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Date of commencement of measures for electronic provision: May 23, 2025

**19TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**  
**OTHER MATTERS SUBJECT TO MEASURES FOR ELECTRONIC PROVISION**  
**(MATTERS OMITTED FROM THE PAPER COPY TO BE DELIVERED TO SHAREHOLDERS)**

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**Mie Kotsu Group Holdings, Inc.**

## **Necessary Corporate Systems to Ensure the Appropriateness of Business Operations and the Summary of Operational Status of the Systems**

### **1. Necessary Corporate Systems to Ensure the Appropriateness of Business Operations**

#### **(1) System to ensure that Directors and employees perform their duties in compliance with laws, regulations, and the Articles of Incorporation**

The Company establishes the Group Compliance Code of Conduct to announce that compliance with laws, regulations and corporate ethics and respect for social norms are fundamental to the Mie Kotsu Group's corporate management. The Company also stipulates manuals serving as concrete guidelines and takes measures to raise awareness of the guidelines.

To promote corporate behavior in compliance with laws, regulations and corporate ethics, the Company establishes a Group Compliance Promotion Committee, and appoints responsible persons therefor at the Company and each Group company in an effort to promote compliance. Moreover, striving for early detection and correction of acts in violation of laws, regulations and corporate ethics within the Mie Kotsu Group, the Company sets up a Group Compliance Hotline.

The Company eliminates any relationship with any antisocial force that poses a threat to public order or sound business activities, confronts in a resolute manner the undue demands from them and takes a firm stand against them.

To ensure the reliability of financial reporting based on the Financial Instruments and Exchange Act, the Company establishes Internal Control Rules for Financial Reporting, and appropriately prepares and operates an internal control system for financial reporting.

#### **(2) System to store and manage information related to the execution of duties by Directors**

The Company appropriately stores and manages information in accordance with the Document Handling Rules and Rules on the Approval Process, etc., and checks the status of storage and management on a periodic basis. The stored and managed information is available for inspection by Directors and Audit & Supervisory Board Members at any time.

#### **(3) Rules regarding the management of the risk of loss, and other systems**

To appropriately manage various risks surrounding the operation of the Mie Kotsu Group companies, the Company establishes the Group Risk Management Rules as comprehensive rules, and raises awareness of them within the Group. Material risks are subject to deliberation individually by the Management Committee, the Board of Directors and other meetings as necessary.

To manage certain risk items, each company has a designated department in charge, and operates individual management systems by establishing internal rules and manuals such as the Personal Information Management Rules, Insider Trading Prevention Regulations, Rules on Emergency and Disaster Countermeasures.

#### **(4) System to ensure that Directors execute their duties efficiently**

Appropriate business organizations and division of duties, as well as duties of executive directors are determined by resolution of the Board of Directors. The President oversees the entire business and, when needed, delegates the decision-making authority based on certain criteria with the perspective of a mutual checking balance in mind.

As an advisory body to Representative Directors, a Management Committee is in place, which thoroughly deliberates in advance on important matters related to management strategies and establishes committees tailored to each management issue, as necessary.

For the conduct of daily operation, the Company prepares Organizational Rules and other internal rules and manuals that serve as standards.

#### **(5) System to ensure the appropriateness of business activities of the corporate group consisting of the company, its parent company and subsidiaries**

In order for the Mie Kotsu Group to conduct appropriate business activities in an integrated fashion, the Company establishes fundamental principles and management guidelines for the Mie Kotsu Group. In addition, the Company promotes the consolidated management of the Group by establishing the Group Management Guidelines that specify the basic Group management policy and division of responsible authorities of the Company and each Group company. Important management matters of each Group company are reported to or discussed with the Company, as appropriate.

The Company formulates a Group mid-term management plan that incorporates mid-term management

plans and annual budget of each Group company. By managing the progress of this plan, the Company effectively promotes the corporate activities of the Group as a whole.

The Company establishes an audit division under the direct control of the President. The division provides or oversees the internal audit of the entire Mie Kotsu Group, in an effort to ensure effectiveness and appropriateness of the internal control over the entire operation of the Group.

Moreover, to promote information exchange among Group companies and Group-wide activities, a Group Representatives Meeting is held on a periodic basis.

**(6) System concerning audits by Audit & Supervisory Board Members (A system of employees to assist Audit & Supervisory Board Members; matters regarding independence of the employees from Directors; a system to ensure effectiveness of orders to the employees; a system regarding the reporting to Audit & Supervisory Board Members; a system to ensure that persons who made a report are not treated unfavorably due to the reporting; matters regarding policies for audit fees, etc.; and other systems to ensure that audits by Audit & Supervisory Board Members are performed effectively)**

To assist the duties of audits by the Audit & Supervisory Board and Audit & Supervisory Board Members, the Company establishes an Audit & Supervisory Board Members Office. Employees belonging to the Office are directed by Audit & Supervisory Board Members, and their transfers and evaluations are subject to approval of Full-time Audit & Supervisory Board Members.

