropriate balance between shareholder returns and growth investment will contribute to medium- to long-term corporate value increase and shareholders’ common interests.

Therefore, the Board of Directors of the Company opposes the shareholder proposal.

## Shareholder Proposal Document

July 10, 2026

To Mr. Tomotada Shimazaki, President and Representative Director, EF-ON INC.

Shareholder name omitted

Pursuant to Article 303 of the Companies Act, I propose the following.

### I 1 Details of the proposal

With sincere gratitude to the Company's employees, it is proposed that the Articles of Incorporation stipulate that resolutions regarding dividends be matters for resolution by the General Meeting of Shareholders for the following reasons.

### 2 Reasons for the proposal

Deciding on dividends by resolution of the Board of Directors in no way reflects the 'will of the shareholders.' For example, over the past nine years (from 2017 to 2025), what has been paid each year is only "an annual dividend of ¥8 per share." There has been no "dividend increase" whatsoever. If the dividend for the fiscal year ended June 30, 2026 is also "a dividend of ¥8," then it will be ten years without any "dividend increase" whatsoever. Can this really be described as 'adequate shareholder returns' or 'shareholder-focused'?

### II 1 Details of the proposal

If the above proposal is approved, it is proposed that the dividend for the fiscal year ended June 30, 2026 be determined anew at ¥30 per share.

### 2 Reasons for the proposal

(1) No share splits have been conducted since a "1.2-for-1 share split" conducted in 2018, (2) no "share repurchase" has ever been conducted, (3) on June 11, 2018, the stock price was ¥1,508, and has not exceeded this level even once since then, and (4) net assets per share (liquidation value) as of December 2025, in other words, 'the aggregate profit representing the result of the efforts of the Company's employees over the course of 28 long years' stood at '¥887 per share,' and yet as of July 1 this year, the stock price was only ¥314.

It seems that 'appropriate dividends based on an appropriate dividend payout ratio (an indicator of the level of proactivity in shareholder returns)' based on the gist of "Action to Implement **Management that is Conscious of Cost of Capital and Stock Price**," requested of all listed companies by the Tokyo Stock Exchange on March 31, 2023, and "Key Points and Examples Considering **The Investor's Point of View** in Regard to '**Management Conscious of Cost of Capital and Stock Price**,'" published by the said exchange on February 1, 2024 (emphasis added by the proposer using boldface), are also necessary to increase EF-ON's stock price, which is to say EF-ON's corporate value.

Furthermore, share dividends are paid only once a year. From a shareholder-centric perspective, the Company should pay an interim dividend. Shouldn't the Company be able to expect shareholders to use their interim dividend to purchase more EF-ON shares? This is "a share repurchase conducted by shareholders."

Naturally, I would appreciate your "timely disclosure" regarding your receipt of this proposal document.

Thank you for your attention.

# Business Report

(July 1, 2025 – June 30, 2026)

## 1. Overview of the Company Group

### (1) Business Progress and Results

During the fiscal year ended June 30, 2026, the Japanese economy was affected by increasing downward pressure on the global economy, mainly reflecting concerns over the impact on oil prices and international logistics of a further increase in tensions in the Middle East triggered by the military action of the United States against Iran. In Japan, the country's first female prime minister was inaugurated, and measures with direct impact on the lives of citizens were implemented, such as the easing of income thresholds and the abolition of the provisional gasoline tax rate. On the other hand, government policies, such as the promotion of defense equipment exports, an increase in the budget for defense policies, the establishment of a National Intelligence Council, a secondary capital initiative, and the revision of the Imperial House Law, are being promoted, leading to increased public interest in government administration. In addition, in foreign exchange, the yen continued to experience an underlying depreciation trend, as initiatives to normalize monetary policy were accelerated. On the other hand, price increases for various commodities affected the lives of Japanese citizens and corporate activities, and concerns over a stall in global logistics are giving rise to widespread uncertainty regarding the future. In this situation, wage growth was apparent mainly at large corporations in response to demands for pay increases against a backdrop of rising prices. In terms of corporate management, however, concerns over business operation remain regarding uncertainties such as passing cost increases through to prices of finished goods, merchandise, and services, addressing labor shortages, and a slowdown in procurement of crude oil-derived materials and components.

In our industry, trading unit prices on the Japan Wholesale Electric Power Exchange held steady at relatively low levels. However, concerns regarding procurement of crude oil, natural gas, and so forth due to increased tensions in the Middle East caused a further increase in futures prices on the electric power exchange. In response, the Japanese government moved to eliminate concerns over supply instability of energy and raw materials by swiftly releasing national reserves of crude oil and implementing emergency measures to mitigate sharp increases in fuel oil prices in an effort to alleviate the effects on people's daily lives and a slowdown in economic activity.

Against this backdrop, in the Company's Energy Saving Support Business, net sales and profits both increased compared with the previous fiscal year as existing projects continued to generate sales, and facility renewal projects of customers and new facility construction at a Group company were completed. This segment's internal sales and transfer amounts are the construction sales related to the production facility expansion at a Group subsidiary.

In the power generation business of the Green Energy Business, despite continued adverse conditions regarding fuel procurement for the EF-ON SHINGU Power Plant, net sales and operating profit both increased compared with the results for the previous fiscal year and a certain degree of improvement in performance was seen. The EF-ON SHIRAKAWA Power Plant implemented voluntary output curtailment during periods when excess electricity supply from solar power generation caused market prices to fall to almost ¥0 in the power grids. In addition, the EF-ON HITA Power Plant and the EF-ON MIBU Power Plant experienced a suspension of connection to the grid interconnection line due to lightning strikes, and an unplanned outage caused by the maintenance of certain auxiliary equipment. Nevertheless, the volume of transmitted electricity of the Group's power plants overall increased year on year, resulting in an increase in net sales. On the other hand, in terms of costs, while the EF-ON HITA Power Plant reduced expenses in the previous fiscal year by conducting two years of continuous operation, during the fiscal year under review, all power stations conducted maintenance as usual, and corresponding expenses were recorded. At EF-ON HITA, maintenance cost was higher than in usual years as it followed two years of continuous operation. At other power plants, expenses also increased due to higher materials and labor costs compared with the previous fiscal year. Other factors that increased costs were mainly ash disposal costs, reflecting an increase in the unit cost of disposal as well as an increase in the volume of ash disposed of due to improved capacity utilization at EF-ON SHINGU.

In the forestry business, we are proactively implementing strategies to increase the production volume of raw timber. For this reason, we increased personnel involved in felling operations and transportation, and proceeded with introduction of facilities and equipment to increase efficiency. Raw material production volume increased 29.6% compared with the result for the previous fiscal year, including raw

materials supplied to the Group's power plants, driving a sharp increase in net sales. However, due to increases in personnel expenses and other expenses associated with the increase in personnel, facility maintenance expenses, and depreciation expenses, profits did not reach the planned level.

Note that this segment's internal sales and transfer amounts in segment information increased significantly compared with the previous fiscal year, reflecting electricity generated by Group power plants that was procured by the Electricity Retailing Business of parent company EF-ON for sale to external customers.

In the Company's Electricity Retailing Business, net sales grew significantly as a result of efforts to acquire more power purchase agreements. Meanwhile, with regard to the form of power purchase agreements, market-linked agreements decreased while fixed-unit-price agreements increased, and as a result, profits did not reach a level commensurate with the increase in net sales. In particular, from April to June, following the increase in tensions in the Middle East, market prices on the Japan Wholesale Electric Power Exchange further rose, with this segment recording a loss of ¥289 million for the full year as a result. As the volume of electricity on fixed-unit-price agreements has increased, in preparation for future increases in market prices, the Company uses electricity futures trading for a certain portion of its volume of contracted electricity to stabilize future earnings. Gain on electricity futures trading realized in the fiscal year under review amounted to ¥397 million, which produced a profit of ¥107 million, taking into account the loss in this segment. Moreover, the valuation of electricity futures trading for future periods increased, resulting in the recognition of significant valuation gains in non-operating income.

As a result, with regard to the business performance of the Group in the fiscal year under review, net sales amounted to ¥20,737 million (17.8% increase on a year-on-year basis), operating profit amounted to ¥419 million (68.2% decrease on a year-on-year basis), ordinary profit amounted to ¥1,672 million (51.6% increase on a year-on-year basis), and profit attributable to owners of parent was ¥1,198 million (69.7% increase on a year-on-year basis).

#### **(Energy Saving Support Business)**

During the fiscal year under review, this segment maintained a certain level of profitability, amid strong performance in new orders and existing ongoing projects. In addition to orders for partial renewal of equipment, the completion of new facility construction at a Group company produced a significant increase in internal sales, resulting in an increase in segment sales and profits.

