



June 27, 2025

To whom it may concern:

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 (Code: 7102, TSE Prime / NSE Premier)
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Notice Concerning Controlling Shareholder

1. Trade name and other information of parent company

(As of March 31, 2025)

Name	Attributes	Voting rights ownership ratio (%)			Financial instruments exchange where issued shares are listed
		Those held directly	Those subject to aggregation	Total	
Central Japan Railway Company	Parent company	51.2	—	51.2	Prime Market, Tokyo Stock Exchange, Inc. Premier Market, Nagoya Stock Exchange, Inc.

2. Position of the Company in the group of the parent company and other relationships between the Company and the parent company

Central Japan Railway Company is the parent company of Nippon Sharyo, Ltd. (the “Company”) and holds 51.2% of the voting rights of the Company. The Company sells railcars, such as Shinkansen rolling stock, cars used for limited special trains, and cars used for commuter trains, and machinery and equipment to its parent company Central Japan Railway Company, and sales to Central Japan Railway Company accounted for 30.2% of the Company’s total sales for the fiscal year ended March 31, 2025.

The Company intends to strengthen its business foundation through the capital partnership with the parent company while promoting technological and human resource exchanges through the business partnership with the parent company to build a relationship through which the technological strengths of both companies are mutually complemented.

Selling price and other terms and conditions of transactions with the parent company are determined in consideration of market prices in the same manner as for regular transactions.

While two of the Company’s directors come from the parent company, the parent company respects the autonomy and independence of the Company’s management, and the Company believes that a certain level of its independence is maintained.

On April 20, 2017, the Company transferred its plant assets (Toyokawa Plant, Narumi Plant and Kinuura Plant) to its parent company. Since this is a transaction between the Company and its parent company, and the Company continues to use the transferred assets as plants after the transfer as before under lease agreements with the parent company, the company continues to record the

land and buildings of these plant assets as property, plant and equipment without accounting for the transaction as a sale. As this transaction does not fall under finance lease transaction, the Company has recognized the transfer price of these plant assets as long-term borrowings (including current portion of long-term borrowings). The Company has also recognized capital investments related to the transferred plant assets as “buildings,” “structures,” “machinery and equipment,” and “tools, furniture and fixtures,” while recognizing part of the capital investment amount as long-term borrowings (including current portion of long-term borrowings).

On March 31, 2023, the Company repurchased the Toyokawa Plant among the transferred assets. As a result, long-term borrowings decreased. This repurchase does not have any impact on the amount of property, plant and equipment in the Company’s balance sheet. The land and buildings of the Toyokawa Plant which together form a factory foundation, had been offered as security for a long-term loan from the parent company in November 2017.

As a result, as of March 31, 2025, land of 7,414 million yen, buildings and structures(net) of 3,109 million yen, machinery, equipment and vehicles(net) of 53 million yen, and other(net) of 1 million yen (book values as of March 31, 2025) were recognized in the Company’s balance sheet, and the balance of long-term borrowings (including current portion of long-term borrowings) was 14,187 million yen.

3. Matters concerning transactions with controlling shareholders

FYE March 2025 (from April 1, 2024 to March 31, 2025)

Name	Transaction details	Transaction amount (millions of yen)	Item	Ending balance (millions of yen)
Central Japan Railway Company	Sale of products	29,078	Accounts receivable - trade and contract assets	3,381
	Borrowing of funds	94	Current portion of long-term borrowings	3,214
	Repayment of loans payable	3,212	Long-term borrowings	31,332
	Payment of interest	233	Accrued expenses	24

- Notes:1. Terms and conditions and the policies for their determination
Selling price and other terms and conditions are determined in consideration of market prices, past transactions, etc., in the same manner as for regular transactions.
2. Interest rates and other terms and conditions of borrowing of funds are reasonably determined in consideration of market interest rates, the financial condition of the Company, terms and conditions of transactions with financial institutions, etc. The Company has offered listed securities and the land and buildings of its head office and Toyokawa Plant as security for a long-term loan of 20,360 million yen (balance as of March 31, 2025) from its parent company in November 2017 for the purpose of using the funds for payment of settlement money related to a large railway rolling stock project for a US client.
3. The ending balances of current portion of long-term borrowings, long-term borrowings, and accrued expenses include 314 million yen, 13,872 million yen, and 24 million yen pertaining to the transfer price of non-current assets transferred to the parent company and long-term borrowings recognized in relation to part of capital investment amount pertaining to non-current assets. The amounts of borrowed funds corresponding to these ending balances are 94 million yen, the repayment of long-term borrowings was 312

million yen, and the interest payment was 93 million yen.

4. Status of implementation of measures to protect minority shareholders in conducting transactions with controlling shareholder

Selling price and other terms and conditions of transactions with the parent company, such as sales of railway rolling stock, are determined in consideration of market prices, past transactions, etc., in the same manner as for regular transactions.

In particular, in order to ensure the fairness and reasonableness of material transactions with the parent company and other related parties, the Company has established a “Special Committee on Material Transactions with Parent Company and Other Related Parties” whose five members consist of directors who are independent from the controlling shareholder, including three independent outside directors, under the Board of Directors, and confirms that such transactions are not detrimental to the interests of minority shareholders, through deliberations by the Committee before the Board of Directors passes a resolution. The Board of Directors passes resolutions on material transactions with the parent company and other related parties in due consideration of the deliberation results of the Committee. The Committee is chaired by an independent outside director.

The Company has entered into lease agreements with the parent company for the plant assets under the same terms and conditions as transactions with independent third parties.

In addition, Interest rates and other terms and conditions of borrowing of funds from the parent company are reasonably determined in consideration of market interest rates, the financial condition of the Company, terms and conditions of transactions with financial institutions, etc.

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