

*Smile
For
Life*

Business Report for the 72nd Term

(from April 1, 2005 to March 31, 2006)



SINANEN

Stock Code: 8132



Hiroyuki Suzuki
President and CEO

To Our Shareholders:

I would like to take this opportunity to introduce myself. My name is Hiroyuki Suzuki, the new President and CEO of Sinanen. I would like to say a few words to mark the release of our Business Report for the 72nd Term.

We are currently carrying out Plan 236, a mid-term management plan covering the entire Group. My task is to accomplish the goals set out in this plan to shift the focus of the Group's core energy supply business towards a customer oriented business with emphasis on retail, concentrating on the "Himawari (sunflower) Gas brand." I also consider it essential to push reforms ahead with affiliated retailers such as improvement of distribution efficiency, thereby laying the foundations for the Company's stable growth in the next stage.

We would like to ask all of our shareholders for your understanding with regard to the Group's business activities and for your continued support in the future.

Promoting structural reform from wholesale to retail to create a next generation business model

■ Establishing a stable business structure and pursuing aggressive, quick-thinking management

● As the new President of Sinanen, what are your goals for the future?

My first task will be to build on the foundations of the mid-term management plan laid by my predecessor Teruo Hattori as we move forward. Elsewhere, the Group's core household energy products are susceptible to weather conditions in terms of price and volume. I therefore intend to implement reforms to create a business structure that will enable us to guarantee stable profits.

The Company will mark its 80th anniversary next year. For the first 40 years, Sinanen was a manufacturer of high quality solid fuel such as charcoal briquettes and pea coal. Although we later changed course to become an energy trading company, even today the Company retains something of its gentle nature of its former days as a manufacturer. This no longer fits in with the rapidly changing modern era. I believe that we urgently need to foster human resources capable of acting aggressively and thinking quickly in the future in order to transform our corporate culture.

■ Expanding retail business and promoting Plan 236

● What is the current status of the mid-term management plan you mentioned?

As part of our mid-term management plan, Plan 236, we have set out a number of goals, including annual kerosene sales of 2 million kiloliters, LPG consumers numbering 300,000 households and a consolidated ROE (return on equity) of 6% by the end of March 2008. With regard to the first of these goals, although demand for kerosene is expected to fall temporarily due to rising prices, I believe we will be able to achieve our target of 2 million kiloliters based on past performance. In terms of LPG, in spite of the difficult situation at present due in part to power companies switching exclusively to electricity instead of gas, I intend to actively promote the transfer of goodwill in order to meet our target of 300,000 households. As I see it, accomplishing these business plans will enable us to achieve our third target of a 6% ROE.



■ Growth in sales and profits achieved amid a harsh business environment

● How do you view the current business environment and the Company's results for the 72nd term?

As it stands, there are no prospects for further demand increases in the oil and LPG industries due to factors such as energy-saving measures to combat global warming and falling populations. The relaxation of regulations is also bringing an end to the segregation of energy into categories such as electricity, gas and oil. Suppliers of household energy such as LPG and kerosene, like ourselves, are facing a particularly difficult situation. In spite of all this however, we managed to secure increased sales and profits during FY2005, with consolidated sales up 26.2% on the previous term to ¥230.8 billion, operating profit down 6.1% to ¥4.2 billion and ordinary income up 1.3% to ¥5.2 billion. Given the extremely harsh business environment, I think that these are pretty respectable results.

■ A thoroughly customer oriented growth strategy

● In view of the current harsh business environment, with no increase in demand expected for core products, what sort of management strategy will you be adopting for the next generation?

The Group is promoting increased business efficiency, especially in terms of distribution, and the expansion of its LPG retail business in an effort to become a "comfortable lifestyle provider".

As there is unlikely to be any increase in demand on a macro scale, competition for shares of the market is set to become increasingly fierce. In order to come out on top, we need to enhance our price competitiveness by cutting costs and gain the upper hand by differentiating our products and services in other areas as well as price.

By way of an example of strategies designed to achieve this, we are developing a system to enable kerosene home delivery services in Hokkaido in partnership with a major distributor. We are also focusing on our service station

operations, including constructing new self-service stations and renovating existing stations. At our gas sales subsidiaries, we are trying to be more customer oriented through initiatives such as directly offering advice to customers on home renovations via "living research teams" consisting of architects and other experts.



