

Cover page

[Document title]	Annual Securities Report
[Clause of stipulation]	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
[Place of filing]	Director-General, Kanto Local Finance Bureau
[Filing date]	June 26, 2025
[Fiscal year]	The 84th Fiscal Year (from April 1, 2024 to March 31, 2025)
[Company name]	NIKKON Holdings Kabushiki Kaisha
[Company name in English]	NIKKON Holdings Co., Ltd.
[Title and name of representative]	President and Representative Director, Masakatsu Kuroiwa
[Address of registered headquarter]	6-17 Akashi-cho Chuo-ku, Tokyo
[Telephone number]	03-3541-5330 (main phone number)
[Name of contact person]	Director and Managing Executive Officer, Yasunori Matsuda
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[Telephone number]	03-3541-5330 (main phone number)
[Name of contact person]	Director and Managing Executive Officer, Yasunori Matsuda
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I. Company Information

I. Overview of Company

1. Key financial data

(1) Key financial data of group

Fiscal term	80th fiscal year	81st fiscal year	82nd fiscal year	83rd fiscal year	84th fiscal year
Period of account	March 2021	March 2022	March 2023	March 2024	March 2025
Net sales (millions of yen)	182,536	198,159	212,071	222,324	247,890
Ordinary profit (millions of yen)	20,572	21,584	22,108	23,875	23,969
Profit attributable to owners of parent (millions of yen)	14,544	14,741	15,913	16,608	16,550
Comprehensive income (millions of yen)	19,667	15,710	18,753	27,315	12,732
Net assets (millions of yen)	208,290	219,035	229,399	246,445	249,679
Total assets (millions of yen)	322,139	339,475	360,748	388,446	428,759
Net assets per share (yen)	1,580.23	1,667.35	1,783.16	1,949.93	1,998.82
Earnings per share (yen)	110.63	112.20	123.31	130.49	133.99
Diluted earnings per share (yen)	110.26	111.91	123.01	130.27	123.25
Equity ratio (%)	64.5	64.4	63.4	63.3	56.4
Return on equity (%)	7.3	6.9	7.1	7.0	6.8
Price-earnings ratio (times)	10.0	9.1	10.0	11.3	20.1
Net cash provided by (used in) operating activities (millions of yen)	23,229	28,985	32,547	31,107	27,642
Net cash provided by (used in) investing activities (millions of yen)	(25,402)	(31,567)	(22,548)	(24,340)	(53,978)
Net cash provided by (used in) financing activities (millions of yen)	1,473	759	(208)	(4,408)	19,076
Cash and cash equivalents at end of period (millions of yen)	30,366	29,157	39,460	42,796	35,937
Number of employees (Average number of part-time employees not included in the above numbers) (persons)	12,212 (3,697)	12,669 (3,760)	12,855 (3,301)	12,802 (3,419)	13,762 (3,606)

(Notes) 1. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Net assets per share, earnings per share, and diluted earnings per share are calculated on the assumption that the said share split was conducted at the beginning of the 80th fiscal year.

2. The number of employees shows the number of full-time employees.

3. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the 81st fiscal year, and the key financial data for the 81st and subsequent fiscal years are data to which such accounting standards were applied.

(2) Key financial data of reporting company

Fiscal term	80th fiscal year	81st fiscal year	82nd fiscal year	83rd fiscal year	84th fiscal year
Period of account	March 2021	March 2022	March 2023	March 2024	March 2025
Operating revenue (millions of yen)	12,197	9,767	10,053	10,863	9,610
Ordinary profit (millions of yen)	10,864	8,843	8,852	9,696	6,605
Profit (millions of yen)	10,693	8,425	8,378	9,159	6,403
Capital stock (millions of yen)	11,316	11,316	11,316	11,316	11,316
Total number of issued shares (shares)	68,239,892	68,239,892	65,739,892	63,239,892	126,479,784
Net assets (millions of yen)	120,947	123,712	124,413	130,254	114,797
Total assets (millions of yen)	209,301	214,252	231,160	247,467	266,548
Net assets per share (yen)	917.55	942.39	967.67	1,031.44	948.38
Dividends per share (yen)	33.50	34.50	49.50	52.50	81.00
(Of the above, interim dividends per share)	(16.50)	(17.00)	(24.00)	(25.00)	(54.00)
Earnings per share (yen)	81.34	64.13	64.92	71.97	51.84
Diluted earnings per share (yen)	81.07	63.96	64.77	71.84	47.67
Equity ratio (%)	57.6	57.6	53.7	52.6	43.0
Return on equity (%)	9.2	6.9	6.8	7.2	5.2
Price-earnings ratio (times)	13.7	15.9	19.1	20.5	51.9
Dividend payout ratio (%)	41.2	53.8	76.2	73.0	104.2
Number of employees (persons)	31	32	33	39	42
(Average number of part-time employees not included in the above numbers)	(6)	(7)	(6)	(6)	(5)
Total shareholder return (%)	108.2	103.0	128.0	155.6	275.5
(Comparison index: TOPIX total return index) (%)	(142.1)	(145.0)	(153.4)	(216.8)	(213.4)
Share-price highs (yen)	2,466	2,516	2,647	3,417	2,750 (3,850)
Share-price lows (yen)	1,852	1,959	1,841	2,407	1,850.5 (2,725.5)

- (Notes) 1. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Net assets per share, earnings per share, and diluted earnings per share are calculated on the assumption that the said share split was conducted at the beginning of the 80th fiscal year.
2. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. For the dividends per share for the 84th fiscal year, the annual dividend of 81 yen represents the simple sum of 54 yen as the interim dividend before the share split and 27 yen as the year-end dividend after the share split. For the dividends per share for the 84th fiscal year without taking the share split into account, the year-end dividend is 54 yen and the annual dividend is 108 yen.
3. The number of employees shows the number of full-time employees.
4. Share-price highs and lows are those recorded on the Prime Market of the Tokyo Stock Exchange on and after April 4, 2022 and on the First Section of the Tokyo Stock Exchange before then.
5. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. For share prices for the 84th fiscal year, share-price highs and lows after the share split are stated, while those before the share split are stated in parenthesis.
6. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the 81st fiscal year, and the key financial data for the 81st and subsequent fiscal years are data to which such accounting standards were applied.

2. History

The Company was founded as NIPPON KONPO UNPAN CO., LTD. on August 27, 1953. On May 25, 1965, the Company was absorbed by TOYO KASEI KOGYO CO., LTD. established on December 7, 1950 (its business operations were suspended in February 1962 and its trade name was changed to NIPPON KONPO UNPAN CO., LTD. in April 1963) through a merger for the purpose of changing its stock face value. On October 1, 1968, the Company changed its trade name to NIPPON KONPO UNYU SOKO CO., LTD. As a result of transitioning to a holdings company structure on October 1, 2015, the Company changed its trade name to NIKKON Holdings Co., Ltd., which has been used until now.

Establishment	On August 27, 1953, the Company established its head office at 1-3 Tsukiji, Chuo-ku, Tokyo and was founded for the purpose of operating small land transportation and freight forwarding business, motor trucking business, railway freight forwarding business, consigned freight packaging and packing, sales of packing materials and non-life insurance agency business.
1953	The head office was moved to 2-4, Irifunecho, Chuo-ku, Tokyo. Upon obtaining a general compact motor transportation business license, the transportation business was commenced.
1955	The head office was moved to 8 Akashi-cho, Chuo-ku, Tokyo (present 6-17 Akashi-cho Chuo-ku, Tokyo due to the new addressing system).
1956	Developed a two-floor vehicle and established the company flag and company emblem.
1959	Acquired ATSUTA KYUHAI CO., LTD. (consolidated subsidiary) in Nagoya-shi, Aichi, and TOYOTA KAMOTSU JIDOSHA UNSO CO., LTD. (consolidated subsidiary) in Yokkaichi-shi, Mie.
1960	ATSUTA KYUHAI CO., LTD. in Nagoya-shi, Aichi changed its trade name to NAGOYA KONPO UNPAN CO., LTD., and TOYOTA KAMOTSU JIDOSHA UNSO CO., LTD. in Yokkaichi-shi, Mie to NIPPON RIKUSO Co., Ltd.
1961	The stock was registered over-the-counter in Tokyo.
1964	Received a warehousing business license (present NIPPON KONPO UNYU SOKO CO., LTD., Miyoshi Business Office, consolidated subsidiary).
1965	Absorbed into NIPPON KONPO UNPAN CO., LTD., a company with a same name, through a merger.
1966	Established NIPPON UNYU CO., LTD. (consolidated subsidiary) in Oizumi-machi, Ora-gun, Gunma.
1968	The trade name was changed to NIPPON KONPO UNYU SOKO CO., LTD. (present NIKKON Holdings Co., Ltd.).
1970	Listed on the Second Section of the Tokyo Stock Exchange.
1971	Established AUTO TECHNIC CO., LTD. (consolidated subsidiary) in Asaka-shi, Saitama.
1973	After obtaining a permission for customs clearance services, commenced operations at the Yokohama Business Office.
1974	Established NICHYU SHOJI CO., LTD. (consolidated subsidiary) in Itabashi-ku, Tokyo.
1977	Acquired AZUMA SOKO CO., LTD. (consolidated subsidiary) in Urawa-shi, Saitama (present Saitama-shi).
1978	Established TECHNIC SERVICE Co., Ltd. (consolidated subsidiary) in Suzuka-shi, Mie.
1981	Acquired NIPPON KONPO UNYU CO., LTD. (present NIKKON LOGISTICS CO., LTD., a consolidated subsidiary) in Tawaramoto-cho, Shiki-gun, Nara.
1982	Established Auto Technic Japan Co., Ltd. (consolidated subsidiary) in Haga-machi, Haga-gun, Tochigi. Developed a full trailer with three-stage loading.
1988	Established COSMO GIKEN CO., LTD. (present Nikkon Kyusyu Co., Ltd., a consolidated subsidiary) in Kikuyo-machi, Kikuchi-gun, Kumamoto.
1989	Established NK PARTS INDUSTRIES, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A. Developed Japan's first vehicle telescopic trailer. Developed a two-stage floor lift-up container for JR specifications.
1990	NAGOYA KONPO UNPAN CO., LTD. changed its trade name to MEIKON CO., LTD. Obtained an IATA agency qualification and commenced international air freight agency services.
1993	Established NK Engineering Co., Ltd. (consolidated subsidiary) in Sayama-shi, Saitama.
1994	Established A.N.I. LOGISTICS, LTD. (consolidated subsidiary) in Uthai District, Ayutthaya, Thailand. Established NANJING NIKKON LOGISTICS CO., LTD. (present NIKKON LOGISTICS CHINA CO., LTD., a consolidated subsidiary) in Nanjing, Jiangsu Province, China.
1997	Changed the listing to the First Section of the Tokyo Stock Exchange.

2000	Established NK AMERICA, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A. Yokohama Business Office was established in Daikoku Pier (Tsurumi-ku, Yokohama-shi) as a base in the port area (present NIPPON KONPO UNYU SOKO CO., LTD., Daikoku Business Office, consolidated subsidiary). Obtained a permission for special group cargo motor trucking.
2004	Obtained ISO14001 Certification in Tochigi Business Office (present NIPPON KONPO UNYU SOKO CO., LTD., consolidated subsidiary). Established NKA TRANSPORTATION, INC. (consolidated subsidiary) and NKA LOGISTICS, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A.
2006	Established NIPPON KONPO VIETNAM CO., LTD. (consolidated subsidiary) in Hanoi, Vietnam. Completed the new headquarters building at 6-17 Akashi-cho Chuo-ku, Tokyo (within the premises of the former headquarters). Acquired Ryoji Unyu Co., Ltd. (consolidated subsidiary) in Itabashi-ku, Tokyo.
2008	Established NKA CUSTOMS SERVICE, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A.
2010	Acquired CHUETSUTEC Co., Ltd. (consolidated subsidiary) in Koto-ku, Tokyo. As a result of the acquisition of CHUETSUTEC Co., Ltd., Sapporo Shinbun Yuso Co., Ltd., its subsidiary, became a consolidated subsidiary of the Company.
2011	Established A.N.I. TRANSPORT, LTD. (consolidated subsidiary) in Uthai District, Ayutthaya, Thailand. Established NKP MEXICO, S.A. de C.V. (consolidated subsidiary) in El Salto, State of Jalisco, Mexico.
2013	Acquired SHINEI SOKO CO., LTD. in Kaisei-machi, Ashigarakami-gun, Kanagawa (a consolidated subsidiary, merged into present NIPPON KONPO UNYU SOKO CO., LTD. in the same year). Established AUTO TECHNIC AMERICAS, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A.
2014	Acquired ITO-EXPRESS CO., LTD. (consolidated subsidiary) in Seto-shi, Aichi. Launched the next-generation environmental full-trailer (21 m) truck operations. Established SAYAMA NIKKON CO., LTD. in Hidaka-shi, Saitama, OGAWA NIKKON CO., LTD. in Ogawa-machi, Hiki-gun, Saitama, FUJISAWA NIKKON CO., LTD. in Fujisawa-shi, Kanagawa, NIIGATA NIKKON CO., LTD. in Niigata-shi, Niigata, MATSUMOTO NIKKON CO., LTD. in Matsumoto-shi, Nagano, SUZUKA NIKKON CO., LTD. in Suzuka-shi, Mie, and GUNMA NIKKON CO., LTD. in Ota-shi, Gunma (all of the above are consolidated subsidiaries).
2015	With the transition to a holding company structure, the Company changed its trade name to NIKKON Holdings Co., Ltd., and transferred most of its business to the newly established NIPPON KONPO UNYU SOKO CO., LTD. (consolidated subsidiary), a spin-off from the Company. Established SENDAI NIKKON CO., LTD. in Sendai-shi, Miyagi, CHIBA NIKKON CO., LTD. in Funabashi-shi, Chiba, SIAM AUTO TECHNIC CO., LTD. in Uthai District, Ayutthaya, Thailand, and NIKKON Moving Co., Ltd. and NIKKON Information Systems Co., Ltd. in Chuo-ku, Tokyo (all of the above are consolidated subsidiaries).
2016	Established GINZA Consulting Co., Ltd. and NK International Co., Ltd. in Chuo-ku, Tokyo, NIKKON CHONGQING LOGISTICS CO., LTD. in Chongqing, China, KANAZAWA NIKKON CO., LTD. in Hakusan-shi, Ishikawa, and NAGOYA NIKKON CO., LTD. in Nagoya-shi, Aichi (all of the above are consolidated subsidiaries). Higashi Soko Co. Ltd., was merged into NIPPON KONPO UNYU SOKO CO., LTD., which is a consolidated subsidiary.
2017	Acquired BANDO SANGYO CO., LTD. in Koto-ku, Tokyo. Thereafter, it was merged into NIPPON KONPO UNYU SOKO CO., LTD., which is a consolidated subsidiary. PT NIPPON KONPO INDONESIA in Jakarta, Indonesia, and NIPPON KONPO INDIA PRIVATE LTD. in Gurugram, Haryana, India were converted to consolidated subsidiaries.
2018	Acquired MATSUHISA UNYU CO., LTD. in Sakahogi-cho, Kamo-gun, Gifu and MATSUHISA SOUGOU CO., LTD. in Minokamo-shi, Gifu (both of the above are consolidated subsidiaries).
2019	Established NK LOGISTICA MEXICO, S. A. de C. V. (consolidated subsidiary) in Apaseo el Grande, Guanajuato, Mexico. MATSUHISA Unyu Co., Ltd. was merged into MATSUHISA SOUGOU CO., LTD., which is a consolidated subsidiary. CHUGOKU BUTSURYU SERVICE CO., LTD. in Setouchi-shi, Okayama and CHUETSU YUSOU Co, Ltd. in Satumasendai-shi, Kagoshima, which is a subsidiary of CHUETSUTEC Co, Ltd. (consolidated subsidiary), were converted to consolidated subsidiaries.
2021	NICHIYU SHOJI CO., LTD. was merged into AUTO TECHNIC CO., LTD., which is a consolidated subsidiary.

- 2022 Acquired Yaskawa Transport Co., Ltd. (consolidated subsidiary) in Kitakyushu-shi, Fukuoka. The trade name was changed to NIKKON KITAKYU CO., LTD.
Due to the revision of the market segment of the Tokyo Stock Exchange, the Company transitioned from the First Section of the Tokyo Stock Exchange to the Prime Market of the same Exchange.
- 2024 Acquired MITSUBA Logistics Co., Ltd. (consolidated subsidiary) in Ota-shi, Gunma. The trade name was changed to NIKKON Ryomo CO., LTD.
Established NK NORTH AMERICA, INC. (consolidated subsidiary) in Wilmington, Delaware, U.S.A.
Acquired equity interests in SUPREME AUTO TRANSPORT, LLC. (consolidated subsidiary) in Longmont, Colorado, U.S.A. Accordingly, SUPREME EQUIPMENT COMPANY, LLC., its subsidiary, became a consolidated subsidiary of the Company.
- 2025 Acquired CHUOH PACK INDUSTRY CO., LTD. (consolidated subsidiary) in Kiyosu-shi, Aichi.

3. Description of business

The NIKKON Group consists of the Company and its 85 subsidiaries and affiliated companies, and mainly engages in transportation, warehousing, packaging, and testing businesses, and businesses incidental to them.

The Company is a specified listed company stipulated in Article 49, paragraph (2) of the Cabinet Office Order on Restrictions on Securities Transactions. Accordingly, criteria for considering a material fact to be of minor importance with respect to insider trading regulations are decided based on consolidated figures.

The following is a description of the businesses of the NIKKON Group, which is consistent with business segments.

Transportation business: engages in the transportation of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. NIPPON KONPO UNYU SOKO CO., LTD. and other 57 subsidiaries and affiliated companies engage in the warehousing business.

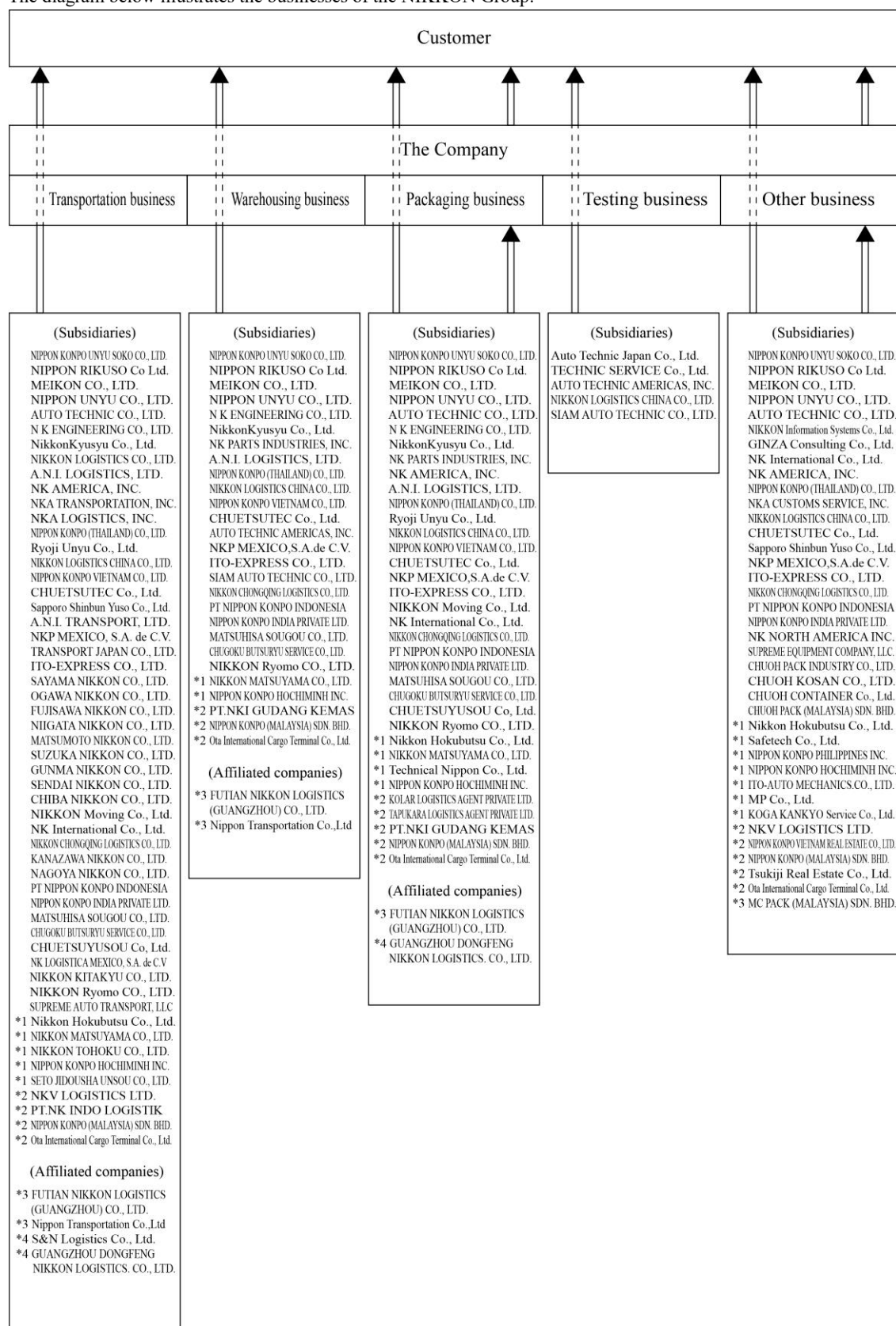
Warehousing business: engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. NIPPON KONPO UNYU SOKO CO., LTD. and other 28 subsidiaries and affiliated companies engage in the warehousing business.

Packaging business: engages in processing for distribution, delivery agency of automotive parts and others, export packing and other operations. The Company and NIPPON KONPO UNYU SOKO CO., LTD. as well as other 36 subsidiaries and affiliated companies engage in other businesses.

Testing business: engages in testing finished four-wheeled vehicles and motorcycles, automotive parts, agricultural machinery and others. Auto Technic Japan Co., Ltd. and four subsidiaries and affiliated companies engage in the testing business.

Other businesses: engage in customs clearance services, repairs and maintenance of vehicles, etc., sales of petroleum products, non-life insurance agency business, sales, leasing and intermediary management of real property, disposal and collection of waste, electric power generation and sales of electricity, and manufacturing and sales of packaging materials. The Company and NIPPON KONPO UNYU SOKO CO., LTD. as well as other 37 subsidiaries and affiliated companies engage in other businesses.

The diagram below illustrates the businesses of the NIKKON Group.



(Note) Companies with no mark: Consolidated subsidiaries

- *1. Unconsolidated subsidiaries which are entities accounted for using equity method.
- *2. Unconsolidated subsidiaries which are entities not accounted for using equity method.
- *3. Affiliated companies accounted for using equity method.
- *4. Affiliated companies not accounted for using equity method.

4. Subsidiaries and other affiliated entities

Name	Address	Paid-in capital or capital contribution (millions of yen)	Principal business	Ratio of voting rights holding (held) (%)	Relationship
(Consolidated subsidiaries)					
* 4, 5, 6 NIPPON KONPO UNYU SOKO CO., LTD.	Chuo-ku, Tokyo	500	Transportation business and others	100	Partial entrustment or acceptance of entrustment of business Partial lease of land and buildings Two concurrently serving officers Financing and lending of funds
* 5 NIPPON RIKUSO Co., Ltd.	Suzuka-shi, Mie	90	Transportation business and others	100	Financing and lending of funds One concurrently serving officer
* 5 MEIKON CO., LTD.	Komaki-shi, Aichi	48	Transportation business and others	100	Financing and lending of funds
* 5 NIPPON UNYU CO., LTD.	Oizumi-machi, Ora-gun, Gunma	360	Transportation business and others	100	Financing and lending of funds One concurrently serving officer
* 5 AUTO TECHNIC CO., LTD.	Sayama-shi, Saitama	32	Packaging business and others	100	Financing
* 5 Auto Technic Japan Co., Ltd.	Haga-machi, Haga-gun, Tochigi	40	Testing business	100	Partial lease of land and buildings One concurrently serving officer Financing and lending of funds
* 5 NK Engineering Co., Ltd.	Haga-machi, Haga-gun, Tochigi	50	Packaging business and others	100	Partial lease of land and buildings One concurrently serving officer Financing
* 5 Nikkon Kyusyu Co., Ltd.	Otsu-cho, Kikuchi-gun, Kumamoto	10	Transportation business and others	100	Financing One concurrently serving officer
* 5 NIKKON LOGISTICS CO., LTD.	Osaka-shi, Osaka	10	Transportation business	100 (100)	Financing
* 4 NK PARTS INDUSTRIES, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 17,500	Packaging business and others	100	One concurrently serving officer
* 5 TECHNIC SERVICE Co., LTD.	Suzuka-shi, Mie	20	Testing business	100	Financing
* 4 A.N.I. LOGISTICS, LTD.	Uthai District, Ayutthaya, Thailand	Million THB 373	Packaging business and others	99 (50)	One concurrently serving officer
NK AMERICA, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 1,000	Other businesses, etc.	100 (80)	One concurrently serving officer
NKA TRANSPORTATION, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 200	Transportation business	100 (100)	One concurrently serving officer
NKA LOGISTICS, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 5	Transportation business	100 (100)	One concurrently serving officer
NIPPON KONPO (THAILAND) CO., LTD.	Uthai District, Ayutthaya, Thailand	Million THB 344	Packaging business and others	99 (51)	One concurrently serving officer Lending of funds

Name	Address	Paid-in capital or capital contribution (millions of yen)	Principal business	Ratio of voting rights holding (held) (%)	Relationship
* 5 Ryoji Unyu Co., Ltd.	Kawasaki-shi, Kanagawa	48	Transportation business and others	100	Financing
NKA CUSTOMS SERVICE., INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 80	Other businesses	100 (100)	One concurrently serving officer
NIKKON LOGISTICS CHINA CO., LTD.	Nanjing, Jiangsu Province, China	Million CNY 58	Other businesses, etc.	100	One concurrently serving officer
NIPPON KONPO VIETNAM CO., LTD.	Hanoi, Vietnam	Million VND 64,338	Transportation business and others	100	—
* 5 CHUETSUTEC Co., Ltd.	Koto-ku, Tokyo	96	Transportation business and others	100	One concurrently serving officer Financing and lending of funds
Sapporo Shinbun Yuso Co., Ltd.	Sapporo-shi, Hokkaido	15	Transportation business	94 (94)	One concurrently serving officer
A.N.I. TRANSPORT, LTD.	Uthai District, Ayutthaya, Thailand	Million THB 1	Transportation business	99 (99)	One concurrently serving officer
* 4 NKP MEXICO, S.A. DE C.V.	Apaseo el Grande, Guanajuato, Mexico	Thousand MXN 249,169	Transportation business and others	100 (67)	Lending of funds
AUTO TECHNIC AMERICAS, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 650	Testing business and others	100 (100)	—
* 5 TRANSPORT JAPAN CO., LTD.	Koto-ku, Tokyo	10	Transportation business	100	One concurrently serving officer Financing
* 5 ITO-EXPRESS CO., LTD.	Seto-shi, Aichi	80	Transportation business and others	100	Financing and lending of funds
* 5 SAYAMA NIKKON CO., LTD.	Hidaka-shi, Saitama	10	Transportation business	100 (100)	Financing
* 5 OGAWA NIKKON CO., LTD.	Ogawa-machi, Hiki-gun, Saitama	10	Transportation business	100 (100)	Financing
* 5 FUJISAWA NIKKON CO., LTD.	Fujisawa-shi, Kanagawa	10	Transportation business	100 (100)	Financing
* 5 NIIGATA NIKKON CO., LTD.	Niigata-shi, Niigata	10	Transportation business	100 (100)	Financing
* 5 MATSUMOTO NIKKON CO., LTD.	Matsumoto-shi, Nagano	10	Transportation business	100 (100)	Financing

Name	Address	Paid-in capital or capital contribution (millions of yen)	Principal business	Ratio of voting rights holding (held) (%)	Relationship
* 5 SUZUKA NIKKON CO., LTD.	Suzuka-shi, Mie	10	Transportation business	100 (100)	Financing
* 5 GUNMA NIKKON CO., LTD.	Ota-shi, Gunma	10	Transportation business	100 (100)	Financing
* 5 SENDAI NIKKON CO., LTD.	Sendai-shi, Miyagi	10	Transportation business	100 (100)	Financing
* 5 CHIBA NIKKON CO., LTD.	Funabashi-shi, Chiba	10	Transportation business	100 (100)	Financing
SIAM AUTO TECHNIC CO., LTD.	Uthai District, Ayutthaya, Thailand	Million THB 30	Testing business and others	99 (99)	One concurrently serving officer
* 5 NIKKON Moving Co., Ltd.	Chuo-ku, Tokyo	85	Packaging business and others	100	Partial lease of buildings Financing
* 5 NIKKON Information Systems Co., Ltd.	Chuo-ku, Tokyo	50	Other businesses	100	Partial lease of buildings Financing
* 5 GINZA Consulting Co., Ltd.	Chuo-ku, Tokyo	30	Other businesses	100	Partial lease of buildings Two concurrently serving officers Financing
* 5 NK International Co., Ltd.	Chuo-ku, Tokyo	40	Other businesses, etc.	100	Partial lease of buildings Two concurrently serving officers Financing and lending of funds
NIKKON CHONGQING LOGISTICS CO., LTD.	Chongqing, China	Million CNY 53	Transportation business and others	100 (49)	One concurrently serving officer
* 5 KANAZAWA NIKKON CO., LTD.	Hakusan-shi, Ishikawa	10	Transportation business	100 (100)	Financing
* 5 NAGOYA NIKKON CO., LTD.	Nagoya-shi, Aichi	10	Transportation business	100 (100)	Financing
* 4 PT NIPPON KONPO INDONESIA	Jakarta, Indonesia	Thousand U.S. dollars 22,900	Transportation business and others	95 [5]	One concurrently serving officer Lending of funds
NIPPON KONPO INDIA PRIVATE LIMITED	Gurugram, Haryana, India	Thousand INR 440,000	Transportation business and others	100 (2)	Lending of funds
* 5 MATSUHISA SOUGOU CO., LTD.	Minokamo-shi, Gifu	10	Transportation business and others	100	Financing

Name	Address	Paid-in capital or capital contribution (millions of yen)	Principal business	Ratio of voting rights holding (held) (%)	Relationship
NK LOGISTICA MEXICO, S.A. DE C.V.	Apaseo el Grande, Guanajuato, Mexico	Thousand MXN 50	Transportation business	— [100]	—
* 5 CHUGOKU BUTSURYU SERVICE CO., LTD.	Setouchi-shi, Okayama	20	Transportation business and others	100	One concurrently serving officer Partial lease of land and buildings Financing
CHUETSU YUSOU Co, Ltd.	Satsumasendai-shi, Kagoshima	16	Transportation business and others	99 (99)	—
NIKKON KITAKYU CO., LTD.	Kitakyushu-shi, Fukuoka	30	Transportation business and others	86	One concurrently serving officer
NIKKON Ryomo CO., LTD.	Ota-shi, Gunma	70	Transportation business and others	100	—
NK NORTH AMERICA, INC.	Wilmington, Delaware, U.S.A.	Thousand U.S. dollars 1	Other businesses	100	—
SUPREME AUTO TRANSPORT, LLC.	Longmont, Colorado, U.S.A.	Thousand U.S. dollars 0	Transportation business	75 (75)	—
SUPREME EQUIPMENT COMPANY, LLC.	Longmont, Colorado, U.S.A.	Thousand U.S. dollars —	Other businesses	75 (75)	—
CHUOH PACK INDUSTRY CO., LTD.	Kiyosu-shi, Aichi	1,077	Other businesses	71	—
CHUOH KOSAN CO., LTD.	Kiyosu-shi, Aichi	30	Other businesses	71 (71)	—
CHUOH CONTAINER Co., Ltd.	Kiyosu-shi, Aichi	20	Other businesses	71 (71)	—
CHUOH PACK (MALAYSIA) SDN. BHD.	Selangor, Malaysia	Thousand MYR 2,500	Other businesses	71 (71)	—

(Affiliated companies accounted for using equity method)					
FUTIAN NIKKON LOGISTICS (GUANGZHOU) CO., LTD.	Guangzhou, Guangdong Province, China	Million CNY 228	Transportation business and others	30	One concurrently serving officer
Nippon Transportation Co., Ltd.	Ota-shi, Gunma	50	Transportation business	34	—
MC PACK (MALAYSIA) SDN. BHD.	Selangor, Malaysia	Thousand MYR 2,400	Other businesses	24 (24)	—

(Notes) 1. Names of business described under “Principal business” are the same as those stated in the segment information.

2. None of the above companies file Securities Registration Statements or Securities Reports.

3. Figures in parentheses () in the percentage of voting rights column indicate shares attributable to indirect ownership, which are included in our voting rights holding, and figures in square brackets [] indicate the percentage of ownership of

persons who have a close relationship or persons who have given their consent, which are not included in our voting rights holding.

*4. It means a specified subsidiary.

*5. In order to provide financing, a cash management system (CMS) has been introduced with the Company.

*6. Net sales of NIPPON KONPO UNYU SOKO CO., LTD. (excluding intercompany net sales among consolidated subsidiaries) accounted for more than 10% of the total consolidated net sales.

Key profit/loss information:	(1) Net sales	108,492 million yen
	(2) Ordinary profit	9,132 million yen
	(3) Profit	6,241 million yen
	(4) Net assets	122,666 million yen
	(5) Total assets	183,622 million yen

5. Employees

(1) Information about group

As of March 31, 2025

Name of business segment	Number of employees (persons)	
Transportation business	3,898	(993)
Warehousing business	1,508	(430)
Packaging business	5,197	(1,911)
Testing business	1,968	(74)
Other businesses	383	(81)
Company-wide (shared)	808	(117)
Total	13,762	(3,606)

- (Notes) 1. The number of employees shows the number of full-time employees.
 2. The figures in parenthesis indicate the average number of temporary employees per year.
 3. The number of employees in the company-wide (shared) section is the number of employees of the administration department.

(2) Information about Reporting Company

As of March 31, 2025

Number of employees (persons)	Average age (years old)	Average length of service (years)	Average annual salary (Thousands of yen)
42 (5)	41.7	13.0	6,180

- (Notes) 1. Number of employees shows the number of full-time employees including employees loaned from another company to the Company.
 2. Average annual salary includes bonuses and any non-standard wages.
 3. The figures in parenthesis indicate the average number of temporary employees per year.
 4. The reporting company's employees belong to the packaging business, other business segments and the administration department.

(3) Labor unions

The Company's employees mainly consist of employees loaned from NIPPON KONPO UNYU SOKO CO., LTD., and no labor union has been formed.

Among the consolidated subsidiaries, NIPPON KONPO UNYU SOKO CO., LTD. formed the Nippon Konpo Unyu Soko Labor Union as a single company in June 1960, and the union is a member of the Japan Federation of Transport Workers' Union. As of March 31, 2025, 12 of the consolidated subsidiaries are also members of the Nippon Konpo Unyu Soko Labor Union, which has 3,063 members. At Auto Technic Japan Co., Ltd., the Auto Technic Japan Labor Union has been formed, which has been a member of All Honda Workers Union and has 1,800 members as of March 31, 2025. At Ryoji Unyu Co., Ltd., the Ryoji Unyu Labor Union has been formed, which has been a member of Federation of Mitsubishi Motors Workers' Unions and has 82 members as of March 31, 2025. At NIKKON KITAKYU CO., LTD., the NIKKON KITAKYU Labor Union has been formed. It belongs to a council of workers' unions related to YASKAWA Electric Corporation and has 52 members as of March 31, 2025. The Chuetsutec Unso Labor Union has been formed at CHUETSUTEC Co., Ltd., and Ito-Express Labor Union has been formed at ITO-EXPRESS CO., LTD., both of which have been members of the All Japan Federation of Transport Workers' Unions. As of March 31, 2025, these unions have 63 and 139 members, respectively. Moreover, the four companies, NIPPON RIKUSO Co., Ltd., MEIKON CO., LTD., NIPPON UNYU CO., LTD., and CHUETSU YUSOU Co, Ltd. have formed independent labor unions as a single company respectively. The numbers of members as of March 31, 2025 are as follows: the Nippon Rikuso Labor Union has 416 members, the Meikon Labor Union has 150 members, the Nippon Unyu Labor Union has 417 members, and the Chuetsuyusou Labor Union has 13 members. All of the above companies and unions have continued to have a sound path of solidarity with labor and management, and the relationship between labor and management is stable.