Audit & Supervisory Board Members attend the meeting of the Board of Directors, receive report on important items submitted for discussion, and provide opinions as deemed necessary. The Company has in place a system where Audit & Supervisory Board Members check circulated important documents on business execution, and require reporting from Directors and employees, as well as from subsidiaries, as necessary.

Directors and employees of the Company, and Directors, Audit & Supervisory Board Members and employees of the Group companies report on matters regarding business execution and other important matters to Audit & Supervisory Board Members of each company and Full-time Audit & Supervisory Board Members of Mie Kotsu Group Holdings, in accordance with the Group Management Guidelines and Criteria for Reporting to and Approval by Mie Kotsu Group Holdings, etc.

The Company takes appropriate measures to ensure that persons who made an aforementioned report will not be treated unfavorably because of the reporting.

When Audit & Supervisory Board Members request the Company for prepayment or reimbursement of expenses incurred in executing their duties, the Company promptly processes the expenses or obligations, unless these expenses were deemed unnecessary for the execution of duties of Audit & Supervisory Board Members.

Full-time Audit & Supervisory Board Members may attend the Management Committee and other meetings, receive report and provide opinions. Full-time Audit & Supervisory Board Members also participate in on-site audits by the Accounting Auditor at the Company and its subsidiaries, and provide opportunities to exchange information with the Accounting Auditor on a periodic basis.

The Audit & Supervisory Board closely collaborates with Audit & Supervisory Board Members of the Group companies to enhance the auditing function of the Group.

## **2. The Summary of Operational Status of the Systems to Ensure the Appropriateness of Business Operations**

### **(Status of compliance initiatives)**

The status of compliance initiatives during the fiscal year under review included the Group Compliance Promotion Committee meeting that was held twice, at which we discussed and determined basic policies and measures for compliance promotion, and plans and the conduct of compliance-related trainings and seminars, etc. As an awareness-raising program, we held seminars aimed at cultivating knowledge of compliance.

### **(Status of risk management initiatives)**

To appropriately manage various risks surrounding the operation of the Mie Kotsu Group companies, we have established a system to promptly take response when a risk has occurred or is likely to occur, in accordance with the Group Risk Management Rules.

The status of risk management initiatives during the fiscal year under review included the conduct of risk evaluation and analysis faced by the Group. We took necessary measures to prevent the occurrence of material risks ascertained.

**(Status of initiatives to ensure that Directors execute their duties efficiently)**

In accordance with internal rules such as the Board of Directors Rules and Management Committee Rules, we ensure that Directors act in compliance with laws, regulations and the Articles of Incorporation, and to strengthen the supervisory function, several Outside Directors have been appointed.

Division of duties and administrative authorities are set forth in the Organizational Rules, etc., by which we seek to clarify responsibilities and achieve efficient execution of duties.

The status of initiatives to ensure that Directors execute their duties efficiently during the fiscal year under review included the appropriate execution of duties, decision making and supervision provided through the holding of 11 meetings of the Board of Directors and 16 meetings of the Management Committee.

As a training program for Directors, we held a seminar targeted at newly appointed officers on the themes of Corporate Governance, Officers' Responsibilities, and Sustainability. After their assumption of office, we provide them with the Group Officers Seminars and other training opportunities deemed necessary, thereby providing them with the information and knowledge regarding our business activities.

**(Status of initiatives to ensure the appropriateness of business activities of the corporate group consisting of the Company and its subsidiaries)**

The Company executes consolidated group management in accordance with the Group Management Guidelines that specify the basic Group management policy and division of responsible authorities of the Company and each Group company. We have in place a system where important management matters of each Group company are reported to or discussed with the Company, as appropriate, in accordance with the Criteria for Reporting to and Approval by Mie Kotsu Group Holdings, etc.

The Internal Control Office conducts audits on subsidiaries and provides efficient monitoring appropriate to the Group management.

The status of initiatives to ensure the appropriateness of business activities of the corporate group consisting of the Company and its subsidiaries during the fiscal year under review included the progress control on budget that was provided on a monthly basis by the Board of Directors and the Management Committee. We also reviewed the progress of the Mie Kotsu Group Mid-term Management Plan (2023-2026), which was formulated in May 2023. In this way, we ensure the unity of the Group management.

**(Status of initiatives to ensure effective audits by Audit & Supervisory Board Members)**

Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members attended the Board of Directors meetings, while Full-time Audit & Supervisory Board Members attended important meetings such as the Management Committee meetings. Through attending these meetings, they confirmed the status of the establishment and operation of the internal control system. They also exchange information with Outside Directors, the Accounting Auditor and Internal Control Office on a periodic basis to ascertain the status of the Company's overall internal control system.

To assist the audit-related duties of the Audit & Supervisory Board and Audit & Supervisory Board Members, the Company established the Audit & Supervisory Board Members Office and appointed three employees.

The status of initiatives to ensure effective audits by Audit & Supervisory Board Members during the fiscal year under review included the holding of 11 meetings of the Audit & Supervisory Board comprised of four Audit & Supervisory Board Members, of which two were Outside Audit & Supervisory Board Members. In addition, a liaison meeting attended by Full-time Audit & Supervisory Board Members and Audit & Supervisory Board Members of subsidiaries was held twice to exchange information.