Based on activities such as these, we are currently looking into a new type of business designed to provide total comfortable lifestyle solutions, combined with inspection and maintenance services for lifeline utilities such as electricity and water as well as oil and LPG and sales of housing equipment products as part of our renovation operations. We are also presently conducting ongoing tests with an eye to using household fuel batteries as a promising tool in the energy-saving business in the near future.

● Finally, what are your thoughts on compliance, which has become an increasingly prominent issue in light of corporate scandals in recent years?

On May 10 of this year, the Board of Directors adopted a basic policy for the establishment of an internal control system. This is primarily designed to strictly enforce compliance within the Group, improve risk management capabilities and enhance monitoring to ensure that such activities are carried out appropriately. As part of our efforts to strictly enforce compliance, we intend to develop a system incorporating a Compliance Committee to oversee the Group as a whole, as well as organizing training sessions for employees.

As this shows, the Group is very much aware of the importance of compliance and is making every effort to ensure that it is enforced.

Consolidated Review of Operations

Energy Products Business

Oil Products Division

Crude oil prices continued to soar in FY2005, resulting in a continued increase in oil product retail prices. Although this was partially responsible for a fall in the sales volume of products such as gasoline and light oil, demand for kerosene for household use increased due to record-breaking cold weather from the start of last winter onwards. The Group has also introduced measures such as increasing the number of kerosene shops selling kerosene for household use and developing a system of delivering kerosene directly to consumers' homes in partnership with major distributors. In addition to this, the Group has continued to promote the construction of new service stations and the conversion of others to self service stations. As a result, the Oil Products Division recorded consolidated sales of ¥175,940 million, an increase of 32.7% from the previous year.

From the next fiscal year onwards, the Oil Products Division will work on strengthening service station operations. We will therefore continue to promote the construction of new service stations and the conversion of others to self service stations, as well as organizing service station management workshops. We also plan to increase sales of kerosene for household use by improving the operating efficiency of kerosene depots and shops, constructing new facilities and expanding sales channels.



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①②(Service Nigateke (Miyagi Prefecture))

LPG Division

The LPG CP (contract price) rose even higher in FY2005 in line with soaring crude oil prices in the LPG industry. In the domestic market, competition between city gas, electricity and other forms of energy intensified, making it extremely difficult to reflect increases in CP in retail prices amidst the current environment. Under these conditions, the LPG Division actively transferred LPG operation goodwill and focused on increasing LPG sales, successfully securing new consumers totaling over 13,000 households. The Group also organized meetings throughout the country for our clients' young and next generation managers based on the theme of how to respond to the trend towards switching exclusively to electricity instead of oil and gas. As a result, the LPG Division recorded consolidated sales of ¥41,857 million, an increase of 11.6% from the previous year.

In the future, the LPG Division will actively promote the transfer of LPG operation goodwill in order to further strengthen retail operations. In addition to enforcing compliance with safety laws and regulations and increasing distribution efficiency, we intend to improve our service, focusing primarily on increasing contact with consumers, publicize the Himawari (sunflower) Gas brand and build up a trusting relationship with consumers.



↑ (A meeting)

Solid Fuel Division

Retail prices for products such as charcoal briquettes and pea coals increased due to the impact of a surge in material coal prices, with prices even going up amongst the likes of mass retailers. The volume of charcoal briquettes shipped nationally came to 101.2% of the previous year, surpassing the previous year's volume thanks to increased demand for charcoal briquettes for concrete curing due to soaring kerosene prices and increased demand for heating products due to a harsh winter. As a result, the Group's consolidated sales from the Solid Fuel Division came to ¥940 million, an increase of 3.3% from the previous year.

However, the market for charcoal briquettes and pea coals is expected to experience a fall in sales volume in the future. The group will continue to make every effort to increase manufacturing and sales efficiency and cut costs through measures such as partnerships with other companies in order to secure profits.



↑ (A Shinagawa curing stove)

Use Examples

Charcoal briquettes for curing are placed inside stoves and used for curing concrete at construction sites.