There are no other special issues to report.

(4) Proportion of female workers in managerial posts, percentage of male workers who took parental leave, and wage difference between male workers and female workers

1) Reporting company

The reporting company is not subject to the provisions set forth in the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015) and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991); therefore, the information is not provided.

2) Consolidated subsidiaries

Fiscal year ended March 31, 2025						Supplemental remarks
Name	Proportion of female workers in managerial posts (%) (Note) 1	Percentage of male workers who took childcare leave (%) (Note) 2	Wage difference between male and female workers (%) (Note) 3			
			All workers	Regular employees	Part-time and fixed-term employees	
NIPPON KONPO UNYU SOKO CO., LTD.	2.6	26.5	63.3	66.2	67.1	—
NIPPON RIKUSO Co., Ltd.	5.7	20.0	69.7	67.4	77.0	
NIPPON UNYU CO., LTD.	14.3	14.3	74.5	72.0	76.3	
Auto Technic Japan Co., Ltd.	1.0	90.0	71.4	75.4	54.6	
CHUETSUTEC Co., Ltd.	0.0	—	88.0	74.8	75.7	
ITO-EXPRESS CO., LTD.	6.9	100.0	66.0	69.9	92.0	
MEIKON CO., LTD.	0.0	100.0	53.1	73.2	47.6	
AUTO TECHNIC CO., LTD.	0.0	100.0	79.6	84.6	67.7	
Nikkon Kyusyu Co., Ltd.	0.0	—	48.2	60.2	43.1	
TECHNIC SERVICE Co., LTD.	0.0	100.0	53.3	60.5	60.6	
Ryoji Unyu Co., Ltd.	0.0	—	78.1	71.4	51.5	
NIKKON Ryomo CO., LTD.	12.0	100.0	76.4	82.3	84.8	

(Notes) 1. The column shows figures calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The column shows the percentages of male workers who took childcare leave calculated in accordance with Article 71-6, item (i), of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

3. The wage difference between male and female workers is indicated by the percentage of the wage level of female workers to the wage level of male workers. It should be noted that, as there are no differences in wages for equal work, the differences are due to different gender compositions of the respective job types.

4. The figure is not provided because this company does not disclose the information stipulated in the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

5. The consolidated subsidiaries other than the above subsidiaries are not subject to the disclosure obligation under the provisions set forth in the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015) and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991); therefore, the information is not provided.

3) Domestic consolidated companies

Fiscal year ended March 31, 2025					Supplemental remarks
Proportion of female workers in managerial posts (%) (Note) 1	Percentage of male workers who took childcare leave (%) (Note) 2	Wage difference between male and female workers (%) (Note) 3			
		All workers	Regular employees	Non-regular employees	
3.3	63.7	63.3	61.8	81.4	—

(Notes) 1. The column shows figures calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). The metrics for the Group companies inside and outside Japan is 10.0%.

2. The column shows the percentages of male workers who took childcare leave calculated in accordance with Article 71-6, item (i), of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

3. With regard to the wage difference between male and female workers, one of the factors for the average wage of female workers being lower than that of male workers is that the number of female workers is relatively small in the whole workforce. This influences the calculation because it reflects differences between male and female workers in compositions on respective job types, employment forms, labor hours and lengths of service. The average age of employees of the NIKKON Holdings Group in Japan are 42.3 years old for males and 36.0 years old for females, and the average lengths of service is 13.1 years for males and 8.5 years for females. In addition, the proportion of females in driving jobs, the wages for which are relatively high, is 3.4%, and the proportion of females in managerial posts is 3.3%. This is one of the factors behind the wage difference. Going forward, the Group will promote the hiring of females and increase the ratio of female workers to our workforce from a long-term view. We will also create a work environment where everyone has opportunities for growth while balancing work and individual life events.

II. Overview of Business

1. Management policy, business environment, issues to address, etc.

The NIKKON Group's basic philosophy is "to contribute to the prosperity of our customers, shareholders, employees, and society by leading the way in creating joy, value, and an environment that can be shared through business logistics based on a global perspective." Based on this philosophy, and through sound business activities, we will fulfill our corporate responsibility to our customers, shareholders and local communities and contribute to the development of the nation and local communities.

During the fiscal year ended March 31, 2025, the Japanese economy showed signs of improvement on the back of strong inbound demand and relatively favorable corporate business sentiment. On the other hand, the outlook remains uncertain due to deteriorating business sentiment in China and sluggish personal consumption in Japan. In the logistics industry, the severe business situation has continued due to the effects of labor shortage and increasing costs in personnel and energy expenses.

The NIKKON Group has promoted its three-year management plan, the 13th Medium-term Business Plan, since April 2023, and the fiscal year ended March 31, 2025 was the second year of the plan. In addition to strengthening our existing businesses, we completed warehouses in Kanegasaki-cho, Iwate, Tokai-shi, Aichi, Ota-shi, Gunma, Utsunomiya-shi, Tochigi, and Indonesia, and conducted M&As of MITSUBA Logistics Co., Ltd. (whose trade name was changed to NIKKON Ryomo Co., Ltd.) in April 2024, Supreme Auto Transport, LLC. in May 2024 and CHUOH PACK INDUSTRY CO., LTD. in March 2025. We are making steady progress toward achieving the plan by the fiscal year ending March 31, 2026, the final year of the plan. We position net sales, operating profit and ratio of operating profit to net sales as objective indicators of the progress in achieving management goals of the Group.

The shrinking workforce in Japan calls for social solution regarding diverse work styles. Under its unique strategy of "self-sufficiency and managing our hand," the NIKKON Group will address all kinds of problems by utilizing its own facilities and drivers, which allows for flexible operations regardless of the time of day, conducting transit operations for long-distance transportation, and taking measures aimed at reducing the time required for loading and unloading and waiting for cargo, while enhancing efficiency and advancing labor-saving efforts through the utilization of in-house system development capabilities.

With regard to ESG management, along with active female engagement, reduction of CO₂ emissions and total abolition of mercury lamps, we will also strive to enhance the corporate value of the entire Group by putting emphasis on work-life balance and improving productivity through the practice of human capital management.

The forward-looking statements contained in this document are based on judgments of the NIKKON Group that were made as of the end of the fiscal year ended March 31, 2025.

2. Perspectives and efforts toward sustainability

The Group's perspectives and efforts toward sustainability are as follows.

The forward-looking statements contained in this document are based on judgments of the NIKKON Group that were made as of the end of the fiscal year ended March 31, 2025.

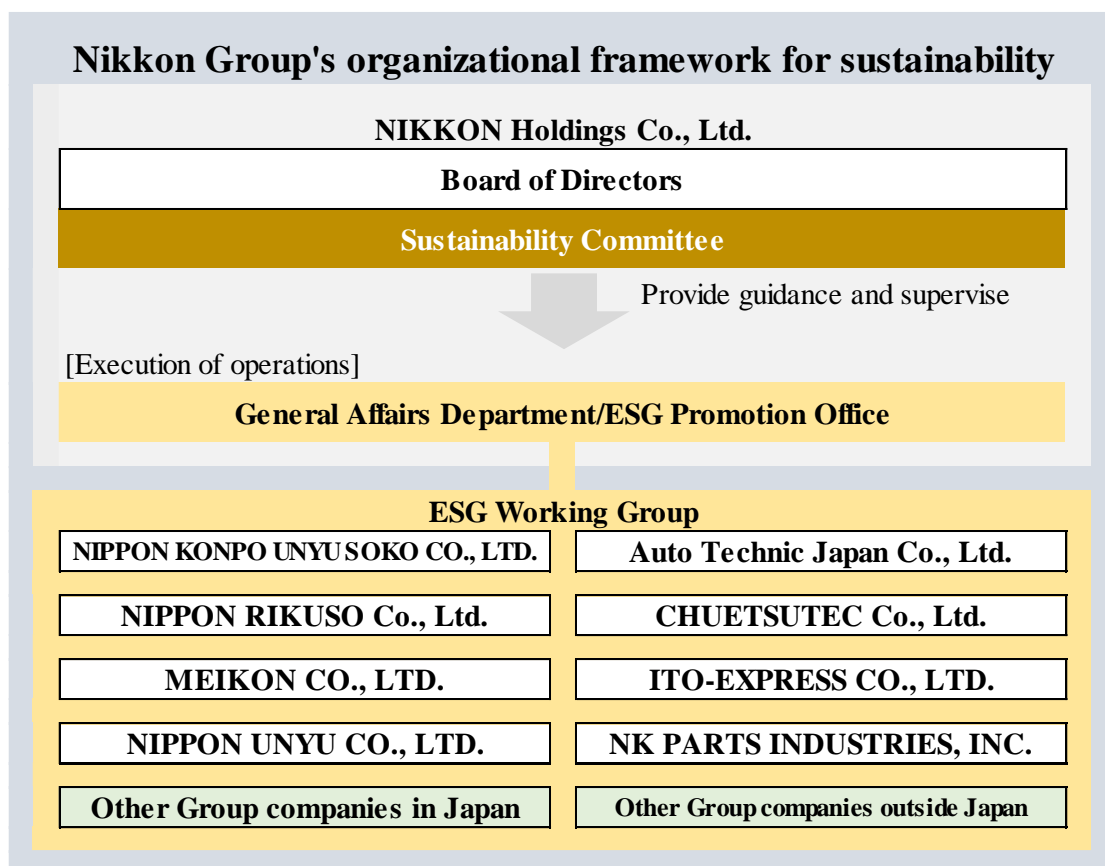
(1) Basic perspectives toward sustainability

The NIKKON Group strives to help establish a sustainable society and improve our corporate value through the creation of new services through its logistics business based on its Group Basic Philosophy and Group Conduct Guidelines.

(2) Governance

Believing that the creation of a sustainable society is our number-one priority, the Group has constructed a governance system where Directors directly supervise ESG activities to address a range of social issues including global environmental problems caused by climate change, with a view to promoting and strengthening initiatives toward sustainability management.

Specifically, the Group has established the Sustainability Committee, chaired by an Outside Director, as an advisory body to the Board of Directors, and the Committee functions as an organization under the direct control of the Board of Directors to supervise and provide guidance on the implementation status of overall ESG-related matters. The Committee meets once every quarter and reports on matters related to sustainability including climate-related issues to the Board of Directors, conducts multifaceted discussions in meetings attended by Directors about highly important topics, and works on speedy policy establishment and even more highly effective activities under the directions of the Board of Directors. Separately, the ESG Promotion Office serving to promote practical ESG activities seeks to collaborate with each department and Group company. It discusses and drafts sustainability strategies including measures against climate change, and proposes such strategies to the Sustainability Committee. It also identifies themes that should be practiced through corporate activities as well as important issues, and promotes specific efforts to address climate change and promote diversity.



(3) Strategies

We will continue to conduct sustainability management through various initiatives based on our Sustainability Policy, which was decided by the Board of Directors following discussions at the Sustainability Committee, in order to resolve the material issues that we have set as our priority issues to be addressed.

The Group have identified risks and opportunities brought about by climate change and is promoting efforts that can be made to reduce risks or seize opportunities.

Category	Subcategory	Risks/ opportunities identified	Degree of impact	Time horizon	Impacts	Response measures
Transition risks	Policy and legal	Shift to low- carbon vehicles	Large	Medium- term	Increased purchase costs due to replacement of low- carbon vehicles such as EVs and FCVs	Promoting highly efficient transportation methods, such as joint transportation and full trailer transport • Implementing a modal shift
	Policy and legal	Introduction of a carbon tax	Large	Medium- term	Increased payment costs resulting from the introduction of a carbon tax on GHG emissions	• Replacing with low- emission vehicles • Switching to renewable energy
	Technology	Delays in automakers' development of low-carbon heavy-duty vehicles	Large	Medium- term	A delay in our emissions reduction plan due to the slow adoption of low- carbon heavy-duty vehicles	Collecting information about automakers' development progress
	Market	Changes in customer needs	Large	Medium- term	Loss of business and reduced sales due to increased awareness of environmental conservation among customers	• Visualizing GHG emissions • Reducing GHG emissions as planned
	Reputation	Impact on funding and share price	Medium	Medium- term	Difficulty in procuring funds from financial institutions and a decline of the share price due to the loss of investors resulting from the evaluation that our initiatives to reduce GHG emissions are insufficient	• Improving information disclosure • Reducing GHG emissions as planned
Physical risks	Acute	Occurrence of a natural disaster	Medium	Long- term	Increased repair and compensation costs due to damage to warehouses, other facilities, and consigned cargo from more frequent wind and flood damage caused by rising temperatures. Suspension of logistics services	• Decentralizing bases • Promoting BCP measures
	Chronic	Temperature rise	Medium	Long- term	Lower productivity due to a deteriorating work environment caused by rising temperatures. Increased air conditioning costs	Improving efficiency and saving labor through DX promotion

Category	Subcategory	Risks/ opportunities identified	Degree of impact	Time horizon	Impacts	Response measures
Opportunities	Resources and efficiency	Reduced fuel costs through improved vehicle fuel efficiency	Large	Medium- term	Reduced fuel costs through the introduction of fuel-efficient vehicles such as EVs and FCVs	<ul style="list-style-type: none"> Replacing with low-emission vehicles
	Market	Introduction of new environment- friendly services	Medium	Medium- term	Creation of new business opportunities by developing and providing environment-friendly services	Shifting to transportation modes with lower environmental impact
	Market	Expansion of transactions through new business development opportunities in EV and FCV	Medium	Medium- term	Increased sales by developing new markets for EV and FCV-related businesses	<ul style="list-style-type: none"> Handling EV-related parts on consignment Storing and transporting other environment- conscious products on consignment
	Market	Increased demand for temperature control	Medium	Medium- term	Creation of new business opportunities by developing and providing constant temperature management services	<ul style="list-style-type: none"> Identifying market needs Installing facilities such as temperature-controlled warehouses

In the 13th Medium-term Business Plan for three years, which started from April 1, 2023, the NIKKON Group has set forth its management policy: “to conduct business activities that can contribute to creation and sustainable development of an affluent society where people truly feel happy.” Under this policy, the Group will reduce risks and gain opportunities in response to various social problems including global environmental problems, thus proactively making efforts to increase its corporate value through ESG-based management.

Furthermore, the NIKKON Group is advancing efforts to accomplish the policy regarding human resource development including ensuring its diversity, and the policy regarding the enhancement of corporate environments. The central axis of these policies is at “constructing next-generation logistics.”

In December 2022, the Group established “HR (Human Resource) Supervisory Department” directly under the President of the Company, thus setting up a structure that enables us to carry out human capital management that pertains to the entire Group.

The logistics industry is facing the “2024 problem,” and now is the time for the industry to transform from conventional logistics to new logistics. The industry needs to thus transform without delay. Among others, it is essential to inject high-level logistics human resources into the industry.

Against this backdrop, the NIKKON Group has set forth policies regarding human resource development, including ensuring its diversity, and regarding the enhancement of corporate environments as follows.

1. Safety first

Logistics is an indispensable function that supports all the basic needs for human living: food, shelter and clothing. Accordingly, our mission is to stably provide sustainable services. Under this social mission, safety-related requirements, which form the foundation that supports logistic services, are the most important subject to address. All the Group companies are thus striving for safety with the safety-first principle.

2. Constructing next-generation logistics

The Company focuses its efforts on developing next-generation logistics so that the importance of logistics may be handed down to younger generations. Since 2021, the Company has been endowing lectures on logistics management at Hitotsubashi University. In addition to the university, we launched endowed programs at King Mongkut’s Institute of Technology as part of a project by the Association for Overseas Technical Cooperation and Sustainable Partnerships in February 2025. We have students visit our offices as well as take lectures, thus helping develop the next generation of human resources who will lead the development of the logistics industry in the future. In addition, the Company loans employees to outside logistics research institutions for research on the latest development of logistics.

3. Reinforcement of efforts for employees’ sustainable growth

The NIKKON Group is working to construct measures and environments whereby every employee can utilize programs that enable them to balance their work and individual life events and can develop his or her capabilities by equally receiving education, training, and feedback. We will bring in diverse human resources regardless of age and nationality, develop environments by promoting the acquisition of qualifications under the systems of various countries, and specifically plan to institute a sustainable human resource development system from medium- to long-term perspectives.

The Company recognizes the following five critical challenges. Specific actions to be taken to address these challenges are also given below.

1) Constructing next-generation logistics

- Newly establishing a research and development department that develops new services
- Making joint efforts with research institutions and universities to participate in new technology development and adopt new technologies

2) Developing next-generation human resources and succession planning

- Endowing lectures at Hitotsubashi University to help develop the next generation of human resources who will lead the development of the logistics industry in the future
- Running Nikkon Business School aimed at developing employees into management and high-ranking positions
- Planning and considering a system for training employees who are candidates for the next generation of executive employees for overseas business companies at Japanese group companies
- Running a trainee program for relatively young and mid-career employees of the NIKKON Group around the globe as OJT training at Group companies

3) Promoting diversification of human resources

- Actively recruiting high-level logistics human resources and global human resources
- Expanding acceptance of foreign technical intern trainees
- Expanding employment of people with disabilities
- Actively recruiting female employees

4) Developing environments to secure human resources

- Planning and considering the adoption of the White-Collar Exemption System
- Promoting obtainment of certifications under national certification programs, such as Employee-Friendly Workplace Certification, the Certified Health & Productivity Management Outstanding Organizations Recognition Program and Eruboshi Certification System as well as action according to the White Logistics campaign

5) Expanding and developing human resources

- Enhancing human resource training and development systems at Group companies inside and outside Japan to solidify the human resource base
- Making talent management and upskilling plans more transparent to enhance employee engagement

(4) Risk management

1) Process for identifying and assessing climate-related risks

The Sustainability Committee as a supervisory body requests the ESG Promotion Office, an organization to actually carry out ESG activities, to identify and assess climate-related risks and opportunities and receives reports from the ESG Promotion Office. The ESG Promotion Office identifies and assesses climate-related risks and opportunities by holding a series of discussions with ESG Working Group, which has been formed jointly with eight core subsidiaries. The discussions are made to enumerate social challenges, identify how they relate to the Group's business activities, as well as what stakeholders anticipate, and determine the priority.

2) Process for managing climate-related risks

The ESG Promotion Office is responsible for planning strategies for the entire Group related to ESG including climate change risks. It disseminates the strategies to the entire Group companies, promote them and reports the progresses of such actions to the Sustainability Committee. The Sustainability Committee convenes regularly once a quarter in principle, and on an ad hoc basis as necessary. It submits reports and proposals to the Board of Directors and provides guidance to individual divisions.

(5) Metrics and targets

The NIKKON Group has set reduction targets for greenhouse gas (Scope 1 and Scope 2) emissions and mercury lamps, which are indicators drafted by the ESG Promotion Office under the guidance of the Sustainability Committee and resolved by the Board of Directors. The performance for the fiscal year ended March 31, 2025 are as follows. In response to the increasing business volume, the Group is expanding transportation via full trailer trucks and modal shift, introducing environmentally-friendly vehicles such as hybrid cars and small EVs and installing solar panels. The Group will continue to promote reductions in energy consumption through more efficient transportation and switch to clean energy sources. Toward our 30% reduction target for fiscal year 2030, it will make concrete efforts, in consideration of the government's goal of making electric vehicles account for 20-30% of new small commercial vehicle sales, trends of technological development for large vehicles, which are the Group's mainstay vehicles, and progress in the development of supply infrastructure, among others, with the aim of achieving the subsequent goal of carbon neutrality in 2050.

In regard to active female engagement, in addition to the ratio of female employees to the workforce, the Group has established new targets for the ratio of female executives and managers, and will continue to build a workplace where women can work comfortably and play an active role, thereby promoting the employment of women.

[CO₂ emissions (Scopes 1 and 2 combined)]

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2030	Fiscal year ending March 31, 2050
	Actual (base year)	Actual	Actual	Target	Target	Target
CO ₂ emission reduction target	—	(1.3)%	(6.0)%	(3.7)%	(30)%	(100)%
CO ₂ emissions (tons)	180,048	177,732	169,313	173,340	126,034	0

*If companies that joined the Group in April 2023 onward are included:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2030	Fiscal year ending March 31, 2050
	Actual (base year)	Actual	Actual	Target	Target	Target
CO ₂ emission reduction target	—	(1.3)%	4.4%	—	—	(100)%
CO ₂ emissions (tons)	180,048	177,732	187,955	—	—	0

[Mercury lamp reduction] (Units)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026
	Actual	Actual	Actual	Plan
Number of mercury lamps	5,250	3,131	1,058	0
Number of planned reductions	—	(2,119)	(2,073)	(1,058)

Metrics and targets regarding the human capital are as follows.

[Proportion of female employees]

		Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026
		Actual	Actual	Actual	Plan
Percentage of female employees to all employees	Dome stic	18.4%	18.6%	19.0%	22.2%
	Overs eas	38.4%	36.2%	35.9%	39.4%
	Total	23.9%	23.3%	23.4%	26.5%
Percentage of females to all those in executive posts	Dome stic	9.9%	11.7%	13.1%	17.2%
	Overs eas	35.1%	40.8%	33.6%	41.3%
	Total	17.9%	20.9%	19.9%	25.5%
Percentage of female employees to all employees in managerial posts	Dome stic	1.4%	2.0%	2.9%	7.7%
	Overs eas	20.1%	21.2%	24.7%	25.0%
	Total	7.6%	8.4%	9.9%	13.2%

3. Business and other risks

Risks that could affect the NIKKON Group's operating results and financial position are as follows.

The forward-looking statements contained in this document are based on judgments of the NIKKON Group that were made as of the end of the fiscal year ended March 31, 2025.

(1) Fluctuations in fuel costs

The fuel costs of transport vehicles used by the NIKKON Group are affected by fluctuations in crude oil prices and exchange rates. If these costs increase, the NIKKON Group will seek to receive reasonable charges through consultation with customer companies. However, in the event of a rapid increase in fuel prices or a failure to receive reasonable charges, it could affect the NIKKON Group's operating results and financial position.

(2) Legal regulations, etc.

Regarding the businesses that the NIKKON Group operates, part of the transportation business (including the motor track transportation business and consigned freight forwarding business) is regulated by the Act Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides from Automobiles in Specified Areas (Automobile NOx and PM Act) and the Ordinance to Ensure Living Environment, etc.

In response to these legal regulations, etc., the cost impact is minimized by effectively and efficiently replacing vehicles and installing emission reduction devices. However, if there are any changes, etc. in the content of regulations in the future, additional costs are likely to be incurred.

(3) Possibility of serious accidents

In compliance with laws and regulations, the NIKKON Group conducts its business activities with social responsibility as its top priority. However, in the event of a serious traffic accident, etc., the trust of society and customers may deteriorate, and we may be subject to administrative disposition such as the suspension of operation at business offices, and the rescission of business license.

(4) Impairment of non-current assets

The NIKKON Group owns a large amount of non-current assets, mainly in its warehousing, packaging and testing businesses. If the return of the investment cannot be expected due to changes in the management environment or a decrease in profitability, impairment loss needs to be recorded, thereby possibly affecting the operating results and financial position of the NIKKON Group.

(5) Natural disasters, etc.

If transportation routes are blocked due to earthquakes, storms and floods, etc., if damage to the facilities of the business sites or system disruption occur due to power outages in the areas where the NIKKON Group operates, the NIKKON Group's operating results and financial position may be affected.

(6) Trends in customer companies

The automotive industry accounts for more than 50% of the consolidated net sales of the NIKKON Group. If production adjustments or decrease in demand for logistics, etc. occur at major customer companies, the NIKKON Group's operating results and financial position may be affected.

(7) M&A

The Group considers M&A as one of its options to expand its business domains or to acquire or expand necessary functions in the future. In carrying out M&A, the Group conducts due diligence on the financial condition and contractual relationships of the target company and fully considers the appropriateness of the acquisition price, risks and other factors before making decisions. However, if the business plan does not proceed as initially envisioned due to changes in the business environment or competition after the acquisition, the impairment losses may occur on the acquisition price of the target company's shares or goodwill, and the NIKKON Group's operating results and financial position may be affected.

(8) Securing and developing human resources

In Japan, the workforce is shrinking due to the declining population and the aging population with fewer children, and there is a growing sense of labor shortage. In addition, the logistics industry faces the challenge of coping with the so-called "2024 problem," or the impact of the application of a cap on overtime hours for automobile driving operations. The Group is striving to secure human resources by promoting the employment of diverse human resources and improving the working environment, while fostering human resources by enhancing training programs, among other measures. However, if it fails to secure the human resources necessary to maintain and expand its business, the NIKKON Group's operating results and financial position may be affected.

4. Management analysis of financial position, operating results and cash flows

(1) Overview of operating results, etc.

An overview of the financial position, operating results, and cash flows (hereinafter referred to as “operating results, etc.”) of the NIKKON Group (the Company and its consolidated subsidiaries and entities accounted for using equity method) during the fiscal year ended March 31, 2025 is as follows.

The forward-looking statements contained in this document are based on judgments of the NIKKON Group that were made as of the end of the fiscal year ended March 31, 2025.

1) Financial position and operating results

For the fiscal year ended March 31, 2025, the Group made active capital investments and operating activities such as the completion of warehouses in Kanegasaki-cho, Iwate, Utsunomiya-shi, Tochigi, Ota-shi, Gunma, Tokai-shi, Aichi and Indonesia; and the acquisition of a U.S. four-wheeled transportation company, a logistics company in Gunma and a company in Aichi that manufactures and sells packaging materials as subsidiaries through M&A.

As a result, consolidated net sales for the fiscal year ended March 31, 2025 were 247,890 million yen, up 11.5% year-on-year. Operating profit was 23,155 million yen, up 9.0% year-on-year, mainly due to the effect of higher sales. Ordinary profit was 23,969 million yen, up 0.4% year-on-year, partly due to the occurrence of foreign exchange losses. Profit attributable to owners of parent was 16,550 million yen, down 0.4% year-on-year.

Operating results by segment are as follows.

Transportation business

Sales were 117,963 million yen, up 17.5% year-on-year, mainly due to a recovery in business volume and the acquisition of Supreme Auto Transport, LLC. in the U.S. as a consolidated subsidiary. Operating profit was 6,314 million yen, up 13.1% year-on-year.

Warehousing business

Sales were 40,881 million yen, up 5.2% year-on-year, as a result of an increase in the volume of cargo stored, which is the result of our ongoing efforts in Japan and overseas to establish or expand warehouses. Operating profit was 8,558 million yen, up 2.8% year-on-year, despite higher personnel expenses and depreciation.

Packaging business

Sales were 57,364 million yen, up 6.6% year-on-year, due to an increase in business volume. Operating profit was 4,248 million yen, up 28.0% year-on-year, due to higher efficiency improvement of operations and the effect of greater sales.

Testing business

Sales were 24,152 million yen, up 5.6% year-on-year, due to an increase in business volume. Operating profit was 3,989 million yen, up 19.8% year-on-year, due to higher efficiency improvement of operations and the effect of greater sales.

2) Cash flows

Cash and cash equivalents (hereafter referred to as “cash”) at the end of the fiscal year under review were 35,937 million yen, a decrease of 6,859 million yen from the end of the previous fiscal year.

The following is the status and factors of each of the cash flow categories during the fiscal year under review.

(Cash flows from operating activities)

Net cash provided by operating activities was 27,642 million yen, a decrease of 3,464 million yen from the previous fiscal year. Major factors having a positive impact on cash flow from operating activities were increases of 505 million yen in profit before income taxes and 2,443 million yen in cash flows from increase in depreciation. Major factors having a negative impact on cash flow from operating activities were decreases of 3,316 million yen in decrease (increase) in other liabilities and 3,449 million yen in increase (decrease) in trade payables.

(Cash flows from investing activities)

Net cash used in investing activities was 53,978 million yen, an increase of 29,638 million yen in cash outflow from the previous fiscal year. This increase mainly came from an increase of 3,171 million yen in the purchase of property, plant and equipment, in addition to 26,729 million yen in the acquisition of subsidiary shares through M&A.

(Cash flows from financing activities)

Net cash provided in financing activities was 19,076 million yen, an increase of 23,485 million yen in cash inflow from the previous fiscal year. Major factors include 22,110 million yen in proceeds from issuance of convertible-bond-type bonds with share acquisition rights and 9,412 million yen in proceeds from borrowings, despite increases in cash outflow of 6,000 million yen for the purchase of treasury shares and 1,535 million yen in payment of dividends.

3) Sales results

Sales results by segment during the fiscal year ended March 31, 2025 are as follows.

Name of business segment	Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)		
	Amount (millions of yen)	Composition ratio (%)	Increase (decrease) from previous fiscal year (%)
Transportation business	117,963	47.6	117.5
Warehousing business	40,881	16.5	105.2
Packaging business	57,364	23.1	106.6
Testing business	24,152	9.7	105.6
Other businesses	7,527	3.0	118.2
Total	247,890	100.0	111.5

(Notes) 1. Intersegment transactions have been eliminated.

2. Transactions with major business partners in the recent two consolidated fiscal years and the ratio of the sales results to total sales results are as shown below.

Business partner	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)	
	Amount (millions of yen)	Proportion (%)	Amount (millions of yen)	Proportion (%)
Honda Motor Co., Ltd.	37,368	16.8	40,995	16.5

(2) Details of analysis and discussion of operating results, etc. from management's perspective

Details of the recognition, analysis and discussion of the operating results, etc. of the NIKKON Group from management's perspective are as follows.

1) Details of the recognition, analysis and discussion of the operating results, etc. for the fiscal year ended March 31, 2025

The NIKKON Group's operating results, etc. for the fiscal year ended March 31, 2025 are as follows.

a) Financial position

(Assets)

Current assets at the end of the fiscal year under review totaled 87,015 million yen, a decrease of 965 million yen from the end of the previous fiscal year. This decrease was mainly the result of a decrease of 7,063 million yen in cash and deposits, partially offset by respective increases of 4,469 million yen in notes and accounts receivable - trade, 952 million yen in other, and 355 million yen in electronically recorded monetary claims - operating. Non-current assets totaled 341,744 million yen, an increase of 41,279 million yen from the end of the previous fiscal year. The increase was mainly the result of an increase of 18,098 million yen in property, plant and equipment, which was primarily due to the completion of warehouses in Utsunomiya-shi, Tochigi, Kanegasaki-cho, Iwate and Tokai-shi, Aichi, and the progress in the construction of warehouses in Suzuka-shi, Mie and Thailand; and respective increases of 13,495 million yen in customer-related intangible assets and 12,165 million yen in goodwill through M&A, partially offset by a decrease of 4,958 million yen in investment securities due to their market valuation.

As a result, total assets were 428,759 million yen, an increase of 40,313 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 76,641 million yen, an increase of 17,275 million yen from the end of the previous fiscal year. This increase was mainly the result of respective increases of 18,441 million yen in short-term borrowings, 776 million yen in income taxes payable and 426 million yen in provision for bonuses, partially offset by a decrease of 3,037 million yen in electronically recorded obligations - operating. Non-current liabilities totaled 102,439 million yen, an increase of 19,804 million yen from the end of the previous fiscal year. The increase mainly came from an increase of 22,105 million yen in convertible-bond-type bonds with share acquisition rights, partially offset by a decrease of 1,758 million yen in deferred tax liabilities.

As a result, total liabilities were 179,080 million yen, an increase of 37,079 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review totaled 249,679 million yen, an increase of 3,234 million yen from the end of the previous fiscal year. This was mainly due to increases of 9,712 million yen in retained earnings and 7,553 million yen in non-controlling interests, while factors contributing to the decrease include an increase of 9,921 million yen in treasury shares and a decrease of 5,145 million yen in valuation difference on available-for-sale securities.

As a result, the equity ratio at the end of the period under review was 56.4% (63.3% at the end of the previous fiscal year).

b) Operating results

(Net sales)

Consolidated net sales for the fiscal year ended March 31, 2025 were 247,890 million yen, up 11.5% year-on-year. This increase was attributable to the recovery in volume of cargo handled, as well as an increase in volume of cargo handled due to the start of operation of our newly established and expanded warehouses. Net sales by segment are stated in (1) Overview of operating results, etc., 1) Financial position and operating results.

(Operating profit)

Operating profit for the fiscal year ended March 31, 2025 was 23,155 million yen, up 9.0% year-on-year. It was steady due to the increase in net sales. Operating profit by segment are stated in (1) Overview of operating results, etc., 1) Financial position and operating results.

(Ordinary profit)

Non-operating income for the fiscal year ended March 31, 2025 was 2,859 million yen, a decrease of 138 million yen from the previous fiscal year. This was primarily due to an increase of 318 million yen in dividend income, offset by a decrease of 392 million yen in compensation income. Non-operating expenses totaled 2,045 million yen, an increase of 1,686 million yen from the previous fiscal year. This was primarily due to the recording of 1,253 million yen in foreign exchange losses due to the appreciation of the yen.

As a result, ordinary profit was 23,969 million yen, up 0.4% year-on-year.

(Profit attributable to owners of parent)

Extraordinary losses for the fiscal year ended March 31, 2025 totaled 18 million yen, a decrease of 414 million yen from the previous fiscal year. This was primarily due to decreases of 201 million yen in loss on retirement of non-current assets and 107 million yen in loss on revision of retirement benefit plan.

As a result, profit attributable to owners of parent was 16,550 million yen, down 0.4% year-on-year.

c) Analysis of cash flows

Analysis of cash flows for the fiscal year ended March 31, 2025 are stated in (1) Overview of operating results, etc., 2) Cash flows.

d) Analysis of capital financing and liquidity

The demand for funds for the NIKKON Group's business activities includes working capital as operating expenses, such as expenses for running business, and general and administrative expenses, and capital funds for the purchase of non-current assets, such as warehouses, workplaces, and business vehicles, and funds for M&A.

The NIKKON Group's working capital is basically financed by internal funds, commercial papers and borrowings from financial institutions as needed, and its capital funds are financed by internal funds, as well as straight bonds with fixed interest rates and borrowings from financial institutions as needed. We finance funds for M&A with short-term borrowings from financial institutions as bridge funds and later replace them with long-term funds such as straight bonds. As of the end of the fiscal year ended March 31, 2025, the balance of straight bonds was 50 billion yen, the balance of convertible-bond-type bonds with share acquisition rights was 22,105 million yen, and the balance of borrowings was 46,209 million yen.

e) Management policies, management strategies, and objective financial data, etc. to determine the achievement status of the management targets

The NIKKON Group launched the 13th Medium-term Business Plan (Challenge 13) for three years from April 1, 2023.

For the fiscal year ended March 31, 2025, the second fiscal year of the plan, we set targets as follows: 250 billion yen for net sales, 24 billion yen for operating profit, and 9.6% for ratio of operating profit to net sales. While we continued capital investments and conducted active M&A activities, partly due to initial costs arising from M&A, net sales were 247,890 million yen, operating profit was 23,155 million yen, and ratio of operating profit to net sales was 9.3%, all of which fell short of the targets for the second year of the Medium-term Business Plan.

The Group set targets for the fiscal year ending March 31, 2026, the final fiscal year of the plan, as follows: 280 billion yen for net sales, 28 billion yen for operating profit, 10.0% for ratio of operating profit to net sales, and 8.0% for return on equity.

2) Significant accounting estimates and assumptions used for the estimates

The consolidated financial statements of the NIKKON Group are prepared on the basis of accounting principles generally accepted in Japan. In preparing these consolidated financial statements, the NIKKON Group used estimates and assumptions that have an impact on the reported amounts of assets, liabilities, revenue and expenses. However, the figures based on these estimates and assumptions may differ from the actual results.

