

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

June 26, 2023

To our shareholders:

Company Name TOKYO ENERGY & SYSTEMS INC.

**Notice Concerning Partial Withdrawal of a Proposal
in the Notice of the 76th Annual General Meeting of Shareholders**

TOKYO ENERGY & SYSTEMS INC. (the “Company”) hereby announces that it has decided at the Board of Directors meeting held today to withdraw part of “Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members),” which is scheduled to be proposed at the 76th Annual General Meeting of Shareholders to be held on June 29, 2023.

With regard to the exercise of voting rights for this proposal at the 76th Annual General Meeting of Shareholders, only the exercise of voting rights for the six candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) after the revision due to the withdrawal will be treated as valid.

1. Reason for the withdrawal
This is because there was a notification from candidate for Director Mr. Shinsuke Unno (Candidate No. 3) stating that he will resign from his position of Director due to personal reasons.
2. Revised parts due to partial withdrawal of the proposal (revised parts are underlined)
Items described in “Reference documents for the general meeting of shareholders” of “Notice of the 76th Annual General Meeting of Shareholders”

3. Amendments

<Before amendment>

Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all seven Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company asks shareholders to elect seven Directors.

The candidates for Directors are as follows:

No.	Name	Current position and responsibility in the Company
1	<u>Reelection</u> Toshiaki Majima	President and Chief Executive Officer
2	<u>Reelection</u> Soichiro Horikawa	Director and Managing Executive Officer Executive General Manager of Energy and Industry Division
3	<u>Reelection</u> Shinsuke Unno	<u>Director and Managing Executive Officer</u>
4	<u>Reelection</u> Hitoshi Tanaka <u>Outside</u> <u>Independent</u>	Director
5	<u>Reelection</u> Shigeru Nishiyama <u>Outside</u> <u>Independent</u>	Director
6	<u>Reelection</u> Sonoe Hasegawa <u>Outside</u> <u>Independent</u>	Director
7	<u>New election</u> Naoya Ito <u>Outside</u> <u>Independent</u>	-

Proposal No. 6: Revision of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of remuneration for the Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) was approved at the 74th General Meeting of Shareholders held on June 29, 2021 as an annual amount of ¥330 million or less (of which ¥40 million or less is for Outside Directors) and has remained unchanged until now. After considering factors such as increasing the responsibilities and expected roles of outside directors recently, the Company would like to propose that the total amount of remuneration (annual amount of ¥330 million or less) for the Directors (excluding Directors who are Audit and Supervisory Committee Members) will remain unchanged and also that only the annual amount for the Outside Directors will be revised to the annual amount of ¥60 million or less. As before, the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not include the employee salary of Directors who concurrently serve as employees. The Company comprehensively took into account factors such as the scale of the Company's business, the composition of officers, and business deployment in the future, received opinions from the Human Resources and Remuneration Committee and then decided the proposed remuneration amount at the Board of Directors. The Company, therefore, deems it appropriate. The policy for determining remuneration details, etc., per the Director of the Company, is as described on pages 28-29 of the Business Report (in Japanese).

If Proposal No. 3 "Election of Seven Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" is approved as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be seven (including four Outside Directors).

<After amendment>

Proposal No. 3: Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company asks shareholders to elect six Directors.

The candidates for Directors are as follows:

No.	Name	Current position and responsibility in the Company
1	<u>Reelection</u> Toshiaki Majima	President and Chief Executive Officer
2	<u>Reelection</u> Soichiro Horikawa	Director and Managing Executive Officer Executive General Manager of Energy and Industry Division
<u>Deleted</u>	<u>Deleted</u> <u>Deleted</u>	<u>Deleted</u>
4	<u>Reelection</u> Hitoshi Tanaka <u>Outside</u> <u>Independent</u>	Director
5	<u>Reelection</u> Shigeru Nishiyama <u>Outside</u> <u>Independent</u>	Director
6	<u>Reelection</u> Sonoe Hasegawa <u>Outside</u> <u>Independent</u>	Director
7	<u>New election</u> Naoya Ito <u>Outside</u> <u>Independent</u>	—

* Statements pertaining to candidate for Director Mr. Shinsuke Unno (Candidate No. 3) in pages 7 to 15 in the “Notice of the 76th Annual General Meeting of Shareholders” will be deleted, but that has been omitted from this document.

Proposal No. 6: Revision of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of remuneration for the Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) was approved at the 74th General Meeting of Shareholders held on June 29, 2021 as an annual amount of ¥330 million or less (of which ¥40 million or less is for Outside Directors) and has remained unchanged until now. After considering factors such as increasing the responsibilities and expected roles of outside directors recently, the Company would like to propose that the total amount of remuneration (annual amount of ¥330 million or less) for the Directors (excluding Directors who are Audit and Supervisory Committee Members) will remain unchanged and also that only the annual amount for the Outside Directors will be revised to the annual amount of ¥60 million or less. As before, the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall not include the employee salary of Directors who concurrently serve as employees. The Company comprehensively took into account factors such as the scale of the Company’s business, the composition of officers, and business deployment in the future, received opinions from the Human Resources and Remuneration Committee and then decided the proposed remuneration amount at the Board of Directors. The Company, therefore, deems it appropriate. The policy for determining remuneration details, etc., per the Director of the Company, is as described on pages 28-29 of the Business Report (in Japanese).

If Proposal No. 3 “Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is approved as proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be six (including four Outside Directors).

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