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May 29, 2026

Company name: Sinanen Holdings Co., Ltd.
Name of representative: Taro Nakagome, Representative Director, President and Executive Officer
(Securities code: 8132, Prime Market, TSE)
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Notice Regarding the Making of E Smart Energy Co., Ltd. a Wholly-Owned Subsidiary Through a Simplified Share Exchange

Sinanen Holdings Co., Ltd. (the “Company”) has resolved at the meeting of the Board of Directors held today to conduct a share exchange (below, the “Share Exchange”) under which the Company will be the wholly-owning parent company through share exchange and E Smart Energy Co., Ltd. (below, “E Smart Energy”), will be the wholly-owned subsidiary through share exchange, and has entered into a share exchange agreement (below, the “Share Exchange Agreement”) with E Smart Energy on the same date; accordingly, we hereby announce as follows.

In addition, with respect to the Share Exchange, the Company plans to carry it out without obtaining approval by resolution of the general meeting of shareholders by means of the procedures for a simplified share exchange pursuant to the provisions of Article 796, paragraph (2) of the Companies Act. In addition, because the Share Exchange is one in which the amount of net assets of E Smart Energy, which will become the wholly-owned subsidiary through share exchange, as of the end of its immediately preceding fiscal year is less than 10% of the amount of net assets of the Company, which will become the wholly-owning parent company through share exchange, as of the end of its immediately preceding fiscal year, and the net sales of E Smart Energy for its immediately preceding fiscal year are less than 3% of the net sales of the Company for its immediately preceding fiscal year, the disclosed matters and contents are partially omitted.

1. Purpose of making a wholly-owned subsidiary through the Share Exchange

The Group mainly engages in the Energy Business, Maintenance Business, and Mobility Business at each of its business subsidiaries.

E Smart Energy is scheduled to take over the LP gas sales business from its parent company, Ecolog Co., Ltd., on June 29, 2026, and begin operating the business.

By making E Smart Energy a wholly-owned subsidiary and thereby deepening collaboration with the Energy Business of the Company’s subsidiaries, the Company expects to strengthen its sales capabilities and has determined that the Share Exchange will contribute to the enhancement of corporate value for both companies. Accordingly, at the meeting of the Board of Directors held today,

the Company resolved to implement this Share Exchange for the purpose of making E Smart Energy a wholly-owned subsidiary of the Company and entered into the Share Exchange Agreement with E Smart Energy.

2. Summary of the Share Exchange

(1) Schedule of the Share Exchange

Signing date of the Share Exchange Agreement (the Company and E Smart Energy)	May 29, 2026
General meeting of shareholders approving the Share Exchange Agreement (E Smart Energy)	May 29, 2026
Scheduled date of implementation of the Share Exchange (effective date) (the Company and E Smart Energy)	June 30, 2026

(Note 1) The Company plans to carry out the Share Exchange by means of the procedures for a simplified share exchange that does not require approval by resolution of the general meeting of shareholders pursuant to the provisions of Article 796, paragraph (2) of the Companies Act.

(Note 2) The schedule of the Share Exchange may be changed by agreement between the two companies if necessary due to the necessity of the progress of the procedures for this Share Exchange or other reasons. If any change occurs in the above schedule, we will promptly announce it.

(2) Method of the Share Exchange

The Share Exchange is one in which the Company will be the wholly-owning parent company through share exchange and E Smart Energy will be the wholly-owned subsidiary through share exchange.

With respect to this Share Exchange, the Company will carry it out by means of the procedures for a simplified share exchange that does not require approval by resolution of the general meeting of shareholders pursuant to the provisions of Article 796, paragraph (2) of the Companies Act. E Smart Energy will carry it out with the effective date of June 30, 2026 after obtaining approval of the Share Exchange Agreement by resolution of the extraordinary general meeting of shareholders scheduled to be held on May 29, 2026.