With regard to the business performance of this segment in the fiscal year under review, net sales were ¥954 million (367.4% increase on a year-on-year basis) and segment profit amounted to ¥69 million (80.7% increase on a year-on-year basis).

#### **(Green Energy Business)**

During the fiscal year under review, the Green Energy Business saw an increase in the volume of electricity transmitted by the Group's power plants overall, as well as an increase in net sales, compared with the previous fiscal year, despite the continued situation where the EF-ON SHINGU Power Plant was obliged to curtail output caused by fuel shortages. Although net sales for the overall segment increased due to an increase in the sales volume of logs in the forestry business compared with the previous fiscal year, since the electricity generated at the Group's power plants is supplied to the Electricity Retailing Business, the increase in sales volume in the Electricity Retailing Business resulted in a decrease in this segment's sales to external customers and an increase in internal sales. Meanwhile, on the cost front, although maintenance costs at the EF-ON MIBU Power Plant decreased compared with the previous fiscal year, maintenance costs at other Group power plants increased significantly. This was mainly due to a significant increase in maintenance costs at the EF-ON HITA Power Plant in the fiscal year under review despite a significant decrease in the previous fiscal year due to two years of continuous operation, as well as increases in expenses for materials and labor at all power plants. In addition, with regard to the increase in expenses, factors that weighed on profits included an increase in ash processing costs at all power plants except EF-ON SHIRAKAWA, as well as increases in personnel expenses associated with an increase in personnel, depreciation expenses for operational facilities and equipment, consumables, and other items in the forestry business.

With regard to the business performance of this segment in the fiscal year under review, net sales were ¥16,912 million (4.3% increase on a year-on-year basis) and segment profit amounted to ¥722 million (40.5% decrease on a year-on-year basis).

### **(Electricity Retailing Business)**

During the fiscal year under review, this segment achieved significant growth in net sales due to its focus on expanding volumes of contracted electricity sold to its customers. In this segment, electricity is purchased at the market price on the Japan Wholesale Electric Power Exchange, since Group power plants are mainly power generating facilities on the FIT system. The form of agreements under which the Group sells power to customers includes an agreement with transaction unit prices linked to market prices and an agreement under which electricity is sold at fixed unit prices. As the Group expanded its volume of contracted electricity, the number of fixed-unit-price agreements increased. Accordingly, in preparation for future increases in market prices, the Company uses electricity futures trading for a certain portion of its contracted sales volume to stabilize earnings. However, under current accounting standards, it is difficult to apply hedge accounting to this electricity futures trading with regard to electricity purchasing, and gains and losses arising due to the electricity futures trading are recorded in non-operating income and expenses.

When the market price increases, costs also increase for fixed-unit-price purchase agreements, which is a factor weighing on operating profit. During the fiscal year under review, the cost of electricity purchases from April to June increased significantly, which reduced segment profit. With regard to electricity futures trading, realized gain on electricity futures trading and gain on valuation of derivatives for future contract months are classified and recorded as non-operating income.

With regard to the business performance of this segment in the fiscal year under review, net sales were ¥7,407 million (105.5% increase on a year-on-year basis) and segment loss amounted to ¥289 million (segment profit of ¥130 million in the previous fiscal year).

Business performance in relation to external transactions in each segment is as follows.

| (Millions of yen)              |                        |                               |
|--------------------------------|------------------------|-------------------------------|
| Business classification        | Consolidated net sales | Consolidated operating profit |
| Energy Saving Support Business | 278                    | 69                            |
| Green Energy Business          | 13,125                 | 722                           |
| Electricity Retailing Business | 7,332                  | (289)                         |
| Corporate (common)             | —                      | (82)                          |
| Total                          | 20,737                 | 419                           |

## (2) Capital Investments

In the fiscal year under review, the total amount of capital investments made by companies in the Group was ¥1,726 million, and the main components thereof are as follows.

### a) Key Facilities Completed in the Fiscal Year Under Review

|                       |              |                     |
|-----------------------|--------------|---------------------|
| Green Energy Business | EF-BIOS INC. | Lumbermill facility |
|-----------------------|--------------|---------------------|

### b) Ongoing Construction of New Key Facilities and Expansion of Existing Key Facilities in the Fiscal Year Under Review

There is no relevant information.

### c) Sales, Removal, or Loss of Significant Non-current Assets in the Fiscal Year Under Review

There is no relevant information.

## (3) Issues to Be Addressed

In order to make even greater strides in the Electricity Retailing Business and the Green Energy Business, the Group's mainstay businesses, we will pursue stable, high utilization at wood biomass power plants and expand sales of electricity with added environmental value.

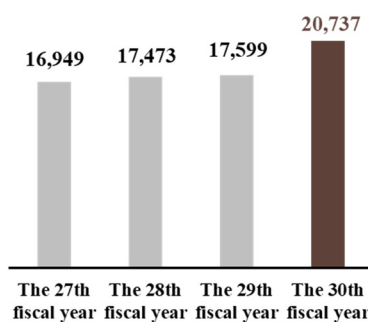
For wood biomass power plant operations, we recognize that an urgent task is to improve business earnings by working to reduce fuel procurement costs while securing necessary volumes. In the forestry business, it is essential to increase the yield to improve profitability. We recognize important challenges in efficiently expanding acquisition of land for forestry operations and advancing mechanization, as well as establishing the expertise for increasing production volume.

Therefore, we recognize that the significant management issues are securing and training the specialist personnel to undertake these operations and continuing to execute operations.

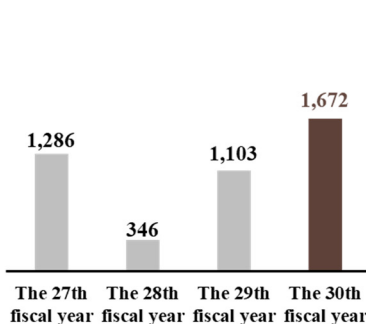
## (4) Assets and Income

| (Millions of yen)                       |                                               |                                               |                                               |                                                                             |
|-----------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------|
| Item \ Period                           | The 27th fiscal year<br>(ended June 30, 2023) | The 28th fiscal year<br>(ended June 30, 2024) | The 29th fiscal year<br>(ended June 30, 2025) | The 30th fiscal year<br>(fiscal year under review)<br>(ended June 30, 2026) |
| Net sales                               | 16,949                                        | 17,473                                        | 17,599                                        | 20,737                                                                      |
| Ordinary profit                         | 1,286                                         | 346                                           | 1,103                                         | 1,672                                                                       |
| Profit attributable to owners of parent | 824                                           | 281                                           | 706                                           | 1,198                                                                       |
| Profit per share (Yen)                  | 38.36                                         | 13.14                                         | 33.26                                         | 56.67                                                                       |
| Net assets                              | 18,190                                        | 18,234                                        | 18,684                                        | 19,710                                                                      |
| Total assets                            | 45,718                                        | 45,262                                        | 44,576                                        | 44,621                                                                      |

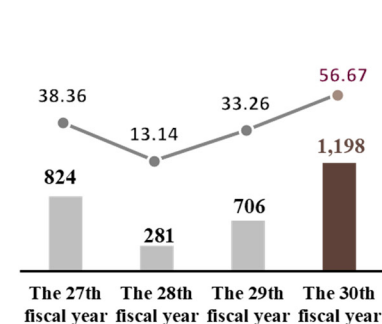
■ **Net sales**  
(Millions of yen)



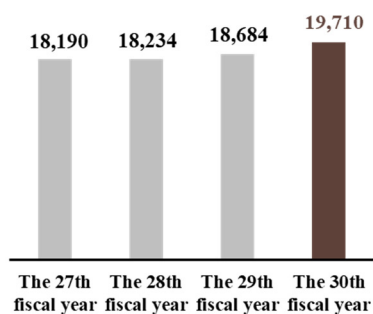
■ **Ordinary profit**  
(Millions of yen)



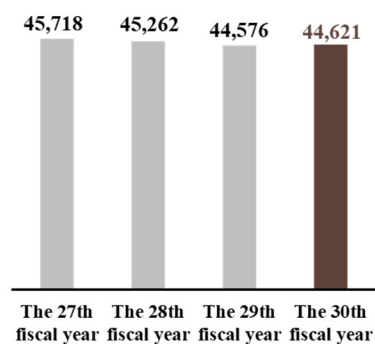
■ **Profit attributable to owners of parent** ○ **Profit per share**  
(Millions of yen) (Yen)



■ **Net assets**  
(Millions of yen)



■ **Total assets**  
(Millions of yen)