Housing Equipment Division

The number of new housing starts in FY2005 increased by 4.7% to approximately 1.25 million, marking a year on year increase for the third consecutive year. In terms of products in the Housing Equipment Division, shipments of high efficiency products such as glass-top stove burners and Eco-Jozu energy-saving water heaters were relatively healthy. Shipments of gas fan heaters and other heating equipment were also up on the previous year due to a harsh winter. Shipments of gas equipment on the whole however fell year on year.

In addition to the showcasing and selling glass-top stove burners, floor heaters and other advanced products, the Housing Equipment Division also actively staged customer appreciation events and promotional events such as the "Gas is Best!" campaign during FY2005. It also continued to promote business on a face-to-face basis with consumers, including the "HOT Gift" campaign and the rental and sale of water purifiers. Nevertheless, consolidated sales for the Housing Equipment Division came to ¥8,456 million, a drop of 2.2% on the previous year.

As consumer demand for housing renovations to suit individual lifestyles is set to increase in the future, the Housing Equipment Division intends to breathe new life into sales of renovation solutions, especially those centering on more efficient water use. In response to the trend towards switching exclusively to electricity instead of oil and gas, we will continue to use consumer appreciation events and the "Gas is Best!" campaign to showcase the benefits that gas has to offer.



↑ (A customer appreciation event (Matsubushi branch))

Non-Energy Business

Antimicrobial Agent Division

The Antimicrobial Agent Division continued to promote Zeomic, an antimicrobial agent with both antimicrobial and deodorizing effects, in the textile, spray product and hygienic material segments, whilst also promoting sales in the water treatment segment. The division has also continued to market products in Europe and the US through AgION Technologies Inc. and promote sales in the South Korean, Chinese, Thai and other South East Asian markets.



Price competition among antimicrobial agent manufacturers is expected to continue intensifying from FY2006 onwards as companies continue to promote low cost, low additive products in an effort to increase their market share.

In terms of domestic business, the Antimicrobial Agent Division will continue to promote Zeomic in new segments such as water treatment and air conditioning. As Zeomighty, an antimicrobial agent for concrete, is also receiving positive feedback from overseas markets, we plan to actively market it in other countries as well as in Japan.



↑ (Public technology examination certificate)



↑ (The causes and mechanisms behind concrete corrosion)

Environment Division and Others

The Environment Division continued to run hydrogen station testing, a grant-aided project commissioned by the Ministry of Economy, Trade and Industry, at Sagamihara Hydrogen Station in FY2005. Elsewhere, the Company commenced trial operation of fuel batteries made by Nippon Oil Corporation, Idemitsu Kosan Co., Ltd. and Japan Energy Corporation in an effort to build up expertise relating to the installation and operation of household fuel batteries. In terms of commercial fuel batteries, the Company participated in fuel battery testing organized by Mie Prefecture along with Kurita Water Industries and focused heavily on the development of LPG supply technology to regulate sulfur concentration. We also worked on promoting sales of generation systems combining a solar photovoltaic generation system and the household co-generation system Ecowill to housing manufacturers and expanding the Company's new energy and environmental recycling business through initiatives such as the manufacture of biomass fuel using scrap wood.

In view of growing interest in energy-saving technology out of concern for the environment, future business activities will include continued testing at Sagamihara Hydrogen Station and testing of household and commercial fuel batteries in order to build up further expertise. In order to cater to areas expected to develop in the future, such as biomass generation, the Company also plans to expand its biomass fuel operations.

Consolidated sales from Non-Energy Businesses for FY2005 came to ¥3,618 million, an increase of 11.3% from the previous year.