Significant accounting estimates and assumptions used when preparing the consolidated financial statements are as follows.

a) Future cash flows in impairment accounting

Details are as stated in V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, [Notes], (Significant accounting estimates).

b) Calculation of retirement benefit liability

Some companies in the NIKKON Group have adopted defined benefit plans. The retirement benefit liability under defined benefit plans and related service costs are calculated by estimating the projected retirement benefit amount based on assumptions used in actuarial calculations and discounting them. Assumptions used in actuarial calculations include various computational foundations, such as discount rates, and expected rate of return on plan assets.

If the above estimates and assumptions need to be revised due to changes in uncertain economic conditions in the future, etc., it may have a material impact on the amount of retirement benefit liability and retirement benefit expenses to be recognized in the consolidated financial statements for the next fiscal year and thereafter.

In the calculation of retirement benefit liability and retirement benefit expenses, the following are the sensitivity to changes in the major assumptions given to retirement benefit liability and retirement benefit expenses as of the end of the fiscal year ended March 31, 2025. Negative figures (in parenthesis) represent a decrease in retirement benefit liability and positive figures represent an increase in retirement benefit liability. Sensitivity analysis assumes that all assumptions used in actuarial calculations are constant except for the assumptions used in actuarial calculations subject to the analysis.

As of the end of the fiscal year ended March 31, 2025:

	Changes in assumptions used in actuarial calculations	Impact on retirement benefit liability (millions of yen)
Discount rates	0.5% increase	(756)
	0.5% decrease	722
	Changes in assumptions used in actuarial calculations	Impact on retirement benefit expenses (millions of yen)
Expected rate of return on plan assets	0.5% increase	(58)
	0.5% decrease	58

The main assumptions used in actuarial calculations used to calculate retirement benefit liability as of the end of the fiscal year ended March 31, 2025 are as stated in V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated financial statements, [Notes], (Retirement benefits), (8) Matters related to the assumptions of actuarial calculations.

5. Critical contracts, etc.

The Company has concluded a contract, which includes an agreement to specify limitations on the exercise of shareholders' voting rights and an agreement to specify limitations on shareholders holding shares of the Company in excess of the ownership ratio agreed upon between shareholders and the Company (hereinafter referred to as the "Contract"), with Farallon Capital Asia (HK) Limited (hereinafter referred to as "Farallon").

(1) Overview of the Contract

1) Date of the signing of the Contract

May 16, 2025

2) Name and address of the other party to the Contract

Name	Farallon Capital Asia (HK) Limited
Address	Two International Financial Centre, Suite 5701 8 Finance Street, Central, Hong Kong

Note: According to Farallon, Farallon Capital Management, L.L.C., an affiliate company of Farallon, actually possesses shares of the Company.

3) Details of the Agreement

The Company has signed the Contract, which includes the following agreements:

a. Agreement to specify limitations on the exercise of shareholders' voting rights

The Company shall make a proposal to elect Directors (excluding Directors serving as Audit & Supervisory Committee Members), with details agreed upon as a company proposal, and a proposal to increase the maximum amounts of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) as agenda items of the 84th Annual General Meeting of Shareholders to be held on June 27, 2025 (hereinafter referred to as the "General Meeting of Shareholders"), and Farallon shall have (i) Farallon, Farallon Capital Management, L.L.C., Farallon Capital Japan LLC and their group companies; (ii) funds and other parties that those stated in (i) manage, operate or provide advice to; and (iii) companies and other parties that those stated in (i) or (ii) effectively control (those stated in (i) through (iii) are hereinafter collectively referred to as "Farallon affiliates") exercise their voting rights in favor of each of the proposals above at the General Meeting of Shareholders.

b. Agreement to specify limitations on shareholders holding shares of the Company in excess of the ownership ratio agreed upon between shareholders and the Company

Farallon shall be prevented from acquiring the Company's share certificates, etc. (as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act), either directly or through Farallon affiliates, under whatever name during the limitation period (Note).

(Note) The "limitation period" refers to the period from the signing of the Contract to the date of announcement of the Company's semiannual financial results for the fiscal year ending March 31, 2026 (hereinafter referred to as the "Semiannual Financial Results Announcement Date") or the date of retirement by a candidate for Outside Director recommended by Farallon (hereinafter referred to as the "Recommended Candidate") from Director of the Company, whichever is earlier, and in the event that a Special Committee to be established by the Company (hereinafter referred to as the "Committee"), which will consist only of Outside Directors (including the Recommended Candidate), releases a certain interim report on the results of the Committee's review of the Company's real estate ownership, management, and operation policies as well as progress in deliberations toward the publication of concrete recommendations to the Board of Directors by the Semiannual Financial Results Announcement Date, the Company and Farallon shall discuss in good faith the extension of the limitation period to December 31, 2025 or the retirement of the Recommended Candidate from Director of the Company, whichever is earlier (Farallon shall not refuse, reserve or delay the agreement as long as the Committee holds discussions at a practically reasonable level.).

(2) Purpose of the agreements

As the Company pursues the review of the skill matrix and the composition of the Board of Directors, including raising the ratio of Outside Directors, from such perspectives as improving capital efficiency and enhancing the function of the Board, the agreements in the Contract are aimed at further strengthening the skills that the Board of Directors is equipped with and realizing a desirable composition of the Board.

In addition, the Company announced on May 16, 2025 that it will establish the Committee, which will consist only of Outside Directors, with the aim of holding short-term and intensive discussions toward the improvement of the Group's medium- to long-term corporate value while ensuring its effectiveness, and that it will conduct deliberations and verification of measures to improve corporate value including a review of the Company's real estate ownership, management, and operation policies, while taking the viewpoint of capital markets into consideration. Another aim of the agreements in the Contract is to ensure the effectiveness of deliberations and verification at the Committee through the establishment of an appropriate framework for review therein.

(3) Discussions by the Board of Directors and other decision-making processes by the reporting company regarding the agreements

While holding numerous dialogues with a large number of shareholders, the Company has been conducting discussions on a deliberation structure aimed at improving our corporate value, including a desirable composition of the Board of Directors, from such perspectives as improving capital efficiency and enhancing the function of the Board, with opinions of external experts taken into account. Amid such dialogues and discussions, the Company has proceeded with the review of the skill matrix and the composition of the Board of Directors, including raising the ratio of Outside Directors, selected new candidates for Outside Directors and pushed forward with the election process at the Nomination Committee, with the aim of further enhancing our governance structure in the run-up to the General Meeting of Shareholders. Under such circumstances, Farallon separately recommended a candidate for Outside Director from the perspective of further strengthening the skills that the Company's Board of Directors is equipped with. As such, we performed the selection process at the Nomination Committee, such as interviews and consultations, including the said Recommended Candidate. As a result of discussions at the Company's Board of Directors based on the opinions of the Nomination Committee, we determined that a composition of the Board that includes one Recommended Candidate will contribute to further enhancing our governance structure. In addition, we came to the conclusion that short-term and intensive discussions on measures to improve our corporate value at the Committee, which will be composed of Outside Directors, including one Recommended Candidate, while ensuring its effectiveness, will help to enhance the Group's corporate value, and thus decided to conclude the Contract regarding the agreements with details stated in (1) 3) above as of May 16, 2025.

(4) Impact of the agreements on the corporate governance of the Company

If, pursuant to the Contract, the proposal to elect Directors above is made and approved at the General Meeting of Shareholders, it will enhance the skills that the Company's Board of Directors is equipped with and meet the purpose of the agreements, and Outside Directors will account for the majority of the Company's Board. Hence, we believe that it will contribute to an improvement in capital efficiency and further enhancement of our governance structure, including better functions of the Board of Directors, on which we have held multiple discussions.

6. Research and development activities

There are no applicable matters to be reported.

III. Information about Facilities

1. Overview of capital expenditures

Capital expenditures for the fiscal year ended March 31, 2025 was 27,556 million yen, mainly due to the acquisition of commercial vehicles and the expansion of our own warehouses. Capital expenditures by segment are as follows.

(1) Transportation business

We have made capital investments of 7,062 million yen for new acquisition, or remodeling, of land for the transportation business use and 282 commercial vehicles.

(2) Warehousing business

We have made capital investments of 12,713 million yen for the acquisition of land for the warehousing business use and warehouses in Kanegasaki-cho, Iwate, Tokai-shi, Aichi and West Java, Indonesia.

(3) Packaging business

We have made capital investments of 2,422 million yen for newly acquiring land for the packaging business use, forklifts for on-premises work, etc.

(4) Testing business

Capital expenditures for the testing business were 1,783 million yen, mainly due to the acquisition of test equipment in Haga-machi, Tochigi.

(5) Other businesses

The amount of capital expenditures in other businesses was 3,574 million yen, mainly due to the construction of real estate for lease in Utsunomiya-shi, Tochigi.

There was no major equipment disposal or sale in any segment.

2. Major Facilities

(1) Reporting company

As of March 31, 2025

Business place (Location)	Name of business segment	Details of facilities and equipment	Book value (millions of yen)							Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land		Leased assets	Total	
						Area (thousand m²)	Amount			
Headquarters and others (Chuo-ku, Tokyo)	Other businesses Company- wide	Office and others	322	0	17	1	1,468	—	1,808	33
Real Estate Business Department (Haga- machi, Tochigi and other locations)	Other businesses	Leased land and buildings, and others	13,298	290	12	239	22,238	—	35,840	9

(2) Domestic subsidiaries

As of March 31, 2025

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Book value (millions of yen)							Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land		Leased assets	Total	
							Area (thousand m ²)	Amount			
NIPPON KONPO UNYU SOKO CO., LTD.	Headquarters (Chuo-ku, Tokyo) 74 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	76,783	4,149	773	2,881 (292)	66,299	—	148,005	3,845
NIPPON RIKUSO Co., Ltd.	Headquarters (Suzuka-shi, Mie) 13 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	6,577	598	68	327 (100)	5,523	40	12,808	484
MEIKON CO., LTD.	Headquarters (Komaki-shi, Aichi) 9 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	5,189	355	42	273 (43)	6,110	—	11,699	171
NIPPON UNYU CO., LTD.	Headquarters, (Oizumi-machi, Gunma) 14 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	6,806	685	117	336 (177)	6,122	6	13,738	430
Auto Technic Japan Co., Ltd.	Headquarters, (Haga-machi, Tochigi) 4 other business places	Testing business	Testing facility Office and others	2,872	2,118	458	18 (67)	508	12	5,970	1,918

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Book value (millions of yen)							Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land		Leased assets	Total	
							Area (thousand m²)	Amount			
CHUETSU TEC Co., Ltd.	Headquarters, (Koto-ku, Tokyo) 15 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Office and others	1,256	219	35	63 (19)	2,090	—	3,602	383
ITO-EXPRESS CO., LTD.	Headquarters, (Seto-shi, Aichi) 10 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Office and others	1,653	225	22	148 (21)	2,780	41	4,723	553

(3) Overseas subsidiaries

As of March 31, 2025

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Book value (millions of yen)							Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Land		Leased assets	Total	
							Area (thousand m ²)	Amount			
NK PARTS INDUSTRIES , INC.	Headquarters (Sydney, Ohio, U.S.A.) 1 other business place	Transportati on business Warehousin g business Packaging business Other businesses Company- wide	Commerci al vehicle Warehous e Workshop Office and others	2,657	316	372	865 (—)	482	—	3,828	861

(Notes) 1. The amount of capital invested is the book value of property, plant and equipment and does not include the amount of construction in progress.

2. Figures in parenthesis are on lease.

3. Details of major facilities, which are on lease from companies other than consolidated companies are as follows.

1) Reporting company

There are no major facilities on lease.

2) Domestic subsidiaries

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Annual leasing fee (millions of yen)
NIPPON KONPO UNYU SOKO CO., LTD.	Hidaka Business Office (Hidaka-shi, Saitama) 15 other business places	Transportation business Warehousing business Packaging business	Land and buildings	1,950
NIPPON RIKUSO Co., Ltd.	Kanto Business Office (Kawagoe-shi, Saitama) 1 other business place	Warehousing business Packaging business	Land and buildings	130
MEIKON CO., LTD.	Head Business Office (Komaki-shi, Aichi) 5 other business places	Warehousing business	Land and buildings	1,038
NIPPON UNYU CO., LTD.	Ota Parts Business Office (Ota-shi, Gunma) 2 other business places	Warehousing business Packaging business	Land and buildings	674

3) Overseas subsidiaries

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Annual leasing fee (millions of yen)
NIPPON KONPO (THAILAND) CO., LTD.	Bang Na Branch (Samut Prakan, Thailand)	Warehousing business	Land and buildings	145
NIKKON LOGISTICS CHINA CO., LTD.	Shanghai Branch (Songjiang District, Shanghai)	Warehousing business	Land and buildings	80
NIPPON KONPO VIETNAM CO., LTD.	Binh Duong Warehouse (Binh Duong Province, Vietnam) 1 other business place	Transportation business Warehousing business Packaging business	Land and buildings	179

3. Planned addition, retirement, and other changes of facilities

(1) Construction of major facilities, etc.

1) Reporting company

There are no applicable matters to be reported.

2) Domestic subsidiaries

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Planned investment amount (millions of yen)		Funds procurement method	Date of commencement	Date of scheduled completion	Increased capacity after completion
				Total amount	Amount already paid				
NIPPON KONPO UNYU SOKO CO., LTD.	Suzuka Center (Suzuka-shi, Mie)	Transportation business Warehousing business Packaging business	Construction of warehouse	2,810	2,239	Internal cash flow and borrowing from the reporting company	April 2022	June 2025	Area 16,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Suzuka Center (Suzuka-shi, Mie)	Warehousing business Other businesses	Construction of warehouse and maintenance facility	1,157	643	Internal cash flow and borrowing from the reporting company	August 2024	June 2025	Area 4,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Moji Business Office (Kanda-machi, Fukuoka)	Transportation business Warehousing business Packaging business	Construction of warehouse	3,895	1,349	Internal cash flow and borrowing from the reporting company	January 2023	February 2026	Area 14,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Utsunomiya Business Office (Sakura-shi, Tochigi)	Transportation business Warehousing business Packaging business	Construction of warehouse	1,987	41	Internal cash flow and borrowing from the reporting company	April 2024	August 2026	Area 6,000 m ²
NIPPON RIKUSO Co., Ltd.	Suzuka Logistics Center (Suzuka-shi, Mie)	Transportation business Warehousing business Packaging business	Construction of warehouse	4,120	350	Internal cash flow and borrowing from the reporting company	July 2024	July 2025	Area 13,000 m ²
Auto Technic Japan Co., Ltd.	Tochigi Development Center (Haga-machi, Tochigi)	Testing business	Testing facility	1,346	1,052	Internal cash flow	April 2024	September 2025	—
Auto Technic Japan Co., Ltd.	Tochigi Development Center (Haga-machi, Tochigi)	Testing business	Testing facility	1,193	0	Internal cash flow	November 2023	September 2025	—
ITO- EXPRESS CO., LTD.	Koga Business Office (Koga-shi, Ibaraki)	Transportation business Warehousing business	Construction of warehouse	510	90	Internal cash flow and borrowing from the reporting company	September 2024	July 2026	Area 2,000 m ²

(Note) The above amounts do not include consumption taxes, etc.

3) Overseas subsidiaries

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Planned investment amount (millions of yen)		Funds procurement method	Date of commencement	Date of scheduled completion	Increased capacity after completion
				Total amount	Amount already paid				
NIPPON KONPO (THAILAND) CO., LTD.	Suvarnabhumi Branch (Samut Prakan)	Warehousing business Packaging business	Construction of warehouse	1,201	801	Internal cash flow and borrowing from the reporting company	April 2024	April 2025	Area 16,000 m ²
PT NIPPON KONPO INDONESIA	Bukit Branch (Karawang, West Java)	Warehousing business Packaging business	Construction of warehouse	1,122	384	Internal cash flow and borrowing from the reporting company	November 2024	November 2025	Area 17,000 m ²

(Note) The above amounts do not include consumption taxes, etc.

(2) Disposal of major facilities, etc.

No disposal of major facilities, etc. is planned.

IV. Information about Reporting Company

1. Company's shares, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common shares	304,000,000
Total	304,000,000

2) Issued shares

Class	Shares issued as of the end of the fiscal year (shares) (March 31, 2025)	Shares issued as of the filing date (shares) (June 26, 2025)	Exchanges on which stock is listed/Certified associations of financial instruments dealers to which the Company is affiliated	Description
Common shares	126,479,784	126,479,784	Prime Market of the Tokyo Stock Exchange	Share unit 100 shares
Total	126,479,784	126,479,784	—	—

(2) Share acquisition rights

1) Employee share option plans

Share acquisition rights issued in accordance with the Companies Act are as follows.

Date of resolution	June 29, 2011
Category and number of grantees (persons)	7 Directors of the Company 10 Executive Officers of the Company
Number of share acquisition rights*	238
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 47,600
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Note) 1
Period of exercise of share acquisition rights*	July 20, 2011 - July 19, 2046
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights (yen)*	Issuance price: 386 Amount to be incorporated into the stated capital: 193
Conditions on the exercise of share acquisition rights*	1) Holders of share acquisition rights may, in principle, exercise share acquisition rights only within 10 days from the day following the date of loss of their positions both as a Director and executive officer of the Company (or the following business day if the 10th day falls on a holiday). 2) Other conditions shall be governed by the “Share Acquisition Right Allotment Agreement” to be concluded between the Company and the holders of share acquisition rights.
Matters concerning the transfer of share acquisition rights*	Approval of the Company’s Board of Directors is required for the acquisition of any share acquisition rights by means of transfer.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 2

*Description denotes information as of the end of the fiscal year under review (March 31, 2025). As of the last day of the month preceding the filing date (May 31, 2025), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

(Notes) 1. The class of shares underlying share acquisition rights shall be the Company’s common shares, and the number of shares underlying each of the share acquisition rights shall be 100 shares.

In the case of performing a share split (including the allotment of shares of the Company’s common shares without contribution; the same applies hereinafter to the description of the share split) or share consolidation of the Company’s common shares, the number of shares to be granted shall be adjusted according to the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights that have not been exercised at the time of such adjustment, and any fractional figure less than one share generated as a result of such adjustment shall be rounded off.

Number of shares to be granted after adjustment = Number of shares to be granted before adjustment x Ratio of share split or consolidation

Moreover, in the case where the Company carries out a merger, company split or share exchange, and in any other equivalent case where an adjustment of the number of shares granted is required, the Company may adjust the number of shares granted as deemed necessary by the Board of Directors of the Company.

2. In the case where the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (limited to cases where the Company becomes a split company, respectively), or share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary, respectively) (hereinafter collectively referred to as the “Reorganization”), the Company shall issue to the holders of share acquisition rights holding the remaining share acquisition rights immediately prior to the effective date of the Reorganization (meaning the day on which the absorption-type merger takes effect with respect to the absorption-type merger, the day on which the stock company established by the consolidation-type merger is formed with respect to the consolidation-type merger, the day on which the absorption-type company split takes effect with respect to the absorption-type company split, the day on which the stock company incorporated in the incorporation-type company split is formed with respect to the incorporation-type company split, the day on which the share exchange takes effect with respect to the share exchange, and the day on which the wholly-owning parent company formed by share transfer is formed with respect to the share transfer; the same applies hereinafter) (such remaining share acquisition

rights hereinafter referred to as the “Residual Share Acquisition Rights”) the share acquisition rights of the stock companies listed in Article 236, paragraph 1, item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Company Subject to Reorganization”) in the respective cases.

Provided, however, that the issuance of share acquisition rights of the Company Subject to Reorganization in accordance with the following items shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, and the incorporation-type company split plan, share exchange agreement or share transfer plan.

- 1) The number of share acquisition rights of the Company Subject to Reorganization to be issued
The share acquisition rights of the Company Subject to Reorganization shall be issued in the same number as the number of Residual Share Acquisition Rights held by the holders of share acquisition rights.
- 2) Class of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be common shares of the Company Subject to Reorganization.
- 3) The total number of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be the number of shares underlying share acquisition rights, for which reasonable adjustments have been made, taking into consideration the conditions of the Reorganization, etc. Provided, however, that any fractional figure less than one share generated as a result of such adjustment shall be rounded off.
- 4) The value of the property to be contributed at the time of exercise of share acquisition rights
The value of the property to be contributed at the time of exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price set below by the number of shares of the Company Subject to Reorganization underlying the relevant each share acquisition right to be determined pursuant to the above item. The post-reorganization exercise price shall be one yen per share of the Company Subject to Reorganization that can be received by exercising each share acquisition right to be issued.
- 5) The period during which share acquisition rights can be exercised
It shall be from the start date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights or the effective date of the Reorganization, whichever comes later, to the expiration date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights.
- 6) Matters concerning the capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights
To be determined in accordance with the issuance price and amount to be incorporated into the stated capital per share in cases where shares are issued as a result of the above exercise of share acquisition rights.
- 7) Restriction on purchase of share acquisition rights by transfer
Approval of the Board of Directors of the Company Subject to Reorganization shall be required for the acquisition of any share acquisition rights by means of transfer.
- 8) Conditions on the exercise of share acquisition rights
To be determined in accordance with the above conditions on the exercise of share acquisition rights.
- 9) Provisions for acquisition of share acquisition rights
If any of the following proposals (a), (b), (c), (d) or (e) is approved at the general meeting of shareholders of the Company (in case a resolution of the general meeting of shareholders is not required, if a resolution of the Board of Directors of the Company or a decision of executive officers delegated pursuant to the provisions of Article 416, paragraph 4 of the Companies Act is made), the Company may acquire the share acquisition rights without contribution on a date separately specified by the Board of Directors of the Company:
 - (a) a proposal for approval of a merger agreement in which the Company ceases to exist;
 - (b) a proposal for approval of a company split agreement or a company split plan in which the Company becomes a split company;
 - (c) a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary;
 - (d) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of all shares issued by the Company, the approval of the Company is required for the acquisition of such shares by transfer; and
 - (e) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of the class shares underlying share acquisition rights, the approval of the Company is required

for the acquisition of such class shares by transfer, or that the Company acquires all of such class shares by a resolution of the general meeting of shareholders.

3. By a resolution of the Board of Directors meeting held on June 7, 2024, the Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Accordingly, “The number of shares subject to share acquisition rights” and “Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights” have been adjusted.

Date of resolution	July 13, 2012
Category and number of grantees (persons)	7 Directors of the Company 13 Executive Officers of the Company
Number of share acquisition rights*	201
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 40,200
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Note) 1
Period of exercise of share acquisition rights*	July 31, 2012 - July 30, 2047
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights (yen)*	Issuance price: 414 Amount to be incorporated into the stated capital: 207
Conditions on the exercise of share acquisition rights*	1) Holders of share acquisition rights may, in principle, exercise share acquisition rights only within 10 days from the day following the date of loss of their positions both as a Director and executive officer of the Company (or the following business day if the 10th day falls on a holiday). 2) Other conditions shall be governed by the “Share Acquisition Right Allotment Agreement” to be concluded between the Company and the holders of share acquisition rights.
Matters concerning the transfer of share acquisition rights*	Approval of the Company’s Board of Directors is required for the acquisition of any share acquisition rights by means of transfer.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 2

*Description denotes information as of the end of the fiscal year under review (March 31, 2025). As of the last day of the month preceding the filing date (May 31, 2025), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

(Notes) 1. The class of shares underlying share acquisition rights shall be the Company’s common shares, and the number of shares underlying each of the share acquisition rights shall be 100 shares.

In the case of performing a share split (including the allotment of shares of the Company’s common shares without contribution; the same applies hereinafter to the description of the share split) or share consolidation of the Company’s common shares, the number of shares to be granted shall be adjusted according to the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights that have not been exercised at the time of such adjustment, and any fractional figure less than one share generated as a result of such adjustment shall be rounded off.

Number of shares to be granted after adjustment = Number of shares to be granted before adjustment x Ratio of share split or consolidation

Moreover, in the case where the Company carries out a merger, company split or share exchange, and in any other equivalent case where an adjustment of the number of shares granted is required, the Company may adjust the number of shares granted as deemed necessary by the Board of Directors of the Company.

2. In the case where the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (limited to cases where the Company becomes a split company, respectively), or share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary, respectively) (hereinafter collectively referred to as the “Reorganization”), the Company shall issue to the holders of share acquisition rights holding the remaining share acquisition rights immediately prior to the effective date of the Reorganization (meaning the day on which the absorption-type merger takes effect with respect to the absorption-type merger, the day on which the stock company established by the consolidation-type merger is formed with respect to the consolidation-type merger, the day on which the absorption-type company split takes effect with respect to the absorption-type company split, the day on which the stock company incorporated in the incorporation-type company split is formed with respect to the incorporation-type company split, the day on which the share exchange takes effect with respect to the share exchange, and the day on which the wholly-owning parent company formed by share transfer is formed with respect to the share transfer; the same applies hereinafter) (such remaining share acquisition rights hereinafter referred to as the “Residual Share Acquisition Rights”) the share acquisition rights of the stock companies listed in Article 236, paragraph 1, item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Company Subject to Reorganization”) in the respective cases.

Provided, however, that the issuance of share acquisition rights of the Company Subject to Reorganization in accordance with the following items shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, and the incorporation-type company split plan, share exchange agreement or share transfer plan.

- 1) The number of share acquisition rights of the Company Subject to Reorganization to be issued
The share acquisition rights of the Company Subject to Reorganization shall be issued in the same number as the number of Residual Share Acquisition Rights held by the holders of share acquisition rights.
- 2) Class of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be common shares of the Company Subject to Reorganization.
- 3) The total number of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be the number of shares underlying share acquisition rights, for which reasonable adjustments have been made, taking into consideration the conditions of the Reorganization, etc. Provided, however, that any fractional figure less than one share generated as a result of such adjustment shall be rounded off.
- 4) The value of the property to be contributed at the time of exercise of share acquisition rights
The value of the property to be contributed at the time of exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price set below by the number of shares of the Company Subject to Reorganization underlying the relevant each share acquisition right to be determined pursuant to the above item. The post-reorganization exercise price shall be one yen per share of the Company Subject to Reorganization that can be received by exercising each share acquisition right to be issued.
- 5) The period during which share acquisition rights can be exercised
It shall be from the start date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights or the effective date of the Reorganization, whichever comes later, to the expiration date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights.
- 6) Matters concerning the capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights
To be determined in accordance with the issuance price and amount to be incorporated into the stated capita per share in cases where shares are issued as a result of the above exercise of share acquisition rights.
- 7) Restriction on purchase of share acquisition rights by transfer
Approval of the Board of Directors of the Company Subject to Reorganization shall be required for the acquisition of any share acquisition rights by means of transfer.
- 8) Conditions on the exercise of share acquisition rights
To be determined in accordance with the above conditions on the exercise of share acquisition rights.
- 9) Provisions for acquisition of share acquisition rights
If any of the following proposals (a), (b), (c), (d) or (e) is approved at the general meeting of shareholders of the Company (in case a resolution of the general meeting of shareholders is not required, if a resolution of the Board of Directors of the Company or a decision of executive officers delegated pursuant to the provisions of Article 416, paragraph 4 of the Companies Act is made), the Company may acquire the share acquisition rights without contribution on a date separately specified by the Board of Directors of the Company:
 - (a) a proposal for approval of a merger agreement in which the Company ceases to exist;
 - (b) a proposal for approval of a company split agreement or a company split plan in which the Company becomes a split company;
 - (c) a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary;
 - (d) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of all shares issued by the Company, the approval of the Company is required for the acquisition of such shares by transfer; and
 - (e) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of the class shares underlying share acquisition rights, the approval of the Company is required for the acquisition of such class shares by transfer, or that the Company acquires all of such class shares by a resolution of the general meeting of shareholders.

3. By a resolution of the Board of Directors meeting held on June 7, 2024, the Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Accordingly, “The number of shares subject to share acquisition rights” and “Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights” have been adjusted.

Date of resolution	June 27, 2013
Category and number of grantees (persons)	7 Directors of the Company 14 Executive Officers of the Company
Number of share acquisition rights*	138
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 27,600
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Note) 1
Period of exercise of share acquisition rights*	July 23, 2013 - July 22, 2048
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights (yen)*	Issuance price: 740 Amount to be incorporated into the stated capital: 370
Conditions on the exercise of share acquisition rights*	1) Holders of share acquisition rights may, in principle, exercise share acquisition rights only within 10 days from the day following the date of loss of their positions both as a Director and executive officer of the Company (or the following business day if the 10th day falls on a holiday). 2) Other conditions shall be governed by the “Share Acquisition Right Allotment Agreement” to be concluded between the Company and the holders of share acquisition rights.
Matters concerning the transfer of share acquisition rights*	Approval of the Company’s Board of Directors is required for the acquisition of any share acquisition rights by means of transfer.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2025). As of the last day of the month preceding the filing date (May 31, 2025), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

(Notes) 1. The class of shares underlying share acquisition rights shall be the Company’s common shares, and the number of shares underlying each of the share acquisition rights shall be 100 shares.

In the case of performing a share split (including the allotment of shares of the Company’s common shares without contribution; the same applies hereinafter to the description of the share split) or share consolidation of the Company’s common shares, the number of shares to be granted shall be adjusted according to the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights that have not been exercised at the time of such adjustment, and any fractional figure less than one share generated as a result of such adjustment shall be rounded off.

Number of shares to be granted after adjustment = Number of shares to be granted before adjustment x Ratio of share split or consolidation

Moreover, in the case where the Company carries out a merger, company split or share exchange, and in any other equivalent case where an adjustment of the number of shares granted is required, the Company may adjust the number of shares granted as deemed necessary by the Board of Directors of the Company.

2. In the case where the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (limited to cases where the Company becomes a split company, respectively), or share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary, respectively) (hereinafter collectively referred to as the “Reorganization”), the Company shall issue to the holders of share acquisition rights holding the remaining share acquisition rights immediately prior to the effective date of the Reorganization (meaning the day on which the absorption-type merger takes effect with respect to the absorption-type merger, the day on which the stock company established by the consolidation-type merger is formed with respect to the consolidation-type merger, the day on which the absorption-type company split takes effect with respect to the absorption-type company split, the day on which the stock company incorporated in the incorporation-type company split is formed with respect to the incorporation-type company split, the day on which the share exchange takes effect with respect to the share exchange, and the day on which the wholly-owning parent company formed by share transfer is formed with respect to the share transfer; the same applies hereinafter) (such remaining share acquisition rights hereinafter referred to as the “Residual Share Acquisition Rights”) the share acquisition rights of the stock companies listed in Article 236, paragraph 1, item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Company Subject to Reorganization”) in the respective cases.

Provided, however, that the issuance of share acquisition rights of the Company Subject to Reorganization in accordance with the following items shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, and the incorporation-type company split plan, share exchange agreement or share transfer plan.

- 1) The number of share acquisition rights of the Company Subject to Reorganization to be issued
The share acquisition rights of the Company Subject to Reorganization shall be issued in the same number as the number of Residual Share Acquisition Rights held by the holders of share acquisition rights.
- 2) Class of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be common shares of the Company Subject to Reorganization.
- 3) The total number of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be the number of shares underlying share acquisition rights, for which reasonable adjustments have been made, taking into consideration the conditions of the Reorganization, etc. Provided, however, that any fractional figure less than one share generated as a result of such adjustment shall be rounded off.
- 4) The value of the property to be contributed at the time of exercise of share acquisition rights
The value of the property to be contributed at the time of exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price set below by the number of shares of the Company Subject to Reorganization underlying the relevant each share acquisition right to be determined pursuant to the above item. The post-reorganization exercise price shall be one yen per share of the Company Subject to Reorganization that can be received by exercising each share acquisition right to be issued.
- 5) The period during which share acquisition rights can be exercised
It shall be from the start date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights or the effective date of the Reorganization, whichever comes later, to the expiration date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights.
- 6) Matters concerning the capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights
To be determined in accordance with the issuance price and amount to be incorporated into the stated capita per share in cases where shares are issued as a result of the above exercise of share acquisition rights.
- 7) Restriction on purchase of share acquisition rights by transfer
Approval of the Board of Directors of the Company Subject to Reorganization shall be required for the acquisition of any share acquisition rights by means of transfer.
- 8) Conditions on the exercise of share acquisition rights
To be determined in accordance with the above conditions on the exercise of share acquisition rights.
- 9) Provisions for acquisition of share acquisition rights
If any of the following proposals (a), (b), (c), (d) or (e) is approved at the general meeting of shareholders of the Company (in case a resolution of the general meeting of shareholders is not required, if a resolution of the Board of Directors of the Company or a decision of executive officers delegated pursuant to the provisions of Article 416, paragraph 4 of the Companies Act is made), the Company may acquire the share acquisition rights without contribution on a date separately specified by the Board of Directors of the Company:
 - (a) a proposal for approval of a merger agreement in which the Company ceases to exist;
 - (b) a proposal for approval of a company split agreement or a company split plan in which the Company becomes a split company;
 - (c) a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary;
 - (d) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of all shares issued by the Company, the approval of the Company is required for the acquisition of such shares by transfer; and
 - (e) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of the class shares underlying share acquisition rights, the approval of the Company is required for the acquisition of such class shares by transfer, or that the Company acquires all of such class shares by a resolution of the general meeting of shareholders.

3. By a resolution of the Board of Directors meeting held on June 7, 2024, the Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Accordingly, “The number of shares subject to share acquisition rights” and “Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights” have been adjusted.

Date of resolution	June 27, 2014
Category and number of grantees (persons)	7 Directors of the Company 13 Executive Officers of the Company
Number of share acquisition rights*	120
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 24,000
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Note) 1
Period of exercise of share acquisition rights*	July 23, 2014 - July 22, 2049
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights (yen)*	Issuance price: 791 Amount to be incorporated into the stated capital: 396
Conditions on the exercise of share acquisition rights*	1) Holders of share acquisition rights may, in principle, exercise share acquisition rights only within 10 days from the day following the date of loss of their positions both as a Director and executive officer of the Company (or the following business day if the 10th day falls on a holiday). 2) Other conditions shall be governed by the “Share Acquisition Right Allotment Agreement” to be concluded between the Company and the holders of share acquisition rights.
Matters concerning the transfer of share acquisition rights*	Approval of the Company’s Board of Directors is required for the acquisition of any share acquisition rights by means of transfer.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2025). As of the last day of the month preceding the filing date (May 31, 2025), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

(Notes) 1. The class of shares underlying share acquisition rights shall be the Company’s common shares, and the number of shares underlying each of the share acquisition rights shall be 100 shares.

In the case of performing a share split (including the allotment of shares of the Company’s common shares without contribution; the same applies hereinafter to the description of the share split) or share consolidation of the Company’s common shares, the number of shares to be granted shall be adjusted according to the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights that have not been exercised at the time of such adjustment, and any fractional figure less than one share generated as a result of such adjustment shall be rounded off.

Number of shares to be granted after adjustment = Number of shares to be granted before adjustment x Ratio of share split or consolidation

Moreover, in the case where the Company carries out a merger, company split or share exchange, and in any other equivalent case where an adjustment of the number of shares granted is required, the Company may adjust the number of shares granted as deemed necessary by the Board of Directors of the Company.

2. In the case where the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (limited to cases where the Company becomes a split company, respectively), or share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary, respectively) (hereinafter collectively referred to as the “Reorganization”), the Company shall issue to the holders of share acquisition rights holding the remaining share acquisition rights immediately prior to the effective date of the Reorganization (meaning the day on which the absorption-type merger takes effect with respect to the absorption-type merger, the day on which the stock company established by the consolidation-type merger is formed with respect to the consolidation-type merger, the day on which the absorption-type company split takes effect with respect to the absorption-type company split, the day on which the stock company incorporated in the incorporation-type company split is formed with respect to the incorporation-type company split, the day on which the share exchange takes effect with respect to the share exchange, and the day on which the wholly-owning parent company formed by share transfer is formed with respect to the share transfer; the same applies hereinafter) (such remaining share acquisition rights hereinafter referred to as the “Residual Share Acquisition Rights”) the share acquisition rights of the stock companies listed in Article 236, paragraph 1, item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Company Subject to Reorganization”) in the respective cases.