**(5) Significant Subsidiaries**

| Company name                 | Capital      | Ratio of voting rights held | Principal business                                              |
|------------------------------|--------------|-----------------------------|-----------------------------------------------------------------|
| EF-ON HITA INC.              | ¥495 million | 100.00%                     | Wood biomass power generation business                          |
| EF-ON SHIRAKAWA INC.         | ¥441 million | 100.00%                     | Wood biomass power generation business                          |
| EF-ON BUNGO-ONO INC.         | ¥450 million | 100.00%                     | Wood biomass power generation business                          |
| EF-ON MIBU INC.              | ¥1 million   | 100.00%                     | Wood biomass power generation business                          |
| EF-ON SHINGU INC.            | ¥1 million   | 100.00%                     | Wood biomass power generation business                          |
| EF-BIOS INC.                 | ¥10 million  | 100.00%                     | Sale of biomass fuel, contracted power plant operation business |
| SOLEIL HITA COMPANY, LIMITED | ¥10 million  | 100.00%                     | Solar power plant operation and site leasing business           |

**(6) Principal Business (as of June 30, 2026)****1) Energy Saving Support Business**

In the Energy Saving Support Business, the Company provides services supporting energy saving for the facilities of corporate clients and other clients, as well as the introduction of renewable energy. In addition to finding out the energy usage of clients and providing an energy saving diagnosis, the Company provides a full range of services, from the design and installation of actual energy saving equipment and systems based on the results of the diagnosis, to subsequent operation. As a form of integrated energy management, the Company also provides services related to tracking clients' energy usage, formulating plans for reducing energy usage, improving operation and facilities, and measurement of the reduction in energy usage, in addition to services such as support for the introduction of renewable energy, and consulting regarding the control and reduction of carbon dioxide emissions.

**2) Green Energy Business**

In the Green Energy Business, the Company converts renewable, natural energy into electric power. In response to social demands to improve the environment such as reducing carbon dioxide emissions, etc., the Company develops, constructs, and operates environmentally friendly power plants, particularly those using wood biomass (Note) as a source of energy among various forms of renewable energy. At present, in the Group, FIT-approved wood biomass power plants are operated by EF-ON HITA, EF-ON BUNGO-ONO, EF-ON MIBU, and EF-ON SHINGU. In January 2023, EF-ON SHIRAKAWA transitioned to an FIP (Feed in Premium) system. Through the effective utilization of waste wood materials and forest resources, EF-BIOS INC. is at the core of the Green Energy Business as a company specializing in the operation of wood biomass power plants and the supply of wood biomass fuel.

**(Note) Wood biomass**

Biomass is a concept that expresses a mass of biological resources (bio), and is described as “renewable, organic, biological resources, excluding fossil resources.”

Wood biomass refers to organic matter originating in trees that may be used as an energy source.

The Group engages in the business of generating power from new energy sources, whereby woodchips are used as fuel for generating power after being selected and crushed from waste materials from lumbermills and wood processing plants, etc., waste construction materials from construction and demolition sites, and other sources of wood. Biomass resources are considered “carbon neutral,” as the carbon dioxide emitted by burning biomass does not harm the balance of carbon dioxide on a global scale because plants take carbon dioxide from the air by photosynthesis in order to grow. In addition, biomass resources have garnered attention as a “renewable resource” which, if properly managed, can be used on a long-term basis without being depleted, unlike fossil fuels such as oil.

**3) Electricity Retailing Business**

In the Electricity Retailing Business, the Company engages in electricity retailing and market transactions with the aim of enhancing the overall efficiency of energy use in society by optimizing the balance between electric power supply and demand. The Company supplies customers with low environmental impact electricity generated at the Group's wood biomass power plants.

**(7) Main Business Locations and Plants (as of June 30, 2026)**

|              |                               |                                                     |
|--------------|-------------------------------|-----------------------------------------------------|
| The Company  | Head Office:                  | 1-9-2, Marunouchi, Chiyoda-ku, Tokyo, Japan         |
| Subsidiaries | EF-ON HITA INC.:              | Hita City, Oita Prefecture                          |
|              | EF-ON SHIRAKAWA INC.:         | Shirakawa City, Fukushima Prefecture                |
|              | EF-ON BUNGO-ONO INC.:         | Bungo-Ono City, Oita Prefecture                     |
|              | EF-ON MIBU INC.:              | Mibu-machi, Shimotsuga District, Tochigi Prefecture |
|              | EF-ON SHINGU INC.:            | Shingu City, Wakayama Prefecture                    |
|              | EF-BIOS INC.:                 | Chiyoda-ku, Tokyo                                   |
|              | SOLEIL HITA COMPANY, LIMITED: | Hita City, Oita Prefecture                          |

**(8) Employees (as of June 30, 2026)**

Group Employees

| Business division              | Number of employees | Increase (decrease) from the previous fiscal year-end |
|--------------------------------|---------------------|-------------------------------------------------------|
| Energy Saving Support Business | 1                   | —                                                     |
| Green Energy Business          | 272                 | 16                                                    |
| Electricity Retailing Business | 8                   | (3)                                                   |
| Corporate (common)             | 16                  | —                                                     |
| Total                          | 297                 | 13                                                    |

(Note) The number of employees refers to full-time employees, and does not include temporary employees (employees working on a part-time, commission, advisory, or dispatch basis).

**(9) Main Lenders (as of June 30, 2026)**

(Millions of yen)

| Lender                              | Outstanding loan amount |
|-------------------------------------|-------------------------|
| Sumitomo Mitsui Banking Corporation | 5,653                   |
| Japan Finance Corporation           | 4,165                   |
| MUFG Bank, Ltd.                     | 3,303                   |
| Mizuho Bank, Ltd.                   | 2,240                   |
| The Kiyo Bank, Ltd.                 | 1,705                   |
| The Bank of Yokohama, Ltd.          | 1,410                   |

**(10) Other Important Information Concerning the Company Group**

There is no relevant information.

## 2. Information on Shares of the Company

### Status of Shares (as of June 30, 2026)

|                                                   |                   |
|---------------------------------------------------|-------------------|
| 1) Total number of shares authorized to be issued | 69,840,000 shares |
| 2) Total number of shares outstanding             | 21,635,024 shares |
| 3) Number of shareholders                         | 9,849 persons     |
| 4) Major shareholders (top 10 shareholders)       |                   |

| Shareholder name                                     | Number of shares | Shareholding ratio |
|------------------------------------------------------|------------------|--------------------|
| NIHON TECHNO CO., LTD.                               | 7,049,280        | 32.58%             |
| UH6 Inc.                                             | 1,601,700        | 7.40%              |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 1,282,600        | 5.92%              |
| Custody Bank of Japan, Ltd. (Trust Account)          | 809,100          | 3.73%              |
| SBI SECURITIES Co., Ltd.                             | 290,648          | 1.34%              |
| UH Partners 2 Investment Limited Partnership         | 264,200          | 1.22%              |
| Hikari Tsushin K.K. Investment Limited Partnership   | 236,000          | 1.09%              |
| Rakuten Securities, Inc.                             | 228,500          | 1.05%              |
| Hikari Tsushin K.K.                                  | 216,300          | 0.99%              |
| CACEIS BANK, LUXEMBOURG BRANCH/UCITS-FULL TAX        | 209,200          | 0.96%              |

(Notes) 1. Of the 809,100 shares held by Custody Bank of Japan Ltd. (in a trust account) listed above, 479,500 are shares of the Company held as the assets in trust of the "Stock Benefit Trust."  
2. The shareholding ratio is calculated after subtracting 40 treasury shares.

### 3. Company Officers

#### (1) Company Officers

Directors and Audit & Supervisory Board Members (as of June 30, 2026)

| Position at the Company                    | Name               | Responsibilities and significant concurrent positions                                                                                                                        |
|--------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| President and Representative Director      | Tomotada Shimazaki |                                                                                                                                                                              |
| Managing Director                          | Hisahito Koike     | Head of Administrative Division                                                                                                                                              |
| Managing Director                          | Koutaro Fujii      | Head of Technology & Development Department, Energy Saving Support Department, and Electric Power Project Department, and General Manager, Electric Power Project Department |
| Director                                   | Hiroshi Suto       | Director and General Manager, Forestry Business Department, EF-BIOS INC.                                                                                                     |
| Director                                   | Yasuyuki Matsuo    | Director and General Manager, Shingu Office, EF-BIOS INC.                                                                                                                    |
| Director                                   | Yoshio Kosuge      | Executive Officer and General Manager, Fuel Business Department, EF-BIOS INC.                                                                                                |
| Director                                   | Maiko Sako         | Partner, SAKURADA DORI PARTNERS<br>Outside Director, TECHNO RYOWA LTD.                                                                                                       |
| Director                                   | Eiko Matsumura     | Director, JigyokaSozo Inc.<br>Director, At mark Inc                                                                                                                          |
| Director                                   | Sou Aoki           | Representative Director and President, Loveable Inc.<br>Outside Director, ARBEIT-TIMES CO., LTD.<br>Outside Director, BTM, Inc.                                              |
| Full-time Audit & Supervisory Board Member | Shinichi Yada      |                                                                                                                                                                              |
| Audit & Supervisory Board Member           | Hidehito Mochizuki | Director, Mochizuki Certified Public Accountant Office<br>Director, Mochizuki Tax Accountant Office                                                                          |
| Audit & Supervisory Board Member           | Shuji Makiura      |                                                                                                                                                                              |