↑ (Sagamihara hydrogen Station)



↑ (A fuel cell car being filled up with hydrogen)



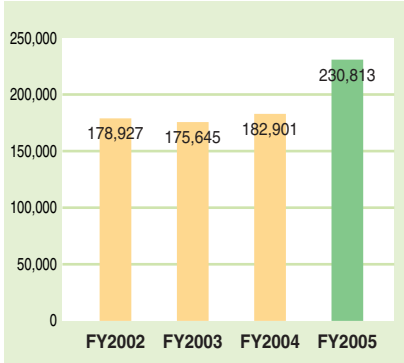
↑ (A home fitted with a solar photovoltaic generation system)



Consolidated Financial Highlights

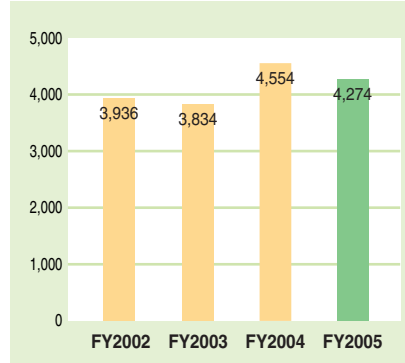
Net sales

(Millions of yen)



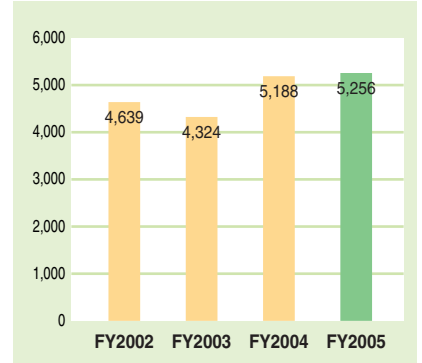
Operating income

(Millions of yen)



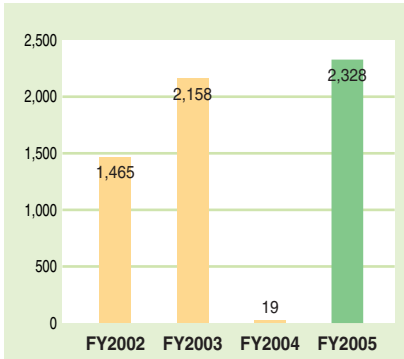
Ordinary income

(Millions of yen)



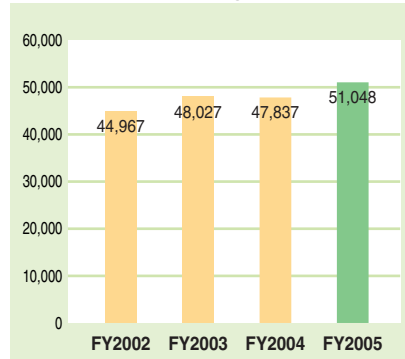
Net income

(Millions of yen)



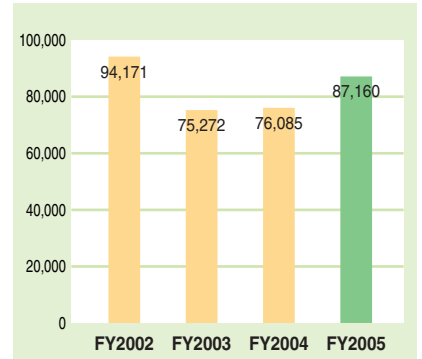
Shareholders' equity

(Millions of yen)



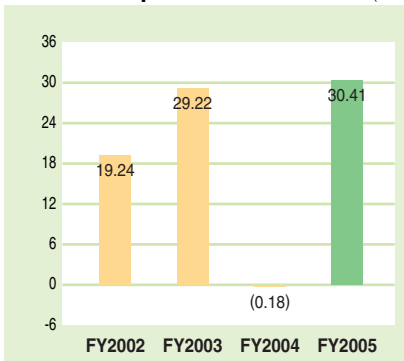
Total assets

(Millions of yen)



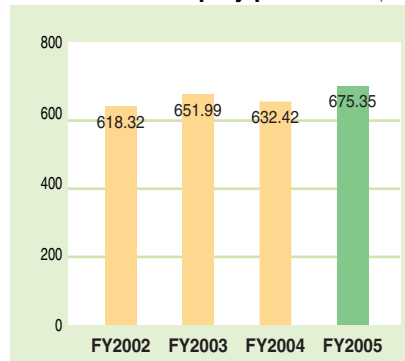
Net income per share

(Yen)