Provided, however, that the issuance of share acquisition rights of the Company Subject to Reorganization in accordance with the following items shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, and the incorporation-type company split plan, share exchange agreement or share transfer plan.

- 1) The number of share acquisition rights of the Company Subject to Reorganization to be issued
The share acquisition rights of the Company Subject to Reorganization shall be issued in the same number as the number of Residual Share Acquisition Rights held by the holders of share acquisition rights.
- 2) Class of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be common shares of the Company Subject to Reorganization.
- 3) The total number of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be the number of shares underlying share acquisition rights, for which reasonable adjustments have been made, taking into consideration the conditions of the Reorganization, etc. Provided, however, that any fractional figure less than one share generated as a result of such adjustment shall be rounded off.
- 4) The value of the property to be contributed at the time of exercise of share acquisition rights
The value of the property to be contributed at the time of exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price set below by the number of shares of the Company Subject to Reorganization underlying the relevant each share acquisition right to be determined pursuant to the above item. The post-reorganization exercise price shall be one yen per share of the Company Subject to Reorganization that can be received by exercising each share acquisition right to be issued.
- 5) The period during which share acquisition rights can be exercised
It shall be from the start date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights or the effective date of the Reorganization, whichever comes later, to the expiration date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights.
- 6) Matters concerning the capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights
To be determined in accordance with the issuance price and amount to be incorporated into the stated capita per share in cases where shares are issued as a result of the above exercise of share acquisition rights.
- 7) Restriction on purchase of share acquisition rights by transfer
Approval of the Board of Directors of the Company Subject to Reorganization shall be required for the acquisition of any share acquisition rights by means of transfer.
- 8) Conditions on the exercise of share acquisition rights
To be determined in accordance with the above conditions on the exercise of share acquisition rights.
- 9) Provisions for acquisition of share acquisition rights
If any of the following proposals (a), (b), (c), (d) or (e) is approved at the general meeting of shareholders of the Company (in case a resolution of the general meeting of shareholders is not required, if a resolution of the Board of Directors of the Company or a decision of executive officers delegated pursuant to the provisions of Article 416, paragraph 4 of the Companies Act is made), the Company may acquire the share acquisition rights without contribution on a date separately specified by the Board of Directors of the Company:
 - (a) a proposal for approval of a merger agreement in which the Company ceases to exist;
 - (b) a proposal for approval of a company split agreement or a company split plan in which the Company becomes a split company;
 - (c) a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary;
 - (d) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of all shares issued by the Company, the approval of the Company is required for the acquisition of such shares by transfer; and
 - (e) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of the class shares underlying share acquisition rights, the approval of the Company is required for the acquisition of such class shares by transfer, or that the Company acquires all of such class shares by a resolution of the general meeting of shareholders.

3. By a resolution of the Board of Directors meeting held on June 7, 2024, the Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Accordingly, “The number of shares subject to share acquisition rights” and “Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights” have been adjusted.

Date of resolution	June 29, 2015
Category and number of grantees (persons)	7 Directors of the Company 14 Executive Officers of the Company
Number of share acquisition rights*	92
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 18,400
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Note) 1
Period of exercise of share acquisition rights*	July 28, 2015 - July 27, 2050
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights (yen)*	Issuance price: 928 Amount to be incorporated into the stated capital: 464
Conditions on the exercise of share acquisition rights*	1) Holders of share acquisition rights may, in principle, exercise share acquisition rights only within 10 days from the day following the date of loss of their positions both as a Director and executive officer of the Company (or the following business day if the 10th day falls on a holiday). 2) Other conditions shall be governed by the “Share Acquisition Right Allotment Agreement” to be concluded between the Company and the holders of share acquisition rights.
Matters concerning the transfer of share acquisition rights*	Approval of the Company’s Board of Directors is required for the acquisition of any share acquisition rights by means of transfer.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 2

*Description denotes information as of the end of the fiscal year under review (March 31, 2025). As of the last day of the month preceding the filing date (May 31, 2025), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

(Notes) 1. The class of shares underlying share acquisition rights shall be the Company’s common shares, and the number of shares underlying each of the share acquisition rights shall be 100 shares.

In the case of performing a share split (including the allotment of shares of the Company’s common shares without contribution; the same applies hereinafter to the description of the share split) or share consolidation of the Company’s common shares, the number of shares to be granted shall be adjusted according to the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights that have not been exercised at the time of such adjustment, and any fractional figure less than one share generated as a result of such adjustment shall be rounded off.

Number of shares to be granted after adjustment = Number of shares to be granted before adjustment x Ratio of share split or consolidation

Moreover, in the case where the Company carries out a merger, company split or share exchange, and in any other equivalent case where an adjustment of the number of shares granted is required, the Company may adjust the number of shares granted as deemed necessary by the Board of Directors of the Company.

2. In the case where the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (limited to cases where the Company becomes a split company, respectively), or share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary, respectively) (hereinafter collectively referred to as the “Reorganization”), the Company shall issue to the holders of share acquisition rights holding the remaining share acquisition rights immediately prior to the effective date of the Reorganization (meaning the day on which the absorption-type merger takes effect with respect to the absorption-type merger, the day on which the stock company established by the consolidation-type merger is formed with respect to the consolidation-type merger, the day on which the absorption-type company split takes effect with respect to the absorption-type company split, the day on which the stock company incorporated in the incorporation-type company split is formed with respect to the incorporation-type company split, the day on which the share exchange takes effect with respect to the share exchange, and the day on which the wholly-owning parent company formed by share transfer is formed with respect to the share transfer; the same applies hereinafter) (such remaining share acquisition rights hereinafter referred to as the “Residual Share Acquisition Rights”) the share acquisition rights of the stock companies listed in Article 236, paragraph 1, item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Company Subject to Reorganization”) in the respective cases.

Provided, however, that the issuance of share acquisition rights of the Company Subject to Reorganization in accordance with the following items shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, and the incorporation-type company split plan, share exchange agreement or share transfer plan.

- 1) The number of share acquisition rights of the Company Subject to Reorganization to be issued
The share acquisition rights of the Company Subject to Reorganization shall be issued in the same number as the number of Residual Share Acquisition Rights held by the holders of share acquisition rights.
- 2) Class of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be common shares of the Company Subject to Reorganization.
- 3) The total number of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be the number of shares underlying share acquisition rights, for which reasonable adjustments have been made, taking into consideration the conditions of the Reorganization, etc. Provided, however, that any fractional figure less than one share generated as a result of such adjustment shall be rounded off.
- 4) The value of the property to be contributed at the time of exercise of share acquisition rights
The value of the property to be contributed at the time of exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price set below by the number of shares of the Company Subject to Reorganization underlying the relevant each share acquisition right to be determined pursuant to the above item. The post-reorganization exercise price shall be one yen per share of the Company Subject to Reorganization that can be received by exercising each share acquisition right to be issued.
- 5) The period during which share acquisition rights can be exercised
It shall be from the start date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights or the effective date of the Reorganization, whichever comes later, to the expiration date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights.
- 6) Matters concerning the capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights
To be determined in accordance with the issuance price and amount to be incorporated into the stated capita per share in cases where shares are issued as a result of the above exercise of share acquisition rights.
- 7) Restriction on purchase of share acquisition rights by transfer
Approval of the Board of Directors of the Company Subject to Reorganization shall be required for the acquisition of any share acquisition rights by means of transfer.
- 8) Conditions on the exercise of share acquisition rights
To be determined in accordance with the above conditions on the exercise of share acquisition rights.
- 9) Provisions for acquisition of share acquisition rights
If any of the following proposals (a), (b), (c), (d) or (e) is approved at the general meeting of shareholders of the Company (in case a resolution of the general meeting of shareholders is not required, if a resolution of the Board of Directors of the Company or a decision of executive officers delegated pursuant to the provisions of Article 416, paragraph 4 of the Companies Act is made), the Company may acquire the share acquisition rights without contribution on a date separately specified by the Board of Directors of the Company:
 - (a) a proposal for approval of a merger agreement in which the Company ceases to exist;
 - (b) a proposal for approval of a company split agreement or a company split plan in which the Company becomes a split company;
 - (c) a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary;
 - (d) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of all shares issued by the Company, the approval of the Company is required for the acquisition of such shares by transfer; and
 - (e) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of the class shares underlying share acquisition rights, the approval of the Company is required for the acquisition of such class shares by transfer, or that the Company acquires all of such class shares by a resolution of the general meeting of shareholders.

3. By a resolution of the Board of Directors meeting held on June 7, 2024, the Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Accordingly, “The number of shares subject to share acquisition rights” and “Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights” have been adjusted.

Date of resolution	June 29, 2016
Category and number of grantees (persons)	7 Directors of the Company 6 Executive Officers of the Company
Number of share acquisition rights*	117
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 23,400
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Note) 1
Period of exercise of share acquisition rights*	July 22, 2016 - July 21, 2051
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights (yen)*	Issuance price: 915 Amount to be incorporated into the stated capital: 458
Conditions on the exercise of share acquisition rights*	1) Holders of share acquisition rights may, in principle, exercise share acquisition rights only within 10 days from the day following the date of loss of their positions both as a Director and executive officer of the Company (or the following business day if the 10th day falls on a holiday). 2) Other conditions shall be governed by the “Share Acquisition Right Allotment Agreement” to be concluded between the Company and the holders of share acquisition rights.
Matters concerning the transfer of share acquisition rights*	Approval of the Company’s Board of Directors is required for the acquisition of any share acquisition rights by means of transfer.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 2

*Description denotes information as of the end of the fiscal year under review (March 31, 2025). As of the last day of the month preceding the filing date (May 31, 2025), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

(Notes) 1. The class of shares underlying share acquisition rights shall be the Company’s common shares, and the number of shares underlying each of the share acquisition rights shall be 100 shares.

In the case of performing a share split (including the allotment of shares of the Company’s common shares without contribution; the same applies hereinafter to the description of the share split) or share consolidation of the Company’s common shares, the number of shares to be granted shall be adjusted according to the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights that have not been exercised at the time of such adjustment, and any fractional figure less than one share generated as a result of such adjustment shall be rounded off.

Number of shares to be granted after adjustment = Number of shares to be granted before adjustment x Ratio of share split or consolidation

Moreover, in the case where the Company carries out a merger, company split or share exchange, and in any other equivalent case where an adjustment of the number of shares granted is required, the Company may adjust the number of shares granted as deemed necessary by the Board of Directors of the Company.

2. In the case where the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (limited to cases where the Company becomes a split company, respectively), or share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary, respectively) (hereinafter collectively referred to as the “Reorganization”), the Company shall issue to the holders of share acquisition rights holding the remaining share acquisition rights immediately prior to the effective date of the Reorganization (meaning the day on which the absorption-type merger takes effect with respect to the absorption-type merger, the day on which the stock company established by the consolidation-type merger is formed with respect to the consolidation-type merger, the day on which the absorption-type company split takes effect with respect to the absorption-type company split, the day on which the stock company incorporated in the incorporation-type company split is formed with respect to the incorporation-type company split, the day on which the share exchange takes effect with respect to the share exchange, and the day on which the wholly-owning parent company formed by share transfer is formed with respect to the share transfer; the same applies hereinafter) (such remaining share acquisition rights hereinafter referred to as the “Residual Share Acquisition Rights”) the share acquisition rights of the stock companies listed in Article 236, paragraph 1, item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Company Subject to Reorganization”) in the respective cases.

Provided, however, that the issuance of share acquisition rights of the Company Subject to Reorganization in accordance with the following items shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, and the incorporation-type company split plan, share exchange agreement or share transfer plan.

- 1) The number of share acquisition rights of the Company Subject to Reorganization to be issued
The share acquisition rights of the Company Subject to Reorganization shall be issued in the same number as the number of Residual Share Acquisition Rights held by the holders of share acquisition rights.
- 2) Class of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be common shares of the Company Subject to Reorganization.
- 3) The total number of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be the number of shares underlying share acquisition rights, for which reasonable adjustments have been made, taking into consideration the conditions of the Reorganization, etc. Provided, however, that any fractional figure less than one share generated as a result of such adjustment shall be rounded off.
- 4) The value of the property to be contributed at the time of exercise of share acquisition rights
The value of the property to be contributed at the time of exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price set below by the number of shares of the Company Subject to Reorganization underlying the relevant each share acquisition right to be determined pursuant to the above item. The post-reorganization exercise price shall be one yen per share of the Company Subject to Reorganization that can be received by exercising each share acquisition right to be issued.
- 5) The period during which share acquisition rights can be exercised
It shall be from the start date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights or the effective date of the Reorganization, whichever comes later, to the expiration date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights.
- 6) Matters concerning the capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights
To be determined in accordance with the issuance price and amount to be incorporated into the stated capita per share in cases where shares are issued as a result of the above exercise of share acquisition rights.
- 7) Restriction on purchase of share acquisition rights by transfer
Approval of the Board of Directors of the Company Subject to Reorganization shall be required for the acquisition of any share acquisition rights by means of transfer.
- 8) Conditions on the exercise of share acquisition rights
To be determined in accordance with the above conditions on the exercise of share acquisition rights.
- 9) Provisions for acquisition of share acquisition rights
If any of the following proposals (a), (b), (c), (d) or (e) is approved at the general meeting of shareholders of the Company (in case a resolution of the general meeting of shareholders is not required, if a resolution of the Board of Directors of the Company or a decision of executive officers delegated pursuant to the provisions of Article 416, paragraph 4 of the Companies Act is made), the Company may acquire the share acquisition rights without contribution on a date separately specified by the Board of Directors of the Company:
 - (a) a proposal for approval of a merger agreement in which the Company ceases to exist;
 - (b) a proposal for approval of a company split agreement or a company split plan in which the Company becomes a split company;
 - (c) a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary;
 - (d) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of all shares issued by the Company, the approval of the Company is required for the acquisition of such shares by transfer; and
 - (e) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of the class shares underlying share acquisition rights, the approval of the Company is required for the acquisition of such class shares by transfer, or that the Company acquires all of such class shares by a resolution of the general meeting of shareholders.

3. By a resolution of the Board of Directors meeting held on June 7, 2024, the Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Accordingly, “The number of shares subject to share acquisition rights” and “Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights” have been adjusted.

Date of resolution	June 29, 2017
Category and number of grantees (persons)	7 Directors of the Company 6 Executive Officers of the Company
Number of share acquisition rights*	92
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 18,400
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Note) 1
Period of exercise of share acquisition rights*	July 22, 2017 - July 21, 2052
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights (yen)*	Issuance price: 1,115 Amount to be incorporated into the stated capital: 558
Conditions on the exercise of share acquisition rights*	1) Holders of share acquisition rights may, in principle, exercise share acquisition rights only within 10 days from the day following the date of loss of their positions both as a Director and executive officer of the Company (or the following business day if the 10th day falls on a holiday). 2) Other conditions shall be governed by the “Share Acquisition Right Allotment Agreement” to be concluded between the Company and the holders of share acquisition rights.
Matters concerning the transfer of share acquisition rights*	Approval of the Company’s Board of Directors is required for the acquisition of any share acquisition rights by means of transfer.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2025). As of the last day of the month preceding the filing date (May 31, 2025), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

(Notes) 1. The class of shares underlying share acquisition rights shall be the Company’s common shares, and the number of shares underlying each of the share acquisition rights shall be 100 shares.

In the case of performing a share split (including the allotment of shares of the Company’s common shares without contribution; the same applies hereinafter to the description of the share split) or share consolidation of the Company’s common shares, the number of shares to be granted shall be adjusted according to the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights that have not been exercised at the time of such adjustment, and any fractional figure less than one share generated as a result of such adjustment shall be rounded off.

Number of shares to be granted after adjustment = Number of shares to be granted before adjustment x Ratio of share split or consolidation

Moreover, in the case where the Company carries out a merger, company split or share exchange, and in any other equivalent case where an adjustment of the number of shares granted is required, the Company may adjust the number of shares granted as deemed necessary by the Board of Directors of the Company.

2. In the case where the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (limited to cases where the Company becomes a split company, respectively), or share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary, respectively) (hereinafter collectively referred to as the “Reorganization”), the Company shall issue to the holders of share acquisition rights holding the remaining share acquisition rights immediately prior to the effective date of the Reorganization (meaning the day on which the absorption-type merger takes effect with respect to the absorption-type merger, the day on which the stock company established by the consolidation-type merger is formed with respect to the consolidation-type merger, the day on which the absorption-type company split takes effect with respect to the absorption-type company split, the day on which the stock company incorporated in the incorporation-type company split is formed with respect to the incorporation-type company split, the day on which the share exchange takes effect with respect to the share exchange, and the day on which the wholly-owning parent company formed by share transfer is formed with respect to the share transfer; the same applies hereinafter) (such remaining share acquisition rights hereinafter referred to as the “Residual Share Acquisition Rights”) the share acquisition rights of the stock companies listed in Article 236, paragraph 1, item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Company Subject to Reorganization”) in the respective cases.

Provided, however, that the issuance of share acquisition rights of the Company Subject to Reorganization in accordance with the following items shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, and the incorporation-type company split plan, share exchange agreement or share transfer plan.

- 1) The number of share acquisition rights of the Company Subject to Reorganization to be issued
The share acquisition rights of the Company Subject to Reorganization shall be issued in the same number as the number of Residual Share Acquisition Rights held by the holders of share acquisition rights.
- 2) Class of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be common shares of the Company Subject to Reorganization.
- 3) The total number of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be the number of shares underlying share acquisition rights, for which reasonable adjustments have been made, taking into consideration the conditions of the Reorganization, etc. Provided, however, that any fractional figure less than one share generated as a result of such adjustment shall be rounded off.
- 4) The value of the property to be contributed at the time of exercise of share acquisition rights
The value of the property to be contributed at the time of exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price set below by the number of shares of the Company Subject to Reorganization underlying the relevant each share acquisition right to be determined pursuant to the above item. The post-reorganization exercise price shall be one yen per share of the Company Subject to Reorganization that can be received by exercising each share acquisition right to be issued.
- 5) The period during which share acquisition rights can be exercised
It shall be from the start date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights or the effective date of the Reorganization, whichever comes later, to the expiration date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights.
- 6) Matters concerning the capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights
To be determined in accordance with the issuance price and amount to be incorporated into the stated capita per share in cases where shares are issued as a result of the above exercise of share acquisition rights.
- 7) Restriction on purchase of share acquisition rights by transfer
Approval of the Board of Directors of the Company Subject to Reorganization shall be required for the acquisition of any share acquisition rights by means of transfer.
- 8) Conditions on the exercise of share acquisition rights
To be determined in accordance with the above conditions on the exercise of share acquisition rights.
- 9) Provisions for acquisition of share acquisition rights
If any of the following proposals (a), (b), (c), (d) or (e) is approved at the general meeting of shareholders of the Company (in case a resolution of the general meeting of shareholders is not required, if a resolution of the Board of Directors of the Company or a decision of executive officers delegated pursuant to the provisions of Article 416, paragraph 4 of the Companies Act is made), the Company may acquire the share acquisition rights without contribution on a date separately specified by the Board of Directors of the Company:
 - (a) a proposal for approval of a merger agreement in which the Company ceases to exist;
 - (b) a proposal for approval of a company split agreement or a company split plan in which the Company becomes a split company;
 - (c) a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary;
 - (d) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of all shares issued by the Company, the approval of the Company is required for the acquisition of such shares by transfer; and
 - (e) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of the class shares underlying share acquisition rights, the approval of the Company is required for the acquisition of such class shares by transfer, or that the Company acquires all of such class shares by a resolution of the general meeting of shareholders.

3. By a resolution of the Board of Directors meeting held on June 7, 2024, the Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Accordingly, “The number of shares subject to share acquisition rights” and “Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights” have been adjusted.

Date of resolution	June 28, 2018
Category and number of grantees (persons)	7 Directors of the Company 5 Executive Officers of the Company
Number of share acquisition rights*	77
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 15,400
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Note) 1
Period of exercise of share acquisition rights*	July 21, 2018 - July 20, 2053
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights (yen)*	Issuance price: 1,271 Amount to be incorporated into the stated capital: 636
Conditions on the exercise of share acquisition rights*	1) Holders of share acquisition rights may, in principle, exercise share acquisition rights only within 10 days from the day following the date of loss of their positions both as a Director and executive officer of the Company (or the following business day if the 10th day falls on a holiday). 2) Other conditions shall be governed by the “Share Acquisition Right Allotment Agreement” to be concluded between the Company and the holders of share acquisition rights.
Matters concerning the transfer of share acquisition rights*	Approval of the Company’s Board of Directors is required for the acquisition of any share acquisition rights by means of transfer.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2025). As of the last day of the month preceding the filing date (May 31, 2025), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

(Notes) 1. The class of shares underlying share acquisition rights shall be the Company’s common shares, and the number of shares underlying each of the share acquisition rights shall be 100 shares.

In the case of performing a share split (including the allotment of shares of the Company’s common shares without contribution; the same applies hereinafter to the description of the share split) or share consolidation of the Company’s common shares, the number of shares to be granted shall be adjusted according to the following formula. Provided, however, that such adjustment shall be made with respect to the number of shares underlying share acquisition rights that have not been exercised at the time of such adjustment, and any fractional figure less than one share generated as a result of such adjustment shall be rounded off.

Number of shares to be granted after adjustment = Number of shares to be granted before adjustment x Ratio of share split or consolidation

Moreover, in the case where the Company carries out a merger, company split or share exchange, and in any other equivalent case where an adjustment of the number of shares granted is required, the Company may adjust the number of shares granted as deemed necessary by the Board of Directors of the Company.

2. In the case where the Company carries out a merger (limited to cases where the Company ceases to exist as a result of the merger), absorption-type company split or incorporation-type company split (limited to cases where the Company becomes a split company, respectively), or share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary, respectively) (hereinafter collectively referred to as the “Reorganization”), the Company shall issue to the holders of share acquisition rights holding the remaining share acquisition rights immediately prior to the effective date of the Reorganization (meaning the day on which the absorption-type merger takes effect with respect to the absorption-type merger, the day on which the stock company established by the consolidation-type merger is formed with respect to the consolidation-type merger, the day on which the absorption-type company split takes effect with respect to the absorption-type company split, the day on which the stock company incorporated in the incorporation-type company split is formed with respect to the incorporation-type company split, the day on which the share exchange takes effect with respect to the share exchange, and the day on which the wholly-owning parent company formed by share transfer is formed with respect to the share transfer; the same applies hereinafter) (such remaining share acquisition rights hereinafter referred to as the “Residual Share Acquisition Rights”) the share acquisition rights of the stock companies listed in Article 236, paragraph 1, item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Company Subject to Reorganization”) in the respective cases.

Provided, however, that the issuance of share acquisition rights of the Company Subject to Reorganization in accordance with the following items shall be provided for in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, and the incorporation-type company split plan, share exchange agreement or share transfer plan.

- 1) The number of share acquisition rights of the Company Subject to Reorganization to be issued
The share acquisition rights of the Company Subject to Reorganization shall be issued in the same number as the number of Residual Share Acquisition Rights held by the holders of share acquisition rights.
- 2) Class of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be common shares of the Company Subject to Reorganization.
- 3) The total number of shares of the Company Subject to Reorganization underlying share acquisition rights
It shall be the number of shares underlying share acquisition rights, for which reasonable adjustments have been made, taking into consideration the conditions of the Reorganization, etc. Provided, however, that any fractional figure less than one share generated as a result of such adjustment shall be rounded off.
- 4) The value of the property to be contributed at the time of exercise of share acquisition rights
The value of the property to be contributed at the time of exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the post-reorganization exercise price set below by the number of shares of the Company Subject to Reorganization underlying the relevant each share acquisition right to be determined pursuant to the above item. The post-reorganization exercise price shall be one yen per share of the Company Subject to Reorganization that can be received by exercising each share acquisition right to be issued.
- 5) The period during which share acquisition rights can be exercised
It shall be from the start date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights or the effective date of the Reorganization, whichever comes later, to the expiration date of the period during which the share acquisition rights can be exercised as specified in the above period of exercise of share acquisition rights.
- 6) Matters concerning the capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights
To be determined in accordance with the issuance price and amount to be incorporated into the stated capita per share in cases where shares are issued as a result of the above exercise of share acquisition rights.
- 7) Restriction on purchase of share acquisition rights by transfer
Approval of the Board of Directors of the Company Subject to Reorganization shall be required for the acquisition of any share acquisition rights by means of transfer.
- 8) Conditions on the exercise of share acquisition rights
To be determined in accordance with the above conditions on the exercise of share acquisition rights.
- 9) Provisions for acquisition of share acquisition rights
If any of the following proposals (a), (b), (c), (d) or (e) is approved at the general meeting of shareholders of the Company (in case a resolution of the general meeting of shareholders is not required, if a resolution of the Board of Directors of the Company or a decision of executive officers delegated pursuant to the provisions of Article 416, paragraph 4 of the Companies Act is made), the Company may acquire the share acquisition rights without contribution on a date separately specified by the Board of Directors of the Company:
 - (a) a proposal for approval of a merger agreement in which the Company ceases to exist;
 - (b) a proposal for approval of a company split agreement or a company split plan in which the Company becomes a split company;
 - (c) a proposal for approval of a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary;
 - (d) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of all shares issued by the Company, the approval of the Company is required for the acquisition of such shares by transfer; and
 - (e) a proposal for approval of amendments to the articles of incorporation which establishes a provision to the effect that, as the features of the class shares underlying share acquisition rights, the approval of the Company is required for the acquisition of such class shares by transfer, or that the Company acquires all of such class shares by a resolution of the general meeting of shareholders.

3. By a resolution of the Board of Directors meeting held on June 7, 2024, the Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Accordingly, “The number of shares subject to share acquisition rights” and “Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights” have been adjusted.

2) Rights plans

There are no applicable matters to be reported.

3) Share acquisition rights for other uses

Share acquisition rights issued in accordance with the Companies Act are as follows.

Zero Coupon Convertible Bonds due 2031

Date of resolution	November 26, 2024
Number of share acquisition rights*	(Note) 1
Of which, the number of treasury share acquisition rights*	—
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 10,526,315 [10,653,237] (Note) 2
Amount payable on the exercise of share acquisition rights (yen)*	2,090 [2,065.1] (Note) 3
Period of exercise of share acquisition rights*	December 26, 2024 - November 28, 2031 (Local time at the location where exercise requests are received) (Note) 4
Issuance price and amount to be incorporated into the stated capital per share on the exercise of share acquisition rights*	Issuance price: 2,090 [2,065.1] Amount to be incorporated into the stated capital: 1,045 [1,033] (Note) 5
Conditions on the exercise of share acquisition rights*	(Note) 6
Matters concerning the transfer of share acquisition rights*	As the share acquisition rights are attached to the convertible bonds with share acquisition rights, they cannot be transferred separately from the bonds.
Matters concerning the issuance of share acquisition rights as a result of reorganization*	(Note) 7
Details and value of the assets invested when exercising the share acquisition rights*	When exercising the respective share acquisition rights, the bonds pertaining to the corresponding share acquisition rights shall be invested, and the value of the corresponding bonds shall be equivalent to their face value.
Balance of bonds with share acquisition rights (millions of yen)	22,000

*Description denotes information as of the end of the fiscal year under review (March 31, 2025). With regard to any revisions made between the last day of the fiscal year ended March 31, 2025 and the end of the month preceding the filing date (May 31, 2025), details as of the end of the month preceding the filing date are stated in brackets, and other matters remain unchanged from the last day of the fiscal year ended March 31, 2025.

(Notes) 1. The total number of rights is 2,200, and the number obtained by dividing the total face value of the bonds pertaining to the certificates of the substitute bonds with share acquisition rights (meaning the certificates of the bonds with share acquisition rights issued with the appropriate verification and compensation in the event that the certificates of the bonds with share acquisition rights are lost, stolen, or destroyed) by 10 million yen.

2. The number of common company shares delivered by the Company through the exercise of the share acquisition rights shall be the number obtained by dividing the total amount of the face value of the bonds pertaining to the exercise request by the conversion value described in (Note) 3 below. However, fractional amounts of less than one share occurring due to exercise shall be omitted, and cash-based adjustments shall not be performed.
3. (A) When exercising the respective share acquisition rights, the bonds pertaining to the corresponding share acquisition rights shall be invested, and the value of the corresponding bonds shall be equivalent to their face value.
 (B) The conversion value shall initially be 2,090 yen.
 (C) After the bonds with share acquisition rights are issued, in the event that the Company issues the Company's common shares at a payment amount which falls below the market value of the Company's common shares or disposes of the Company's common shares held by the Company, the conversion value shall be adjusted according to the following mathematical formula. Furthermore, the "existing number of issued shares" in the following mathematical formula is the total number of common shares issued by the Company (excluding those held by the Company).

$$\text{Conversion value after adjustment} = \frac{\text{Conversion value before adjustment} \times \left(\frac{\text{Existing number of issued shares} + \frac{\text{Number of issued or disposed shares} \times \text{Amount paid per share}}{\text{Market value}}}{\text{Existing number of issued shares} + \text{Number of issued or disposed shares}} \right)}{1}$$

Moreover, the conversion value may be adjusted as necessary when certain grounds arise such as when share acquisition rights (including rights attached to bonds with share acquisition rights), which allow holders to request the delivery of the Company's common shares, are issued by means of a split or consolidation of the Company's common shares or at a price which falls below the market value of the Company's common shares, or in case certain events arise.

4. The period shall be set from December 26, 2024 (including that date) to November 28, 2031 (including that date) (local time at the location where exercise requests are received). However, in the event that (1) the bonds are prematurely redeemed optionally by the Company, etc. as described in 7 (4) (A) below, the period shall end on the third business day in Tokyo before the redemption date (However, this excludes share acquisition rights pertaining to the bonds for which early redemption was not selected as described in 7 (4) (A) 2) below; (2) the bonds are prematurely redeemed optionally by a holder of the bonds with share acquisition rights as described in 7 (4) (B) below, the period shall last until a notice of redemption is deposited with the fiscal agent as described in 7 (10); (3) the bonds with the share acquisition rights are acquired by the Company as described in 7 (5) below or the cancellation of the bonds by purchase is done as described in 7 (6) below, the period shall end at the time when the bonds are canceled; or (4) the bonds are accelerated as described in 7 (7) below, the period shall end at the time of acceleration. In any of the cases described above, the share acquisition rights cannot be exercised after November 28, 2031 (local time at the location where exercise requests are received). Regardless of the above, in the event that the bonds with the share acquisition rights are acquired by the Company as described in 7 (5) below, the share acquisition rights cannot be exercised from September 13, 2031 (including that date) to the optional redemption date (defined in 7 (5) below). In the event that the Company reasonably judges it to be necessary in order to conduct an organizational restructuring, etc. of the Company (defined in 7 (4) (A) iii) below), the share acquisition rights cannot be exercised during a period of up to 30 days specified by the Company, which will end within 14 days from the day following the effective date of the organizational restructuring, etc. Moreover, the share acquisition rights cannot be exercised in the event that the day on which the exercise of the share acquisition rights take effect (or on the following business day in Tokyo in the event that the effective date is not a business day in Tokyo) corresponds to the reference date stipulated by the Company or the period from two business days in Tokyo before (or three business days in Tokyo before in the event that the corresponding shareholder confirmation date is not a business day in Tokyo) another date, stipulated in order to confirm a shareholder in relation to Article 151, Paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares (hereinafter referred to as the "Shareholder Confirmation Date"), to the corresponding Shareholder Confirmation Date (or on the following business day in Tokyo in the event that the corresponding Shareholder Confirmation date is not a business day in Tokyo). However, in the event that the laws and regulations or customs concerning the delivery of shares pertaining to the exercise of the share acquisition rights through the book-entry transfer system based on the Act on Book-Entry Transfer of Corporate Bonds and Shares are changed, the Company may modify the restrictions on the period in which the share acquisition rights can be exercised under this paragraph to reflect the corresponding changes.

5. The amount of the capital increase in the event that shares are issued through the exercise of share acquisition rights shall be the product of 0.5 multiplied by the capital increase amount limit calculated in accordance with the provisions of Article 17 of the Regulation on Corporate Accounting, and fractional amounts of less than one yen occurring as a result of the calculation shall be rounded up to yield the final amount. The amount of the capital reserve increase shall be the amount obtained by subtracting the capital increase amount from the capital increase amount limit.

6. (A) Partial exercise of the respective share acquisition rights is not allowed.

(B) The holder of the bonds with share acquisition rights may exercise share acquisition rights, for the period from December 26, 2024 (including that date) to September 12, 2031 (including that date), only in the event that, in accordance with the main terms of the bonds with share acquisition rights, during a calendar year quarter, the closing price of the Company's common shares exceeds 130% of the applied conversion value (however, this value is the initial conversion value for the calendar year quarter ended September 30, 2024) on the corresponding final trading day on 20 consecutive trading days ending in the preceding calendar year quarter (last trading day (defined below) of each calendar year quarter from the calendar year quarter ended September 30, 2024 to the calendar year quarter ending June 30, 2031 (including that quarter)), from the first day of the said calendar year quarter (however, it is December 26, 2024 for the calendar year quarter starting on October 1, 2024) to the last day.

However, the conditions for exercising the share acquisition rights described in this section (B) are not applied during periods a., b. and c. below or during period d. below in which grounds for parity (defined below) occur.

- a. During periods in which the Company's long-term issuer rating is BBB- or less according to Rating and Investment Information, Inc. or its successor rating institution (hereinafter referred to as "R&I"), the Company's long-term issuer rating is no longer rated by R&I, or the Company's long-term issuer rating is stopped or withdrawn by R&I
- b. During the period after the Company issues notification of the early redemption of the bonds as described in 7 (4) (A) I through V below (However, this excludes the share acquisition rights pertaining to bonds for which early redemption was not selected as described in 7 (4) (A) II below)
- c. As long as the Company does not prohibit the exercise of the share acquisition rights when conducting an organizational restructuring, etc. as described in (6) above, the period starting from the day on which the notification of the corresponding organizational restructuring, etc. is provided to holders of the bonds with share acquisition rights according to the main terms of the bonds with share acquisition rights and continuing until the effective date of the corresponding organizational restructuring, etc.
- d. The period starting from the next business day in Tokyo (including that date) following the day on which the Company notifies holders of the bonds with share acquisition rights that grounds for parity have occurred and counting forward for 15 consecutive business days in Tokyo

"Trading day" refers to a day on which the Tokyo Stock Exchange, Inc. is open, excluding days on which the closing price is not announced. "Grounds for parity" refers to the case in which (i) the calculation agent (defined below) decides that the price of the bonds with share acquisition rights determined according to the main terms of the bonds based on purchase price information for the bonds provided by Bloomberg's Evaluated Pricing service (BVAL) or its successor service falls below 98% of the closing parity value (defined below) or (ii) in the case where the price described in (i) above cannot be obtained, a major financial institution selected by the Company decides that the purchasing price of the bonds with share acquisition rights, presented according to the main terms of the bonds with share acquisition rights, falls below 97% of the closing parity value or (iii) the calculation agent decides the price described in (i) above or the purchasing price described in (ii) above cannot be obtained on any of the five consecutive business days in Tokyo counting from three business days in London and Tokyo after the date on which notification regarding the occurrence of the said grounds is received from holders of the bonds with share acquisition rights.

"Closing parity value" means the amount which is obtained by (i) dividing 10 million yen by the applied conversion value on the corresponding date and then (ii) multiplying that number by the closing price of the Company's common shares on the corresponding date.

The "calculation agent" refers to MUFG Bank, Ltd. London Branch.