(3) Details of the allotment pertaining to the Share Exchange

	The Company (Wholly-owning parent company through share exchange)	E Smart Energy (Wholly-owned subsidiary through share exchange)
Share exchange ratio pertaining to the Share Exchange	1	28
Number of the Company's shares to be delivered through the Share Exchange	28,000 shares of common stock of the Company (planned)	

(Note 1) Share exchange ratio

The Company will allot and deliver 28 shares of the Company's stock for each share of E

Smart Energy's stock (below, "E Smart Energy's stock"). In addition, the allotment ratio pertaining to the above Share Exchange (below, the "Share Exchange Ratio") may be changed by consultation and agreement between the two companies if a significant change occurs in the various conditions that form the basis for the calculation.

(Note 2) Number of the Company's shares to be delivered through the Share Exchange

The total number of shares to be delivered by the Company through the Share Exchange is 28,000 shares, and the Company plans to use the treasury shares it holds (189,901 shares as of March 31, 2026).

(Note 3) Treatment of shares less than one unit

If shares less than one unit of the Company arise as a result of the Share Exchange, the system of sale request or purchase request prescribed in the Companies Act shall apply.

(Note 4) Treatment of fractional shares less than one share

In the event that fractional shares of the Company's stock amounting to less than one share arise in connection with the Share Exchange, the Company will sell the number of the Company's stock equivalent to the total number of such fractions (if there is a fraction less than one in such total number, it shall be rounded down) in accordance with the provisions of Article 234 of the Companies Act and other related laws and regulations, and will deliver the proceeds from such sale in proportion to such fractions.

(4) Treatment of share acquisition rights and bonds with share acquisition rights pertaining to the Share Exchange

Not applicable.

3. Basis, etc. of the details of the allotment pertaining to the Share Exchange

(1) Basis and reasons for the details of the allotment

In determining the exchange ratio pertaining to this Share Exchange, the Company, in order to carefully examine its fairness and appropriateness, carefully consulted and negotiated with E Smart Energy while comprehensively considering the financial conditions, business performance trends, stock price trends of both companies, and other factors. Additionally, in determining the Share Exchange Ratio, the Company has comprehensively taken into account the information and economic conditions obtained by May 25, 2026. As a result, the Company determined that the Share Exchange Ratio is appropriate and will contribute to the interests of the respective shareholders, and therefore resolved at the meeting of the Board of Directors held today to carry out the Share Exchange at the Share Exchange Ratio and agreed with Ecolog Propane to implement the Share Exchange. In addition, the Share Exchange Ratio may be changed by consultation and agreement between the two companies in accordance with the Share Exchange Agreement if a significant change occurs in the various conditions that form the basis for the calculation.

(2) Matters concerning the calculation

(i) Name of the valuation firm and its relationship with the Company and E Smart Energy

MK Associates LLC is a third-party valuation firm independent from the Company and E Smart Energy, is not a related party of either company, and has no material interests to be stated with respect to this Share Exchange.

(ii) Overview of the calculation

With respect to the Company's stock, MK Associates LLC adopted the market price method because the Company's stock is listed on the Prime Market of the Tokyo Stock Exchange and a market price exists.

With respect to E Smart Energy's stock, MK Associates LLC adopted the DCF method in order to reflect future business prospects in the valuation.

Moreover, the valuation range of the share exchange ratio when the stock value per share of the Company's common stock is set at 1 is as follows.

Method adopted		Range of share exchange ratio
The Company	E Smart Energy	
Market price method	DCF method	26.54 to 43.95

In calculating the stock value, MK Associates LLC has assumed that all publicly available information is accurate and complete, and has not independently verified the accuracy and completeness of such information. With respect to the assets and liabilities of the Company, including analyses and evaluations of individual assets and liabilities, MK Associates LLC has assumed the information, judgments, and forecasts provided or disclosed by the Company to be accurate and complete. MK Associates LLC has not independently evaluated, appraised, or assessed such assets and liabilities, nor has it requested any third-party institutions to conduct such appraisals or assessments. The financial forecasts of E Smart Energy (including profit plans and other information) are based on the assumption that they have been reasonably examined or prepared by the management of E Smart Energy based on the best forecasts and judgments available at the present time. The calculation of the share exchange ratio by MK Associates LLC reflects the information and economic conditions obtained by MK Associates LLC by March 31, 2026. In addition, the calculation by MK Associates LLC is solely for the purpose of serving as a reference for the Board of Directors of the Company in considering the share exchange ratio. Additionally, in determining the Share Exchange Ratio, the Company has comprehensively taken into account the said calculation results as well as the information and economic conditions obtained by May 25, 2026.