- (Notes)
1. Directors, Ms. Maiko Sako, Ms. Eiko Matsumura and Ms. Sou Aoki, are Outside Directors.
  2. Audit & Supervisory Board Members, Mr. Hidehito Mochizuki and Mr. Shuji Makiura, are Outside Audit & Supervisory Board Members.
  3. Full-time Audit & Supervisory Board Member, Mr. Shinichi Yada has experience as an Outside Director, in addition to specialist knowledge developed through serving at a major financial institution.  
Audit & Supervisory Board Member, Mr. Hidehito Mochizuki, is well-versed in corporate management matters as a certified public accountant and certified public tax accountant, and has a considerable level of insight in accounting and tax matters, in addition to abundant knowledge and experience as an Audit & Supervisory Board Member.  
Audit & Supervisory Board Member, Mr. Shuji Makiura has experience as a business manager and technical knowledge related to the power generation business, which is the foundation of our business.
  4. The Company has registered Directors, Ms. Maiko Sako, Ms. Eiko Matsumura and Ms. Sou Aoki, and Audit & Supervisory Board Members, Mr. Hidehito Mochizuki and Mr. Shuji Makiura, with the Tokyo Stock Exchange as independent officers under the stipulations of the said exchange.

**(2) Matters Related to Agreement on Limitation of Liability**

In accordance with the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Outside Directors and Audit & Supervisory Board Members of the Company to limit their liability for damages, as stipulated in Article 423, paragraph (1) of the same Act.

The maximum amount of liability pursuant to the said agreement is the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act.

**(3) Overview of Directors and Officers Liability Insurance Policy**

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with Directors, Audit & Supervisory Board Members and Executive Officers (including persons in office during the fiscal year under review) of the Company and the Company's subsidiaries as the insureds. The Company bears the full amount of the insurance premiums.

With regard to the overview of the details of this insurance policy, eligible officers who are the insureds are covered under this insurance policy with an insurance company for losses arising either from their liability borne from performance of their duties or from claims related to the pursuit of such liability, and the policy will be renewed every year.

In this insurance policy, an event in which the Company pursues liability for damages from the eligible officers is excluded from the insurance policy, and measures have been put into place to prevent the impairment of the appropriateness of the execution of duties by the eligible officers by setting a limit for the amount covered.

When the policy is renewed, the Company plans to renew the policy with the same terms.

**(4) Compensations for Directors and Audit & Supervisory Board Members**

**1) Policy on Decisions on Details of Compensation, etc. for Officers**

Compensation for individual Directors of the Company shall be resolved by the Board of Directors within the range of the amount resolved by the General Meeting of Shareholders, taking into account the report from the Compensation Committee, which deliberates regarding an amount of compensation for each individual that suitably reflects their role and responsibility expected of them as an officer of the Company, giving comprehensive consideration to economic circumstances, the Company's financial results, and their individual management capabilities, level of contribution, past compensation, etc. The Board of Directors, then conducts oversight of the decision of the amount of compensation by considering and reviewing the compensation amounts, placing emphasis on the suitability, fairness and transparency of the amounts of compensation. The Board of Directors shall determine the timing and conditions of payment of compensation, etc. by resolution.

In addition, the compensation, etc. for Directors is the fixed monthly compensation only and the compensation plans such as bonus, performance-linked compensation and retirement benefits are not adopted.

The individual compensation, etc. for the Company's Audit & Supervisory Board Members is determined through discussions by the Audit & Supervisory Board Members within the range of the amount that has been resolved at the General Meeting of Shareholders.

**2) Policy on Non-monetary Compensation, etc.**

At the 25th Annual General Meeting of Shareholders held on September 28, 2021, the Company resolved to introduce the "Stock Benefit Trust," a stock-based compensation plan for Directors, in order to further clarify the linkage between Directors' compensation and stock value, and to raise awareness among eligible Directors and Officers of the need to contribute to improving business performance and increasing corporate value over the medium to long term by sharing profits and risks associated with stock price fluctuations with shareholders.

- The Stock Benefit Trust is a stock-based compensation plan under which the Company's shares are acquired through the Trust using money contributed by the Company as the source of funds, and the Company's shares and money equivalent to the amount obtained by converting the Company's shares at fair value are paid to eligible Directors through the Trust in accordance with the stock benefit regulations established by the Company.

- The maximum number of points is 80,000 (80,000 shares) per fiscal year, and each Director will be granted a certain number of points per fiscal year in consideration of his or her position, and upon

retirement, the recipient will receive Company shares in proportion to the number of points accumulated and a cash payment equivalent to the fair value of the Company's shares.

### 3) Total Amount of Compensation in the Fiscal Year Under Review

| Classification                                                                          | Number of people | Total amount of compensation (Millions of yen) | Total amount of compensation by type (Millions of yen) |                                 |
|-----------------------------------------------------------------------------------------|------------------|------------------------------------------------|--------------------------------------------------------|---------------------------------|
|                                                                                         |                  |                                                | Basic compensation                                     | Non-monetary compensation, etc. |
| Directors (of which, Outside Directors)                                                 | 10 (3)           | 169 (9)                                        | 144 (9)                                                | 24 (—)                          |
| Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members) | 3 (2)            | 20 (6)                                         | 20 (6)                                                 | —                               |
| Total (of which, Outside Officers)                                                      | 13 (5)           | 189 (15)                                       | 165 (15)                                               | 24 (—)                          |

- (Notes)
1. The number of Directors and the amount of compensation for Directors include the amount of compensation paid during the term of office of one Director who resigned upon the conclusion of the 29th Annual General Meeting of Shareholders held on September 26, 2025.
  2. The non-monetary compensation, etc. is the Company's shares and the conditions regarding the allotment of the shares and other matters are as stated in "(4) Compensations for Directors and Audit & Supervisory Board Members."
  3. The total amount of compensation for Directors does not include the portion of salary as an employee for Directors concurrently serving as employees.
  4. The maximum amount of compensation for Directors was resolved to be within ¥240 million per year (including the amount within ¥40 million for Outside Directors) (however, this does not include the portion of salary for Directors concurrently serving as employees) at the 22nd Annual General Meeting of Shareholders held on September 26, 2018. The number of Directors at the conclusion of the said Annual General Meeting of Shareholders was eight (8) (including three (3) Outside Directors). In addition, it was resolved at the 25th Annual General Meeting of Shareholders held on September 28, 2021 to introduce a share-based compensation plan separately from the limit of monetary compensation. The amount of share-based compensation shall be up to ¥144 million in the applicable fiscal years, and up to 80,000 points (one point = one share) for each fiscal year (Outside Directors are not eligible for the granting). The number of Directors (excluding Outside Directors) at the conclusion of the said Annual General Meeting of Shareholders was six (6).
  5. The maximum amount of compensation for Audit & Supervisory Board Members was resolved to be within ¥40 million per year at the 22nd Annual General Meeting of Shareholders held on September 26, 2018. The number of Audit & Supervisory Board Members at the conclusion of the said Annual General Meeting of Shareholders was three (3).

### 4) Officer Retirement Benefits Paid in the Fiscal Year Under Review

There is no relevant information.

### 5) Total Amount of Officer Compensation Received by Outside Officers From the Parent Company or Subsidiaries

There is no relevant information.

## (5) Outside Officers

### 1) Relationship of the Company to Other Companies, etc. Where Important Concurrent Positions Are Held

- Director Ms. Maiko Sako concurrently serves as Partner of SAKURADA DORI PARTNERS and Outside Director of TECHNO RYOWA LTD. There is no business relationship between the Company and SAKURADA DORI PARTNERS or TECHNO RYOWA LTD.
- Director Ms. Eiko Matsumura concurrently serves as Director of JigyokaSozo Inc. and Director of At mark Inc. There is no business relationship between the Company and JigyokaSozo Inc. or At mark Inc.
- Director Ms. Sou Aoki concurrently serves as Representative Director and President of Loveable Inc., Outside Director of ARBEIT-TIMES CO., LTD. and Outside Director of BTM, Inc. There is no business relationship between the Company and Loveable Inc., ARBEIT-TIMES CO., LTD. or BTM, Inc.
- Audit & Supervisory Board Member Mr. Hidehito Mochizuki concurrently serves as Director of Mochizuki Certified Public Accountant Office and Mochizuki Tax Accountant Office. There is no business relationship between the Company and Mochizuki Certified Public Accountant Office or Mochizuki Tax Accountant Office.