Full-time Audit & Supervisory Board Members attended the Management Committee meetings and other meetings, in addition to the Board of Directors meetings held in the fiscal year under review. They also reviewed the meeting minutes and documents requesting approval.

## Consolidated Statement of Changes in Net Assets

(April 1, 2024 - March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,000,000	10,572,904	34,742,910	(663,161)	47,652,653
Changes during period					
Dividends of surplus			(1,201,795)		(1,201,795)
Profit attributable to owners of parent			6,058,649		6,058,649
Purchase of treasury shares				(171)	(171)
Disposal of treasury shares		99,494		19,506	119,001
Net changes in items other than shareholders' equity					
Total changes during period	—	99,494	4,856,854	19,335	4,975,684
Balance at end of period	3,000,000	10,672,399	39,599,765	(643,826)	52,628,338

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,913,164	3,282,401	1,157,775	11,353,341	325,764	59,331,759
Changes during period						
Dividends of surplus						(1,201,795)
Profit attributable to owners of parent						6,058,649
Purchase of treasury shares						(171)
Disposal of treasury shares						119,001
Net changes in items other than shareholders' equity	(715,252)	(69,069)	(363,868)	(1,148,190)	25,301	(1,122,889)
Total changes during period	(715,252)	(69,069)	(363,868)	(1,148,190)	25,301	3,852,794
Balance at end of period	6,197,911	3,213,332	793,906	10,205,150	351,065	63,184,554

Note: Figures presented are rounded down to the nearest thousand yen

# Notes to the Consolidated Financial Statements

## 1. Notes to the Basis for Preparation of Consolidated Financial Statements

### (1) Scope of consolidation

#### Number and names of consolidated subsidiaries

Number of consolidated subsidiaries 23

Names of consolidated subsidiaries Mie Kotsu Co., Ltd., Sanco Real Estate Co., Ltd., Mie Isuzu Motor Co., Ltd., Gozaisho Ropeway Co., Ltd., Mie Kotsu Shoji Co., Ltd., Mie Country Club Co., Ltd., Meihankintetsu Bus Co., Ltd., Sanco Taxi Co., Ltd., Mie Kyuko Jidosha Co., Ltd., Sanco Creative Life Co., Ltd., Mie Kotsu Community Co., Ltd., Sanco Iseshima Kotsu Co., Ltd., Sanco CL 2 Co., Ltd., Sanco Cogyo Co., Ltd., Happu Bus Co., Ltd., Midori Service Co., Ltd., Meihankintetsu Travel Co., Ltd., Sanco Real Estate Appraisal Co., Ltd., Toba Seaside Hotel Co., Ltd., Sanco Inn Co., Ltd., Sanco Driving School Co., Ltd., Sanco Welfare Co., Ltd., MN Bodyworks Co., Ltd.

### (2) Application of the equity method

#### 1) Number and names of equity-method affiliates

Number of equity-method affiliates 2

Names of equity-method affiliates Mieken Kanko Kaihatsu Co., Ltd., Matsusaka Country Club Co., Ltd.

#### 2) Name of affiliate not subject to the equity method

Name of company MSP Co., Ltd.

Reason for not applying the equity method The affiliate not subject to the equity method is excluded from application of the equity method because the impact on profit or loss (amount corresponding to equity), retained earnings (amount corresponding to equity), etc., is negligible, and neither is material as a whole.

### (3) Fiscal years, etc. of consolidated subsidiaries

The closing dates of consolidated subsidiaries are the same as the consolidated closing date.

### (4) Matters concerning accounting procedures

#### 1) Standards and methods for valuation of assets

##### A. Standards and methods for valuation of securities

##### • Available-for-sale securities

Securities other than stocks, etc. without market quotations Stated at fair value. (Any valuation differences are directly charged or credited to net assets, and cost of securities sold is calculated by the moving-average method.)

Stocks, etc. without market quotations Stated at cost using the moving-average method.

##### B. Standards and methods for valuation of inventories

##### • Merchandise and finished goods

Mainly stated at cost using the retail method. (The figures shown in the consolidated balance sheet have been calculated by writing them down based on decline in profitability.)

##### • Real estate for sale

Stated at cost using the individual method. (The figures shown in the consolidated balance sheet have been calculated by writing them down based on decline in profitability.)

##### • Work in process

Stated at cost using the individual method. (The figures shown in the consolidated balance sheet have been calculated by writing them down based on decline in profitability.)