7. (A) In the event that an organization restructuring, etc. is conducted, the Company shall designate the succeeding company, etc. (defined below), have that company inherit the position of principal debtor of the bonds with share acquisition rights according to the main terms of the bonds with share acquisition rights and devote its utmost efforts to deliver new share acquisition rights in lieu of the share acquisition rights. However, regarding the said succession and delivery, the prerequisites are (i) they must be executable under the applicable laws and regulations at that time, (ii) the required structure must be already built or possible to build, and (iii) the Company or

succeeding company, etc. must be able to execute them without bearing any expenses (including taxes) which are unreasonable (as judged by the Company) when viewed from the entirety of the said organizational restructuring, etc. In such a case, the Company shall also devote the utmost efforts to have the succeeding company, etc. remain a publicly traded company in Japan on the effective date of the said organization restructuring, etc. The obligation to make an effort by the Company described in this section (A) does not apply in the case the Company delivers a certificate as described in 7 (4) (A) 3) (b) below to the fiscal agent. The “succeeding company, etc.” is the other party in the organizational restructuring, etc. and is the company which takes over the bonds with share acquisition rights and/or the Company’s obligations pertaining to the share acquisition rights.

(B) The details of the share acquisition rights of the succeeding company, etc. which are delivered according to the stipulations of (A) above are as follows:

1) Number of share acquisition rights

The number shall be the same as the number of the share acquisition rights pertaining to the bonds with share acquisition rights remaining immediately before the effective date of the said organizational restructuring, etc.

2) Class of shares underlying share acquisition rights

It shall be common shares of the succeeding company, etc.

3) Number of shares underlying share acquisition rights

The number of common shares of the succeeding company, etc. delivered through the exercise of the share acquisition rights of the succeeding company, etc. shall be determined in consideration of the conditions of the said organizational restructuring, etc. and in reference to the main terms of the bonds with share acquisition rights as well as in accordance with (i) and (ii) below. Furthermore, the conversion value shall be subject to the same adjustments as in (4) (C) above.

(i) In the event of a merger, exchange of shares, or share transfer, the conversion value shall be determined so that the holders of the common shares in the Company in the number to be obtained if the share acquisition rights are exercised immediately before the effective date of the said organizational restructuring, etc., can receive the number of the common shares in the Company to be received in the said organizational restructuring, etc., at the time when the share acquisition rights of the succeeding company, etc. are exercised immediately after the effective date of the said organizational restructuring, etc. When securities other than common shares or other assets of the succeeding company, etc. are delivered at the time of the said organizational restructuring, etc., the succeeding company, etc. shall make it possible to also receive a number of common shares of the succeeding company, etc. which is equal to the number obtained by dividing the value of the said securities or assets by the market value of the common shares of the succeeding company, etc.

(ii) In the event of an organizational restructuring, etc. other than that described above, the conversion value shall be determined such that an economic benefit, which is equivalent to that obtained by the holder of the bonds with share acquisition rights in the event that the share acquisition rights are exercised immediately before the effective date of the said organizational restructuring, etc., can be received when the share acquisition rights of the succeeding company, etc. are exercised immediately after the effective date of the said organizational restructuring, etc.

4) Details and value of the property to be contributed at the time of exercise of share acquisition rights

At the time when the share acquisition rights of the succeeding company, etc. are exercised, the succeeding bonds shall be invested, and the value of the bonds shall be an amount equivalent to the face value of the succeeding bonds.

5) Period during which share acquisition rights can be exercised

The period shall extend from the effective date of the said organizational restructuring, etc. (or a subsequent date within 14 days according to circumstances) to the date of expiration of the exercise period of the share acquisition rights stipulated in (6) above.

6) Other conditions on the exercise of share acquisition rights

Partial exercise of the respective share acquisition rights of the succeeding company, etc. shall not be allowed. In addition, the exercise of the share acquisition rights of the succeeding company, etc. shall be subject to the same restrictions described in (7) (B) above.

7) Acquisition of bonds with share acquisition rights by the succeeding company, etc.

The succeeding company, etc. may acquire the share acquisition rights of the succeeding company, etc. and the succeeding bonds as in the case of 7 (5) below.

- 8) Capital and capital reserves that will be increased in cases where shares are issued as a result of the exercise of share acquisition rights

The amount of the capital increase in the event that shares are issued through the exercise of share acquisition rights of the succeeding company, etc. shall be the product of 0.5 multiplied by the capital increase amount limit calculated in accordance with the provisions of Article 17 of the Regulation on Corporate Accounting, and fractional amounts of less than one yen occurring as a result of the calculation shall be rounded up to yield the final amount. The amount of the capital reserve increase shall be the amount obtained by subtracting the capital increase from the capital increase amount limit.

- 9) In the event that an organizational restructuring, etc. occurs

In the event that an organization restructuring, etc. occurs with respect to the succeeding company, etc., it shall be handled in the same manner as the bonds with share acquisition rights.

- 10) Other matters

Fractional amounts of less than one share occurring due to the exercise of share acquisition rights of the succeeding company, etc. shall be omitted, and cash-based adjustments shall not be performed. The share acquisition rights of the succeeding company, etc. cannot be transferred separately from the succeeding bonds.

- (C) In the event that the Company has the succeeding company, etc. take over or succeed the obligations of the Company based on the bonds in accordance with the stipulations under (A) above, the Company shall comply with the main terms of the bonds with share acquisition rights in addition to giving a guarantee for certain cases as stipulated in the main terms of the bonds with share acquisition rights.

(3) Exercises of moving strike convertible bonds, etc.

There are no applicable matters to be reported.

(4) Changes in total number of issued shares, share capital and legal capital surplus

Date	Changes in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Changes in share capital (millions of yen)	Balance of share capital (millions of yen)	Changes in legal capital reserve (millions of yen)	Balance of legal capital reserve (millions of yen)
March 31, 2022 (Note) 1	(2,500,000)	65,739,892	—	11,316	—	11,582
March 29, 2024 (Note) 1	(2,500,000)	63,239,892	—	11,316	—	11,582
October 1, 2024 (Note) 2	63,239,892	126,479,784	—	11,316	—	11,582

(Notes) 1. The decrease is due to the cancellation of treasury shares.

2. The change is due to the 2-for-1 share split.

(5) Shareholding by shareholder category

As of March 31, 2025

As of March 31, 202

Category	Status of shares (the number of shares constituting one unit is 100 shares)								Status of Shares below unit (shares)
	Government and local municipalities	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals, others	Total	
					Other than individuals	Individuals			
Numbers of shareholders (persons)	—	22	30	112	176	4	4,669	5,013	—
Number of shares held (units)	—	245,735	70,895	197,594	485,720	15	264,406	1,264,365	43,284
Ratio of shares held (%)	—	19.44	5.61	15.63	38.42	0.00	20.91	100.00	—

(Notes) 1. Of 5,495,972 treasury shares, 54,959 units are included in the “Individuals, others” and 72 shares are included in the “Status of shares below unit.”

2. The “Financial institutions” includes 98,400 shares (984 units) of the Company held by a trust whose beneficiaries are Directors.

(6) Major shareholders

As of March 31, 2025

Name	Address	Number of shares held (thousands of shares)	Percentage of shares held to the total number of issued shares (excluding treasury shares) (%)
GOLDMAN, SACHS & CO. REG (Standing Proxy: Goldman Sachs Japan Co., Ltd.)	200 WEST STREET NEW YORK, NY, USA	20,994	17.35
Master Trust Bank of Japan, Ltd. (trust account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	12,819	10.59
THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO.1 (Standing Proxy: Mizuho Bank, Ltd.)	WOOLGATE HOUSE, COLEMAN STREET LONDON EC2P 2HD, ENGLAND	6,280	5.19
General Incorporated Association Kuroiwa-Kai	192-1 Makinoji, Koga-shi, Ibaraki	5,120	4.23
Honda Motor Co., Ltd.	2-1-1 Minamiaoyama, Minato-ku, Tokyo	4,898	4.04
Panicum Funding Ltd. (Standing Proxy: Goldman Sachs Japan Co., Ltd.)	UGLAND HOUSE, SOUTH CHURCH ST. GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLAND, KY1-1104	4,000	3.30
Isuzu Motors Limited	1-2-5 Takashima, Nishi-ku, Yokohama-shi, Kanagawa	3,385	2.79
JPMorgan Securities Japan Co., Ltd.	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo	3,277	2.70
NIKKON Holdings Employees' Shareholding Association	6-17 Akashi-cho, Chuo-ku, Tokyo	2,561	2.11
Nippon Life Insurance Company	1-6-6 Marunouchi, Chiyoda-ku, Tokyo	2,542	2.10
Total	—	65,879	54.45

(Notes) 1. Out of the number of shares held above, the number of shares pertaining to trust business is as follows.

Master Trust Bank of Japan, Ltd. 12,819 thousand shares

2. Out of the number of shares held by Custody Bank of Japan, Ltd. above, 98 thousand shares are the Company's shares held by a trust whose beneficiaries are Directors.
3. Silchester International Investors LLP, which was a major shareholder as of the end of the fiscal year ended March 31, 2024, is no longer a major shareholder as of the end of March 31, 2025, and Farallon Capital Management, L.L.C. has become a new major shareholder.
4. The Large Shareholding Report made available to the public as of December 12, 2024, contained the information listed below regarding shares held by Silchester International Investors LLP as of December 10, 2024. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review, this company was omitted from the list of major shareholders.

The content of the Large Shareholding Report is as follows.

Name	Address	Number of shares held (shares)	Shareholding as a proportion of total shares outstanding (%)
Silchester International Investors LLP	5th floor, Time & Life Building, 1 Bruton Street, London, W1J 6TL, United Kingdom	5,225,000	4.13

5. The Large Shareholding Report made available to the public as of March 31, 2025, contained the information listed below regarding shares held by Farallon Capital Management, L.L.C. as of March 25, 2025. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review, this company was omitted from the list of major shareholders.

The content of the Large Shareholding Report is as follows.

Name	Address	Number of shares held (shares)	Shareholding as a proportion of total shares outstanding (%)
Farallon Capital Management, L.L.C.	One Maritime Plaza, Suite 2100, San Francisco, California, U.S.A.	24,942,800	19.72

6. The Large Shareholding Report made available to the public as of July 29, 2024, contained the information listed below regarding shares held by MUFG Bank, Ltd. and its joint holders, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Asset Management Co., Ltd., as of July 22, 2024. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review, these companies were omitted from the list of major shareholders.

The content of the Large Shareholding Report is as follows.

Name	Number of shares held (thousands of shares)	Shareholding as a proportion of total shares outstanding (%)
MUFG Bank, Ltd.	1,198	1.89
Mitsubishi UFJ Trust and Banking Corporation	1,803	2.85
Mitsubishi UFJ Asset Management Co., Ltd.	375	0.59

7. The Large Shareholding Report made available to the public as of December 18, 2024, contained the information listed below regarding shares held by JPMorgan Securities Japan Co., Ltd. and its joint holders, J.P. Morgan Securities plc, J.P. Morgan Securities LLC and J.P. Morgan SE, as of December 13, 2024. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review, these companies were omitted from the list of major shareholders.

The content of the Large Shareholding Report is as follows.

Name	Number of shares held (thousands of shares)	Shareholding as a proportion of total shares outstanding (%)
JPMorgan Securities Japan Co., Ltd.	2,901	2.29
J.P. Morgan Securities plc	2,855	2.26
J.P. Morgan Securities LLC	112	0.09
J.P. Morgan SE	200	0.16

8. The Large Shareholding Report made available to the public as of April 7, 2025, contained the information listed below regarding shares held by Nomura Securities Co., Ltd. and its joint holders, Nomura International plc, Nomura Securities International, Inc. and Nomura Asset Management Co., Ltd., as of March 31, 2025. However, because the Company was unable to verify the actual number of shares held as of the end of the fiscal year under review, these companies were omitted from the list of major shareholders.

The content of the Large Shareholding Report is as follows.

Name	Number of shares held (thousands of shares)	Shareholding as a proportion of total shares outstanding (%)
Nomura Securities Co., Ltd.	8,331	6.21
Nomura International plc	1,013	0.75
Nomura Securities International, Inc.	—	0.00
Nomura Asset Management Co., Ltd.	3,478	2.75

(7) Voting rights

1) Issued shares

As of March 31, 2025

Category	Number of shares (shares)	Number of voting rights (units)	Description
Shares without voting rights	—	—	—
Shares with limited voting rights (treasury shares, etc.)	—	—	—
Shares with limited voting rights (others)	—	—	—
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common shares 5,495,900	—	—
Shares with full voting rights (others)	Common shares 120,940,600	1,209,406	—
Shares below one unit	Common shares 43,284	—	—
Total number of issued shares	126,479,784	—	—
Total voting rights held by all shareholders	—	1,209,406	—

(Notes) 1. The number of shares and voting rights in the “Shares with full voting rights (others)” box includes 98,400 shares (voting rights 984 units) of the Company held by a trust whose beneficiaries are Directors.

2. The number of common shares in the “Shares below one unit” box includes 72 treasury shares held by the Company.

2) Treasury shares, etc.

As of March 31, 2025

Name of shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total number of shares held (shares)	Percentage of shares held to the total number of issued shares (%)
NIKKON Holdings Co., Ltd.	6-17 Akashi-cho, Chuo-ku, Tokyo	5,495,900	—	5,495,900	4.35
Total	—	5,495,900	—	5,495,900	4.35

(Note) The number of treasury shares does not include 98,400 shares (voting rights 984 units) of the Company held by a trust whose beneficiaries are Directors.

(8) Share ownership plan for Directors (and other Officers) and employees

1) Overview of share ownership plan for Directors

At the 80th Annual General Meeting of Shareholders held on June 29, 2021, the Company’s shareholders approved of the introduction of the share-based remuneration plan applicable to the Company’s Directors (excluding the Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter referred to as the “Director”) in order to further clarify the link between the remuneration of Directors and the performance and stock value of the Company and for Directors to share the profits and risks caused by stock price fluctuations with shareholders, thereby raising awareness of contribution to the improvement of medium-to long-term business performance and the increase of corporate value. Details are as stated in IV. Information about Reporting Company, 4. Corporate governance, (4) Remuneration for Directors (and other officers).

2. Acquisition and disposal of treasury shares

[Class of shares, etc.] Acquisition of common shares pursuant to Article 155, Item 3 of the Companies Act and acquisition of common shares pursuant to Article 155, Item 7 of the Companies Act

(1) Acquisition by resolution of shareholders meeting

There are no applicable matters to be reported.

(2) Acquisition by resolution of Board of Directors meeting

Category	Number of shares (shares)	Total amount (yen)
Status of resolution at a Board of Directors meeting (June 7, 2024) (Acquisition period: From July 1, 2024 to December 30, 2024)	2,600,000	3,000,000,000
Treasury shares acquired before the fiscal year under review	—	—
Treasury shares acquired during the fiscal year under review	1,632,800	2,999,748,962
Total number and amount of remaining shares to be acquired by resolution	967,200	251,038
Ratio of unexercised shares to the number resolved as of the end of the fiscal year under review (%)	37.2	0.0
Treasury shares acquired during the current term	—	—
Ratio of unexercised shares to the number resolved as of the filing date (%)	37.2	0.0

(Note) The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares.

The acquisition of treasury shares by resolution of the Board of Directors during the acquisition period above shows the number of shares after adjustment arising from the said share split.

Category	Number of shares (shares)	Total amount (yen)
Status of resolution at a Board of Directors meeting (November 26, 2024) (Acquisition period: From November 27, 2024 to March 31, 2025)	5,000,000	7,000,000,000
Treasury shares acquired before the fiscal year under review	—	—
Treasury shares acquired during the fiscal year under review	3,615,700	6,999,995,200
Total number and amount of remaining shares to be acquired by resolution	1,384,300	4,800
Ratio of unexercised shares to the number resolved as of the end of the fiscal year under review (%)	27.6	0.0
Treasury shares acquired during the current term	—	—
Ratio of unexercised shares to the number resolved as of the filing date (%)	27.6	0.0

(3) Acquisition not based on resolution of Shareholders Meeting or Board of Directors meeting

Category	Number of shares (shares)	Total amount (yen)
Treasury shares acquired during the fiscal year under review	890	1,588,922
Treasury shares acquired during the current term	—	—

(Notes) 1. “Treasury shares acquired during the current term” does not include the number of shares below one unit purchased during the period from June 1, 2025, to the filing date of this annual securities report.

2. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. As such, treasury shares acquired during the fiscal year under review represent the number of shares after adjustment arising from the said share split.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	Fiscal year under review		Current term	
	Number of shares (shares)	Total amount disposed (yen)	Number of shares (shares)	Total amount disposed (yen)
Acquired treasury shares for which subscribers were solicited	—	—	—	—
Acquired treasury shares retired	—	—	—	—
Acquired treasury shares transferred due to merger, stock exchange, stock delivery, or company split	—	—	—	—
Others (Note) 4	7,464	10,177,540	—	—
Number of treasury shares held	5,594,372	—	—	—

- (Notes) 1. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. The number of shares for the fiscal year ended March 31, 2025 represents the number of shares after adjustment arising from the said share split.
2. The number of treasury shares disposed during the current term does not include the number of shares below one unit sold during the period from June 1, 2025 to the filing date of this annual securities report.
3. The number of treasury shares held during the current term does not include the number of shares below one unit purchased or delivered during the period from June 1, 2025, to the filing date of this annual securities report.
4. Disposal of treasury shares during the fiscal year under review is due to the exercise of share acquisition rights and transfer of shares below one unit upon request for sale.
5. The numbers of treasury shares held during the fiscal year under review and the current term each include shares of the Company held by a trust whose beneficiaries are Directors (98,400 shares).

3. Dividend policy

Our basic policy of profit distribution is to aim for a dividend payout ratio of 40%, and to pay progressive dividends, which means maintaining or increasing the total dividend amount for the full year compared to the previous fiscal year, not reducing it, in principle. Our basic policy is to make dividend payments from surplus twice a year as an interim dividend and a year-end dividend.

The Company amended its Articles of Incorporation at the Annual General Meeting of Shareholders held on June 29, 2006, to allow dividends of surplus by a resolution of the Board of Directors, so that profit returns can be done flexibly.

Based on the policy above, we decided to pay a dividend of 81 yen per share (including an interim dividend of 54 yen) for the fiscal year under review.

The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. The interim dividend represents dividends per share before the share split, while the year-end dividend represents those after the split. Annual dividends per share are 54 yen (27 yen for the interim dividend and 27 yen for the year-end dividend) on the assumption that the share split was conducted at the beginning of the fiscal year ended March 31, 2025.

As a result, the dividend payout ratio for the fiscal year under review is 104.2% (with a consolidated dividend payout ratio of 40.3% for the fiscal year under review).

We will utilize internal reserves to make capital investments in pursuit of greater competitiveness of each business and to strengthen our financial structure, thereby increasing the Group's corporate value.

Our Articles of Incorporation stipulates that the Company may pay interim dividends.

(Note) Dividends whose record date falls in the current fiscal year are as follows:

Date of resolution		Total cash dividends (millions of yen)	Dividend per share (yen)
November 8, 2024	Resolution at a Board of Directors meeting	3,364	54
May 9, 2025	Resolution at a Board of Directors meeting	3,266	27

(Note) The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares.

Dividends per share based on the resolution at the Board of Directors meeting held on November 8, 2024 represent the amount of dividends before the said share split. Dividends per share based on the resolution at the Board of Directors meeting held on May 9, 2025 represent the amount of dividends after the split.

We revised our basic policy at the Board of Directors meeting held on April 4, 2025, and regarding dividends for the fiscal year ending March 31, 2026 onward, we have set a target DOE (dividend on equity ratio) of 4% or higher, and with regard to the amount of annual dividend, we take the policy of not decreasing it from the amount paid in the previous year but maintaining or increasing it, in principle.

4. Corporate governance

(1) Overview of corporate governance

1) Basic approach to corporate governance

As a general logistics firm with an integrated logistics system, the Company believes that it is important to be constantly aware of the soundness, lawfulness and speed of management, to build relationships of trust with stakeholders including shareholders, investors, and business partners as a listed company, and to maintain growth and enhance corporate value in the long term. Accordingly, the Company is developing and strengthening the organizational structure and endeavoring to ensure the transparency of corporate activities to develop the environment for a framework governing corporate activities (corporate governance) and to ensure that this framework functions effectively.

As measures to ensure that internal control mechanisms maintain the corporate soundness, the Company has enacted Conduct Guidelines and is developing a compliance structure and risk management structure.

By engaging in such business activities, the Company intends to fulfil its corporate responsibilities to customers, shareholders, and other stakeholders and contribute to the development of society.

2) Overview of corporate governance structure and reasons for employing the said structure

The Company became a company with an Audit & Supervisory Committee by a resolution of the Annual General Meeting of Shareholders held on June 28, 2018, in order to further enhance the Board of Directors' supervisory functions, enable swift decision-making, further enhance the corporate governance code, and add to the corporate value.

The Company has installed a Board of Directors, an Audit & Supervisory Committee, and an accounting auditor as management control organs.

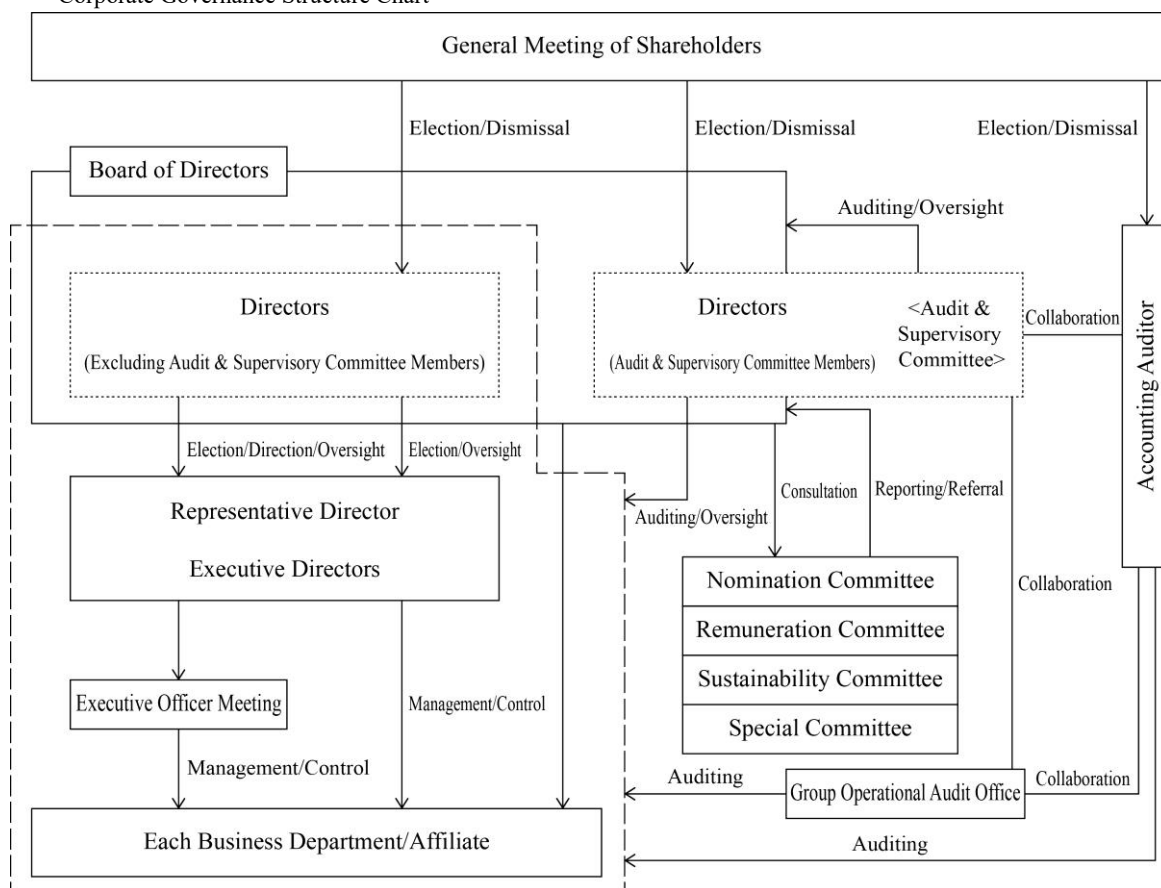
As of the filing date (June 26, 2025), the Board of Directors consists of 10 members and is chaired by Masakatsu Kuroiwa, President and Representative Director. The other members are Directors Seiji Ooka, Yasunori Matsuda, Kioi Yamada, Hidehiro Motohashi, Aiko Koma, Ryutaro Ozeki, Tetsuya Okuda, Hideki Kawasaki, and Kanako Takeda. They include four Outside Directors: Aiko Koma, Ryutaro Ozeki, Tetsuya Okuda, and Kanako Takeda. The Company holds monthly ordinary Board of Directors' meetings for the purpose of approving material matters and extraordinary Board of Directors' meetings whenever necessary. The Company holds monthly ordinary Board of Directors' meetings for material decision-making and extraordinary Board of Directors' meetings whenever necessary. It also holds monthly Management Strategy Council meetings for the purpose of speeding up material decision-making, and monthly Executive Officer meetings mainly for the purpose of reporting and exchanging information, thereby adopting a structure which enables strengthening of the oversight function, expansion of matters deliberated and reported, and flexible decision-making. In addition, the Company has adopted the Executive Officer System to separate the business execution function from the management decision-making and oversight function, speed up decision-making and clarify responsibility for business execution, and increase management efficiency, and also to strengthen corporate governance.

As of the filing date (June 26, 2025), the Audit & Supervisory Committee consists of three members: Audit & Supervisory Committee Member Tetsuya Okuda, who chairs the committee, and Audit & Supervisory Committee Members Hideki Kawasaki and Kanako Takeda. They include two Outside Directors: Tetsuya Okuda and Kanako Takeda. The Company holds Audit & Supervisory Committee meetings and meetings of Audit & Supervisory Committee Members and seeks to strengthen their independence and functions, thereby adopting an audit structure in accordance with the Audit & Supervisory Committee Rules, the Audit & Supervisory Committee Audit Standards, and the Audit & Supervisory Committee Auditing Standards for Internal Control System. The Company also adopts a structure which allows Audit & Supervisory Committee Members to adequately monitor Directors' performance of duties through attendance at Board of Directors' meetings and other important meetings, individual interviews with Directors, division managers and other relevant persons, and business audits and reports of business sites in Japan and overseas.

The Company has four Outside Directors who monitor and supervise us from the perspective of external checking. Accordingly, we believe that the objectivity and neutrality of the management supervisory function as well as effective corporate governance are ensured as of now.

(Note) The Company proposes "Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" for the meeting agenda (proposal to be resolved) of the Annual General Meeting of Shareholders to be held on June 27, 2025. If the proposal is approved, the Company will have 11 Directors (of whom six are Outside Directors), and the members will be as described below in "(2) Directors (and other Officers) 1) List of Directors (and other Officers) b."

Corporate Governance Structure Chart



(Note) The Special Committee will be established after the Annual General Meeting of Shareholders to be held on June 27, 2025.

3) Other corporate governance-related matters

Under its internal control systems, the Company has established a Basic Policy on Establishment of Internal Control Systems as set out below based on the Companies Act and Ordinance for Enforcement of the Companies Act to ensure appropriate business operations at the Company and its subsidiaries, and shall seek to develop and endeavor to maintain the structure necessary to establish such systems.

a. Matters regarding employees assisting with the duties of the Audit and Supervisory Committee (Article 110-4, Paragraph 1, Item 1 of the Ordinance for Enforcement of the Companies Act)

I The Company shall assign the employees ("assisting employees") which the Audit & Supervisory Committee needs to execute its duties.

b. Matters regarding the independence of assisting employees from Directors (who are not Audit & Supervisory Committee Members) (Item 2 of the same paragraph)

I Assisting employees shall, insofar as they are assisting the duties of the Audit & Supervisory Committee, be under the command of Directors who are Audit & Supervisory Committee Members.

II The Company shall obtain the prior consent of the Audit & Supervisory Committee regarding personnel changes, personnel evaluations and disciplinary action concerning assisting employees.

c. Matters concerning securing the effectiveness of instructions to employees assisting the Audit & Supervisory Committee (Item 3 of the same paragraph)

I Directors (who are not Audit & Supervisory Committee Members) shall not unfairly restrict the command of Directors who are Audit & Supervisory Committee Members over assisting employees.

d. System for reporting by Directors (who are not Audit & Supervisory Committee Members), employees and others to Directors who are Audit & Supervisory Committee Members and other systems concerning reporting to the Audit and Supervisory Committee (Item 4 of the same paragraph)

I Directors who are Audit & Supervisory Committee Members may attend meetings of the Management Strategy

Council and other important council or committee meetings or report meetings in addition to Board of Directors' meetings to hear about and gain an understanding of the process for making material decisions and the status of business execution, and may ask for explanations or view relevant materials where necessary.

II Matters to be reported on a regular basis to Directors who are Audit & Supervisory Committee Members (includes Group companies)

- i. Management and business execution status and financial status
- ii. Results of internal audits conducted by the internal audit division (includes the status of the internal control system)
- iii. Status of risks and risk management
- iv. Compliance status (accidents, fraudulent conduct, complaints, troubles) and other matters

IIIMatters to be reported on an ad hoc basis to Directors who are Audit & Supervisory Committee Members (includes Group companies)

- i. Facts which might cause serious detriment or damage to the company, undermine trust in the company or affect its business results
 - ii. Fraudulent conduct or serious violations of laws or regulations or the Articles of Incorporation in connection with the performance of duties by Directors (who are not Audit & Supervisory Committee Members)
 - iii. Facts reported under the whistleblowing system
 - iv. Results of inspection by regulatory authority or external audit
 - v. Administrative disposition imposed by regulatory authority
 - vi. Change in significant accounting policies, enactment (amendment or abolishment) of accounting standard, etc.
 - vii. Information contained in announcements of business results or business result forecasts or other important disclosures, etc.
 - viii. Serious violations of internal rules, regulations, standards, etc.
 - ix. Other matters on which Directors who are Audit & Supervisory Committee Members and Audit & Supervisory Committee Members request reports as necessary
- e. System for preventing the party submitting the report in the preceding section from being unfairly treated because of the report (Item 5 of the same paragraph)
- I The Company shall obtain the prior consent of the Audit & Supervisory Committee in connection with personnel changes, personnel evaluations and disciplinary action concerning Directors and employees of NIKKON Holdings Group who submitted reports provided for in the preceding section to the Audit & Supervisory Committee. (Item 5 of the same paragraph)
- f. Matters regarding policy on handling advance payment or reimbursement of expenses resulting from execution of duties by Directors (only expenses related to the execution of duties of the Audit & Supervisory Committee) or other expenses or debts arising from said execution of duties (Item 6 of the same paragraph)
- I The Company shall make prompt payment upon request for the advance payment or reimbursement of expenses resulting from execution of duties by the Audit & Supervisory Committee.
- g. Other systems to ensure effective auditing by Directors who are Audit & Supervisory Committee Members (Item 7 of the same paragraph)
- I The Representative Director shall have meetings with Directors who are Audit & Supervisory Committee Members on a regular basis to explain the Company's management policies and shall also exchange opinions with them on the issues the company needs to address and the risks surrounding the company as well as the status of development of the environment for audits by Directors who are Audit & Supervisory Committee Members and major audit-related issues, endeavoring to increase mutual understanding and trust between the Representative Directors and the Audit & Supervisory Committee.
- II Directors (who are not Audit & Supervisory Committee Members) shall develop an internal audit division structure and environment to ensure that, when inspecting the status of company business and property and conducting other audit operations, Directors who are Audit & Supervisory Committee Members can have a close relationship with internal audit divisions and conduct efficient audits.
- III Directors (who are not Audit & Supervisory Committee Members) shall develop a structure and environment to ensure that Directors who are Audit & Supervisory Committee Members can hold regular meetings with the accounting auditor and can also liaise closely with the accounting auditor, including attending site visits by the

- accounting auditor, and conduct efficient audits.
- IV Directors (who are not Audit & Supervisory Committee Members) shall develop a structure and environment to ensure that Directors who are Audit & Supervisory Committee Members can use outside experts (lawyers, certified public accountants, tax accountants, consultants and others) if necessary when conducting audits.
- h. System to ensure that Directors perform their duties in compliance with laws, regulations and the articles of incorporation (Article 399-13, Paragraph 1, first sentence of Item 1 (c) of the Companies Act)
- I Directors shall adhere to the NIKKON Holdings Group Basic Philosophy and the NIKKON Holdings Group Conduct Guidelines established by the Board of Directors and comply with laws, regulations and the articles of incorporation, and shall also focus on setting a good example and raising compliance awareness among employees to create a corporate culture for the conduct of business activities with a high level of ethics.
- II The Company shall position compliance and the fulfilment of its social responsibility as top management priorities and, with the Legal Department responsible for all compliance-related measures, shall conduct activities to develop and implement the compliance structure and internal control and seek to ensure compliance.
- III The Board of Directors, the Compliance Promotion Committee, the Group Management Unit and the persons responsible for each division shall play a central role in operating the Company's compliance structure.
- IV The Compliance Promotion Committee shall deliberate on material problems relating to compliance across the NIKKON Holdings Group and shall also seek to maintain and enhance the compliance structure, raise awareness and provide training in accordance with the internal regulations on compliance. In addition, the Compliance Promotion Committee shall report to and advise the Board of Directors where necessary.
- V The Legal Department shall serve as the secretariat of the Compliance Promotion Committee and shall also be in charge of planning and implementation in relation to the compliance structure.
- i. System for storing and managing information about the Directors' performance of their duties (Article 110-4, Paragraph 2, Item 1 of the Ordinance for Enforcement of the Companies Act)
- I The minutes of Board of Directors' meetings and other meetings, approval documents and other information relating to Directors' performance of their duties shall be appropriately stored and managed in accordance with established internal regulations (regulations on the storage and management of documents and information).
- II The above internal regulations shall cover clarification of the information to be stored and managed, the storage period and management method, the establishment of an information security policy, the establishment of an organization for storing and managing information, and the granting of the necessary authority, and the establishment of methods for responding in the event of leak, destruction or loss of information.
- j. Regulations concerning management of the risk of loss and other relevant systems (Item 2, Item 5 (b) of the same paragraph)
- I The Company shall establish the Risk Management Regulations to systematically conduct risk management across the NIKKON Holdings Group.
- II On applying the regulations, the Company shall, upon establishment of a Risk Management Committee, appoint a person responsible for risk management, establish the division of duties, and grant the necessary authority.
- III The Risk Management Committee engages in activities such as the identification, analysis and evaluation of risks predicted across the NIKKON Holdings Group, risk management which is consistent with corporate strategies and can adapt to changes in the management environment, the formulation of specific risk management plans, verification of the efficacy of the risk management structure, and clarification of matters to be reported to the Board of Directors regarding risk management.
- IV The person responsible for risk management in the NIKKON Holdings Group shall report the risk management status to the Company's Risk Management Committee in accordance with the Company's Risk Management Regulations.
- V The Risk Management Committee shall report matters relating to the risk management of the NIKKON Holdings Group to the Board of Directors on a regular basis.

