

[Translation]

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June 6, 2025

To Our Shareholders

Company name: SAN-AI OBBLI CO., LTD.
Representative: Hiroshi Hayata, Director and
President
(Code: 8097 TSE Prime)
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Supplementary explanation on the Proposal for the 94th Annual General Meeting of Shareholders

SAN-AI OBBLI CO., LTD (the Company) has learned that Institutional Shareholder Services Inc (ISS), a proxy advisory firm, is recommending voting against the reelection of the two current representative directors of the Company with regard to Proposal 2 ‘Election of Seven Directors’ at the 94th Annual General Meeting of Shareholders to be held on 26 June 2025.

We ask our shareholders’ kind perusal of this supplementary explanation and understanding of the Proposal.

1. Details of ISS’ negative vote recommendation

ISS requires that At least one-third of the board members after the shareholder meeting will be outside directors.

If the Proposal No.2, ‘Election of Seven Directors’, is approved at the 94th Annual General Meeting of Shareholders, the Board of Directors will have seven directors, two of whom are outside directors, and will not meet this criterion.

2. Reasons for the composition of the Board of Directors and future actions

The Board of Directors of the Company had resolved that the composition after the Annual General Meeting of Shareholders would consist of eight directors on 28 February 2025, three of whom would be outside directors (37.5% outside ratio). However, one candidate for the Board of Directors suddenly decided to withdraw following the Nomination and Remuneration Advisory Committee and the Board of Directors held on 13 May. So the proposal for the Annual General Meeting of Shareholders has been submitted with a composition of seven directors, two of whom are outside directors (28.6% outside ratio).

We are fully aware that the effective use of outside directors contributes to the sound and active operation of the Board of Directors and thus to the enhancement of corporate value, and will continue with the selection of directors so that the ratio of outside directors will be at least one-third at the Annual General Meeting of Shareholders to be held in 2026.