- Raw materials and supplies      Mainly stated at cost using the moving-average method. (The figures shown in the consolidated balance sheet have been calculated by writing them down based on decline in profitability.)
- 2) Depreciation method for non-current assets
- A. Property, plant and equipment (excluding leased assets)      The declining-balance method is applied. However, the straight-line method is applied for assets for lease, assets related to solar power generation, buses included in vehicles, buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016. Useful lives and residual values are mainly estimated in accordance with the same standard as stipulated in the Corporation Tax Act.
  - B. Intangible assets (excluding leased assets)      The straight-line method is applied. Useful lives are mainly estimated in accordance with the same standard as stipulated in the Corporation Tax Act. However, computer software for internal use is amortized over the estimated internal useful life (five years).
  - C. Leased assets      For finance leases that are not deemed to transfer the ownership of the leased assets to the lessee, the straight-line method with no residual value is applied, regarding the lease term as useful life.
- 3) Standards of accounting for reserves
- A. Allowance for doubtful accounts      Allowance for doubtful accounts is provided based on the historical write-off rate for ordinary receivables, and the estimated amount of irrecoverable debt based on recoverability of individual cases for specified receivables such as doubtful accounts.
  - B. Provision for product warranties      To provide for payment of after-sales service expenses, etc. for land and buildings for sale in lots, estimated future repair costs, etc. are provided based on the past payment record.
  - C. Provision for bonuses      To prepare for payment of employee bonuses, provision for bonuses is provided in the amount for the fiscal year under review based on the estimated amount of payment.
  - D. Provision for redemption of gift certificates of travel      To provide for the future use of the unused portion of issued gift certificates of travel that have been recorded as revenue after a certain period of time, an estimated amount is provided based on the past redemption rate.
  - E. Provision for repairs      To provide for the expenditure of periodic repair costs of power generation facilities in the environmental energy business, estimated expenditures based on repair plans are provided at amounts considered to have accrued in the fiscal year under review.
- 4) Other notes to the basis for preparation of Consolidated Financial Statements
- A. Standards of accounting for revenue and expenses
- The details of major performance obligations in the main businesses of the Company and its consolidated subsidiaries related to revenue from contracts with customers, together with the normal timing of when these performance obligations are satisfied (the usual timing of revenue recognition) are shown below.
- Transportation business  
In the transportation business, the Company and its consolidated subsidiaries mainly provide



passenger transportation services using buses and taxis. Performance obligations are deemed satisfied when these passenger transportation services are provided to customers and recognize revenue at that point in time.

- Real estate business

In the condominium and housing sale business, the Company and its consolidated subsidiaries mainly sell condominiums and detached houses, and bear an obligation to deliver the relevant property based on the real estate sales contract with the customer. Performance obligations are deemed satisfied when the relevant property is delivered to the customer, and revenue is recognized at that point in time.

In the construction business, the Company and its consolidated subsidiaries mainly undertake the construction of detached houses, etc. based on construction contracts. Revenue is recognized over time as a performance obligation is getting satisfied. Estimation of the outcome of a performance obligation is calculated using the input methods based on the incurred costs. However, for construction works for which the period between the date of commencement of the transaction and the point in time when the performance obligation is expected to be fully satisfied under the contract is very short, revenue is recognized upon completion of the construction work, instead of recognizing it over time, as the performance obligations are deemed to be satisfied at the time of completion.

In the leasing business, the Company and its consolidated subsidiaries engage in the leasing of its office buildings, commercial facilities, etc. Lease income from this real estate is recognized over the term of the lease, in accordance with Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007).

- Distribution business

The Company and its consolidated subsidiaries engage in sales of petroleum products, sales of household goods, and sales of automobiles. In these transactions, customers obtain control of these products, and performance obligations are deemed to be satisfied when they are transferred to customers. Revenue is therefore recognized at that point in time.

- Leisure services business

In the business hotel and resort hotel businesses, the Company and its consolidated subsidiaries mainly provide accommodation facilities and associated services. Performance obligations are deemed satisfied when the provision of these services to customers is completed, and revenue is recognized at that point in time.

In the travel business, the Company and its consolidated subsidiaries mainly engage in the sale of package tour products and travel agency services. Performance obligations are deemed satisfied when the travel is completed or when tickets are issued, or when the agency services are completed. Revenue is therefore recognized at that point in time.

B. Accounting treatment of retirement benefits

To prepare for payment of employee retirement benefits, an amount equal to the amount of retirement benefit obligation after deduction of the amount of pension assets based on estimated amounts at the end of the fiscal year under review is provided.

In calculation of retirement benefit obligation, the method for the estimated amount of retirement benefits to be attributed to a period by the fiscal year under review-end is based on the straight-line attribution.

The past service costs are recorded as expenses by using the straight-line method amortized over a certain period (8-11 years), which is less than the average remaining length of employees' service at the time when such liabilities are incurred.

Actuarial difference is recorded as expenses by the straight-line method amortized over a certain period (8-11 years), which is less than the average remaining length of employees' service at the time of its occurrence in each fiscal year, and such recording of expenses is commenced in the following fiscal year of respective occurrence.

Unrecognized past service costs and unrecognized actuarial difference are recorded as remeasurements of defined benefit plans under accumulated other comprehensive income in the Net assets section upon tax effects adjustment.

Some consolidated subsidiaries apply the simplified method where the amount of retirement benefits payable at the end of the fiscal year for voluntary resignations is the retirement benefit obligation.

C. Interest expenses included in cost

Interest expenses are recorded as expenses during the period.