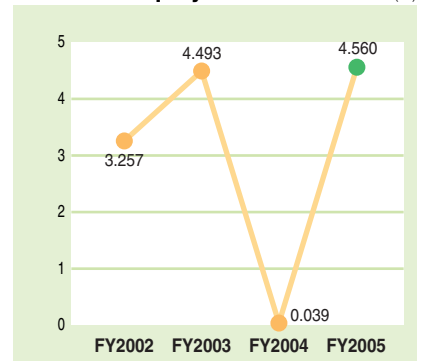
Shareholders' equity per share

(Yen)



Return on equity

(%)



Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31	2006	2005	2006	As of March 31	2006	2005	2006
	Millions of yen		Thousands of U.S.dollars		Millions of yen		Thousands of U.S.dollars
(Assets)				(Liabilities)			
Current assets				Current liabilities			
Cash and deposits	¥17,849	¥16,921	\$151,945	Trade notes and accounts payable	¥22,933	¥16,990	\$195,224
Trade notes and accounts receivable	30,046	23,383	255,776	Short-term bank borrowings	125	184	1,064
Marketable securities	800	300	6,810	Bonds with stock subscription rights due within one year	—	600	—
Inventories	3,372	2,432	28,705	Accounts payable - other	2,395	1,558	20,388
Deferred tax assets	681	1,223	5,797	Income taxes payable	1,392	422	11,850
Other current assets	920	888	7,832	Consumption taxes payable	131	147	1,115
Allowance for doubtful accounts	(227)	(148)	(1,932)	Reserve for bonuses	582	514	4,954
Total current assets	53,442	45,001	454,942	Other current liabilities	1,000	1,124	8,513
Fixed assets				Total current liabilities	28,560	21,543	243,126
Tangible fixed assets	16,569	17,622	141,049	Long-term liabilities			
Buildings and structures	5,364	5,767	45,663	Long-term debt	1,131	1,023	9,628
Machinery, equipment and vehicles	2,617	2,834	22,278	Deferred tax liabilities	2,291	1,065	19,503
Land	8,455	8,893	71,976	Accrued retirement benefits	2,766	3,378	23,546
Construction in progress	0	8	0	Accrued retirement benefits for directors	173	—	1,473
Other tangible fixed assets	130	118	1,107	Long-term deposits	865	972	7,364
Intangible assets	609	715	5,184	Other long-term liabilities	284	227	2,418
Consolidation goodwill	195	324	1,660	Total long-term liabilities	7,512	6,667	63,948
Other intangible assets	414	390	3,524	Total liabilities	36,072	28,210	307,074
Investments and other assets	16,538	12,743	140,785	(Minority interests)			
Investments in securities	10,196	6,337	86,797	Minority interests	39	37	332
Long-term loans	249	113	2,120	(Shareholders' equity)			
Long-term prepaid expenses	4,854	5,072	41,321	Common stock	15,630	15,630	133,055
Deferred tax assets	301	243	2,562	Capital surplus	11,773	11,772	100,221
Other investments and other assets	1,212	1,404	10,318	Retained earnings	20,610	19,223	175,449
Allowance for doubtful accounts	(276)	(428)	(2,350)	Unrealized gains on other securities	3,145	1,289	26,773
Total fixed assets	33,717	31,081	287,026	Treasury stock, at cost	(111)	(78)	(945)
Deferred assets				Total shareholders' equity	51,048	47,837	434,562
Bond issue expenses	—	2	—	Total liabilities, minority interests and shareholders' equity	¥87,160	¥76,085	\$741,977
Total deferred assets	—	2	—				
Total assets	¥87,160	¥76,085	\$741,977				

Note: U.S. dollar amounts presented here and elsewhere in this business report are translated from yen at ¥117.47 = U.S. \$1.00, the rate of exchange on March 31, 2006.