## 2) Main Activities in the Fiscal Year Under Review

|                                  | Name               | Attendance, opinions provided, and overview of the performed duties regarding roles expected                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director                         | Maiko Sako         | Ms. Maiko Sako attended all 12 meetings of the Board of Directors held in the fiscal year under review, and provided opinions on deliberation of proposals and business operations. Regarding the role expected of her as Outside Director, she has been using her expert knowledge and broad insight as an attorney to offer suggestions on putting in place compliance systems and other matters and contributing to energizing discussion in the Board of Directors. In addition, she is supervising the execution of duties of Directors from an independent standpoint and contributing to securing appropriateness in the decision making of the Board of Directors.                                                                                                                                  |
| Director                         | Eiko Matsumura     | Ms. Eiko Matsumura attended all 12 meetings of the Board of Directors held in the fiscal year under review, and provided opinions on deliberation of proposals and business operations. Regarding the role expected of her as an Outside Director, she possesses profound expertise in the fields of internet-based services and e-commerce business. She has been using her extensive experience as a manager and her high level of insight into organizational management to contribute to improving the appropriateness of business through offering advice and suggestions regarding new business. In addition, she is supervising the execution of duties of Directors from an independent standpoint and contributing to securing appropriateness in the decision making of the Board of Directors.   |
| Director                         | Sou Aoki           | Ms. Sou Aoki attended all 12 meetings of the Board of Directors held in the fiscal year under review, and provided opinions on deliberation of proposals and business operations. Regarding the role expected of her as an Outside Director, she has contributed to improving the effectiveness of the Board of Directors through her abundant experience and high level of insight in corporate management and financial affairs, having worked in corporate planning and sales at listed companies, and having been involved in supporting various companies as a director of the company she founded. In addition, she is supervising the execution of duties of Directors from an independent standpoint and contributing to securing appropriateness in the decision making of the Board of Directors. |
| Audit & Supervisory Board Member | Hidehito Mochizuki | Mr. Hidehito Mochizuki attended all 12 Board of Directors meetings and all 13 Audit & Supervisory Board meetings held in the fiscal year under review, utilizing his high-level expert insight and abundant experience cultivated as a certified public accountant to conduct audits based on his expert and multifaceted perspective, as well as stating opinions in a timely and appropriate manner as necessary at meetings of the Board of Directors and the Audit & Supervisory Board.                                                                                                                                                                                                                                                                                                                 |

|                                  | Name          | Attendance, opinions provided, and overview of the performed duties regarding roles expected                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit & Supervisory Board Member | Shuji Makiura | Mr. Shuji Makiura attended all 12 Board of Directors meetings and all 13 Audit & Supervisory Board meetings held in the fiscal year under review, utilizing his experience and technical knowledge gained as a division manager and business manager at a major heavy industry manufacturer for many years to conduct audits from a broad perspective on business management, as well as stating opinions in a timely and appropriate manner as necessary at meetings of the Board of Directors and the Audit & Supervisory Board. |

#### 4. Accounting Auditor

**(1) Accounting Auditor's Name**

Crowe Toyo & Co.

**(2) Accounting Auditor's Compensation, etc. for the Fiscal Year Ended June 30, 2026**

|                                                                                         | Payment amount |
|-----------------------------------------------------------------------------------------|----------------|
| Accounting Auditor's compensation, etc. for the fiscal year ended June 30, 2026         | ¥29 million    |
| Cash and other profits payable by the Company or its subsidiaries to Accounting Auditor | ¥29 million    |

(Notes) 1. No companies among the Company's consolidated subsidiaries have entered into an audit agreement, etc. with the Accounting Auditor.  
2. Under the audit agreement between the Company and its Accounting Auditor, the amount of compensation, etc. for audits pursuant to the Companies Act and that for audits pursuant to Financial Instruments and Exchange Act are not distinctly separated, and otherwise cannot be separated. Consequently, the above Accounting Auditor's compensation, etc. for the fiscal year under review reflects total compensation.

**(3) Reasons for the Audit & Supervisory Board's Consent on Accounting Auditor's Compensation, etc.**

The Audit & Supervisory Board of the Company has given its consent to the Accounting Auditor's compensation, etc. as set forth in Article 399, paragraph (1) of the Companies Act, as a result of confirming and considering the validity of the contents of the Accounting Auditor's audit plan, the Accounting Auditor's execution of duties in previous fiscal years, and the basis for the calculation of the compensation estimate, through obtaining the necessary documents and hearing reports from Directors, related internal departments, and the Accounting Auditor, based on the "Practical Guidelines Regarding Coordination with Accounting Auditors" announced by the Japan Audit & Supervisory Board Members Association.

**(4) Description of Non-Audit Services**

There is no relevant information.

**(5) Summary of Agreement on Limitation of Liability**

In accordance with the provisions of the Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Crowe Toyo & Co. to limit the Accounting Auditor's liability for damages, as stipulated in Article 423, paragraph (1) of the same Act.

The maximum amount of liability pursuant to the said agreement is the minimum amount stipulated in Article 425, paragraph (1) of the Companies Act.

**(6) Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditor**

In the event that the Accounting Auditor is deemed to have met any of the grounds set forth in each item of Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Board shall terminate the appointment of the Accounting Auditor subject to the unanimous consent of the Audit & Supervisory Board Members. In the event of such a termination, an Audit & Supervisory Board Member chosen by the Audit & Supervisory Board shall make a report to the effect that the Accounting Auditor has been terminated, and the reasons for termination, at the first general meeting of shareholders convened after the termination.

In addition, the Audit & Supervisory Board may resolve to submit a proposal to the General Meeting of Shareholders to terminate the appointment or forego the reappointment of the Accounting Auditor, in circumstances when the Audit & Supervisory Board judges it necessary, such as cases when the Accounting Auditor may not execute its duties.

## 5. System to Ensure Propriety of Business Activities

### Summary of Decisions on the System to Ensure Propriety of Business Activities

The following is a summary of decisions made regarding systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, as well as other systems to ensure the appropriateness of the company's operations.

#### (1) Overview of the System to Ensure that the Execution of Duties by Directors Complies With Laws and Ordinances and the Articles of Incorporation, Other Systems to Ensure the Propriety of Business Activities, and the Implementation Status Thereof

At the meeting of the Board of Directors held on May 15, 2006, the Company made a resolution regarding a "Basic Policy," in order to create a system to ensure the propriety of business activities as required by the Companies Act and other laws and ordinances. At the meeting of the Board of Directors held on May 7, 2015, the Company made the following amendments to the "Basic Policy," in line with the enforcement of the Act Partially Amending the Companies Act (Act No. 90 of 2014). An overview of the "Basic Policy" regarding internal control set forth by the Group and the implementation status thereof are as follows.

#### I. Initiatives of the Group Regarding Internal Control

In accordance with the Basic Policy, the Group has created a system to ensure the propriety of its business activities as a stock company as defined by the Companies Act and the Regulations for Enforcement of the Companies Act, a system to ensure the appropriateness of documents and other information related to financial accounting as defined by the Financial Instruments and Exchange Act, and other systems to maintain and enhance corporate value (hereinafter, collectively referred to as "internal control systems").

In addition to promoting internal control by its Directors and employees (hereinafter, "Officers and employees"), with the President and Representative Director at the center of those efforts, the Group has also established an Internal Control Committee, and endeavors to ensure that the internal control systems function effectively.

#### II. Basic Policy Regarding the Creation of Internal Control Systems

- (i) System to ensure that the execution of duties by Directors and employees complies with laws and ordinances and the Articles of Incorporation
  - 1) The Group shall strive to create and implement rules and regulations, etc. under the management of related departments as standards for actions that comply with laws and ordinances, the Articles of Incorporation, and social principles (hereinafter, "laws, etc.").
  - 2) The Group shall strive to ensure thorough implementation of rules and regulations, etc. relating to matters that pertain to compliance with laws, etc., and shall endeavor to educate Officers and employees on such matters.
  - 3) The Group shall establish and operate a helpline as a means for employees to directly provide information about actions that are doubtful in light of laws, etc., and, in addition to promptly discovering violations of laws and ordinances and other misconduct, shall ensure that employees reporting such actions shall not receive unfavorable treatment as a result of having made the report.
  - 4) The Group is sufficiently aware of its corporate social responsibility, and shall take a firm stance toward antisocial forces as an organization, reject improper demands, and block all relationships with such forces, including business transactions and the provision of funds.
- (ii) System regarding the storage and management of information pertaining to the execution of duties
  - 1) Directors shall record information pertaining to the execution of their duties, in order to make clear their respective assessment standards and reasons when executing duties and making decisions. In accordance with laws, etc. and various related rules, the Group shall appropriately store this information in a designated department, and shall create a system whereby it may be viewed at any time, to support the timely execution of duties by Directors and Audit & Supervisory Board Members.
  - 2) In accordance with laws, etc. and various related rules, the Group shall also handle information pertaining to the execution of duties by employees in a similar manner to information pertaining to the execution of duties by Directors.