However, interest expenses such as those on borrowings for certain large-scale development projects are included in the acquisition cost.

There are no interest expenses that were included in the acquisition cost during the fiscal year under review.

D. Accounting treatment of corporation tax, local corporation tax and tax effect accounting

The Company and some of its consolidated subsidiaries apply a group tax sharing system. The company accounting treatment and disclosure for corporation tax, local corporation tax and tax effect accounting is in accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

## 2. Changes in Presentation Method

(Consolidated Balance Sheet)

“Accounts payable - other” (7,703,883 thousand yen in the fiscal year under review), which was presented as a separate item in the previous fiscal year, is now included in “Other” under “Current liabilities” in the fiscal year under review, due to its decreased monetary importance.

(Consolidated Statement of Income)

“Impairment losses” (91 thousand yen in the fiscal year under review), which was presented as a separate item in the previous fiscal year, is now included in “Other” under “Extraordinary losses” in the fiscal year under review due to its decreased monetary importance.

## 3. Notes to Accounting Estimates

Impairment of non-current assets

1) Amounts posted in the consolidated financial statements for the fiscal year under review

Property, plant and equipment and intangible assets: 113,484,401 thousand yen

Impairment losses: 91 thousand yen

2) Information that would enable users of financial statements to understand the details of accounting estimates

The Group groups the business assets and assets for lease by unit which is acknowledged as generating cash flow independently based on managerial accounting categories, and the idle assets by individual property unit.

With regard to an asset or asset group deemed as indicating impairment, the Group compares the sum of the undiscounted future cash flows expected to result from the asset or asset group against its book value to determine if it is necessary to recognize an impairment loss. If it is determined that an impairment loss should be recognized, the book value of the non-current asset is written down to the recoverable amount (a net realizable value or value in use, whichever is higher), and such written down amount is posted as an impairment loss.

Business plans are based on information available as of the end of the fiscal year under review, however, in the event of deterioration of market conditions or changes in demand, etc., consolidated financial statements for the next and subsequent fiscal years may be significantly affected.

#### 4. Notes to Consolidated Balance Sheet

##### (1) Assets pledged as collateral and liabilities relating to collateral

###### 1) Assets pledged as collateral

(Road transport enterprise foundation)

	(Thousands of yen)
Buildings and structures	322,820
Machinery, equipment and vehicles	0
Land	1,366,979
<u>Total</u>	<u>1,689,799</u>

(Other)

	(Thousands of yen)
Cash and deposits	1,500,000
Merchandise and finished goods	139,278
Real estate for sale	925,248
Buildings and structures	5,645,554
Land	16,629,526
Investment securities	7,061,374
(of which, shares of subsidiaries and associates)	(3,538,029)
<u>Total</u>	<u>31,900,982</u>

###### 2) Liabilities relating to collateral

(Road transport enterprise foundation)

	(Thousands of yen)
Current portion of long-term borrowings	144,600
Long-term borrowings	286,400
<u>Total</u>	<u>431,000</u>

(Other)

	(Thousands of yen)
Notes and accounts payable – trade	139,278
Short-term borrowings	3,610,000
Current portion of long-term borrowings	16,839,566
Other current liabilities	284,812
Long-term borrowings	32,040,606
Long-term guarantee deposits	2,927,452
<u>Total</u>	<u>55,841,714</u>

(2) Accumulated depreciation of property, plant and equipment: 98,339,714 thousand yen

###### (3) Guarantee liabilities

Guarantee is provided for borrowings made by the companies other than the consolidated companies from financial institutions, etc.

	(Thousands of yen)
General customers (housing loans)	796,500
<u>Total</u>	<u>796,500</u>

###### (4) Revaluation of land

The Company revaluated land for business use in accordance with the Act on Revaluation of Land (Act No. 34, promulgated on March 31, 1998) and the revised said Act (Act No. 24, promulgated on March 31, 1999), and recorded the amount corresponding to taxes on the amount of the relevant land revaluation difference in “Deferred tax liabilities for land revaluation” as a part of the Liabilities, and the remaining amount in “Revaluation reserve for land” as a part of the Net assets.

(Method of revaluation)

Based on appraisal by real estate appraisers as provided for by Article 2, Item 5 of the Order for

Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, promulgated on March 31, 1998).  
(Date of revaluation) March 31, 2000

(The amount of difference between the total fair value as of the end of fiscal year under review of the land for business use revaluated in accordance with Article 10 of the said Act and the total book value after such revaluation of the land for business use)

As the fair value of the revaluated land exceeds the book value after the revaluation, the amount of difference is not provided.

(5) Commitment line contracts

To prepare for contingent expenditures, the Company has entered into commitment line contracts with one bank with which it has transaction. The borrowing limit is 1,000,000 thousand yen and there was no borrowing balance.

**5. Notes to Consolidated Statement of Income**

(1) Revenue from contracts with customers

The amount of revenue from contracts with customers is as described in “9. Notes to Revenue Recognition (1) Disaggregation of revenue from contracts with customers” in the Notes to the Consolidated Financial Statements.