- k. System to ensure efficient execution of duties by Directors (Item 3 of the same paragraph)
 - I The Company shall make decisions at meetings of the Board of Directors which are convened regularly once a month and also convened as appropriate on an ad hoc basis.
 - II The Board of Directors shall determine management policies, matters stipulated by laws and regulations and other material matters related to management, and shall regularly monitor the state of progress and implementation status of management plans, the business plans of each division and other plans.
 - III The NIKKON Holdings Group shall ensure the efficient execution of duties by Directors through clarification of the division of duties of Directors and the division of responsibilities of each division, and the granting of authority.
- l. System to ensure that the execution of duties by the Directors and employees conforms to laws, regulations and the Articles of Incorporation (Item 4, Item 5 of the same paragraph)
 - I The NIKKON Holdings Group shall fulfil its corporate responsibility in relation to customers, shareholders and communities and contribute to the development of society through sound business activities. To achieve this goal, the NIKKON Holdings Group's employees will all practice the NIKKON Holdings Group Conduct Guidelines enacted in October 2007.
 - II The Company shall establish a Compliance Hotline (system for submitting reports from inside or outside the company) for reporting compliance-related information. The Compliance Promotion Committee shall deliberate on matters reported via the hotline and take appropriate action.
 - III Internal audit divisions shall develop the compliance structure and verify its efficacy.
- m. System for ensuring the appropriateness of the operations of the corporate group which consists of the Company and its subsidiaries (Item 5 of the same paragraph)
 - I The Company shall establish a dedicated section for managing subsidiaries and, upon appointing a person responsible, shall adopt a structure for managing the operations of subsidiaries, etc. in accordance with the Affiliated Company Regulations.
 - II Directors, etc. of subsidiaries shall regularly report the status of business and operations at subsidiaries to Directors of the Company.
 - III Subsidiaries shall be audited by the Company's internal audit division and Directors who are Audit & Supervisory Committee Members.
 - IV The Company shall develop a structure under which the Company, which is the parent company, monitors subsidiaries to ensure that they do not engage in inappropriate acts and a structure under which subsidiaries do not have to obey when the parent company instructs them to engage in inappropriate acts.
 - V The Company shall develop and operate the necessary internal control structure to ensure the reliability of financial reporting and help maintain and improve public trust.
- n. Basic views on and status of efforts for eliminating antisocial forces
 - I Basic views on eliminating antisocial forces

The NIKKON Holdings Group shall develop a system for blocking any relationship with organized crime groups and other antisocial forces that threaten the order or safety of civil society and disturb economic activities, and the Group shall take a resolute stance as a unified organization toward antisocial forces and have no relationship, including business relation, with them.
 - II Status of efforts for eliminating anti-social forces

The NIKKON Holdings Group shall make each general affairs division responsible for actions to eliminate antisocial forces and shall establish close relationships with outside parties such as the police force and lawyers and seek to strengthen cooperation with them through the exchange of information, participation in various types of training and other means.

4) Limited liability agreement

The Company has entered into an agreement with Outside Directors in accordance with the provision of Article 427, Paragraph 1 of the Companies Act to limit their liabilities for damages under Article 423, Paragraph 1 of the same act. The maximum amount of their liabilities under the agreement will be the amount stipulated in the law. However, this limit of liabilities will be applicable only when the performance of their duties giving rise to such liabilities is recognized to have been carried out in good faith and with no gross negligence.

Moreover, the Company has entered into an agreement with the accounting auditor to limit its liabilities under Article 423, Paragraph 1 of the Companies Act to the extent stipulated in Article 425, Paragraph 1 of the same act.

5) Number of Directors

The Articles of Incorporation prescribe that the number of the Company's Directors (who are not Audit & Supervisory Committee Members) shall be three to eleven, and the number of Directors who are Audit & Supervisory Committee Members shall be four or less (the majority of which shall be Outside Directors).

6) Matters set forth to be resolved by a Board of Directors meeting in lieu of resolutions at a General Meeting of Shareholders

a. Acquisition of treasury shares

Pursuant to Article 165, Paragraph 2 of the Companies Act, the Articles of Incorporation prescribe a clause allowing acquisition of its own shares by a Board of Directors resolution. Such inclusion was made to enable the implementation of flexible capital policies according to the changing economic situation.

b. Dividends of surplus

The Articles of Incorporation prescribe that matters stipulated in the respective items of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, shall be decided by a Board of Directors' resolution, unless otherwise stipulated by law, in order to allow for flexible profit returns to shareholders.

7) Resolution requirement for election of Directors

The Articles of Incorporation stipulates that resolution to elect Board of Directors shall be made by a majority of the shareholders present at a meeting where shareholders representing at least one-third of voting rights of all shareholders entitled to exercise voting rights are present, and that the cumulative voting shall not be permitted for such resolution.

8) Special resolutions at the General Meeting of Shareholders

For purpose of maintaining smooth operation of the General Meeting of Shareholders by relaxing the quorum for special resolutions at the meeting, the Articles of Incorporation stipulates that special resolutions pursuant to Article 309, Paragraph 2 of the Companies Act, shall be passed with two-thirds or more of the voting rights held by shareholders present at a meeting where shareholders representing at least one-third of voting rights of all shareholders entitled to exercise voting rights are present.

9) Status of activities of the Board of Directors

According to the Regulations of the Board of Directors, the Board of Directors makes resolutions for basic policies and plans on the Company's management, matters regarding important business execution, as well as matters stipulated in laws, regulations and the articles of incorporation., and receives reports regarding matters stipulated in laws and regulations and the statuses of execution of important operations. The Company holds monthly ordinary Board of Directors' meetings and extraordinary Board of Directors' meetings whenever necessary and held 16 Board of Directors' meetings during the fiscal year under review.

Status of attendance of individual Directors during the fiscal year under review is detailed below.

Name	Full-time/Outside	Number of meetings held	Number of meetings attended
Masakatsu Kuroiwa	Full-time	16	16
Seiji Ooka	Full-time	16	16
Yasunori Matsuda	Full-time	16	16
Kioi Yamada	Full-time	16	16
Hidehiro Motohashi	Full-time	16	16
Aiko Koma	Outside	16	16
Ryutaro Ozeki	Outside	16	16
Tetsuya Okuda	Outside	16	16
Hideki Kawasaki	Full-time	12	12
Kanako Takeda	Outside	12	12

(Note) Hideki Kawasaki and Kanako Takeda attended 12 meetings during the fiscal year under review because they are Directors newly elected at the 83rd Annual General Meeting of Shareholders held on June 27, 2024.

The subjects deliberated, and the numbers of discussions made and reports submitted for these topics in the Board of Directors during the fiscal year under review were as follows.

Deliberated subjects	Number of discussions	Number of reports
Management strategies, governance, and sustainability	18	22
Risks, compliance, and internal control	1	10
Personnel affairs	9	11
Financial reporting and finance	18	6
Capital expenditures	16	15
Other particular matters	5	12
Total	67	76

10) Status of activities of the Nomination Committee

The Company resolved to establish the Nomination Committee as a voluntary advisory body to the Board of Directors at a Board of Directors meeting held on December 6, 2019. The Committee convened once during the fiscal year under review, attended by all the members. As of the filing date (June 26, 2025), the Committee consists of three members: Outside Director Ryutaro Ozeki, who chairs the Committee; Outside Director (Audit & Supervisory Committee Member) Tetsuya Okuda; and Representative Director Masakatsu Kuroiwa. The Company proposes “Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” for the meeting agenda (proposal to be resolved) of the Annual General Meeting of Shareholders to be held on June 27, 2025. If the proposal is approved, the Nomination Committee will consist of three members: Outside Director Ryutaro Ozeki, who will chair the Committee; Outside Director (Audit & Supervisory Committee Member) Tetsuya Okuda; and Representative Director Masakatsu Kuroiwa.

The Committee convened once during the fiscal year under review, attended by all the members. Specifically, the Nomination Committee convenes to confirm and assess competencies in terms of age, knowledge, capabilities, and health status in the process of determining candidates for Directors, Representative Directors, and Executive Directors for the next period.

11) Status of activities of the Remuneration Committee

The Company resolved to establish the Remuneration Committee as a voluntary advisory body to the Board of Directors at a Board of Directors meeting held on January 10, 2020. The Committee convened twice during the fiscal year under review, attended by all the members. As of the filing date (June 26, 2025), the Committee consists of three members: Outside Director Aiko Koma, who chairs the Committee; Outside Director (Audit & Supervisory Committee Member) Kanako Takeda; and Representative Director Masakatsu Kuroiwa. The Company proposes “Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” for the meeting agenda (proposal to be resolved) of the Annual General Meeting of Shareholders to be held on June 27, 2025. If the proposal is approved, the Remuneration Committee will consist of three members: Outside Director Aiko Koma, who will chair the Committee; Outside Director (Audit & Supervisory Committee Member) Kanako Takeda; and Representative Director Masakatsu Kuroiwa.

Specifically, the Remuneration Committee convenes to objectively assess the appropriateness of the process for determining bonuses based on financial reporting and monthly remuneration that are received by Directors, and confirm that the amount of bonuses and remuneration for each Director is appropriate in the light of his or her role, responsibilities, and performance.

12) Establishment of the Special Committee

The Company resolved to establish a Special Committee (hereinafter referred to as the “Committee”) as a voluntary advisory body to the Board of Directors at the Board of Directors meeting held on May 16, 2025. The Company proposes “Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” for the meeting agenda (proposal to be resolved) of the Annual General Meeting of Shareholders to be held on June 27, 2025. If the proposal is approved, the Special Committee will consist of four members: Outside Directors Aiko Koma, Ryutaro Ozeki, Ichinari Koda and Clark Graninger.

The Committee will be established for the purpose of deliberating and verifying measures to improve corporate value including a review of the Company’s real estate ownership, management, and operation policies from the perspective of

working to improve the Company Group's medium- to long-term corporate value while ensuring objectivity.

The Committee will re-examine the status of ownership, management structure, and operational policies related to the real estate owned by the Company from the perspective of assets and capital efficiency, taking into account the perspective of the capital market, and make recommendations to the Company's Board of Directors to review the policies as necessary. In addition, the Committee will consider measures to improve the Company's corporate value and make recommendations to the Company's Board of Directors as necessary. It is planned that the Committee will continuously report the details of its deliberations to the Board of Directors, and the Company aims to disclose the results of examination and recommendations by the end of 2025.

(2) Directors (and other Officers)

1) List of Directors (and other Officers)

a. Directors (and other Officers) of the Company as of the filing date (June 26, 2025) are as follows.

Male: 8, Female: 2 (Ratio of females to Directors (and other officers): 20%)

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (thousands of shares)
President, Representative Director and Chief Executive Officer	Masakatsu Kuroiwa	February 2, 1951	<p>March 1973 Joined the Company</p> <p>September 1981 General Manager of Suzuka Center</p> <p>June 1986 Director</p> <p>June 1989 Managing Director</p> <p>November 1994 President, A.N.I. LOGISTICS, LTD.</p> <p>June 1999 Senior Managing Director, the Company</p> <p>January 2003 Chairman and President, NK PARTS INDUSTRIES, INC.</p> <p>April 2009 General Manager of Sales Headquarters, the Company</p> <p>June 2009 President and Representative Director</p> <p>June 2011 President, Representative Director and Executive Officer</p> <p>October 2015 President, Representative Director and Chief Executive Officer (current position)</p>	(Note) 3	336
Representative Director and Senior Executive Officer	Seiji Ooka	June 30, 1960	<p>March 1983 Joined the Company</p> <p>October 1992 Manager of Sales Office of Sayama Packaging Center</p> <p>August 1998 Seconded to A.N.I. LOGISTICS, LTD.</p> <p>June 2007 General Manager of Sales Office of KD Packaging, the Company</p> <p>July 2009 General Manager of Packaging Sales Department and General Manager of Sales Office of KD Packaging</p> <p>April 2011 General Manager of Packaging Sales Department and General Manager of Tokyo Business Department</p> <p>June 2011 Executive Officer</p> <p>January 2014 General Manager of Packaging Sales Department, General Manager of Tokyo Business Department, and General Manager of the Fifth Sales Department</p> <p>September 2015 Resigned as Executive Officer</p> <p>October 2015 Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD.</p> <p>April 2016 Executive Officer, the Company</p> <p>June 2016 Director and Executive Officer</p> <p>July 2016 General Manager of Domestic Business Department (current position)</p> <p>June 2017 Representative Director, President and Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD.</p> <p>April 2021 Director and Senior Executive Officer, the Company</p> <p>April 2021 President and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD. (current position)</p> <p>June 2021 Representative Director and Senior Executive Officer, the Company (current position)</p>	(Note) 3	45

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (thousands of shares)
Director and Managing Executive Officer	Yasunori Matsuda	March 9, 1959	<p>March 1982 Joined the Company</p> <p>November 1997 Assistant Manager of Accounting Department</p> <p>June 2000 Seconded to NK PARTS INDUSTRIES, INC.</p> <p>June 2007 General Manager of Accounting Department, the Company</p> <p>October 2009 General Manager of Affiliated Companies Management Department</p> <p>April 2012 Executive Officer</p> <p>June 2012 Director and Executive Officer</p> <p>April 2019 General Manager of Legal Affairs Department</p> <p>April 2021 Director and Managing Executive Officer (current position)</p> <p>April 2023 General Manager of Overseas Business Department (current position)</p> <p>April 2024 General Manager of Legal Affairs Department (current position)</p>	(Note) 3	64
Director and Managing Executive Officer	Kioi Yamada	May 6, 1956	<p>April 1980 Joined Mitsubishi Corporation</p> <p>April 2001 President, MC Metal Service Asia (Thailand) Co., Ltd.</p> <p>November 2009 Deputy President, Solutions Usiminas</p> <p>April 2016 Managing Executive Officer, Metal One Corporation and President, Metal One Holdings America, Inc.</p> <p>April 2017 Senior Executive Vice President, Metal One Corporation and President, Metal One Holdings America, Inc.</p> <p>May 2019 Joined the Company, General Manager of Sales Planning Office (current position)</p> <p>April 2020 Executive Officer</p> <p>June 2021 Director and Executive Officer</p> <p>June 2025 Director and Managing Executive Officer (current position)</p>	(Note) 3	8
Director and Executive Officer	Hidehiro Motohashi	January 14, 1965	<p>March 1988 Joined the Company</p> <p>July 2010 General Manager of Okayama Sales Office</p> <p>June 2014 General Manager of Personnel Department and General Manager of Information Management Department</p> <p>April 2015 Executive Officer</p> <p>April 2015 General Manager of Labor Department and General Manager of Health Development Center</p> <p>September 2015 Resigned as Executive Officer</p> <p>October 2015 Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD.</p> <p>April 2020 Executive Officer, the Company</p> <p>June 2021 Director and Executive Officer (current position)</p> <p>July 2021 General Manager of Group Administration Department (current position)</p> <p>December 2022 General Manager of HR Supervisory Department (current position)</p>	(Note) 3	28

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (thousands of shares)
Director	Aiko Koma	January 17, 1980	December 2007 January 2019 June 2021	Registered as a lawyer (Tokyo Bar Association) Joined RENAISS Law Office Partner, RENAISS Law Office (current position) Outside Director, the Company (current position)	(Note) 3	3
Director	Ryutaro Ozeki	August 8, 1959	April 1982 April 1996 May 1996 December 2000 December 2002 September 2003 February 2008 December 2009 May 2010 July 2019 June 2022	Joined Toyota Motor Sales Co., Ltd. (current Toyota Motor Corporation) Resigned from Toyota Motor Corporation Joined Ozeki Co., Ltd., Director and General Manager of Corporate Planning Office Representative Director, Senior Managing Director and General Manager of Sales Department Representative Director and President (current position) Corporate Auditor (part-time), View Planning Co., Ltd. Corporate Auditor (part-time), Yamato Metal Co., Ltd. Director (part-time) (current position) Director (part-time), View Planning Co., Ltd. Delegate, Tokyo Pharmaceutical Corporate Pension Fund Association (current position) Outside Director, the Company (current position)	(Note) 3	2

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (thousands of shares)
Director (Audit & Supervisory Committee Member)	Tetsuya Okuda	September 2, 1961	April 1984	Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)	(Note) 4	2
			July 2002	Head of Policy Planning Office, General Affairs Division, Maritime Bureau, the Ministry of Land, Infrastructure and Transport		
			September 2003	Private Secretary to the Minister of Land, Infrastructure and Transport		
			September 2004	Director for General Affairs Division, Minister's Secretariat		
			August 2005	Director, Transport Consumer Policy Division, Policy Bureau		
			July 2006	General Manager, London Office, Japan National Tourism Organization		
			July 2008	Director, Passenger Transport Division, Road Transport Bureau, the Ministry of Land, Infrastructure, Transport and Tourism		
			July 2009	Director, Airport Planning, Airport Department, Civil Aviation Bureau		
			October 2009	Director, Capital Area Airports Division, Airport Department, Civil Aviation Bureau		
			October 2011	Director for Personnel Division, Minister's Secretariat		
			August 2013	Director, Aviation Network Department, Civil Aviation Bureau		
			July 2014	Deputy Vice-Minister for Policy Coordination, Minister's Secretariat		
			June 2016	Director-General, Railway Bureau		
			July 2017	Director-General, Road Transport Bureau		
			July 2019	Retired		
			November 2019	President, Japan Transport and Tourism Research Institute (current position)		
			June 2022	Outside Director (Audit & Supervisory Committee Member), the Company (current position)		
Director (Audit & Supervisory Committee Member)	Hideki Kawasaki	January 10, 1964	March 1986	Joined the Company	(Note) 4	23
			April 1997	Manager of Sales Office of Kumamoto Center		
			August 2001	Seconded to NIPPON KONPO (THAILAND) CO., LTD.		
			April 2004	Manager of the Fourth Sales Department, the Company		
			April 2009	General Manager of Labor Department		
			October 2015	Deputy General Manager of Tokyo Business Department and General Manager of Tokyo Sales Office, NIPPON KONPO UNYU SOKO CO., LTD.		
			March 2017	General Manager of General Affairs Department and General Manager of Information Management Department		
			March 2018	General Manager of General Affairs Department and General Manager of Legal Affairs Department		
			April 2018	Executive Officer		
			April 2022	General Manager of Operational Audit Office		
			June 2022	Corporate Auditor		
			June 2024	Director (Audit & Supervisory Committee Member), the Company (current position)		

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (thousands of shares)
Director (Audit & Supervisory Committee Member)	Kanako Takeda	November 14, 1976	April 2010 March 2016 June 2024	Joined IAU accounting corporation Iwata Office Tax accountant (current position) Outside Director (Audit & Supervisory Committee Member), the Company (current position)	(Note) 4	0
Total						514

(Notes) 1. Among the Directors, Aiko Koma, Ryutaro Ozeki, Tetsuya Okuda, and Kanako Takeda are Outside Directors.

2. The structure of the Company's Audit & Supervisory Committee is as follows.

Tetsuya Okuda (Chair), Hideki Kawasaki (Member), and Kanako Takeda (Member)

3. The term of office for Directors (who are not Audit & Supervisory Committee Members) is from the end of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2024, to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2025.

4. The term of office for Directors who are Audit & Supervisory Committee Members is from the end of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2024, to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026.

5. The Company has adopted the Executive Officer System to separate the business execution function from the management decision-making and oversight function, speed up decision-making and clarify responsibility for business execution, and increase management efficiency, and also to strengthen corporate governance.

The number of Executive Officers is 16, of which five concurrently serve as Directors.

Title	Name	Position
Chief Executive Officer	Masakatsu Kuroiwa	Chairman and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman and Director, A.N.I. LOGISTICS, LTD.; Chairman and Director, NIPPON KONPO (THAILAND) CO., LTD.; Chairman and Director, A.N.I. TRANSPORT, LTD.; and Chairman and Director, SIAM AUTO TECHNIC CO., LTD.
Senior Executive Officer	Seiji Ooka	President and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman, NIKKON LOGISTICS CHINA CO., LTD.; and Chairman, NIKKON CHONGQING LOGISTICS CO., LTD.
Managing Executive Officer	Yasunori Matsuda	General Manager of Legal Affairs Department; and General Manager of Overseas Business Department
	Kioi Yamada	General Manager of Sales Planning Office; Representative Director and President, GINZA Consulting Co., Ltd.; and Representative Director and President, NK International Co., Ltd.
Executive Officer	Hidehiro Motohashi	General Manager of Group Administration Department; and General Manager of HR Supervisory Department
	Takashi Abe	General Manager of Domestic Business Department; Vice President and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman and Representative Director, Auto Technic Japan Co., Ltd. President, NK Engineering Co., Ltd.; President and Representative Director, Nikkon Kyusyu Co., Ltd.; and President and Representative Director, CHUGOKU BUTSURYU SERVICE CO., LTD.
	Atsushi Kayamoto	General Manager of M&A Promotion Office
	Takashi Shibayama	President and Representative Director, ITO-EXPRESS CO., LTD
	Toshihisa Nishimura	President and Representative Director, NIPPON RIKUSO Co., Ltd.; and President and Representative Director, TECHNIC SERVICE Co., Ltd.
	Sakyo Horii	Chairman and Representative Director, MEIKON CO., LTD.; and Chairman and Representative Director, MATSUHISA SOUGOU CO., LTD.
	Sumito Hashimoto	President and Representative Director, NIPPON UNYU CO., LTD.; and President and Representative Director, NIKKON Ryomo CO., LTD.
	Satoshi Mizukami	President and Representative Director, Auto Technic Japan Co., Ltd.
	Yukitoshi Seki	President and Representative Director, CHUETSUTEC Co, Ltd; President and Representative Director, Sapporo Shinbun Yuso Co, Ltd; President and Representative Director, CHUETSU YUSOU Co, Ltd.; and President and Representative Director, TRANSPORT JAPAN CO., LTD.
	Daisuke Gunji	President, NIPPON KONPO INDIA PRIVATE LTD.
	Tatsuya Fujisaku	General Manager of Management Planning Department
	Kazuaki Tashiro	President, NK PARTS INDUSTRIES, INC.; President and Director, NK AMERICA, INC.; President and Director, NKA TRANSPORTATION, INC.; President and Director, NKA LOGISTICS, INC.; President and Director, NKA CUSTOMS SERVICE, INC.; President and Director, AUTO TECHNIC AMERICAS, INC.; President and Director, NK NORTH AMERICA, INC.; Chairman and Director, SUPREME AUTO TRANSPORT, LLC.; and Chairman and Director, President, NKP MEXICO, S.A. DE C.V.

b. The Company proposes “Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” for the meeting agenda (proposal to be resolved) of the Annual General Meeting of Shareholders to be held on June 27, 2025, and if the proposal is approved, Directors (and other officers) of the Company will be as follows.

The table also includes matters to be resolved (title and position, etc.) at a Board of Directors meeting to be held immediately following the said Annual General Meeting of Shareholders.

Male: 9, Female: 2 (Ratio of females to Directors (and other officers): 18%)

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (thousands of shares)
President, Representative Director and Chief Executive Officer	Masakatsu Kuroiwa	February 2, 1951	<p>March 1973 Joined the Company</p> <p>September 1981 General Manager of Suzuka Center</p> <p>June 1986 Director</p> <p>June 1989 Managing Director</p> <p>November 1994 President, A.N.I. LOGISTICS, LTD.</p> <p>June 1999 Senior Managing Director, the Company</p> <p>January 2003 Chairman and President, NK PARTS INDUSTRIES, INC.</p> <p>April 2009 General Manager of Sales Headquarters, the Company</p> <p>June 2009 President and Representative Director</p> <p>June 2011 President, Representative Director and Executive Officer</p> <p>October 2015 President, Representative Director and Chief Executive Officer (current position)</p>	(Note) 3	336
Representative Director and Senior Executive Officer	Seiji Ooka	June 30, 1960	<p>March 1983 Joined the Company</p> <p>October 1992 Manager of Sales Office of Sayama Packaging Center</p> <p>August 1998 Seconded to A.N.I. LOGISTICS, LTD.</p> <p>June 2007 General Manager of Sales Office of KD Packaging, the Company</p> <p>July 2009 General Manager of Packaging Sales Department and General Manager of Sales Office of KD Packaging</p> <p>April 2011 General Manager of Packaging Sales Department and General Manager of Tokyo Business Department</p> <p>June 2011 Executive Officer</p> <p>January 2014 General Manager of Packaging Sales Department, General Manager of Tokyo Business Department, and General Manager of the Fifth Sales Department</p> <p>September 2015 Resigned as Executive Officer</p> <p>October 2015 Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD.</p> <p>April 2016 Executive Officer, the Company</p> <p>June 2016 Director and Executive Officer</p> <p>July 2016 General Manager of Domestic Business Department (current position)</p> <p>June 2017 Representative Director, President and Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD.</p> <p>April 2021 Director and Senior Executive Officer, the Company</p> <p>April 2021 President and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD. (current position)</p> <p>June 2021 Representative Director and Senior Executive Officer, the Company (current position)</p>	(Note) 3	45

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (thousands of shares)
Representative Director and Managing Executive Officer	Yasunori Matsuda	March 9, 1959	March 1982 November 1997 June 2000 June 2007 October 2009 April 2012 June 2012 April 2019 April 2021 April 2023 April 2024	Joined the Company Assistant Manager of Accounting Department Seconded to NK PARTS INDUSTRIES, INC. General Manager of Accounting Department, the Company General Manager of Affiliated Companies Management Department Executive Officer Director and Executive Officer General Manager of Legal Affairs Department Director and Managing Executive Officer General Manager of Overseas Business Department (current position) General Manager of Legal Affairs Department (current position)	(Note) 3	64
Director and Executive Officer	Hidehiro Motohashi	January 14, 1965	March 1988 July 2010 June 2014 April 2015 April 2015 September 2015 October 2015 April 2020 June 2021 July 2021 December 2022	Joined the Company General Manager of Okayama Sales Office General Manager of Personnel Department and General Manager of Information Management Department Executive Officer General Manager of Labor Department and General Manager of Health Development Center Resigned as Executive Officer Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD. Executive Officer, the Company Director and Executive Officer (current position) General Manager of Group Administration Department (current position) General Manager of HR Supervisory Department (current position)	(Note) 3	28
Director	Aiko Koma	January 17, 1980	December 2007 January 2019 June 2021	Registered as a lawyer (Tokyo Bar Association) Joined RENAISS Law Office Partner, RENAISS Law Office (current position) Outside Director, the Company (current position)	(Note) 3	3
Director	Ryutaro Ozeki	August 8, 1959	April 1982 April 1996 May 1996 December 2000 December 2002 September 2003 February 2008 December 2009 May 2010 July 2019 June 2022	Joined Toyota Motor Sales Co., Ltd. (current Toyota Motor Corporation) Resigned from Toyota Motor Corporation Joined Ozeki Co., Ltd., Director and General Manager of Corporate Planning Office Representative Director, Senior Managing Director and General Manager of Sales Department Representative Director and President (current position) Corporate Auditor (part-time), View Planning Co., Ltd. Corporate Auditor (part-time), Yamato Metal Co., Ltd. Director (part-time) (current position) Director (part-time), View Planning Co., Ltd. Delegate, Tokyo Pharmaceutical Corporate Pension Fund Association (current position) Outside Director, the Company (current position)	(Note) 3	2

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (thousands of shares)
Director	Ichinari Koda	December 1, 1962	<p>April 1985 Joined The Yamaguchi Bank, Ltd.</p> <p>October 2006 Deputy General Manager of Corporate Planning Department (Hiroshima)</p> <p>April 2007 General Manager of Market Sales Department</p> <p>December 2010 General Manager of Hiroshima Branch</p> <p>April 2012 Director, Momiji Bank, Ltd.</p> <p>June 2014 Managing Director</p> <p>June 2016 Senior Managing Director</p> <p>June 2016 Director, Yamaguchi Financial Group, Inc.</p> <p>June 2018 President and Director, The Yamaguchi Bank, Ltd.</p> <p>June 2018 Managing Director, Yamaguchi Financial Group, Inc.</p> <p>June 2021 Director (part-time), Yamaguchi Cable Vision Co., Ltd. (current position)</p> <p>June 2022 Director and Chairman, The Yamaguchi Bank, Ltd. (current position)</p> <p>June 2023 Director (part-time), YM Asset Management Co., Ltd. (current position)</p> <p>June 2023 Director (part-time), All Nippon Asset Management Co., Ltd. (current position)</p> <p>June 2025 Outside Director, the Company (current position)</p>	(Note) 3	—
Director	Clark Graninger	January 27, 1968	<p>September 1991 Joined NIPPON SHAFT CO., LTD</p> <p>June 1997 Graduated from The University of Chicago Booth School of Business</p> <p>July 1997 Joined Lehman Brothers Japan Inc.</p> <p>June 2000 Joined Shinsei Bank, Limited (current SBI Shinsei Bank, Limited) Deputy General Manager and Chief of Credit Trading Team</p> <p>September 2003 Senior Managing Executive Officer and General Manager of Institutional Business Division</p> <p>February 2007 Representative Director and President, APLUS Co., Ltd.</p> <p>November 2009 Assistant to the President, Shinsei Bank, Limited</p> <p>February 2011 Banking Executive Officer and General Manager of Retail Banking Division, Aozora Bank, Ltd.</p> <p>August 2017 Managing Director and Head of Best Wealth Management, WealthPark Co., Ltd.</p> <p>June 2021 Managing Director, WealthPark Capital, Inc. (current position)</p> <p>June 2022 Co-Founder and Representative Director, COO/CFO, Reboot K.K. (current position)</p> <p>February 2023 Outside Director, FUJITEC CO., LTD. (current position)</p> <p>June 2025 Outside Director, the Company (current position)</p>	(Note) 3	—

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (thousands of shares)
Director (Audit & Supervisory Committee Member)	Tetsuya Okuda	September 2, 1961	<p>April 1984</p> <p>July 2002</p> <p>September 2003</p> <p>September 2004</p> <p>August 2005</p> <p>July 2006</p> <p>July 2008</p> <p>July 2009</p> <p>October 2009</p> <p>October 2011</p> <p>August 2013</p> <p>July 2014</p> <p>June 2016</p> <p>July 2017</p> <p>July 2019</p> <p>November 2019</p> <p>June 2022</p>	<p>Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>Head of Policy Planning Office, General Affairs Division, Maritime Bureau, the Ministry of Land, Infrastructure and Transport</p> <p>Private Secretary to the Minister of Land, Infrastructure and Transport</p> <p>Director for General Affairs Division, Minister's Secretariat</p> <p>Director, Transport Consumer Policy Division, Policy Bureau</p> <p>General Manager, London Office, Japan National Tourism Organization</p> <p>Director, Passenger Transport Division, Road Transport Bureau, the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Director, Airport Planning, Airport Department, Civil Aviation Bureau</p> <p>Director, Capital Area Airports Division, Airport Department, Civil Aviation Bureau</p> <p>Director for Personnel Division, Minister's Secretariat</p> <p>Director, Aviation Network Department, Civil Aviation Bureau</p> <p>Deputy Vice-Minister for Policy Coordination, Minister's Secretariat</p> <p>Director-General, Railway Bureau</p> <p>Director-General, Road Transport Bureau</p> <p>Retired</p> <p>President, Japan Transport and Tourism Research Institute (current position)</p> <p>Outside Director (Audit & Supervisory Committee Member), the Company (current position)</p>	(Note) 4	2
Director (Audit & Supervisory Committee Member)	Hideki Kawasaki	January 10, 1964	<p>March 1986</p> <p>April 1997</p> <p>August 2001</p> <p>April 2004</p> <p>April 2009</p> <p>October 2015</p> <p>March 2017</p> <p>March 2018</p> <p>April 2018</p> <p>April 2022</p> <p>June 2022</p> <p>June 2024</p>	<p>Joined the Company</p> <p>Manager of Sales Office of Kumamoto Center</p> <p>Seconded to NIPPON KONPO (THAILAND) CO., LTD.</p> <p>Manager of the Fourth Sales Department, the Company</p> <p>General Manager of Labor Department</p> <p>Deputy General Manager of Tokyo Business Department and General Manager of Tokyo Sales Office, NIPPON KONPO UNYU SOKO CO., LTD.</p> <p>General Manager of General Affairs Department and General Manager of Information Management Department</p> <p>General Manager of General Affairs Department and General Manager of Legal Affairs Department</p> <p>Executive Officer</p> <p>General Manager of Operational Audit Office</p> <p>Corporate Auditor</p> <p>Director (Audit & Supervisory Committee Member), the Company (current position)</p>	(Note) 4	23
Director (Audit & Supervisory Committee Member)	Kanako Takeda	November 14, 1976	<p>April 2010</p> <p>March 2016</p> <p>June 2024</p>	<p>Joined IAU accounting corporation Iwata Office</p> <p>Tax accountant (current position)</p> <p>Outside Director (Audit & Supervisory Committee Member), the Company (current position)</p>	(Note) 4	0
Total						505

(Notes) 1. Among the Directors, Aiko Koma, Ryutaro Ozeki, Ichinari Koda, Clark Graninger, Tetsuya Okuda, and Kanako Takeda are Outside Directors.

2. The structure of the Company's Audit & Supervisory Committee is as follows.

Tetsuya Okuda (Chair), Hideki Kawasaki (Member), and Kanako Takeda (Member)

3. The term of office for Directors (who are not Audit & Supervisory Committee Members) is from the end of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2025, to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026.
4. The term of office for Directors who are Audit & Supervisory Committee Members is from the end of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2024, to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026.
5. The Company has adopted the Executive Officer System to separate the business execution function from the management decision-making and oversight function, speed up decision-making and clarify responsibility for business execution, and increase management efficiency, and also to strengthen corporate governance.

The number of Executive Officers is 16, of which four concurrently serve as Directors.

Title	Name	Position
Chief Executive Officer	Masakatsu Kuroiwa	Chairman and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman and Director, A.N.I. LOGISTICS, LTD.; Chairman and Director, NIPPON KONPO (THAILAND) CO., LTD.; Chairman and Director, A.N.I. TRANSPORT, LTD.; and Chairman and Director, SIAM AUTO TECHNIC CO., LTD.
Senior Executive Officer	Seiji Ooka	President and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman, NIKKON LOGISTICS CHINA CO., LTD.; and Chairman, NIKKON CHONGQING LOGISTICS CO., LTD.
Managing Executive Officer	Yasunori Matsuda	General Manager of Legal Affairs Department; and General Manager of Overseas Business Department
	Kioi Yamada	General Manager of Sales Planning Office; Representative Director and President, GINZA Consulting Co., Ltd.; and Representative Director and President, NK International Co., Ltd.
Executive Officer	Hidehiro Motohashi	General Manager of Group Administration Department; and General Manager of HR Supervisory Department
	Takashi Abe	General Manager of Domestic Business Department; Vice President and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman and Representative Director, Auto Technic Japan Co., Ltd. President, NK Engineering Co., Ltd.; President and Representative Director, Nikkon Kyusyu Co., Ltd.; and President and Representative Director, CHUGOKU BUTSURYU SERVICE CO., LTD.
	Atsushi Kayamoto	General Manager of M&A Promotion Office
	Takashi Shibayama	President and Representative Director, ITO-EXPRESS CO., LTD
	Toshihisa Nishimura	President and Representative Director, NIPPON RIKUSO Co., Ltd.; and President and Representative Director, TECHNIC SERVICE Co., Ltd.
	Sakyo Horii	Chairman and Representative Director, MEIKON CO., LTD.; and Chairman and Representative Director, MATSUHISA SOUGOU CO., LTD.
	Sumito Hashimoto	President and Representative Director, NIPPON UNYU CO., LTD.; and President and Representative Director, NIKKON Ryomo CO., LTD.
	Satoshi Mizukami	President and Representative Director, Auto Technic Japan Co., Ltd.
	Yukitoshi Seki	President and Representative Director, CHUETSUTEC Co, Ltd; President and Representative Director, Sapporo Shinbun Yuso Co, Ltd; President and Representative Director, CHUETSU YUSOU Co, Ltd.; and President and Representative Director, TRANSPORT JAPAN CO., LTD.
	Daisuke Gunji	President, NIPPON KONPO INDIA PRIVATE LTD.
	Tatsuya Fujisaku	General Manager of Management Planning Department
	Kazuaki Tashiro	President, NK PARTS INDUSTRIES, INC.; President and Director, NK AMERICA, INC.; President and Director, NKA TRANSPORTATION, INC.; President and Director, NKA LOGISTICS, INC.; President and Director, NKA CUSTOMS SERVICE, INC.; President and Director, AUTO TECHNIC AMERICAS, INC.; President and Director, NK NORTH AMERICA, INC.; Chairman and Director, SUPREME AUTO TRANSPORT, LLC.; and Chairman and Director, President, NKP MEXICO, S.A. DE C.V.

2) Skill Matrix of Directors

Skills that the Board of Directors is expected to have for appropriately fulfilling its functions of decision-making and management supervision, in light of long-term direction of management and business strategy, and reasons for selection of those skills, as well as skills possessed by each Director are as follows. The description covers those who will be Directors if the Company's proposal "Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" is approved at the Annual General Meeting of Shareholders to be held on June 27, 2025.