Consolidated Statements of Income

Years ended March 31	2006	2005	2006
	Millions of yen		Thousands of U.S.dollars
Net sales	¥230,813	¥182,901	\$1,964,868
Cost of sales	201,537	153,930	1,715,647
Gross profit	29,275	28,971	249,213
Selling, general and administrative expenses	25,001	24,417	212,829
Operating income	4,274	4,554	36,384
Non-operating income	1,112	849	9,466
Interest and dividend income	173	163	1,473
Light-oil delivery tax grant	153	142	1,302
Equity in earnings of affiliates	—	0	—
Other non-operating income	786	542	6,691
Non-operating expenses	131	214	1,115
Interest expense	33	32	281
Provision for allowance for doubtful accounts	30	29	255
Equity in losses of affiliates	1	—	9
Other non-operating expenses	65	152	553
Ordinary income	5,256	5,188	44,743
Extraordinary income	283	1,422	2,409
Gain on sales of fixed assets	283	206	2,409
Gain on sales of investment securities	—	873	—
Indemnity of expropriation	—	342	—
Extraordinary expenses	1,224	6,410	10,420
Loss on sales of fixed assets	16	6,058	136
Loss on disposal of fixed assets	189	173	1,609
Directors' retirement benefits	118	102	1,005
Provision for accrued retirement benefits for directors for prior periods	135	—	1,149
Special retirement benefits	163	—	1,388
Impairment loss	42	—	358
Lump-sum payment of contributions due to withdrawal from pension fund	403	—	3,431
Loss on cancellation of lease	58	—	494
Other extraordinary expenses	95	74	809
Income before income taxes	4,314	200	36,724
Income taxes			
Current	1,540	570	13,110
Deferred	444	(388)	3,780
Minority interests	1	—	—
Loss on minority interests	—	1	—
Net income	¥ 2,328	¥ 19	\$ 19,818

Consolidated Statements of Retained Earnings

Years ended March 31	2006	2005	2006
	Millions of yen		Thousands of U.S.dollars
(Capital surplus)			
Capital surplus, balance at beginning of year	¥11,772	¥11,912	\$100,213
Increase in capital surplus	0	—	—
Gain on disposal of treasury stock	0	—	—
Decrease in capital surplus	—	139	—
Decrease in capital reduction marginal profit of capital reserve	—	88	—
Decrease in gain on disposal of treasury stock	—	50	—
Balance at end of year	11,773	11,772	100,221
(Retained earnings)			
Retained earnings at beginnings of year	19,223	20,120	163,642
Increase in retained earnings	2,328	19	19,818
Net income	2,328	19	19,818
Decrease in retained earnings	941	917	8,011
Cash dividends	907	883	7,721
Directors' bonuses	34	33	289
Balance at end of year	¥20,610	¥19,223	\$175,449

Consolidated Statements of Cash Flows

Years ended March 31	2006	2005	2006
	Millions of yen		Thousands of U.S.dollars
Net cash provided by operating activities	¥ 3,624	¥ 3,634	\$ 30,850
Net cash provided by investing activities	(720)	203	(6,129)
Net cash provided by (used in) financing activities	(1,489)	438	(12,676)
Effect of exchange rate changes on cash and cash equivalents	14	(10)	119
Net increase in cash and cash equivalents	1,427	4,267	12,148
Cash and cash equivalents at beginning of year	17,217	12,949	146,565
Cash and cash equivalents at end of year	18,644	17,217	158,713

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

As of March 31	2006	2005	2006
	Millions of yen		Thousands of U.S.dollars
(Assets)			
Current assets			
Cash and deposits	¥14,203	¥13,854	\$120,907
Trade notes	1,403	1,340	11,943
Accounts receivable	25,853	18,715	220,082
Marketable securities	800	300	6,810
Merchandise	2,181	1,484	18,566
Other current assets	3,068	4,216	26,117
Total Current assets	47,510	39,910	404,444
Fixed assets			
Tangible fixed assets	12,703	13,553	108,138
Buildings and structures	3,012	3,212	25,641
Land	6,835	7,238	58,185
Other tangible fixed assets	2,856	3,103	24,313
Intangible assets	352	328	2,997
Investments and other securities	17,082	13,081	145,416
Investments in securities	10,094	6,254	85,928
Other investments and other securities	6,988	6,827	59,488
Deferred assets	—	2	—
Bond issue expenses	—	2	—
Total fixed assets	30,138	26,963	256,559
Total assets	77,648	66,877	661,003
(Liabilities)			
Current liabilities			
Trade accounts payable	21,544	15,600	183,400
Bonds with new share warrants due within one year	—	600	—
Other current liabilities	4,382	3,306	37,303
Total Current liabilities	25,926	19,507	220,703
Long-term liabilities			
Long-term debt	500	500	4,256
Other long-term liabilities	5,409	4,283	46,046
Total Long-term liabilities	5,909	4,783	50,302
Total liabilities	31,835	24,291	271,005
(Shareholders' equity)			
Common stock	15,630	15,630	133,055
Capital surplus	11,774	11,773	100,230
Additional paid-in capital	3,907	3,907	33,260
Other capital surplus	7,866	7,865	66,962
Retained earnings	15,399	13,986	131,089
Voluntary reserves	12,076	13,774	102,801
Unappropriated retained earnings at end of the year	3,323	212	28,288
Unrealized gains on other securities	3,119	1,274	26,551
Treasury stock, at cost	(111)	(78)	(945)
Total shareholders' equity	45,812	42,586	389,989
Total liabilities and shareholders' equity	¥77,648	¥66,877	\$661,003