(2) Amount reduced based on decline in profitability of inventories

Cost of goods sold includes the reduction of book value by 466,768 thousand yen as a result of decline in profitability of real estate for sale.

## 6. Notes to Consolidated Statement of Changes in Net Assets

(1) Types and total number of outstanding shares as of the fiscal year-end

- 1) Common stock 107,301 thousand shares
- 2) Matters related to the number of treasury shares

(Thousand shares)

Type of stock	Number of shares at the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares at the end of the fiscal year under review
Common stock (*1, 2)	7,258	0	213	7,045

(\*1) Increase in the number of treasury shares is due to purchase of fractional shares.

(\*2) Decrease in the number of treasury shares is due to disposal of treasury shares as restricted stock compensation.

(2) Dividends

1) Dividend amount

Resolution	Type of stock	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 20, 2024	Common stock	600,257	6.0	March 31, 2024	June 21, 2024
Board of Directors meeting on October 23, 2024	Common stock	601,537	6.0	September 30, 2024	November 21, 2024

2) Dividends whose record date is during this fiscal year, but whose effective date is after the end of this fiscal year

Planned resolution	Type of stock	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 17, 2025	Common stock	802,048	8.0	March 31, 2025	June 18, 2025

Note: Dividends will be paid from retained earnings.

## 7. Notes on Financial Instruments

### (1) Status of Financial Instruments

The Group limits its fund management to short-term deposits and the like, and procures funds through borrowings from banks and other financial institutions.

Credit risks of the customers pertaining to notes and accounts receivable – trade are mitigated in accordance with the policies for credit controls. Investment securities are stocks. Fair values of listed stocks are checked on a quarterly basis.

### (2) Market value, etc., of financial instruments

The amounts posted on the consolidated balance sheet, the market values, and the differences thereof as of March 31, 2025 (closing date of the fiscal year under review) are as follows. The following table does not include stocks, etc. without market quotations (see (Note) below). Description of notes on cash has been omitted. Description of notes on deposits, notes and accounts receivable – trade, notes and accounts payable – trade and short-term borrowings has been also omitted as the settlement periods for the foregoing are short, and their market values approximate their book values.

(Thousands of yen)

	Consolidated balance sheet amount	Fair value	Difference
1) Investment securities			
Other securities	12,703,662	12,703,662	–
Total assets	12,703,662	12,703,662	–
2) Long-term borrowings (*)	67,448,804	66,537,029	(911,774)
3) Long-term guarantee deposits	8,669,771	8,631,407	(38,363)
Total liabilities	76,118,575	75,168,436	(950,138)

(\*) Includes current portion of long-term borrowings.

(Note) Stocks, etc. without market quotations

Category	Consolidated balance sheet amount (Thousands of yen)
Unlisted stock	1,410,579

Not included in 1) above.

### (3) Fair value information by appropriate category within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 fair value: Fair value measured using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly

Level 3 fair value: Fair value measured using significant unobservable inputs

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

1) Financial assets and financial liabilities recorded in the Consolidated Balance Sheet at fair value

Category	Fair value (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	12,703,662	–	–	12,703,662
Total assets	12,703,662	–	–	12,703,662

2) Financial assets and financial liabilities not recorded in the Consolidated Balance Sheet at fair value

Category	Fair value (Thousands of yen)			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	66,537,029	–	66,537,029
Long-term guarantee deposits	–	8,631,407	–	8,631,407
Liabilities total	–	75,168,436	–	75,168,436

(Note) A description of the valuation technique(s) and inputs used in the fair value measurements

• Investment securities:

Listed stocks are valued using quoted prices. As listed stocks are traded in active markets, their fair value is classified as Level 1.

• Long-term borrowings:

The fair value of long-term borrowings is measured using the discounted cash flow method based on the sum of principal and interest using a presumable rate used for similar new borrowings, and is classified as Level 2.

• Long-term guarantee deposits:

The fair value of long-term guarantee deposits is measured at present value calculated by discounting the estimated amount of refund at a risk free rate corresponding to a substantial contract period, and is classified as Level 2.

## 8. Notes to Real Estate for Rent, etc.

(1) Status of real estate for rent, etc.

Some consolidated subsidiaries own office buildings and commercial facilities (including land) for rent in Mie Prefecture and other places.

(2) Market value of real estate for rent, etc.

(Thousands of yen)

Consolidated balance sheet amount	Market value
60,767,062	77,604,800

(Notes) 1. Consolidated balance sheet amount is shown in acquisition cost, less accumulated depreciation.

2. Market value at the fiscal year under review-end is an amount calculated mainly based on “real estate appraisal standards” (including those adjusted using indices, etc.).