- 3) The Group shall determine methods for handling internal information and storing it in documents and electromagnetic records, and shall take all possible precautions in regard to security, in order to prevent information leaks.
  - 4) Persons responsible for managing information and related departments shall coordinate and endeavor to disclose information in a timely and appropriate manner.
- (iii) Regulations and other systems for management of the risk of loss
- 1) In accordance with regulations relating to risk, the Internal Control Committee shall manage risks for the Group as a whole in a comprehensive, all-inclusive manner.
  - 2) Officers and employees shall establish a process for each stage of the acquisition, utilization, and disposal of the Group's assets, regardless of whether they are tangible or intangible, and shall endeavor to preserve the Group's assets.
- (iv) System to ensure that the execution of duties by Directors, etc. of the Group is efficiently conducted
- 1) The Board of Directors shall determine management duties for each Executive Director, in order to clarify the management responsibilities of Executive Directors.
  - 2) Executive Directors shall regularly hold a Management Meeting as an advisory body to the President and Representative Director, and shall strive to coordinate business activities and unify opinions on the execution of business activities.
  - 3) In order to make the execution of duties by Officers and employees more efficient, the Group shall determine their authority and decision-making rules, and shall clarify the division of duties between departments.
- (v) System to ensure propriety of business activities in the corporate group
- 1) The Company shall establish a system for managing subsidiaries, including formulating regulations for managing subsidiaries and other related rules, etc., and establishing a department within the Company that tracks the status of the Group as a whole at all times and reports the status of assets and other important matters to the Board of Directors.
  - 2) The Group shall coordinate to ensure unified systems, including work processes and accounting systems.
  - 3) The Group shall strive to ensure coordination between Audit & Supervisory Board Members, engaging in the exchange of information and opinions as necessary.
  - 4) The Internal Audit Office shall regularly conduct audits regarding the status of the execution of business activities by the Group.
- (vi) Matters regarding employees assisting Audit & Supervisory Board Members in their duties in the event that Audit & Supervisory Board Members have requested such employees, and matters regarding ensuring the independence of these employees from Directors and the effectiveness of Audit & Supervisory Board Members' instructions to these employees
- 1) In response to requests from the Audit & Supervisory Board to assign employees to assist with their duties, the Representative Director shall consult with the Audit & Supervisory Board from the perspective of ensuring the effectiveness of audits, and assign employees.
  - 2) Employees assisting Audit & Supervisory Board Members shall do so on a full-time basis, and shall execute their duties under the direction of Audit & Supervisory Board Members.
  - 3) The prior consent of the Audit & Supervisory Board shall be obtained in regard to the appointment, transfer, evaluation, etc. of employees assisting Audit & Supervisory Board Members.
- (vii) System regarding reports from Officers and employees of the Group to the Audit & Supervisory Board or Audit & Supervisory Board Members of the Company
- 1) Officers and employees of the Group shall, without delay, report to Audit & Supervisory Board Members of the Company the occurrence or possible occurrence of events that will cause significant damage to the Company or consolidated subsidiaries of the Company, violations of laws and ordinances and other misconduct, and the occurrence or possible occurrence of any other equivalent events. In addition, persons receiving such a report from Officers and employees of the Group shall report the content thereof to Audit & Supervisory Board Members of the Company without delay.

- 2) Audit & Supervisory Board Members may make requests for information including reports, explanations, and the submission of documents on the content of the execution of business activities to Officers and employees of the Group as necessary.
  - 3) The Internal Audit Office shall report the results of internal audits to Audit & Supervisory Board Members of the Company.
  - 4) Officers and employees who have made a report to Audit & Supervisory Board Members shall not receive unfavorable treatment as a result of having made the report.
- (viii) Matters regarding policy pertaining to expenses arising from Audit & Supervisory Board Members' execution of duties and reimbursement  
The Company shall promptly pay or reimburse the relevant expenses or debts in cases when Audit & Supervisory Board Members have made reasonable requests for the advance payment of expenses or reimbursement, etc. arising from the execution of their duties.
- (ix) Other systems to ensure that the audits of Audit & Supervisory Board Members are effectively conducted
- 1) Audit & Supervisory Board Members may obtain the latest information concerning the Group by meetings held regularly to exchange opinions with the President and Representative Director, tours of facilities held by the Group, and other means.
  - 2) Audit & Supervisory Board Members shall regularly attend internal meetings in order to track the latest status of the Group, and may also request the exchange of opinions and submission of information from Officers and employees of the Group as necessary.
  - 3) In cases when it is necessary for the execution of their duties, Audit & Supervisory Board Members may request the opinion of external experts such as attorneys, certified public accountants, and certified public tax accountants.
- (x) Systems to ensure the reliability of financial reporting
- 1) The Group shall coordinate with experts and truthfully report the financial position of its companies and management performance, in accordance with various related laws and ordinances, related regulations, and generally accepted accounting standards.
  - 2) The Group shall implement the necessary measures to ensure the reliability of financial reporting, based on the "Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting" formulated by the Financial Services Agency, etc.

With regard to the overview of the implementation status of the above systems to ensure the propriety of business activities, the Company has created various related regulations based on the "Basic Policy on Internal Control" resolved at the meeting of the Board of Directors of the Company held on May 7, 2015.

In addition, the Internal Control Committee, which is stipulated in the "Basic Policy on Internal Control," met three times during the fiscal year under review, with the President and Representative Director as Chair. It also confirmed at the end of the fiscal year, with the attendance of the Full-time Audit & Supervisory Board Member, that the internal control systems are functioning effectively.

**(2) Basic Policy Regarding the Company's Control**

The Company has not established any particular basic policy regarding persons controlling decisions on the Company's financial or business policies.

**(3) Basic Policy Regarding Decisions on the Distribution of Surplus, etc.**

The Company recognizes that the return of profits to shareholders is an important issue for company management. Our basic policy is to distribute profits in accordance with operating performance, while maintaining the foundation of a stable dividend.

In accordance with this basic policy, the Company decided to pay a year-end dividend of ¥8 per share for the fiscal year under review.

Furthermore, the Company intends to use internal reserves as a source for strengthening its corporate structure and for future business development.

In addition, the Company's Articles of Incorporation stipulate that matters set forth in each item of Article 459, paragraph (1) of the Companies Act, including the distribution of surplus, shall be determined by resolution of the Board of Directors, excluding cases otherwise provided for by laws and ordinances. The objective of this is to facilitate the flexible return of profits to shareholders by placing the distribution of surplus, etc. under the authority of the Board of Directors.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(As of June 30, 2026)

(Millions of yen)

| Description                                | Amount        |
|--------------------------------------------|---------------|
| <b>Assets</b>                              |               |
| <b>I. Current assets</b>                   | <b>10,576</b> |
| Cash and deposits                          | 5,007         |
| Accounts receivable - trade                | 2,878         |
| Supplies                                   | 992           |
| Consumption taxes refund receivable        | 179           |
| Derivatives                                | 1,186         |
| Deferred consumption taxes                 | 6             |
| Other                                      | 325           |
| <b>II. Non-current assets</b>              | <b>34,045</b> |
| <b>1. Property, plant and equipment</b>    | <b>33,082</b> |
| Buildings and structures                   | 10,104        |
| Machinery, equipment and vehicles          | 17,248        |
| Tools, furniture and fixtures              | 89            |
| Land                                       | 4,401         |
| Trees                                      | 1,152         |
| Construction in progress                   | 85            |
| <b>2. Intangible assets</b>                | <b>703</b>    |
| Right to use electricity supply facilities | 698           |
| Other                                      | 4             |
| <b>3. Investments and other assets</b>     | <b>259</b>    |
| Deferred tax assets                        | 60            |
| Other                                      | 199           |
| <b>Total assets</b>                        | <b>44,621</b> |