Non-Consolidated Statements of Income

Years ended March 31	2006	2005	2006
	Millions of yen		Thousands of U.S.dollars
Net sales	¥206,218	¥159,351	\$1,755,495
Cost of sales	189,108	142,537	1,609,841
Gross profit	17,109	16,814	145,646
Selling, general and administrative expenses	13,931	13,758	118,592
Operating income	3,177	3,056	27,045
Non-operating income	1,148	811	9,773
Interest and dividend income	280	284	2,384
Other non-operating income	867	526	7,381
Non-operating expenses	103	209	877
Interest expense	33	33	281
Other non-operating expenses	69	176	587
Ordinary income	4,222	3,657	35,941
Extraordinary income	282	1,421	2,401
Gain on sales of fixed assets	282	205	2,401
Gain on sales of investment securities	—	873	—
Indemnity of expropriation	—	342	—
Extraordinary expenses	436	6,264	3,712
Loss on sales of fixed assets	4	6,057	34
Loss on disposal of fixed assets	157	149	1,337
Directors' retirement benefits	17	46	—
Provision for accrued retirement benefits for directors for prior periods	135	—	—
Impairment loss	26	—	—
Other extraordinary expenses	95	10	—
Income before income taxes	4,068	—	—
Loss before income taxes	—	1,184	—
Income taxes			
Current	1,025	48	8,726
Deferred	700	(461)	5,959
Net income	2,342	—	—
Net loss	—	771	—
Retained earnings brought forward from previous year	963	937	8,198
Reversal of provision for retirement benefits	17	46	145
Unappropriated retained earnings at end of the year	¥ 3,323	¥ 212	\$ 28,288

Appropriation of Retained Earnings

	2006	2005	2006
	Thousands of yen		Thousands of U.S.dollars
Unappropriated retained earnings, end of the year	¥3,323,828	¥ 212,426	\$28,295
Reversal of reserve for advanced depreciation of replaced assets	187,939	2,662,297	1,600
Reversal of provision for retirement benefits	68,461	—	583
Total	3,580,229	2,874,724	30,478
The above amount of fund is to be appropriated as follows:			
Cash dividends	906,520	907,088	7,717
(12 yen per share)	(12 yen per share)	(12 yen per share)	
Directors' bonuses	24,000	22,400	204
Reserve for retirement benefits	—	50,000	—
Reserve for advanced depreciation of replaced assets	—	281,713	—
Special reserve	1,700,000	650,000	14,472
Unappropriated retained earnings carried forward	949,708	963,522	8,085
Retained earnings, end of the year	¥3,580,229	¥2,874,724	\$30,478

Corporate Data

Corporate Data

Corporate Name: Sinanen Co., Ltd.
 Head Office: 1-4-22, Kaigan, Minato-ku, Tokyo
 Established: April 11, 1927
 Incorporated: April 25, 1934
 Common Stock: 15,630,132,192 yen
 Number of Employees: 399 (as of March 31, 2006)

Directors, Corporate Auditors and Executive Officers (as of June 27, 2006)