## 9. Notes to Revenue Recognition

### (1) Disaggregation of revenue from contracts with customers

(Thousands of yen)

	Reportable segments				Total
	Transportation	Real Estate	Distribution	Leisure Services	
General transit passenger motor transportation business	10,855,749				10,855,749
General charter passenger motor transportation business	5,924,714				5,924,714
Passenger transportation commission business	3,662,907				3,662,907
Condominium and housing sale business		12,857,886			12,857,886
Leasing business		1,482,239			1,482,239
Construction business		4,118,711			4,118,711
Environmental energy business		5,290,117			5,290,117
Petroleum products sales business			9,520,454		9,520,454
Household goods sales business			8,542,237		8,542,237
Automobile sales business			14,139,582		14,139,582
Business hotel business				6,660,979	6,660,979
Other	2,232,289	2,872,027	—	8,345,906	13,450,223
Revenue from contracts with customers	22,675,661	26,620,981	32,202,274	15,006,885	96,505,802
Other revenue	—	7,343,375	—	—	7,343,375
Revenue with external customers	22,675,661	33,964,356	32,202,274	15,006,885	103,849,178

### (2) Useful information in understanding revenue

Useful information in understanding revenue is presented under “1. (4) Matters concerning accounting procedures, 4) Other notes to the basis for preparation of Consolidated Financial Statements, A. Standards of accounting for revenue and expenses.”



- (3) Useful information in understanding the amount of revenue for the fiscal year under review and next and subsequent fiscal years

1) Balance of contract liabilities

(Thousands of yen)

	Fiscal year under review
Receivables from contracts with customers (beginning balance)	
Notes receivable – trade	178,108
Accounts receivable – trade	7,337,919
	7,516,028
Receivables from contracts with customers (ending balance)	
Notes receivable – trade	137,729
Accounts receivable – trade	7,637,845
	7,775,575
Contract liabilities (beginning balance)	2,007,987
Contract liabilities (ending balance)	1,631,635

Contract liabilities primarily consist of advances received from customers in the transportation and real estate businesses. Contract liabilities are reversed upon recognition of revenue. The balance of contract liabilities at the beginning of the fiscal year under review was largely recognized as revenue for the fiscal year under review, and the amount carried over to subsequent fiscal years is immaterial.

2) Transaction price allocated to remaining performance obligations

The Company and its consolidated subsidiaries have applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and does not disclose contracts with an original expected duration of one year or less. The performance obligations that are unsatisfied (or partially unsatisfied) amounted to 761,457 thousand yen as of the end of the fiscal year under review. The performance obligation mainly relates to the condominium sales in the real estate sales business. The Company expects to recognize this revenue within approximately one year from the end of the fiscal year under review.

## 10. Notes to Per Share Information

- (1) Net assets per share 626.73 yen  
 (2) Profit per share 60.48 yen

## 11. Other Notes

(Notes to asset retirement obligations)

- (1) Amount of asset retirement obligations recorded in the consolidated balance sheet

1) Overview of the asset retirement obligations

They are mainly obligations to restore properties to their original state pertaining to real estate lease agreements of offices, etc. and power generation facilities for the environmental energy business.

2) Calculation method of the asset retirement obligations

Asset retirement obligations are calculated based on the expected period of use of 8 - 38 years according to each contractual period and at a discount rate of 0.018 - 2.165%.

3) Changes in total asset retirement obligations during the fiscal year under review

(Thousands of yen)

Balance at beginning of period	1,881,782
Increase due to acquisition	16,861
Adjustment due to passage of time	15,902
Balance at end of period	1,914,546

(2) Asset retirement obligations other than those recorded in the consolidated balance sheet

Some offices, etc. used by consolidated subsidiaries are bound by real estate lease agreements with obligations to restore them to the original state at the time of business termination or vacation of properties; however, as the periods of use of the rental properties pertaining to the obligations are uncertain, and no relocation is scheduled at this time, asset retirement obligations cannot be reasonably estimated. In addition, some buildings assume obligations for asbestos elimination expenses at the time of demolition; however, as the time of buildings demolition pertaining to the obligations are uncertain, and no demolition is scheduled, asset retirement obligations cannot be reasonably estimated. Therefore, asset retirement obligations corresponding to these obligations have not been recorded.

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In the notes to the consolidated financial statements, figures presented are rounded down to the nearest thousand yen, and numbers of shares are rounded down to the nearest thousand shares.

## Statement of Changes in Net Assets

(April 1, 2024 - March 31, 2025)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	3,000,000	750,000	11,724,618	12,474,618
Changes during period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			85,720	85,720
Total changes during period	—	—	85,720	85,720
Balance at end of period	3,000,000	750,000	11,810,338	12,560,338

	Shareholders' equity				Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	
	Other retained earnings	Total retained earnings			
	Retained earnings brought forward				
Balance at beginning of period	10,405,777	10,405,777	(1,131,481)	24,748,914	24,748,914
Changes during period					
Dividends of surplus	(1,201,795)	(1,201,795)		(1,201,795)	(1,201,795)
Profit	2,181,839	2,181,839		2,181,839	2,181,839
Purchase of treasury shares			(171)	(171)	(171)
Disposal of treasury shares			33,281	119,001	119,001
Total changes during period	980,044	980,044	33,109	1,098,874	1,098,874
Balance at end of period	11,385,821	11,385,821	(1,098,371)	25,847,789	25,847,789

Note: Figures presented are rounded down to the nearest thousand yen

# Notes to the Non-Consolidated Financial Statements

## 1. Notes to Significant Accounting Policies

### (1) Standards and methods for valuation of assets

#### 1) Standards and methods for valuation of securities

- Stocks of subsidiaries and affiliates Stated at cost using the moving-average method.