(Millions of yen)

| Description                             | Amount        |
|-----------------------------------------|---------------|
| <b>Liabilities</b>                      |               |
| <b>I. Current liabilities</b>           | <b>5,733</b>  |
| Accounts payable - trade                | 1,608         |
| Current portion of long-term borrowings | 1,964         |
| Accounts payable - other                | 1,061         |
| Income taxes payable                    | 378           |
| Provision for bonuses                   | 39            |
| Provision for maintenance cost          | 493           |
| Other                                   | 187           |
| <b>II. Non-current liabilities</b>      | <b>19,177</b> |
| Long-term borrowings                    | 18,434        |
| Provision for share awards              | 150           |
| Deferred tax liabilities                | 593           |
| <b>Total liabilities</b>                | <b>24,911</b> |
| <b>Net assets</b>                       |               |
| <b>Shareholders' equity</b>             | <b>19,710</b> |
| Share capital                           | 2,292         |
| Capital surplus                         | 1,292         |
| Retained earnings                       | 16,377        |
| Treasury shares                         | (251)         |
| <b>Total net assets</b>                 | <b>19,710</b> |
| <b>Total liabilities and net assets</b> | <b>44,621</b> |

## Consolidated Statement of Income

(July 1, 2025 – June 30, 2026)

(Millions of yen)

| Description                                            | Amount |               |
|--------------------------------------------------------|--------|---------------|
| <b>Net sales</b>                                       |        | <b>20,737</b> |
| <b>Cost of sales</b>                                   |        | <b>19,375</b> |
| <b>Gross profit</b>                                    |        | <b>1,361</b>  |
| <b>Selling, general and administrative expenses</b>    |        | <b>941</b>    |
| <b>Operating profit</b>                                |        | <b>419</b>    |
| <b>Non-operating income</b>                            |        |               |
| Interest income                                        | 73     |               |
| Gain on sale of scraps                                 | 4      |               |
| Gain on sales of non-current assets                    | 11     |               |
| Gain on valuation of derivatives                       | 1,010  |               |
| Gain on electricity futures trading                    | 397    |               |
| Subsidy income                                         | 85     |               |
| Personnel training and employment-related grant income | 4      |               |
| Other                                                  | 16     |               |
|                                                        |        | 1,603         |
| <b>Non-operating expenses</b>                          |        |               |
| Interest expenses                                      | 326    |               |
| Commission expenses                                    | 6      |               |
| Loss on sale of non-current assets                     | 1      |               |
| Loss on retirement of non-current assets               | 0      |               |
| Other                                                  | 15     |               |
|                                                        |        | 350           |
| <b>Ordinary profit</b>                                 |        | <b>1,672</b>  |
| <b>Profit before income taxes</b>                      |        | <b>1,672</b>  |
| Income taxes - current                                 | 392    |               |
| Income taxes - deferred                                | 81     |               |
|                                                        |        | 474           |
| <b>Profit</b>                                          |        | <b>1,198</b>  |
| <b>Profit attributable to owners of parent</b>         |        | <b>1,198</b>  |

## Consolidated Statement of Changes in Equity

(July 1, 2025 – June 30, 2026)

(Millions of yen)

|                                                                             | Shareholders' equity |                 |                   |                 |                            |
|-----------------------------------------------------------------------------|----------------------|-----------------|-------------------|-----------------|----------------------------|
|                                                                             | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| <b>Balance at beginning of period</b>                                       | 2,292                | 1,292           | 15,351            | (251)           | 18,684                     |
| <b>Changes during period</b>                                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                                        |                      |                 | (173)             |                 | (173)                      |
| Profit attributable to owners of parent                                     |                      |                 | 1,198             |                 | 1,198                      |
| Purchase of treasury shares                                                 |                      |                 |                   | (0)             | (0)                        |
| Cancellation of treasury shares                                             |                      |                 | (0)               | 0               | –                          |
| Net changes of items other than shareholders' equity during the fiscal year |                      |                 |                   |                 |                            |
| <b>Total changes during period</b>                                          | –                    | –               | 1,025             | (0)             | 1,025                      |
| <b>Balance at end of period</b>                                             | 2,292                | 1,292           | 16,377            | (251)           | 19,710                     |

|                                                                             | Total net assets |
|-----------------------------------------------------------------------------|------------------|
| <b>Balance at beginning of period</b>                                       | 18,684           |
| <b>Changes during period</b>                                                |                  |
| Dividends of surplus                                                        | (173)            |
| Profit attributable to owners of parent                                     | 1,198            |
| Purchase of treasury shares                                                 | (0)              |
| Cancellation of treasury shares                                             | –                |
| Net changes of items other than shareholders' equity during the fiscal year | –                |
| <b>Total changes during period</b>                                          | 1,025            |
| <b>Balance at end of period</b>                                             | 19,710           |

# Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheet

(As of June 30, 2026)

(Millions of yen)

| Description                                                               | Amount        |
|---------------------------------------------------------------------------|---------------|
| <b>Assets</b>                                                             |               |
| <b>I. Current assets</b>                                                  | <b>8,070</b>  |
| Cash and deposits                                                         | 975           |
| Accounts receivable - trade                                               | 1,332         |
| Prepaid expenses                                                          | 40            |
| Short-term loan receivable from subsidiaries and associates               | 4,490         |
| Accounts receivable - other                                               | 45            |
| Derivatives                                                               | 1,186         |
| Other                                                                     | 1             |
| <b>II. Non-current assets</b>                                             | <b>6,889</b>  |
| <b>1. Property, plant and equipment</b>                                   | <b>189</b>    |
| Buildings                                                                 | 53            |
| Machinery and equipment                                                   | 1             |
| Vehicles                                                                  | 0             |
| Tools, furniture and fixtures                                             | 13            |
| Land                                                                      | 56            |
| Construction in progress                                                  | 64            |
| <b>2. Intangible assets</b>                                               | <b>4</b>      |
| Software                                                                  | 3             |
| Other                                                                     | 0             |
| <b>3. Investments and other assets</b>                                    | <b>6,695</b>  |
| Shares of subsidiaries and associates                                     | 2,161         |
| Long-term loans receivable from subsidiaries and associates               | 2,130         |
| Long-term accounts receivable from subsidiaries and associates<br>– other | 2,172         |
| Deferred tax assets                                                       | 46            |
| Other                                                                     | 184           |
| <b>Total assets</b>                                                       | <b>14,960</b> |

(Millions of yen)

| Description                             | Amount        |
|-----------------------------------------|---------------|
| <b>Liabilities</b>                      |               |
| <b>I. Current liabilities</b>           | <b>1,638</b>  |
| Accounts payable - trade                | 677           |
| Current portion of long-term borrowings | 108           |
| Accounts payable - other                | 506           |
| Advances received                       | 0             |
| Accrued expenses                        | 24            |
| Income taxes payable                    | 197           |
| Deposits received                       | 9             |
| Provision for bonuses                   | 5             |
| Provision for maintenance cost          | 41            |
| Other                                   | 69            |
| <b>II. Non-current liabilities</b>      | <b>494</b>    |
| Long-term borrowings                    | 365           |
| Provision for share awards              | 129           |
| <b>Total liabilities</b>                | <b>2,133</b>  |
| <b>Net assets</b>                       |               |
| <b>Shareholders' equity</b>             | <b>12,826</b> |
| <b>1. Share capital</b>                 | <b>2,292</b>  |
| <b>2. Capital surplus</b>               | <b>1,292</b>  |
| Legal capital surplus                   | 1,292         |
| <b>3. Retained earnings</b>             | <b>9,493</b>  |
| Other retained earnings                 | 9,493         |
| Retained earnings brought forward       | 9,493         |
| <b>4. Treasury shares</b>               | <b>(251)</b>  |
| <b>Total net assets</b>                 | <b>12,826</b> |
| <b>Total liabilities and net assets</b> | <b>14,960</b> |

## Non-Consolidated Statement of Income

(July 1, 2025 – June 30, 2026)

(Millions of yen)

| Description                                         | Amount |              |
|-----------------------------------------------------|--------|--------------|
| <b>Net sales</b>                                    |        | <b>8,675</b> |
| <b>Cost of sales</b>                                |        | <b>8,386</b> |
| <b>Gross profit</b>                                 |        | <b>288</b>   |
| <b>Selling, general and administrative expenses</b> |        | <b>401</b>   |
| <b>Operating profit</b>                             |        | <b>(112)</b> |
| <b>Non-operating income</b>                         |        |              |
| Interest income                                     | 38     |              |
| Dividend income                                     | 500    |              |
| Gain on valuation of derivatives                    | 1,010  |              |
| Gain on electricity futures trading                 | 397    |              |
| Other                                               | 5      | 1,952        |
| <b>Non-operating expenses</b>                       |        |              |
| Interest expenses                                   | 11     |              |
| Other                                               | 7      | 19           |
| <b>Ordinary profit</b>                              |        | <b>1,820</b> |
| <b>Profit before income taxes</b>                   |        | <b>1,820</b> |
| Income taxes - current                              | 200    |              |
| Income taxes - deferred                             | (19)   | 181          |
| <b>Profit</b>                                       |        | <b>1,639</b> |

## Non-Consolidated Statement of Changes in Equity

(July 1, 2025 – June 30, 2026)