President and Chief Executive Officer	Hiroyuki Suzuki
Vice President	Junji Taniuchi
Senior Managing Director	Takao Nishiuchi
Managing Director	Isao Akizuki
Managing Director	Kiyoshi Kanno
Director	Sachio Kanazaki
Director	Shiro Yamamoto
Director	Shiro Kurokawa
Director	Taizo Taniyama
Director	Shunichi Honkado
Standing Corporate Auditor	Tadashi Maeda
Standing Corporate Auditor	Toshio Nakamura
Corporate Auditor	Tsutomu Shiozu
Corporate Auditor	Masaharu Saito
Executive Officer	Masatoshi Iwamoto
Executive Officer	Tadashi Sakimura
Executive Officer	Tetsuhiko Masuda
Executive Officer	Yasunaga Oiri

Stock Information

Stock Information

Number of shares authorized 237,603,000
 Number of shares issued 75,752,958
 Number of shareholders 6,280

Major shareholders

Name	Number of shares held (thousands)	Ownership ratio (%)
Itochu Enex Co., Ltd.	20,320	26.82
Meiji Yasuda Life Insurance Company	4,200	5.54
COSMO OIL Co., Ltd.	3,945	5.21
The Sumitomo Trust & Banking Co., Ltd.	2,785	3.68
State Street Bank and Trust Company	2,765	3.65
Idemitsu Kosan Co., Ltd.	2,369	3.13
Japan Trustee Services Bank, Ltd.	2,012	2.66
SOMPO JAPAN INSURANCE INC.	1,999	2.64
Customers' Stockholding	1,893	2.50
Mizuho Trust & Banking Co., Ltd.	1,710	2.26

Information for Shareholders

Business Year From April 1 of each year to March 31 of the following year

Date of Annual Shareholders' Meeting June of each year

Record Date Annual Shareholders' Meeting: March 31 of each year
 Year-end dividends: March 31 of each year
 When necessary, other record dates may be established after public notice thereof has been made.

Agent to manage shareholders' registry
 Mizuho Trust & Banking Co., Ltd.
 1-2-1, Yaesu, Chuo-ku, Tokyo

Administrative Office for the Above
 Head Office Securities Agent Dept.,
 Mizuho Trust & Banking Co., Ltd.
 1-2-1, Yaesu, Chuo-ku, Tokyo

For Inquiries Securities Agent Dept.,
 Mizuho Trust & Banking Co., Ltd.
 1-17-7, Saga, Koto-ku, Tokyo 135-8722
 Tel: 0120-288-324 (Toll free number)

Agent Offices Any branch in Japan of Mizuho Trust & Banking Co., Ltd.
 Head office and any branch in Japan of Mizuho Investors Securities Co., Ltd.

Public Notice The Company makes public notices electronically. However, if the Company is unable to give an electronic public notice because of an accident or any other unavoidable reason, public notices may be given in the Nihon Keizai Shimbun.
 Website <http://www.sinanen.com/ir/koukoku.html>

Head Office

New Pier Takeshiba North Tower 9F, 1-11-1, Kaigan, Minato-ku, Tokyo 105-8525 Tel: 03(5470)7100

Kansai Branch Office

3-6-14, Kamikuratsukuri, Hirano-ku, Osaka 547-0004 Tel: 06(6794)4711

Chubu Branch Office

Daisan Kubo Kensetsu Bldg., 5-100, Toriimatsu-cho, Kasugai-shi, Aichi 486-0844 Tel: 0568(89)8261

Southern Metropolitan Tokyo Area Branch Office

3-37-1, Kamishirane, Asahi-ku, Yokohama, Kanagawa 241-0002 Tel: 045(955)2211

Eastern Metropolitan Tokyo Area Branch Office

8-1, Misawa, Tomisato-shi, Chiba 286-0225 Tel: 0476(90)0115

Northern Metropolitan Tokyo Area Branch Office

888, Osaki, Shiraoka-cho, Minamisaitama-gun, Saitama 349-0203 Tel: 0480(92)7511

Tohoku Branch Office

4-7-30, Ougimachi, Miyagino-ku, Sendai-shi, Miyagi 983-0034 Tel: 022(235)1010

Hokkaido Branch Office

11-1-1, Hachiken-rokujonishi, Nishi-ku, Sapporo, Hokkaido 063-0846 Tel: 011(611)3261



SINANEN CO., LTD.

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