#### 2) Standards and methods for valuation of inventories

- Raw materials and supplies Stated at cost using the moving-average method. (The figures shown in the balance sheet have been calculated by writing them down based on decline in profitability.)

### (2) Standards of accounting for reserves

#### Provision for bonuses

To prepare for payment of employee bonuses, provision for bonuses is provided in the amount for the fiscal year under review based on the estimated amount of payment.

### (3) Standards of accounting for revenue and expenses

The Company recognizes revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Revenue of the Company consists of dividends from subsidiaries and associates and commissions from subsidiaries and associates. Dividends from subsidiaries and associates are recognized as of the effective date of the dividend payment. Performance obligations for commissions from subsidiaries and associates are to render entrusted works and services to subsidiaries according to the contracts with subsidiaries. As the Company's performance obligations are satisfied at the time when the entrusted works and services are rendered, revenue is recognized at that point in time.

## 2. Notes to Non-Consolidated Balance Sheet

### Monetary receivables from and payables to subsidiaries and associates

1) Short-term monetary receivables	8,870,325 thousand yen
2) Long-term monetary receivables	4,805 thousand yen
3) Short-term monetary payables	50,423 thousand yen

## 3. Notes to Non-Consolidated Statement of Income

### Transactions with subsidiaries and associates

1) Operating transactions (income)	3,476,945 thousand yen
2) Operating transactions (expenses)	468,272 thousand yen
3) Transactions other than operating transactions (income)	27,793 thousand yen
4) Transactions other than operating transactions (expenses)	15 thousand yen

#### 4. Notes to Non-Consolidated Statement of Changes in Net Assets

Class and number of treasury shares as of the fiscal year-end

(Thousand shares)

Type of stock	Number of shares at the beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	Number of shares at the end of the fiscal year under review
Common stock (*1, 2)	7,258	0	213	7,045

(\*1) Increase in the number of treasury shares is due to purchase of fractional shares.

(\*2) Decrease in the number of treasury shares is due to disposal of treasury shares as restricted stock compensation.

#### 5. Notes to Tax Effect Accounting

The Company applies a group tax sharing system. The company accounting treatment and disclosure for corporation tax, local corporation tax and tax effect accounting is in accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

The main contributing factors to the deferred tax assets are provision for bonuses.

## 6. Notes to Transactions with Related Parties

Subsidiaries and affiliates, etc.

(Thousands of yen)

Type	Name of company, etc.	Percentage of voting rights, etc., held (or held of the Company)	Relationship with related parties	Transaction details	Transaction amount	Description	Fiscal year-end balance
Subsidiary	Mie Kotsu Co., Ltd.	Directly holds 100%	Loan of funds  Officer with concurrent positions	Receipt of management fee (*1)	286,463	—	—
				Receipt of equipment usage fee (*2)	2,952	—	—
				Outsourcing fee (*3)	128,080	—	—
				Lease of facilities (*4)	112,143	—	—
				Advertising fee (*5)	79,120	—	—
				Deposit of funds through CMS (*6)	7,957,857	Deposit	8,076,312
				Receipt of interest (*6)	27,793	Other current assets	—
Subsidiary	Sanco Real Estate Co., Ltd.	Directly holds 100%	Officer with concurrent positions	Receipt of management fee (*1)	519,865	—	—
				Receipt of equipment usage fee (*2)	4,620	—	—
				Amount to be received in connection with the group tax sharing system	544,883	Accounts receivable - other	544,883

Transaction terms and policies regarding determination of transaction terms

- (\*1) Management fee is determined by calculating the composition ratio of the companies based on the averages of operating revenue, operating expenses, ordinary profit and total assets in the past three fiscal years.
- (\*2) Equipment usage fee is determined by calculating the composition ratio of the companies based on the usage condition of the equipment.
- (\*3) Outsourcing fee presented by Mie Kotsu Co., Ltd. is reviewed every fiscal year to determine the price.
- (\*4) Leasing fee presented by Mie Kotsu Co., Ltd. is reviewed every fiscal year to determine the price.
- (\*5) Advertising fee is determined after negotiation on the price presented by Mie Kotsu Co., Ltd.
- (\*6) The Company participates in the cash management system (CMS) introduced by Mie Kotsu Co., Ltd. The interest accrues on the CMS. Transaction amount is shown in the average of deposit balance. Interest rate is determined based on the market interest rates.

## **7. Notes to Revenue Recognition**

Useful information in understanding revenue is presented in “(3) Standards of accounting for revenue and expenses” under “1. Notes to Significant Accounting Policies.”

## **8. Notes to Per Share Information**

(1) Net assets per share	257.82 yen
(2) Profit per share	21.78 yen

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(Note) In the notes to the non-consolidated financial statements, figures presented are rounded down to the nearest thousand yen, and numbers of shares are rounded down to the nearest thousand shares.