Skill item	Reasons for selection of skills
Corporate Management	To respond to expectations of a wide variety of stakeholders as a listed company broadly operating logistics-related business in Japan and overseas, the corporate management skill is needed for the Board of Directors to conduct the business portfolio management that contributes to sustainable growth.
Legal Affairs	At the Company that has established its corporate governance structure in a systematic manner and been working on active management while complying with laws and regulations, the legal affairs skill is needed for the Board of Directors to determine relevant policies and supervise relevant matters.
Accounting	At the Company that has been implementing growth investments, including investments in new businesses and M&As, in a flexible and active manner with the aim of improving its corporate value and shareholder value in a long term, the financial accounting skill is needed for the Board of Directors to consider the appropriateness of capital policies and financial strategies.
Finance	This skill represents the ability to understand the financial statements of corporations and analyze their profitability, capital efficiency and financial soundness. It is needed to leverage the knowledge about financing and risk management and contribute to a sustainable improvement of the corporate value.
Investment	It is needed to have knowledge regarding investment decisions and capital allocation in line with the growth strategy, and have the skill of leading such knowledge to improvement of the corporate value in a medium- and long-term perspective, through evaluation of investment projects, risk analysis, operational support after integration, etc. related to M&As, investment in new businesses, capital investment, etc.
Safety	At the Company that recognizes the traffic safety and improvement of work environment as its most important issues as a logistics company, the skill is needed for the Board of Directors to assess and consider the "safety of workplace," "prevention of traffic accidents," and "providing high-quality services."
Internationality	The Company has positioned the expansion of overseas business as one of the growth drivers in its Medium-term Business Plan, and therefore the skill regarding internationality is needed for the Board of Directors to make important decisions on management issues.
Personnel Affairs, Human Resources Development	It is necessary that we construct policies regarding human resources development, securing their diversity, and enhancement of corporate environments of the Group from a medium- to long-term perspective and in a concrete manner, and therefore the skill is needed for the Board of Directors to make important decisions regarding personnel affairs and human resources development.
IT, DX	The Company aims for creating shared value with customers and society through its logistics service utilizing digital tools, as well as AI and IoT technologies, and therefore the skill regarding IT and digital is needed for the Board of Directors to determine relevant policies.
ESG	Regarding Environment, Social, and Governance, the skill is needed to balance the sustainability of corporations with their social responsibility especially from the perspective of response to changing climate, respect for human rights, promotion of diversity, information disclosure, enhancement of governance, etc.

No.	Name	Positions	Independent Outside	Insight, Expertise, Experience										Gender
				Corporate Management	Legal Affairs	Finance, Accounting			Safety	Internationality	Personnel Affairs, Human Resources Development	IT, DX	ESG	
						Accounting	Finance	Investment						
1	Masakatsu Kuroiwa	President, Director and Chief Executive Officer		●	●	●			●	●	●			Male
2	Seiji Ooka	Director and Senior Executive Officer		●	●				●	●	●	●	●	Male
3	Yasunori Matsuda	Director and Managing Executive Officer		●	●	●	●	●		●			●	Male
4	Hidehiro Motohashi	Director and Executive Officer		●					●		●	●		Male
5	Aiko Koma	Outside Director	●		●								●	Female
6	Ryutaro Ozeki	Outside Director	●	●	●									Male
7	Ichinari Koda	Outside Director	●			●	●	●						Male
8	Clark Graninger	Outside Director	●	●			●	●		●				Male
9	Tetsuya Okuda	Outside Director (Audit & Supervisory Committee Member)	●		●				●	●		●		Male
10	Hideki Kawasaki	Director (Full-time Audit & Supervisory Committee Member), Selection Audit & Supervisory Committee Member		●	●						●		●	Male
11	Kanako Takeda	Outside Director (Audit & Supervisory Committee Member)	●			●								Female

3) Outside Directors (and other Officers)

a. Number of Outside Directors and their human, capital or transactional relationship or any other interest relationship with the Company

As of the filing date (June 26, 2025), the Company has elected four Outside Directors.

Outside Director Aiko Koma is a lawyer. There existed no transactional relationship between the Company and her in the past, with her independence being ensured. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. She has been engaged in practical operations of corporate legal affairs for many years as a lawyer, and the Company has elected her as an Outside Director as it deems that she will provide good advice on strengthening corporate governance and diversity of the Company and supervise execution of duties by Directors from an independent standpoint by utilizing her expertise and a wide range of knowledge and experience, leading to greater transparency and stronger supervisory function of the Board of Directors. She holds 3,370 shares of the Company.

There exists no transactional relationship between Ozeki Co., Ltd., to which Outside Director Ryutaro Ozeki belongs, and the Company. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. The Company has elected him as an Outside Director as it deems that he will provide good advice and guidance on management of the Company based on his wealth of experience and broad insight as a corporate manager and supervise execution of duties by Directors from an independent standpoint, leading to greater transparency and stronger supervisory function of the Board of Directors. He holds 2,117 shares of the Company.

There exists no transactional relationship between the Japan Transport and Tourism Research Institute, to which Outside Director Tetsuya Okuda belongs, and the Company. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. The Company has elected him as an Outside Director as it deems that he has experience and insight acquired from his engagement in transport administration for many years, and that he will provide good advice primarily on logistics and audit and supervise execution of duties by Directors from an independent standpoint, leading to greater transparency and stronger supervisory function of the Board of Directors. He holds 2,117 shares of the Company.

Outside Director Kanako Takeda is a certified public tax accountant. There existed no transactional relationship between the Company and her in the past, with her independence being ensured. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. She has professional expertise and a wealth of experience as a certified public tax accountant and is acquainted with finance, accounting and tax matters. The Company has elected her as an Outside Director as it deems that she will lead to strengthening the corporate system of the Company including the audit system based on her experience. She holds 396 issued shares of the Company.

The Company proposes “Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” for the meeting agenda (proposal to be resolved) of the Annual General Meeting of Shareholders to be held on June 27, 2025, and if the proposal is approved, the number of Outside Directors elected by the Company will be six.

Outside Director Aiko Koma is a lawyer. There existed no transactional relationship between the Company and her in the past, with her independence being ensured. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. She has been engaged in practical operations of corporate legal affairs for many years as a lawyer, and the Company has elected her as an Outside Director as it deems that she will provide good advice on strengthening corporate governance and diversity of the Company and supervise execution of duties by Directors from an independent standpoint by utilizing her expertise and a wide range of knowledge and experience, leading to greater transparency and stronger supervisory function of the Board of Directors. She holds 3,370 shares of the Company.

There exists no transactional relationship between Ozeki Co., Ltd., to which Outside Director Ryutaro Ozeki belongs, and the Company. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. The Company has elected him as an Outside Director as it deems that he will provide good advice and guidance on management of the Company based on his wealth of experience and broad insight as a corporate manager and supervise execution of duties by Directors from an independent standpoint, leading to greater transparency and stronger supervisory function of the Board of Directors. He holds 2,117 shares of the Company.

There exists no transactional relationship between Outside Director Ichinari Koda and the Company, with his independence being ensured. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. He has held important managerial positions at financial institutions in Japan for many years, and is a specialist versed in financial fields. He has a wealth of experience regarding fund-raising strategies associated with M&As and growth investments, as well as deep insights into management of the optimal capital structure and cost of capital in

terms of improving the corporate value. The Company has elected him as an Outside Director as it deems that he will utilize his knowledge and supervise execution of duties by Directors, leading to greater transparency and stronger supervisory function of the Board of Directors, and furthermore, to appropriate management of cost of capital of the Company, as well as sustainable improvement of its corporate value. He does not hold shares of the Company.

There exists no transactional relationship between Outside Director Clark Graninger and the Company, with his independence being ensured. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. He has long business experience in the financial industry. He has management experience of having held important positions at financial institutions in Japan. In addition, he has currently been serving as an independent outside director of other listed company, fulfilling a leading role in engagement with investors, including foreign institutional investors, and other activities. The Company has elected him as an Outside Director as it deems that his wealth of experience in the financial industry in Japan and knowledge of the corporate finance will contribute to enhancement of the Company's corporate value through implementing and considering an improvement of capital efficiency. He does not hold shares of the Company.

There exists no transactional relationship between the Japan Transport and Tourism Research Institute, to which Outside Director Tetsuya Okuda belongs, and the Company. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. The Company has elected him as an Outside Director as it deems that he has experience and insight acquired from his engagement in transport administration for many years, and that he will provide good advice primarily on logistics and audit and supervise execution of duties by Directors from an independent standpoint, leading to greater transparency and stronger supervisory function of the Board of Directors. He holds 2,117 shares of the Company.

Outside Director Kanako Takeda is a certified public tax accountant. There existed no transactional relationship between the Company and her in the past, with her independence being ensured. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. She has professional expertise and a wealth of experience as a certified public tax accountant and is acquainted with finance, accounting and tax matters. The Company has elected her as an Outside Director as it deems that she will lead to strengthening the corporate system of the Company including the audit system based on her experience. She holds 396 shares of the Company.

There exists no human, capital or transactional relationship or any other interest relationship between Outside Directors and the Company except for the above.

b. Criteria or policy on independence for election of Outside Directors

The Company believes that it can further strengthen its management structure by giving officers who meet the independence criteria stipulated by the Tokyo Stock Exchange a full understanding of the Group's business and management environment and corporate philosophy and receiving from them impartial, fair and appropriate guidance and advice on the Company's management based on their honest character and broad insight and experience and it judges an officer who does not fall under any of the following as independent.

1. An executive of a major business partner (Note) of the Group or an executive of a company for which the Group is a major business partner
2. An executive of a lender of the Group whose loan amount to the Company exceeds 2% of the Company's consolidated total assets as of the end of the most recent fiscal year
3. A major shareholder of the Company who holds a stake in the Company of 10% or more or an executive of a major shareholder or investor (ranked in the top 10), either currently or at any point in the most recent three fiscal years
4. A consultant, accounting specialist or legal specialist who during the most recent three fiscal years received from the Company average annual compensation exceeding 10 million yen
5. Any person who has fallen under any of the categories 1. to 4. above in the last five years
6. A spouse or relative within two degrees of kinship of a Director, etc. of the Company or a consolidated subsidiary
7. A person whose total period of employment at the Company exceeds eight years

(Note) The term "major business partner" refers to a business partner of the Group whereby the annual transactions between such business partner and the Group during the most recent three fiscal years amount to more than 2% of the consolidated net sales of the Company or the consolidated net sales of the business partner.

c. Views on functions and roles of Outside Directors as well as election of Outside Directors who are Audit & Supervisory Committee Members

As of the filing date (June 26, 2025), the Company has elected two Outside Directors (who are not Audit & Supervisory Committee Members) in order to enhance the transparency and supervisory function of the Board of Directors. In addition, it has elected two Outside Directors who are Audit & Supervisory Committee Members, forming the three-member Audit & Supervisory Committee including the said two Outside Directors who are Audit & Supervisory

Committee Members. Thus, we have established a system that enables the committee to serve as a supervisory body independent from the Company.

The Company proposes “Election of Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” for the meeting agenda (proposal to be resolved) of the Annual General Meeting of Shareholders to be held on June 27, 2025, and if the proposal is approved, the number of elected Outside Directors (excluding Directors serving as Audit and Supervisory Committee Members) will be four. The number of Outside Directors to be elected, when two Outside Directors serving as Audit and Supervisory Committee Members are included, will be six, which exceeds the majority of 11 Directors to be elected, and it will further enhance the supervisory role independent of the Company.

4) Mutual collaboration between supervisions and audits by Outside Directors and internal audits, audits by the Audit & Supervisory Committee and accounting audits, as well as relationships with the Internal Control Division

Outside Directors who are Audit & Supervisory Committee Members endeavor to actively obtain information necessary for audits in order to further enhance the independence and neutrality of the structure of audits. The full-time Audit & Supervisory Committee Member conveys information obtained in important internal meetings and information from the Group Operational Audit Office as the internal audit division, including internal audit reports, as well as the status of audits by the accounting auditor and the status of internal controls in the meetings of Audit & Supervisory Committee, and shares it with all Audit & Supervisory Committee Members. In addition, they ask candid questions or state opinions to the Board of Directors.

Outside Directors (who are not Audit & Supervisory Committee Members) obtain information on audits by the Audit & Supervisory Committee, internal audits, accounting audits, and internal controls through the Board of Directors meetings, and strive to strengthen the supervisory function of the Board of Directors by exchanging views as necessary.

(3) Audits

1) Status of audits by the Audit & Supervisory Committee

The Company's Audit & Supervisory Committee consists of one full-time Audit & Supervisory Committee Member and two Outside Audit & Supervisory Committee Members. In audits by the Audit & Supervisory Committee, the committee performs its duties systematically and effectively, by designating the supervision and verification of the operation of the internal control system, such as compliance and risk management, as priority items, receiving reports from the internal control division, etc. on audit results on a regular and as-needed basis, requesting the internal control division to conduct investigations as necessary, and examining its findings, in accordance with audit policies and plans.

The career and other information of each Audit & Supervisory Committee Members as of the filing date (June 26, 2025) is as follows.

Title and position	Name	Career, etc.
Outside Audit & Supervisory Committee Member	Tetsuya Okuda	He has broad experience and insight acquired from his engagement in transport administration for many years.
Full-time Audit & Supervisory Committee Member	Hideki Kawasaki	He has been involved primarily in operations related to general affairs and audit and has served as General Manager of General Affairs Department, etc., having a wealth of operational experience at the Company and knowledge regarding management and audit.
Outside Audit & Supervisory Committee Member	Kanako Takeda	She has a wealth of experience and expertise as a tax accountant, and is well versed in finance, accounting and tax matters.

The Audit & Supervisory Committee convenes regularly once a month, with 14 meetings held for the fiscal year under review, including extraordinary meetings. Attendance of individual Audit & Supervisory Committee Members is detailed below.

Name	Number of meetings held	Number of meetings attended
Hideki Miyata	4	4
Hiroshi Sakairi	4	4
Tetsuya Okuda	14	14
Hideki Kawasaki	10	10
Kanako Takeda	10	10

(Notes) 1. Hideki Miyata and Hiroshi Sakairi attended four meetings during the fiscal year under review because they retired at the conclusion of the 83rd Annual General Meeting of Shareholders held on June 27, 2024.

2. Hideki Kawasaki and Kanako Takeda attended ten meetings during the fiscal year under review because they are Audit & Supervisory Committee Members newly elected at the 83rd Annual General Meeting of Shareholders held on June 27, 2024.

Specific subjects discussed by the Audit & Supervisory Committee are formulation of audit policies and plans, evaluation of the accounting auditor and assessment of the reasonableness of its reelection, decision on and approval for remuneration for audits by the accounting auditor, opinions on election of Directors (who are not Audit & Supervisory Committee Members), and decision on the content of audit reports by the Audit & Supervisory Committee.

Details of activities of the full-time Audit & Supervisory Committee Member are as follows:

- Attending important meetings, including the Board of Directors meetings, the Management Strategy Council, Executive Officer meetings, the Risk Management Committee, and the Compliance Promotion Committee
- Holding meetings with the Representative Director for the purpose of examining and exchanging views on recent events, issues to be addressed, management policies, and other matters. (once a month, approximately for an hour)
- Reviewing important final decision documents, including minutes of Board of Directors meetings, approval documents, and contracts.
- Attending regular meetings with the accounting auditor (approximately 10 times a year) for the purpose of reporting audit results and exchanging views.

- Attending quarterly hearings with headquarters divisions of the Company and core business subsidiaries to examine the status of businesses and assets.
- Attending business reporting meetings of other subsidiaries (twice a year) for the purpose of examining the status of businesses and assets, compliance status, lawsuits, and other matters.
- Attending liaison meetings with corporate auditors of subsidiaries (twice a year) for the purpose of examining the status of audit records and exchanging views.
- Holding information exchange meetings with the internal audit division for the purpose of examining the status of internal control assessments and responses.

The composition of the Audit & Supervisory Committee Members will remain unchanged even after the Annual General Meeting of Shareholders to be held on June 27, 2025, and the committee will continue to consist of three Audit & Supervisory Committee Members (of whom two are Outside Audit & Supervisory Committee Members).

2) Status of internal audits

Two employees of Group Operational Audit Office are in charge of conducting internal audits, and inspect and assess whether organizational operations and business across all divisions of the Company and its subsidiaries are being conducted appropriately and efficiently in accordance with laws and regulations, company policies, standards and procedures. Such inspections are onsite inspections, in principle; however, they also include remote inspections, and relevant departments are also asked for their opinions where necessary. Group Operational Audit Office also conducts follow-up activities to confirm whether improvements have been made to address any issues identified and endeavors to conduct proper internal audits.

Group Operational Audit Office and Audit & Supervisory Committee Members make efforts to ensure close collaboration by exchanging information regularly and holding regular meetings with the audit corporation being the accounting auditor to exchange information on the details and results of audits.

Group Operational Audit Office has been responsible for reporting the audit results as needed in multiple meeting bodies attended by Directors. In addition, in order to enhance the effectiveness of internal audits, it began reporting the results in Board of Directors meetings on a quarterly basis from the fiscal year starting from April 1, 2023.

3) Status of accounting audits

a. Name of the audit corporation

KPMG AZSA LLC

b. Continuous audit period

Since the fiscal year ended March 31, 1996

c. Names of Certified Public Accountants (CPAs) who audited the Company's accounts

Designated Limited Liability Partners, Engagement Partners: Yasushi Kaneko and Mako Tasaka

d. Assistants for accounting audits

Twelve CPAs, five persons who passed the CPA Examination, and 28 other workers.

e. Policies and reasons for selecting the audit corporation

In selecting the accounting auditor, the Company conducts a comprehensive evaluation on such factors as the implementation structure of audits, audit plans, and reasonableness of an estimated audit remuneration, the global network of the audit corporation, and past audit records.

The Audit & Supervisory Committee makes a comprehensive evaluation of the auditing quality, independence, execution of duties, and other factors. If the committee determines that it cannot verify the appropriateness and reliability of audits, the committee shall resolve the content of a proposal for the General Meeting of Shareholders to dismiss or not to reappoint the accounting auditor. In addition, the Audit & Supervisory Committee shall dismiss the accounting auditor conditional upon its unanimous approval, if it determines that the accounting auditor falls under the provisions specified in each item of Article 340, Paragraph 1, of the Companies Act. In such case, an Audit & Supervisory Committee Member designated by the committee shall report the said dismissal and the reasons thereof at the first General Meeting of Shareholders following the dismissal.

f. Evaluation of the audit corporation by the Audit & Supervisory Committee

The Audit & Supervisory Committee evaluated the audit corporation and verified that the said audit corporation had maintained its independent standpoint and conducted accounting audits properly.

The committee also made a resolution confirming the reelection of the accounting auditor and in doing so, conducted a comprehensive evaluation in accordance with the "Practical Guidelines for the Assessment of Accounting Auditors and the Formulation of Assessment Criteria", published by Japan Audit & Supervisory Board Members Association.

4) Details of audit remuneration

a. Details of remuneration for Certified Public Accountants

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Remuneration for audit certification (millions of yen)	Remuneration for non-audit certification (millions of yen)	Remuneration for audit certification (millions of yen)	Remuneration for non-audit certification (millions of yen)
Reporting company	62	—	153	23
Consolidated subsidiaries	21	—	22	—
Total	84	—	175	23

Remuneration for non-audit certification in the reporting company for the fiscal year ended March 31, 2025 was paid for the preparation of a comfort letter in relation to the issuance of bonds.

b. Details of remuneration (excluding a.) for the same network as the auditing Certified Public Accountants (KPMG)

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Remuneration for audit certification (millions of yen)	Remuneration for non-audit certification (millions of yen)	Remuneration for audit certification (millions of yen)	Remuneration for non-audit certification (millions of yen)
Reporting company	—	—	—	53
Consolidated subsidiaries	—	—	—	—
Total	—	—	—	53

Remuneration for non-audit certification in the reporting company for the fiscal year ended March 31, 2025 was paid for M&A due diligence services, etc.

c. Details of remuneration for other important audit certification

For the fiscal years ended March 31, 2024 and March 31, 2025, no significant amount of remuneration for audit certification services was paid by consolidated subsidiaries of the Company to Certified Public Accountants who belong to networks other than the one to which auditing CPAs of the Company belong.

d. Policies concerning audit remuneration

Audit remuneration to the auditing Certified Public Accountants auditing the Company is determined with prior approval by the Audit and Supervisory Committee, following the consultation between the Company and the accounting auditor based on audit plans we receive from the auditing Certified Public Accountants, maintenance and improvement of auditing quality, and efficient implementation of audits.

e. Reasons for the agreement by the Audit & Supervisory Committee on the remuneration for the accounting auditor

The Audit and Supervisory Committee agreed to the amount of remuneration for the accounting auditor after examining past audit hours by item of auditing by the accounting auditor and history of actual audit remuneration as well as audit plans and records in the past years, and analyzing and considering audit plans and the reasonableness of an estimated audit remuneration for the fiscal year under review.

(4) Remuneration for Directors (and other Officers)

1) Matters concerning the Policy for the Decision on the Amounts of Remuneration for Directors (and Other Officers) or the Calculation Method Thereof

The remuneration for Directors of the Company consists of fixed remuneration as well as bonuses for Directors and other officers and stock-based remuneration, which are performance-linked remunerations. However, the remuneration for Outside Directors and Directors who are Audit and Supervisory Committee Members consists of fixed remuneration only.

Fixed remuneration is composed of monthly remuneration, and details of payments and allocation of amount are clearly determined by full-time or part-time status. Monthly fixed remuneration is determined in consideration of the inflation rate, for Directors (excluding Outside Directors) upon passage of two years since the previous revision.

The indicator related to bonuses for Directors and other officers, which are performance-linked remuneration, is “Profit attributable to owners of parent,” which is an indicator of future investments and the source of shareholder returns, and a certain targeted percentage of the profit is paid after the conclusion of the General Meeting of Shareholders.

As non-monetary remunerations, the Company provides performance-linked stock-based remuneration using a board benefit trust. Under the scheme, shares, etc. are granted at the time of retirement from office, corresponding to points calculated based on the position, the achievement level of numerical targets for the “Profit attributable to owners of parent” for each fiscal year in our Medium-term Business Plan, which are determined by the Board of Directors. The scheme is intended to raise awareness to contribute to medium- to long-term improvement of performance and enhancement of corporate value.

The proportion of the remuneration by type for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) is determined by benchmarking the remuneration levels of peer companies in related industries and segments with similar business scale, and the higher the position is, the greater the proportion of performance-linked and stock-based remunerations is.

As of the filing date (June 26, 2025), at the 77th Annual General Meeting of Shareholders held on June 28, 2018, it was resolved that the remuneration for Directors (who are not Audit & Supervisory Committee Members) per year shall be no more than 300 million yen (with the portion of Outside Directors being no more than 24 million yen per year; including performance-linked remuneration and excluding the portion of employee’s salary for Directors who concurrently serve as employees). The Company proposes “Revision of Amounts of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” at the 84th Annual General Meeting of Shareholders to be held on June 27, 2025, and if the proposal is approved, the remuneration for Directors (who are not Audit & Supervisory Committee Members) per year shall be no more than 400 million yen (with the portion of Outside Directors being no more than 60 million yen per year; including performance-linked remuneration and excluding the portion of employee’s salary for Directors who concurrently serve as employees).

In addition, at the 80th Annual General Meeting of Shareholders held on June 29, 2021, it was resolved that, in addition to the remuneration above, a performance-linked stock-based remuneration plan using a benefit board trust shall be introduced for Directors (excluding Outside Directors, and Directors who are Audit and Supervisory Committee Members), with the respective upper limits of no more than 27,000 points (two shares per point) and no more than 40 million yen per fiscal year. Details of the scheme are as follows.

[Type of Assets to be Delivered]

Those eligible for the scheme shall receive the Company’s shares or cash in lieu of shares.

[Number of the Company’s Shares to be delivered]

The number of the Company’s shares to be delivered to each recipient with beneficiary rights of the trust is the one calculated as two shares of the Company per one point for points awarded to the said recipient.

However, cash in lieu of the Company’s shares may be delivered as described below.

- For shares corresponding to the figure calculated by deducting the number of the Company’s shares to be delivered to those eligible for the scheme multiplied by 0.7 (the number of shares is rounded up to the nearest trading unit), cash equivalent to the fair value of that calculated number of shares of the Company shall be delivered instead of the Company’s shares, for the purpose of the Company withholding funds for the payment of withholding income tax and other taxes.
- In cases that it is difficult for those eligible for the scheme to open a share transfer account in a securities firm designated by the Company or to transfer shares to an account opened for the transfer thereof on reasonable grounds, cash equivalent to the fair value of 100 percent of the number of shares of the Company to be delivered shall be delivered, instead of the Company’s shares.

- In cases that bereaved family members of those eligible for the scheme inherit beneficiary rights of the trust on their death, the said bereaved family members shall be delivered the Company's shares of the number calculated as two shares per one point for the points awarded to the said eligible individuals. However, for shares corresponding to the figure calculated by deducting the number of the said Company's shares multiplied by 0.7 (the number of shares is rounded up to the nearest trading unit), cash equivalent to the fair value of that calculated number of shares of the Company shall be delivered, instead of the Company's shares.

[Formula to calculate points to be awarded as the remuneration for the evaluation period (Note 1)]

Awarded Points = Fixed awarded points + Performance-linked awarded points

(Note 1) The evaluation period is a period of each fiscal year (starting on April 1 and ending on March 31 of the following year. However, the initial evaluation period is a period between April 1, 2021, to March 31, 2022).

(1) Fixed awarded points

Fixed awarded points (rounded up to the nearest integer) = total of monthly calculation basic points I (Note 2) in each calendar month during the evaluation period (Note 3)

(Note 3) However, for the initial evaluation period, April, May, and June 2021 are excluded.

(Note 2) Monthly calculation basic points I = basic amount by position I (Note 4) / 12 / the average acquisition price of the Company's shares at the time of awarding the points.

(Note 4) Basic amount by position I depends on the position held in each calendar month as described in the table below. If an individual is in office for even a day of a calendar month, his or her basic amount by position I for the said calendar month is based on the table below. However, the amount for the month when he or she assumed office is zero yen, while the amount for the month when his or her position changed is based on that for the previous position.

Position	Basic amount by position I (yen)
President, Representative Director and Chief Executive Officer	12,000,000
Representative Director and Deputy Chief Executive Officer	6,300,000
Representative Director and Senior Executive Officer	5,600,000
Representative Director and Executive Officer	4,680,000
Representative Director	4,420,000
Director and Senior Executive Officer	5,000,000
Director and Managing Executive Officer	4,000,000
Director and Executive Officer	2,700,000
Director	2,400,000

(2) Performance-linked awarded points

Performance-linked awarded points (rounded up to the nearest integer) = total of monthly calculation basic points II (Note 5) in each calendar month during the evaluation period (Note 3) x performance-linked coefficient (Note 6)

(Note 5) Monthly calculation basic points II = basic amount by position II (Note 7) / 12 / the average acquisition price of the Company's shares at the time of awarding the points

(Note 6) Performance-linked coefficient shall be one if the "Profit attributable to owners of parent" ("Profit attributable to owners of parent" as described in the Company's annual securities report. The same applies hereafter.) for a fiscal year corresponding to the evaluation period reaches numerical targets of the Company (numerical targets for the "Profit attributable to owners of parent" for each fiscal year in our Medium-term Business Plan, which are determined by the Board of Directors), while it shall be zero if the "Profit attributable to owners of parent" fails to reach the said targets. The targets for the "Profit attributable to owners of parent" of the Medium-term Business Plan that newly started from the fiscal year ended March 31, 2024 are as follows: 16.0 billion yen for the first year, the fiscal year ended March 31, 2024; 17.0 billion yen

for the second year, the fiscal year ended March 31, 2025; and 20.0 billion yen for the final year, the fiscal year ending March 31, 2026.

(Note 7) Basic amount by position II depends on the position held in each calendar month as described in the table below. If an individual is in office for even a day of a calendar month, his or her basic amount by position II for the said calendar month is based on the table below. However, the amount for the month when he or she assumed office is zero yen, while the amount for the month when his or her position changed is based on that for the previous position.

Position	Basic amount by position II (yen)
President, Representative Director and Chief Executive Officer	1,200,000
Representative Director and Deputy Chief Executive Officer	630,000
Representative Director and Senior Executive Officer	560,000
Representative Director and Executive Officer	468,000
Representative Director	442,000
Director and Senior Executive Officer	500,000
Director and Managing Executive Officer	400,000
Director and Executive Officer	270,000
Director	240,000

The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. The number of shares in the description above is adjusted, with the said share split taken into account.

At the 77th Annual General Meeting of Shareholders held on June 28, 2018, it was resolved that the remuneration for Directors who are Audit & Supervisory Committee Members per year shall be no more than 72 million yen, and the remuneration for each Director who is an Audit & Supervisory Committee Member is determined based on the consultation among Audit & Supervisory Committee Members.

The Company resolved to establish a Remuneration Committee as a voluntary advisory body to the Board of Directors at a Board of Directors meeting held on January 10, 2020. The Remuneration Committee is chaired by an Independent Outside Director and consists of three or more members, the majority of which are Independent Outside Directors. Starting in the fiscal year beginning April 1, 2020, the individual remuneration for Directors of the Company is determined by a resolution of the Board of Directors, following the consultation in the voluntary Remuneration Committee based on the request for advice from the Board of Directors.

2) Total amount of remunerations by category of Directors and other officers, total amount of remunerations by type, and the number of paid directors and other Officers

Category of Directors and other officers	Total amount of remunerations (millions of yen)	Total amount of remunerations by type (millions of yen)			Number of eligible Directors and other officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration, etc. included therein	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	180	97	82	27	5
Audit & Supervisory Committee Members (excluding Outside Directors)	13	13	—	—	2
Outside Directors and other officers	19	19	—	—	5

(Note) The Company resolved to abolish a share option scheme at a Board of Directors meeting held on April 5, 2019.

3) Total amount of consolidated remuneration, etc. for each officer

The description is omitted because no officer receives the total amount of consolidated remuneration of 100 million yen or more.

(5) Shareholdings

1) Criteria for and approach to classification of shares for investment

The Company classifies shares for investment into two categories: shares for investment and cross-shareholdings. Shares for investment are those that are held for pure investment purposes to make profits from changes in the value of shares or dividends received. Cross-shareholdings refer to shares that are recognized as contributing to our continuous growth and enhancement of our corporate values in the mid-to-long term while serving the purposes of building smooth long-term relationships with our business partners or of maintaining or reinforcing collaborative business relationships with our partners.

The Company has the following policy on the exercise of voting rights of stocks for investment. The content of each proposal shall be considered based on the management policies and business plans, etc., of the investee, and deliberation shall be conducted on a case-by-case basis while comprehensively considering from the following perspectives: whether or not the proposal contributes to enhance corporate value of the investee or mutual benefit of the shareholders; the impact that the proposal may have on corporate value of the Company in terms of creation of business opportunities between the investee and the Company, and building, maintaining and strengthening of business and collaborative relationship with the investee; and the status of the investee in terms of commitment to social justice and compliance.

2) Shares for investment held for non-pure investment purposes

The Company is a company whose principal business is to conduct business management of its subsidiaries (a holding company).

Of the Company and its consolidated subsidiaries, the Company is the company with the largest balance sheet amount of shares for investment held for non-pure investment purposes (amount recorded for shares for investment) (the largest holding company), which is detailed as follows:

a. Policy for shareholdings and the method for verifying the rationality of shareholdings, as well as the verification by the Board of Directors, etc. regarding the adequacy of individual securities held

The Company finds long-term partners indispensable to stably maintaining logistics business. For cross-shareholdings, we make it a rule to focus on the shares of partner companies that lead to our enhanced corporate values through heightened mutual corporate alliance by maintaining/reinforcing trading relationships or forming a business partnership.

The Board of Directors reviews cross-shareholdings in terms of profit and loss or risk associated with shares held, and cost of capital every year to curtail shares that no longer meet the purposes of cross-shareholdings as mentioned above as appropriate and properly.

The reasons for holding shares of Honda Motor Co., Ltd. included in the issues listed as specified investment shares are as follows.

Honda Motor Co., Ltd. is a Japanese leading global manufacturer of motorcycles and automobiles. The Company has been a supplier of services such as transportation, storage and processing to Honda Motor Co., Ltd. for 70 years since the establishment of the Company to contribute to construction of efficient supply chains in line with its production plans. Thus, Honda Motor Co., Ltd. is a vitally important business partner that forms our backbone, including the testing business and international businesses, and has continued to contribute to our growth and corporate value enhancement.

b. The number of issues and the book value on the balance sheet

	The number of issues (issues)	Total book value on the balance sheet (millions of yen)
Unlisted shares	1	23
Shares other than the unlisted shares	11	21,408

(Issues whose number of shares increased in the fiscal year under review)

	The number of issues (issues)	Total acquisition costs related to the increase in the number of shares (millions of yen)	Reason for the increase in the number of shares
Unlisted shares	—	—	—
Shares other than the unlisted shares	1	9	Shares acquired through the business partners' shareholding association

(Issues whose number of shares decreased in the fiscal year under review)

	The number of issues (issues)	Total sale value related to the decrease in the number of shares (millions of yen)
Unlisted shares	—	—
Shares other than the unlisted shares	3	268

c. Information on the number of shares by issue of specified investment shares and deemed shareholdings, with their book value on the balance sheet

Specified investment shares

Issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of shareholding, outline of the business alliance, quantitative effect of shareholding and reason for increase in the number of shares	Whether the issuer holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Total book value on the balance sheet (millions of yen)	Total book value on the balance sheet (millions of yen)		
Honda Motor Co., Ltd.	10,520,952	10,514,782	Refer to 2) above with regard to the purpose of shareholding.	Yes
	14,124	19,883	We participate in the business partner's shareholding association of the company concerned. The increase in the number of shares is due to the acquisition of shares through the association.	
Seino Holdings Co., Ltd.	921,000	921,000	The Company engages itself in business partnership with the company concerned, including the establishment of a joint venture, and we own the shares of the company concerned to strengthen our collaboration with it.	Yes
	2,123	1,947		
Aica Kogyo Company, Limited	412,000	412,000	The company concerned is one of the major business partners in relation to housing, and in consideration of the business relationship, we own the shares of the company concerned to maintain and reinforce favorable business relations.	Yes
	1,358	1,532		
Hirata Corporation	272,400	272,400	The company concerned is a manufacturer of industrial devices related to automobiles and semiconductors, and we own the shares of the company as a business partner consistent with our policy of business expansion.	Yes
	1,248	2,138		
Mitsubishi UFJ Financial Group, Inc.	507,617	507,617	The company concerned is a partner in the field of various financial services, and we own the shares of the company concerned to maintain and reinforce favorable business relations.	No (Note) 2
	1,020	790		
NITTO KOGYO CORPORATION	150,400	150,400	The company concerned manufactures and sells electric machines and appliances, and we own the shares of the company concerned as a business partner consistent with our policy of business expansion.	Yes
	468	622		
MITSUBA Corporation	461,000	461,000	The company concerned is a supplier of automobile parts closely related to our businesses and is a strategically important partner from whom we received the transfer of its logistics subsidiary. As such, we own the shares of the company concerned.	Yes
	378	752		

Issue	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Purpose of shareholding, outline of the business alliance, quantitative effect of shareholding and reason for increase in the number of shares	Whether the issuer holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Total book value on the balance sheet (millions of yen)	Total book value on the balance sheet (millions of yen)		
ISEKI & CO., LTD.	341,700	341,700	The company concerned is one of the important business partners that are agricultural machinery manufacturers, and we provide it with a logistic function close to its production base. As such, we own the shares of the company concerned to maintain and reinforce favorable business relations.	Yes
	370	352		
Eidai Co., Ltd.	704,000	704,000	The company concerned is one of the major business partners in relation to housing, and in consideration of the business relationship, we own the shares of the company concerned to maintain and reinforce favorable business relations.	Yes
	147	206		
OSAKI ELECTRIC CO., LTD.	118,000	118,000	The company concerned is a leading manufacturer in the field of smart meters, and we own the shares of the company concerned as a business partner consistent with our policy of business expansion.	Yes
	94	80		
Mizuho Financial Group, Inc.	18,130	18,130	The company concerned is a partner in the field of various financial services, and we own the shares of the company concerned to maintain and reinforce favorable business relations.	No (Note) 3
	73	55		
SENKON LOGISTICS CO., LTD.	—	275,700	The Company held the shares of the company concerned to expand our business in the Tohoku region, but sold the shares during the fiscal year ended March 31, 2025.	Yes
	—	238		
Sompo Holdings, Inc.	—	2,000	The Company held the shares of the company concerned to maintain and reinforce its relationship with the company concerned in insurance business, but sold the shares during the fiscal year ended March 31, 2025.	No
	—	19		
Sumitomo Rubber Industries, Ltd.	—	4,200	The Company deals with the company concerned mainly in logistics business. We owned the shares of the company concerned to maintain and reinforce business transactions with it, but sold the shares during the fiscal year ended March 31, 2025.	No
	—	7		

- (Notes) 1. The Company describes the method for verifying the rationality of shareholdings as it finds it difficult to state quantitative effects of specified investment shares. The Company verifies the significance of holding individual shares at the Board of Directors meetings, and has confirmed that shares currently held all conform to our holding policy.
2. The Company's shares are held by Mitsubishi UFJ Financial Group, Inc.'s subsidiaries, including MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

3. The Company's shares are held by Mizuho Financial Group, Inc.'s subsidiary, Mizuho Securities Co., Ltd.

Deemed holding shares

There are no applicable matters to be reported.