(Millions of yen)

|                                                                             | Shareholders' equity |                       |                                   |                 |                            | Total net assets |
|-----------------------------------------------------------------------------|----------------------|-----------------------|-----------------------------------|-----------------|----------------------------|------------------|
|                                                                             | Share capital        | Capital surplus       | Retained earnings                 | Treasury shares | Total shareholders' equity |                  |
|                                                                             |                      | Legal capital surplus | Other retained earnings           |                 |                            |                  |
|                                                                             |                      |                       | Retained earnings brought forward |                 |                            |                  |
| Balance at beginning of period                                              | 2,292                | 1,292                 | 8,027                             | (251)           | 11,360                     | 11,360           |
| Changes during period                                                       |                      |                       |                                   |                 |                            |                  |
| Dividends of surplus                                                        |                      |                       | (173)                             |                 | (173)                      | (173)            |
| Profit                                                                      |                      |                       | 1,639                             |                 | 1,639                      | 1,639            |
| Purchase of treasury shares                                                 |                      |                       |                                   | (0)             | (0)                        | (0)              |
| Cancellation of treasury shares                                             |                      |                       | (0)                               | 0               | —                          | —                |
| Net changes of items other than shareholders' equity during the fiscal year |                      |                       |                                   |                 |                            | —                |
| Total changes during period                                                 | —                    | —                     | 1,465                             | (0)             | 1,465                      | 1,465            |
| Balance at end of period                                                    | 2,292                | 1,292                 | 9,493                             | (251)           | 12,826                     | 12,826           |

Independent Auditor's Report  
(Translation)

August 18, 2026

To the Board of Directors  
EF-ON INC.

Crowe Toyo & Co.  
Tokyo Office

Makoto Hayasaki, CPA  
Engagement Partner  
Takahisa Tachizawa, CPA  
Engagement Partner

Auditors' Opinion

We have audited, pursuant to Article 444, paragraph (4) of the Companies Act, the consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of EF-ON INC. (hereinafter referred to as the "Company") for the fiscal year from July 1, 2025 to June 30, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of June 30, 2026 and the consolidated result of their operations for the year then ended in conformity with the generally accepted accounting principles in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements (including those applicable to audits of financial statements of public interest entities) in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information includes the business report and supporting schedules. Management is responsible for the preparation and disclosure of other information. The responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to monitor Directors' performance of their duties in establishing and operating the reporting process for other information.

The audit opinion of the independent auditor on the consolidated financial statements does not include other information, and the independent auditor expresses no opinion on other information.

The responsibility of the independent auditor in auditing consolidated financial statements is to read other information carefully and, in the course of that reading, to consider whether there are material differences between other information and the consolidated financial statements or knowledge acquired in the course of the audit, and to pay attention to whether there is any indication of material errors in other information other than such material differences.

If, based on the work performed, the independent auditor determines that there are material errors in other information, the independent auditor is required to report those facts.

The independent auditor has no matters to report with respect to other information.

## Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal control, which management considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related countermeasures to remove obstruction factors or safeguards to reduce obstruction factors to an acceptable level.

#### Relationship of Interest

We have no interests in or relationships with the Company and its consolidated subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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#### *Notice to Readers:*

The original consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements, are written in Japanese.

**Independent Auditor's Report**  
(Translation)

August 18, 2026

To the Board of Directors  
EF-ON INC.

Crowe Toyo & Co.  
Tokyo Office

Makoto Hayasaki, CPA  
Engagement Partner  
Takahisa Tachizawa, CPA  
Engagement Partner

**Auditors' Opinion**

We have audited, pursuant to Article 436, paragraph (2), item (i) of the Companies Act, the non-consolidated financial statements, which consist of the balance sheet, the statement of income, the statement of changes in equity, the notes to the financial statements and the supplementary schedules thereof (collectively, "non-consolidated financial statements, etc.") of EF-ON INC. (hereinafter referred to as the "Company") for the 30th fiscal year from July 1, 2025 to June 30, 2026.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2026 and the result of its operation for the year then ended in conformity with the generally accepted accounting principles in Japan.

**Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc." section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. (including those applicable to audits of financial statements of public interest entities) in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Other information includes the business report and supporting schedules. Management is responsible for the preparation and disclosure of other information. The responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to monitor Directors' performance of their duties in establishing and operating the reporting process for other information.

The audit opinion of the independent auditor on the non-consolidated financial statements, etc., does not include other information, and the independent auditor expresses no opinion on other information.

The responsibility of the independent auditor in auditing the non-consolidated financial statements, etc., is to read other information carefully and, in the course of that reading, to consider whether there are material differences between other information and the non-consolidated financial statements, etc., or knowledge acquired in the course of the audit, and to pay attention to whether there is any indication of material errors in other information other than such material differences.

If, based on the work performed, the independent auditor determines that there are material errors in other information, the independent auditor is required to report those facts.

The independent auditor has no matters to report with respect to other information.

## Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for Non-Consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of non-consolidated financial statements, etc. in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal control, which management considers necessary for the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

## Auditors' Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related countermeasures to remove obstruction factors or safeguards to reduce obstruction factors to an acceptable level.

#### Relationship of Interest

We have no interests in or relationships with the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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#### *Notice to Readers:*

The original non-consolidated financial statements, which consist of the balance sheet, the statement of income, the statement of changes in equity, the notes to the financial statements and the supplementary schedules thereof, are written in Japanese.

## **Audit Report** (Translation)

The Audit & Supervisory Board hereby reports the results of discussions regarding the performance of duties by the Directors for the 30th fiscal year from July 1, 2025 to June 30, 2026, based on the audit reports prepared by each Audit & Supervisory Board Member.

1. Summary of Auditing Methods of the Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established an audit policy for the fiscal year under review, an audit plan, division of duties, etc., and received reports from each Audit & Supervisory Board Member on the status of audits and results, in addition to receiving reports from Directors, etc. and the Accounting Auditor on the status of the execution of their duties, and requesting explanations as necessary.
- (2) While conforming with the standards for audits by Audit & Supervisory Board Members set forth by the Audit & Supervisory Board, each Audit & Supervisory Board Member followed the audit policy for the fiscal year under review, audit plan, division of duties, etc., made efforts to facilitate mutual understanding with Directors, the Internal Audit Office, and employees, etc., and endeavored to collect information and improve the auditing environment, in addition to conducting their audits with the following methods.
  - 1) We participated in the meetings of the Board of Directors and other important meetings, received reports from the Directors, employees and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the head office and principal business offices. With respect to subsidiaries, we communicated with, and collected information from their Directors, Audit & Supervisory Board Members and other relevant personnel, and received reports from subsidiaries as necessary as well as studying operations and financial positions at locations such as the head offices of subsidiaries and power plants.
  - 2) We received regular reports from Directors and employees, etc., requested explanations as necessary, and expressed our opinions regarding the content of resolutions of the Board of Directors on the creation of a system to ensure that the execution of duties by Directors complies with laws and ordinances and the Articles of Incorporation, as described in the Business Report, and other systems set forth in Article 100, paragraphs (1) and (3) of the Regulations for Enforcement of the Companies Act as necessary to ensure the propriety of business activities of a corporate group formed by a stock company and its subsidiaries, in addition to the systems created based on these resolutions (internal control systems), and the status of their creation and implementation.
  - 3) We monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that “system to ensure that duties are performed properly” (matters set forth in each item of Article 131 of the Regulations for Corporate Accounting) had been prepared in accordance with the Product Quality Management Standards Regarding Audits (issued by the Business Accounting Deliberation Council) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and the supplementary schedules thereof, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to the non-consolidated financial statements) and the supplementary schedules thereof, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to the consolidated financial statements) related to the fiscal year under review.

## 2. Results of Audit

### (1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the Business Report and the supplementary schedules are in accordance with the related laws and regulations, and Articles of Incorporation, and fairly represent the Company's condition.
- 2) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, with regard to performance of duties by the Directors.
- 3) In our opinion, the contents of resolutions of the Board of Directors related to the internal control systems are fair and reasonable. In addition, we did not find any matter that needed to be pointed out regarding the description in the Business Report and the performance of duties by the Directors related to such internal control system.

### (2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by the accounting auditor Crowe Toyo & Co. are fair and reasonable.

### (3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by the accounting auditor Crowe Toyo & Co. are fair and reasonable.

August 19, 2026

#### EF-ON INC. Audit & Supervisory Board

|                                            |                    |
|--------------------------------------------|--------------------|
| Full-time Audit & Supervisory Board Member | Shinichi Yada      |
| Outside Audit & Supervisory Board Member   | Hidehito Mochizuki |
| Outside Audit & Supervisory Board Member   | Shuji Makiura      |