4. Overview of the parties to the Share Exchange

	Wholly-owning parent company through share exchange	Wholly-owned subsidiary through share exchange
(1) Name	Sinanen Holdings Co., Ltd.	E Smart Energy Co., Ltd.
(2) Address	1-39-20, Higashi-Shinagawa, Shinagawa-ku, Tokyo	1-4-10 Nishi-Ikebukuro, Toshima-ku, Tokyo
(3) Name and title of representative	Taro Nakagome, Representative Director, President and Executive Officer	Yuki Kodama, Representative Director
(4) Description of business	Energy Business such as sales of LP gas, petroleum, and electricity, Maintenance Business such as comprehensive building maintenance, and Mobility Business such as bicycle sales and bicycle sharing	LP gas sales business
(5) Share capital	¥15,630 million (As of March 31, 2026)	¥5 million (As of March 31, 2026)
(6) Date of establishment	April 25, 1934	January 28, 2026
(7) Number of issued shares	11,946,591 shares (As of March 31, 2026)	1,000 shares
(8) Fiscal year end	End of March	End of March
(9) Number of employees	1,661 (consolidated) (As of March 31, 2026)	1 (As of March 31, 2026)
(10) Main shareholders and shareholding ratios (As of March 31, 2026)	UH Partners 2 Investment Limited Partnership 9.83% NOI Investment Limited Partnership 8.87% UH Partners 3 Investment Limited Partnership 7.53% SIL Investment Limited Partnership 7.50% HIKARI TSUSHIN KK Investment Limited Partnership 6.44% HIKARI TSUSHIN, INC. 1.09% IB Investment Limited Partnership IB, Inc. 1.08% HCMA Alpha Co., Ltd. 0.42%	Ecolog Co., Ltd. 100.00%

(11) Business performance and financial position for the immediately preceding fiscal year (Unit: Millions of yen)

Fiscal year end	The Company	Fiscal year end	E Smart Energy
	Fiscal year ended March 31, 2026		Fiscal year ended March 31, 2026
Net assets	60,124	Net assets	10
Total assets	108,083	Total assets	10
Net assets per share	5,535.81	Net assets per share	9,771.91
Net sales	298,752	Net sales	0
Operating profit	4,403	Operating profit	(0)

Ordinary profit	5,382	Ordinary profit	(0)
Profit attributable to owners of parent	4,435	Profit	(0)
Basic earnings per share (yen)	407.79	Basic earnings per share (yen)	(228.09)

(Note 1) The financial results of E Smart Energy for the fiscal year ended March 31, 2026 have not yet been approved by its general meeting of shareholders.

(Note 2) E Smart Energy was established in January 2026 and had not commenced operations during the fiscal year ended March 31, 2026. Accordingly, it recorded no net sales for the fiscal year.

5. Status after the Share Exchange

There will be no change in the Company's trade name, head office location, name and title of representative, description of business, share capital, or fiscal year end as a result of the Share Exchange for the Company, which is the wholly-owning parent company through share exchange.

6. Outlook

The Company has determined that the impact of the Share Exchange on the Company's consolidated business performance will be minor. Going forward, any developments that should be disclosed will be promptly disclosed.

End

(Reference) Consolidated financial results forecast for the fiscal year ending March 31, 2027 and actual consolidated results for the fiscal year ended March 31, 2026

The Company (Unit: Millions of yen)

	Net sales	Operating profit	Profit attributable to owners of parent
Consolidated financial results forecast for the fiscal year ending March 31, 2027	334,500	6,400	5,200
Consolidated financial results for the fiscal year ended March 31, 2026	298,752	4,403	4,435