3) Shares for investment held for pure investment purposes

There are no applicable matters to be reported.

V. Financial Information

1. Methods for preparing the consolidated financial statements and financial statements

(1) The Company prepares its consolidated financial statements based on the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Order No. 28 of October 30, 1976).

(2) The Company prepares its financial statements based on the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements” (Ministry of Finance Order No. 59 of November 27, 1963; hereinafter the “Financial Statements Regulations”).

Being a special company submitting financial statements, the Company prepares its financial statements in accordance with the provisions of Article 127 of the Financial Statements Regulations.

2. Audit certification

According to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, KPMG AZSA LLC audited the Company’s consolidated financial statements for the consolidated fiscal year (from April 1, 2024 to March 31, 2025) and financial statements for the fiscal year (from April 1, 2024 to March 31, 2025).

3. Special efforts to ensure the adequacy of consolidated financial statements, etc.

The Company makes a special effort to ensure the adequacy of consolidated financial statements, etc. More specifically, it participates in the Financial Accounting Standards Foundation to properly understand accounting standards and construct a system enabling us to accurately respond to changes in accounting standards.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	43,847	36,784
Notes and accounts receivable - trade	*1, *5 32,610	*1 37,079
Electronically recorded monetary claims - operating	*5 5,946	6,302
Merchandise and finished goods	—	153
Raw materials and supplies	614	778
Other	*6 4,991	*6 5,944
Allowance for doubtful accounts	(29)	(27)
Total current assets	87,981	87,015
Non-current assets		
Property, plant and equipment		
Buildings and structures	*6 241,579	*6 264,704
Accumulated depreciation	(126,469)	(138,573)
Buildings and structures, net	115,109	126,131
Machinery, equipment and vehicles	*6 59,648	*6 71,847
Accumulated depreciation	(50,934)	(58,222)
Machinery, equipment and vehicles, net	8,713	13,625
Tools, furniture and fixtures	11,167	12,806
Accumulated depreciation	(9,320)	(10,509)
Tools, furniture and fixtures, net	1,847	2,297
Land	*6 120,058	*6 121,851
Leased assets	346	773
Accumulated depreciation	(234)	(472)
Leased assets, net	111	300
Construction in progress	8,222	7,956
Total property, plant and equipment	254,064	272,162
Intangible assets		
Customer-related intangible assets	—	13,495
Goodwill	2	12,167
Other	2,496	3,900
Total intangible assets	2,498	29,563
Investments and other assets		
Investment securities	*2 32,990	*2 28,031
Long-term loans receivable	241	30
Deferred tax assets	3,669	4,273
Retirement benefit asset	502	655
Other	*3, *6 6,529	*3, *6 7,065
Allowance for doubtful accounts	(31)	(38)
Total investments and other assets	43,901	40,017
Total non-current assets	300,464	341,744
Total assets	388,446	428,759

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,615	11,223
Electronically recorded obligations - operating	*5 7,333	4,296
Short-term borrowings	*6 2,025	*6 20,466
Current portion of bonds payable	10,000	10,000
Lease liabilities	37	112
Income taxes payable	4,002	4,779
Provision for bonuses	4,557	4,984
Provision for bonuses for directors (and other officers)	218	249
Notes payable - facilities	*5 324	51
Electronically recorded obligations - non-operating	4,405	4,542
Other	15,845	15,934
Total current liabilities	59,366	76,641
Non-current liabilities		
Bonds payable	40,000	40,000
Convertible-bond-type bonds with share acquisition rights	—	22,105
Long-term borrowings	*6 27,034	*6 25,743
Lease liabilities	84	214
Deferred tax liabilities	8,571	6,813
Retirement benefit liability	4,940	5,196
Provision for retirement benefits for directors (and other officers)	466	556
Other provisions	20	14
Other	1,517	1,794
Total non-current liabilities	82,634	102,439
Total liabilities	142,001	179,080
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,499
Retained earnings	198,226	207,939
Treasury shares	(552)	(10,473)
Total shareholders' equity	221,322	221,280
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,477	12,332
Foreign currency translation adjustment	6,289	7,039
Remeasurements of defined benefit plans	849	975
Total accumulated other comprehensive income	24,616	20,346
Share acquisition rights	161	152
Non-controlling interests	344	7,898
Total net assets	246,445	249,679
Total liabilities and net assets	388,446	428,759

2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Transportation income	100,398	117,963
Warehouse income	38,863	40,881
Packaging income	53,809	57,364
Other revenue	29,252	31,680
Total net sales	*1 222,324	*1 247,890
Cost of sales		
Transportation cost	89,820	103,588
Warehouse cost	28,545	30,022
Packaging cost	47,316	49,911
Other costs	23,867	25,563
Total cost of sales	189,549	209,086
Gross profit	32,774	38,803
Selling, general and administrative expenses		
Personnel expenses	6,765	7,576
Provision for bonuses	429	451
Provision for bonuses for directors (and other officers)	218	223
Retirement benefit expenses	112	88
Provision for retirement benefits for directors (and other officers)	73	80
Depreciation	618	1,438
Taxes and dues	1,321	1,397
Travel and transportation expenses	331	387
Provision of allowance for doubtful accounts	2	(0)
Other	2,500	4,849
Total selling, general and administrative expenses	11,539	15,648
Operating profit	21,235	23,155
Non-operating income		
Interest income	183	192
Dividend income	884	1,202
Rental income	75	79
Share of profit of entities accounted for using equity method	573	572
Foreign exchange gains	237	—
Subsidy income	221	297
Compensation income	413	21
Miscellaneous income	408	493
Total non-operating income	2,998	2,859
Non-operating expenses		
Interest expenses	253	447
Foreign exchange losses	—	1,253
Miscellaneous expenses	104	344
Total non-operating expenses	358	2,045
Ordinary profit	23,875	23,969

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	*2 76	*2 158
Gain on sale of investment securities	—	30
Compensation for expropriation	115	—
Total extraordinary income	192	188
Extraordinary losses		
Loss on sale of non-current assets	*3 11	*3 17
Loss on retirement of non-current assets	*4 202	*4 1
Loss on disaster	13	—
Settlement payments	97	—
Loss on revision of retirement benefit plan	107	—
Total extraordinary losses	432	18
Profit before income taxes	23,634	24,140
Income taxes - current	7,437	7,977
Income taxes - deferred	(439)	(647)
Total income taxes	6,998	7,329
Profit	16,636	16,810
Profit attributable to non-controlling interests	27	260
Profit attributable to owners of parent	16,608	16,550

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	16,636	16,810
Other comprehensive income		
Valuation difference on available-for-sale securities	7,054	(5,145)
Foreign currency translation adjustment	2,713	789
Remeasurements of defined benefit plans, net of tax	816	126
Share of other comprehensive income of entities accounted for using equity method	95	151
Total other comprehensive income	* 10,679	* (4,078)
Comprehensive income	27,315	12,732
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,277	12,280
Comprehensive income attributable to non-controlling interests	38	451

3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,316	12,332	194,873	(3,596)	214,926
Changes during period					
Dividends of surplus			(6,471)		(6,471)
Profit attributable to owners of parent			16,608		16,608
Purchase of treasury shares				(4,072)	(4,072)
Disposal of treasury shares		9		392	401
Cancellation of treasury shares		(9)	(6,784)	6,794	—
Change in shares of parent owned by entities accounted for using equity method				(69)	(69)
Net changes in items other than shareholders' equity					—
Total changes during period		—	3,352	3,044	6,396
Balance at end of period	11,316	12,332	198,226	(552)	221,322

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	10,423	3,490	32	13,947	210	314	229,399
Changes during period							
Dividends of surplus							(6,471)
Profit attributable to owners of parent							16,608
Purchase of treasury shares							(4,072)
Disposal of treasury shares							401
Cancellation of treasury shares							—
Change in shares of parent owned by entities accounted for using equity method							(69)
Net changes in items other than shareholders' equity	7,054	2,798	816	10,669	(49)	30	10,649
Total changes during period	7,054	2,798	816	10,669	(49)	30	17,046
Balance at end of period	17,477	6,289	849	24,616	161	344	246,445

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,316	12,332	198,226	(552)	221,322
Changes during period					
Dividends of surplus			(6,835)		(6,835)
Profit attributable to owners of parent			16,550		16,550
Purchase of treasury shares				(10,001)	(10,001)
Disposal of treasury shares		166	(1)	10	174
Change in shares of parent owned by entities accounted for using equity method				69	69
Net changes in items other than shareholders' equity					
Total changes during period		166	9,712	(9,921)	(42)
Balance at end of period	11,316	12,499	207,939	(10,473)	221,280

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	17,477	6,289	849	24,616	161	344	246,445
Changes during period							
Dividends of surplus							(6,835)
Profit attributable to owners of parent							16,550
Purchase of treasury shares							(10,001)
Disposal of treasury shares							174
Change in shares of parent owned by entities accounted for using equity method							69
Net changes in items other than shareholders' equity	(5,145)	750	126	(4,269)	(8)	7,553	3,276
Total changes during period	(5,145)	750	126	(4,269)	(8)	7,553	3,234
Balance at end of period	12,332	7,039	975	20,346	152	7,898	249,679

4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	23,634	24,140
Depreciation	12,483	14,926
Increase (decrease) in provision for bonuses	613	178
Increase (decrease) in provision for bonuses for directors (and other officers)	5	5
Increase (decrease) in allowance for doubtful accounts	16	0
Increase (decrease) in retirement benefits asset and liability	232	(316)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	12	(10)
Interest and dividend income	(1,067)	(1,395)
Interest expenses	253	447
Share of loss (profit) of entities accounted for using equity method	(573)	(572)
Loss (gain) on sale of non-current assets	(64)	(141)
Loss on retirement of non-current assets	0	1
Loss (gain) on sale of investment securities	—	(30)
Decrease (increase) in trade receivables	(966)	(790)
Decrease (increase) in other assets	413	318
Increase (decrease) in trade payables	25	(3,424)
Increase (decrease) in other liabilities	2,541	(774)
Other, net	86	850
Subtotal	37,646	33,410
Interest and dividends received	1,603	1,846
Interest paid	(249)	(410)
Income taxes paid	(7,893)	(7,204)
Net cash provided by (used in) operating activities	31,107	27,642
Cash flows from investing activities		
Payments into time deposits	(2,319)	(1,120)
Proceeds from withdrawal of time deposits	2,095	1,290
Proceeds from sale and redemption of securities	294	—
Purchase of property, plant and equipment	(23,517)	(26,688)
Proceeds from sale of property, plant and equipment	121	261
Purchase of intangible assets	(459)	(832)
Purchase of investment securities	(32)	(1,008)
Proceeds from sale of investment securities	—	914
Loan advances	(33)	(22)
Proceeds from collection of loans receivable	197	208
Purchase of shares of subsidiaries and associates	(430)	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(26,729)
Other, net	(256)	(250)
Net cash provided by (used in) investing activities	(24,340)	(53,978)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	—	47,800
Repayments of short-term borrowings	—	(30,000)
Proceeds from long-term borrowings	20,000	—
Repayments of long-term borrowings	(14,151)	(2,538)
Purchase of treasury shares	(4,001)	(10,001)
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	—	(10,000)
Proceeds from issuance of bonds with share acquisition rights	—	22,110
Proceeds from sale of treasury shares	280	0
Dividends paid	(6,471)	(6,835)
Dividends paid to non-controlling interests	(7)	(1,180)
Other, net	(57)	(278)
Net cash provided by (used in) financing activities	(4,408)	19,076
Effect of exchange rate change on cash and cash equivalents	978	399
Net increase (decrease) in cash and cash equivalents	3,336	(6,859)
Cash and cash equivalents at beginning of period	39,460	42,796
Cash and cash equivalents at end of period	*1 42,796	*1 35,937

[Notes]

(Significant accounting policies for preparation of consolidated financial statements)

1. Disclosure of scope of consolidation

(1) The Company has 59 consolidated subsidiaries, of which key companies are as follows:

NIPPON KONPO UNYU SOKO CO., LTD.

NIPPON RIKUSO Co., Ltd.

MEIKON CO., LTD.

NIPPON UNYU CO., LTD.

Auto Technic Japan Co., Ltd.

CHUETSUTEC Co., Ltd.

ITO-EXPRESS CO., LTD.

NK PARTS INDUSTRIES, INC.

With the establishment of NK NORTH AMERICA, INC. and the acquisition of 75% equity interests in SUPREME AUTO TRANSPORT, LLC. and SUPREME EQUIPMENT COMPANY, LLC., these three companies became consolidated subsidiaries.

With the acquisition of 71.19% of shares of CHUOH PACK INDUSTRY CO., LTD., the company and its three subsidiaries became consolidated subsidiaries.

(2) The Company has 20 non-consolidated subsidiaries, including Safetech Co., Ltd.

The non-consolidated subsidiaries have been excluded from the scope of consolidation as each of them is small in scale in terms of their total assets, net sales, profit (loss) (amount commensurate with our stake) and retained earnings (amount commensurate with our stake) individually, and they have no material impact on our consolidated financial statements in total as well.

2. Disclosure about application of equity method

The Company applies the equity method to investments in its 11 non-consolidated subsidiaries, and its affiliated companies, FUTIAN NIKKON LOGISTICS (GUANGZHOU) CO., LTD. and Nippon Transportation Co., Ltd. With the acquisition of 71.19% shares of CHUOH PACK INDUSTRY CO., LTD., MC PACK (MALAYSIA) SDN. BHD. became a company accounted using equity method.

The Company has not applied the equity method to its non-consolidated subsidiaries NKV LOGISTICS LTD., KOLAR LOGISTICS AGENT PRIVATE LTD., TAPUKARA LOGISTICS AGENT PRIVATE LTD., NIPPON KONPO VIETNAM REAL ESTATE CO., LTD., PT. NK INDO LOGISTIK, PT. NKI GUDANG KEMAS, NIPPON KONPO (MALAYSIA) SDN. BHD, NKM LOGISTICS SDN. BHD., Tsukiji-Real Estate Co., Ltd., Ota International Cargo Terminal Co., Ltd., and its affiliated companies S&N Logistics, Co., Ltd., GUANGZHOU DONGFENG NIKKON LOGISTICS. CO., LTD., as each of them is small in scale in terms of their profit (loss) (amount commensurate with our stake) and retained earnings (amount commensurate with our stake) individually, and they have no material impact on our consolidated financial statements in total as well.

3. Matters related to consolidated subsidiaries' fiscal years

Of our consolidated subsidiaries, the following companies close the book on December 31: NIKKON LOGISTICS CHINA CO., LTD., NIKKON CHONGQING LOGISTICS CO., LTD., NKP MEXICO, S.A. de C.V. and NK LOGISTICA MEXICO, S.A. de C.V. For these companies, the Company uses their financial statements based on provisional settlements of accounts as of the consolidated closing date when preparing its consolidated financial statements. In addition, NK NORTH AMERICA, INC. SUPREME AUTO TRANSPORT LLC. and SUPREME EQUIPMENT COMPANY, LLC. close the book on December 31. For these companies, the Company uses their financial statements as of the same date when preparing its consolidated financial statements. However, necessary adjustments are made on consolidation for material transactions that occurred between the end of the fiscal year of these subsidiaries and the consolidated closing date. Closing dates of the other consolidated subsidiaries are same as the last day of the consolidated fiscal year.

4. Disclosure of accounting policies

(1) Evaluation standards and methods for significant assets

1) Securities

a. Held-to-maturity bonds...the amortized cost method (straight-line method)

b. Available-for-sale securities

Securities other than equities without market price...the fair value method based on quoted market prices as of the end of the fiscal year (valuation differences are directly booked into net assets and costs of securities sold are determined by the moving average method).

- Equities without market price..... the moving average cost method
- 2) Derivatives
Fair value method
- 3) Money held in trust for investment purposes
Fair value method
- 4) Inventories
Raw materials ... mainly the cost method based on the first-in first-out method (balance sheet values reflect write-downs for decreased profitability)
Supplies mainly the cost method based on the last purchase cost method (balance sheet values reflect write-downs for decreased profitability)
- (2) Depreciation methods for significant depreciable assets
- 1) Property, plant, and equipment (excluding leased assets)
The Company mainly uses the declining balance method.
However, the Company and its domestic consolidated subsidiaries use the straight-line method for buildings (excluding facilities attached to buildings) acquired on April 1, 1998 or later and facilities attached to buildings and structures acquired on April 1, 2016 or later. They use the straight-line method to depreciate immaterial depreciable assets whose acquisition cost is 100,000 yen or more but less than 200,000 yen for three years.
Principal useful lives are as follows:
- | | |
|-----------------------------------|--------------|
| Buildings and structures | 7 - 50 years |
| Machinery, equipment and vehicles | 4 - 17 years |
| Tools, furniture and fixtures | 3 - 20 years |
- 2) Intangible assets (excluding leased assets)
The Company uses the straight-line method.
Principal useful lives are as follows:
- | | |
|------------------------------------|--------------|
| Software (for internal use) | 3 - 5 years |
| Goodwill | 5 - 7 years |
| Customer-related intangible assets | 5 - 16 years |
- 3) Leased assets
Leased assets related to finance lease transactions that do not transfer ownership
The Company uses the straight-line method with estimated useful lives equal to lease terms, and zero residual values.
- (3) Accounting standards for significant allowances and provisions
- 1) Allowance for doubtful accounts
To prepare for potential losses from uncollectable notes and accounts receivables, a provision is made on general receivables based on historical rates. For specific receivables such as doubtful receivables, collectability is considered individually to record an estimated uncollectable amount.
- 2) Provision for bonuses
To prepare for the payment of bonuses for its employees, the Company records estimated payments.
- 3) Provision for bonuses for directors (and other officers)
To prepare for the payment of bonuses to directors (and other officers), the Company recorded the amount attributable to fiscal year ended March 31, 2025 based on estimated payments in the fiscal year.
- 4) Provision for retirement benefits for executive officers
To prepare for the payment of retirement benefits for directors (and other officers), some of our consolidated subsidiaries recorded the amount required at the end of the term in accordance with their internal regulations on retirement benefits for directors (and other officers).
- (4) Accounting standards for recording significant revenues and expenses
Details of main performance obligations and regular timing for revenue recognition in major businesses related to revenue from contracts with customers of the Company and its consolidated subsidiaries are as follows:
- 1) Transportation business
In our transportation business we identify conducting cargo transportation based on the customer's request as our performance obligation. We recognize revenue, assuming obligation is fulfilled by providing cargo transportation service from start of cargo transportation to arrival of cargo, or to inspection of delivered goods by addressees.

2) Warehousing business

In our warehousing business we identify provision of storage and loading/unloading services based on the customer's request as our performance obligation. We recognize revenue, assuming obligation is fulfilled at the time the service as requested by the customer has been completed in terms of storage service and loading/unloading of the stored cargo as stipulated by the contract.

3) Packaging business

In our packaging business we identify packaging cargo and providing services in the logistics sites as our performance obligation. We recognize revenue, assuming obligation is fulfilled by completing the work requested by the customer based on their instruction.

4) Testing business

In our testing business we chiefly provide testing services for transportation equipment and identify provision of the result output through operation for a certain period as our performance obligation. Since the project received runs for a certain period, we recognize revenue over a specified period, assuming that obligation is fulfilled based on operational progress.

In each of the aforementioned businesses, consideration for our performance obligation is collected generally within three months after the obligation is fulfilled according to the payment terms separately determined, and does not involve any material financial element.

(5) Accounting methods for retirement benefits

1) Periodic attribution for projected retirement benefits

In calculating retirement benefit liability, the attribution on a benefit formula basis is applied for allocation of projected benefits to the periods until the end of the current fiscal year.

2) Amortization of actuarial differences and past service costs

Actuarial differences are amortized on a straight-line basis over a fixed period (five years) within the average remaining service period of employees at the time of incurrence in each fiscal year, starting from the fiscal year following the year of incurrence.

Past service costs are recognized as expenses as incurred in each consolidated fiscal year.

(6) Significant hedge accounting methods

1) Hedge accounting methods

The Company in principle uses deferred hedge accounting. Designated hedge accounting is applied to the forward exchange contracts that meet the requirements for designated hedge accounting, while exceptional accounting treatment is applied to interest-rate swaps that meet the requirements for exceptional accounting treatment.

2) Hedging instruments and hedged items

Hedging instruments.....Interest-rate swaps and forward exchange contracts

Hedged items.....Borrowings and accounts receivable - trade

3) Hedging policy

The Company does this only for the purpose of hedging against interest rate risks and foreign exchange risks.

4) Evaluation of the effectiveness of hedging

During the period between the start of a hedge and the time of judging its effectiveness, the Company compares cumulative market fluctuations of the hedging instrument and the hedged item to judge hedging effectiveness based on their changes in amount. When concluding a forward exchange contract, the Company allocates it to each with the same maturity date and the same amount in foreign currency according to its risk management policy, enabling it to fully secure the correlation regardless of subsequent fluctuations in foreign exchange. The Company therefore omits the evaluation of the effectiveness of forward exchange contracts on the closing date.

(7) Standards for translating significant assets or liabilities that are in foreign currency into yen

Monetary claims and obligations in foreign currency are translated into yen using the spot exchange rate on the consolidated settling day, and translation adjustments are treated as a profit or loss. Assets and liabilities at overseas subsidiaries, etc. are translated into yen using the spot exchange rate on the consolidated closing date. Revenue and expense are translated into yen using the average rate during the period, and translation adjustments are included in the foreign currency translation adjustment and non-controlling interests in net assets.

(8) Cash and cash equivalents in the consolidated statements of cash flows

Funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, demand deposits, and short-term investments maturing within three months from the date of acquisition that are highly liquid and carry only a minor risk of price volatility.

(Significant accounting estimates)

Below are items whose amounts were recorded on the consolidated financial statements for the fiscal year ended March 31, 2025 according to accounting estimates and which may significantly affect the consolidated financial statements for the fiscal year ending March 31, 2026.

1. Impairment of non-current assets

(1) The amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2025

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Property, plant and equipment*	254,064	272,162
Intangible assets*	2,498	29,563

* In both the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025, a sign of impairment was recognized in some of our business sites for warehousing, packaging, and testing businesses, as operating loss was continuously incurred or market prices significantly dropped. Thus, we calculated total undiscounted future cash flows that were expected to be generated by the continuous usage of the assets concerned and the disposal thereof after their use, results of which exceeded the book value in each business site. We therefore did not recognize impairment loss.

(2) Information on details of the significant accounting estimates pertaining to the identified items

The Group's non-current assets owned by each business site are grouped by the smallest unit that generates cash flow largely independent of the cash flows of other assets or asset groups.

We determine whether there is any sign that these have suffered impairment losses on the last day of each consolidated fiscal year, and if a sign of impairment is recognized, we compare the total undiscounted future cash flows from the asset group with the book value to judge whether the recognition of impairment loss is required. If the judgment results in the need to recognize impairment loss, we reduce the book value to the recoverable amount and the reduced amount of the book value is recognized as impairment loss.

Based on the budget of the fiscal year ending March 31, 2026 and the business plans, future cash flows are estimated on certain assumptions about an increase in net sales, including new orders that we expect to receive. If these assumptions require revision as uncertain future economic conditions fluctuates, they may affect the estimated future cash flows significantly.

2. Valuation of the "goodwill" and "customer-related intangible assets" of Supreme Auto Transport, Inc.

(1) The amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2025

(Millions of yen)

	Fiscal year ended March 31, 2025
Goodwill	3,537
Customer-related intangible assets	13,495

(2) Information on details of the accounting estimates pertaining to the identified items

In determining the acquisition price of the equity interests in SUPREME AUTO TRANSPORT, LLC. (hereinafter referred to as "SPMA"), we consulted with external experts, referred to details of the corporate value of comparable companies and used SPMA's most recent actual profit to calculate its value. In addition, the Company consulted with external experts to conduct an allocation of the acquisition costs and measure the fair value of identified intangible current assets based on the present value of future cash flows. The business plan, which forms a basis for estimating future cash flows, contains key assumptions that net sales will continue to grow going forward.

We examine whether there is a sign of impairment of "goodwill" and "customer-related intangible assets" based mainly on the progress in SPMA's business plan at the time of acquisition. In the event that we identify a sign of impairment in asset groups that include "goodwill" and "customer-related intangible assets," we will calculate future pre-discounted cash flows based on the business plan, compare them with the book value and determine whether impairment losses should be recognized. Although we determine that there is no sign of impairment as of March 31, 2025, SPMA may be subject to changes in the uncertain future economic environment and other factors, which will significantly affect the consolidated financial statements for the fiscal year ending March 31, 2026.

3. Valuation of the “goodwill” of CHUOH PACK INDUSTRY CO., LTD.

(1) The amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2025

(Millions of yen)

	Fiscal year ended March 31, 2025
Goodwill	8,172

(2) Information on details of the accounting estimates pertaining to the identified items

We provisionally recorded the “goodwill” of CHUOH PACK INDUSTRY CO., LTD. (hereinafter referred to as “CHUOH PACK INDUSTRY”), which became a subsidiary in March 2025, at the end of the fiscal year ended March 31, 2025. The said “goodwill” is calculated as the difference between the share acquisition price and net assets of the equity interests, and the said acquisition price is measured based on the present value of future cash flows in light of the business plan. The said business plan contains key assumptions that net sales will continue to grow going forward.

We examine whether there is a sign of impairment of “goodwill” based mainly on the progress in CHUOH PACK INDUSTRY’s business plan at the time of acquisition. In the event that we identify a sign of impairment in asset groups that include “goodwill,” we will calculate future pre-discounted cash flows based on the business plan, compare them with the book value and determine whether impairment losses should be recognized. Although we determine that there is no sign of impairment as of March 31, 2025, CHUOH PACK INDUSTRY may be subject to changes in the uncertain future economic environment and other factors, which will significantly affect the consolidated financial statements for the fiscal year ending March 31, 2026.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the fiscal year under review.

For the revision of the categories to record income taxes (taxation on other comprehensive income), we follow the transitional treatment defined in the proviso to paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment defined in the proviso to paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the fiscal year under review. This change in accounting policies has been applied retrospectively, and is reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(New accounting standards not yet applied)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024, Accounting Standards Board of Japan)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024, Accounting Standards Board of Japan)

(1) Overview

As part of the initiatives to make Japanese GAAP consistent with international standards, ASBJ conducted a study based on international accounting standards to develop an accounting standard related to leases that will have lessees recognize assets and liabilities for all leases, and issued an accounting standard for leases, etc. While the basic policy of the standard is based on a single lessee accounting model of IFRS 16, by only adopting the main provisions rather than the whole of IFRS 16, the standard aimed to be simple and highly convenient, basically requiring no revision when applying the provisions of IFRS 16 in non-consolidated financial statements.

For the accounting treatment of lessees, lessees shall adopt the single lessee accounting model as the method to allocate expenses arising from leases. As with IFRS 16, the model shall record depreciation on right-of-use assets and interests on lease liabilities for all leases, regardless of a finance lease or an operating lease.

(2) Schedule of application

Planned to be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of application of accounting standards, etc. concerned

We are currently assessing the effect of applying the Accounting Standard for Leases, etc. on the consolidated financial statements.

(Change in method of presentation)

(Consolidated balance sheet)

During the previous fiscal year, “goodwill” was included in “other” under intangible assets. It is stated independently from the fiscal year under review, as it has become more important. To reflect this method of presentation, reclassification is made in the consolidated financial statements in the previous fiscal year.

As a result, 2,498 million yen under “intangible assets” in the previous fiscal year, is reclassified to 2 million yen in “goodwill” and 2,496 million yen in “other.”

(Additional information)

(Implementation of the share-based remuneration plan for Directors)

It was resolved at the 80th ordinary general meeting of shareholders held on June 29, 2021 that the Company would implement a share-based remuneration plan using a trust (hereinafter “the Plan”) for its Directors (excluding Directors who are Audit and Supervisory Committee Members, and Outside Directors; hereinafter the “Directors”).

1. Overview of the transaction

The Plan is a share-based remuneration plan, in which the trust the Company establishes by contributing money (hereinafter the “Trust”) acquires shares of the Company, and a number of shares of the Company equivalent to the number of points the Company gives to each Director will be granted to each Director through the Trust. The Plan consists of both a fixed part in which fixed points are granted every fiscal year and a performance-linked part in which points are granted according to the extent to which performance goals of the Medium-term Business Plan are achieved in each fiscal year of the Business Plan period.

The time when a Director receives the shares of the Company shall be at the time when the Director resigns, in principle.

It was resolved at the Board of Directors meeting dated June 2, 2023 that the trust period of the Plan would be extended to the end of August 2026.

2. The Company’s shares remaining in the Trust

The Company records its shares remaining in the Trust as treasury shares in net assets according to the book value in the Trust (excluding the amount of incidental expenses). The book value of the treasury shares concerned amounted to 137 million yen with the number of shares being 49,000 as of the end of the fiscal year ended March 31, 2024, while the book value amounted to 137 million yen, with the number of shares being 98,000 as of the end of the fiscal year ended March 31, 2025.

(Consolidated balance sheet)

*1. Amount of receivables generated from the contracts with customers included in notes and accounts receivable - trade is as follows:

	As of March 31, 2024	As of March 31, 2025
Notes receivable - trade	659 million yen	352 million yen
Accounts receivable - trade	30,931	36,726

*2. Shares of non-consolidated subsidiaries and affiliated companies are as follows:

	As of March 31, 2024	As of March 31, 2025
Investment securities (equities)	3,274 million yen	3,782 million yen

*3. Investments in capital of non-consolidated subsidiaries and affiliated companies are as follows:

	As of March 31, 2024	As of March 31, 2025
Other	4,564 million yen	4,595 million yen

4. Transfer of liquidated accounts receivable

	As of March 31, 2024	As of March 31, 2025
Transfer of accounts receivable	2,246 million yen	2,441 million yen

*5. Notes maturing on the last day of a consolidated fiscal year

Notes maturing on the last day of a consolidated fiscal year are settled as of the clearance date.

Since the last day of the consolidated fiscal year ended March 31, 2024 fell on a financial institution holiday, the following notes maturing on the last day of the consolidated fiscal year were included in the balance at the end of the consolidated fiscal year ended March 31, 2024.

	As of March 31, 2024	As of March 31, 2025
Notes receivable - trade	59 million yen	— million yen
Electronically recorded monetary claims - operating	173	—
Electronically recorded obligations - operating	7	—
Notes payable - facilities	14	—

*6. Assets pledged as collateral and liabilities related to collateral

Assets pledged as collateral are as follows:

	As of March 31, 2024	As of March 31, 2025	
Other (current assets)	— million yen	22 million yen	(— million yen)
Buildings and structures	—	291	(166)
Machinery, equipment and vehicles	—	2,081	(164)
Land	—	493	(61)
Other (investments and other assets)	—	28	(—)
Total	—	2,916	(392)

Liabilities related to collateral are as follows:

	As of March 31, 2024	As of March 31, 2025	
Short-term borrowings	— million yen	666 million yen	(— million yen)
Long-term borrowings	—	743	(—)
Total	—	1,409	(—)

Of the above, figures in parenthesis indicate factory foundation mortgages and the relevant liabilities.

(Consolidated statement of income)

*1. Revenue from contracts with customers

For net sales we do not distinguish revenue from contracts with customers from other revenues in the consolidated statement of income. The amount of revenue from contracts with customers is stated in 3. Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment and information on disaggregation of revenue in [Notes] (Segment information, etc.) on the consolidated financial statements.

*2. Details of gain on sale of non-current assets are as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Machinery, equipment and vehicles	75 million yen	157 million yen
Tools, furniture and fixtures	0	0
Other	0	0
Total	76	158

*3. Details of loss on sale of non-current assets are as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures	0 million yen	— million yen
Machinery, equipment and vehicles	11	16
Tools, furniture and fixtures	0	0
Total	11	17

*4. Details of loss on retirement of non-current assets are as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures	181 million yen	0 million yen
Machinery, equipment and vehicles	0	0
Tools, furniture and fixtures	0	0
Land	20	—
Other	0	0
Total	202	1

(Consolidated statement of comprehensive income)

*Reclassification adjustments, income taxes and tax effect related to other comprehensive income

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities:		
Gains (losses) recognized during the fiscal year	10,170 million yen	(7,156) million yen
Reclassification adjustments	—	(30)
Before income taxes and tax effect adjustments	10,170	(7,186)
Income taxes and tax effect	(3,116)	2,041
Valuation difference on available-for-sale securities	7,054	(5,145)
Foreign currency translation adjustment:		
Gains (losses) recognized during the fiscal year	2,713	789
Foreign currency translation adjustment	2,713	789
Remeasurements of defined benefit plans:		
Gains (losses) recognized during the fiscal year	1,039	549
Reclassification adjustments	164	(337)
Before income taxes and tax effect adjustments	1,203	211
Income taxes and tax effect	(386)	(85)
Remeasurements of defined benefit plans, net of tax	816	126
Share of other comprehensive income of entities accounted for using equity method:		
Gains (losses) recognized during the fiscal year	95	151
Share of other comprehensive income of entities accounted for using equity method	95	151
Total other comprehensive income	10,679	(4,078)

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2024

1. Matters related to issued shares

Class of shares	As of April 1, 2023	Increase	Decrease	As of March 31, 2024
Common shares (shares)	65,739,892	—	2,500,000	63,239,892

(Major cause of change)

Breakdown of decrease in shares is as follows:

Decrease due to the cancellation of treasury shares 2,500,000 shares

2. Matters related to treasury shares

Class of shares	As of April 1, 2023	Increase	Decrease	As of March 31, 2024
Common shares (shares)	1,563,591	1,240,453	2,627,821	176,223

Note: The number of treasury shares as of March 31, 2024 includes shares of the Company held by a trust whose beneficiaries are Directors (49,200 shares).

(Major cause of change)

Breakdown of increase in shares is as follows:

Increase due to purchase of treasury shares based on the resolution of the Board of Directors 1,240,000 shares

Increase due to purchase of treasury shares of less than one unit 453 shares

Breakdown of decrease in shares is as follows:

Decrease due to the cancellation of treasury shares 2,500,000 shares

Share grants to the employees' shareholding association 90,202 shares

Decrease due to the exercise of share acquisition rights 37,600 shares

Decrease due to request for additional purchase of treasury shares of less than one unit up to the trading unit 19 shares

3. Matters related to share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares subject to share acquisition rights	The number of shares subject to share acquisition rights (shares)				Balance as of March 31, 2024 (millions of yen)
			As of April 1, 2023	Increase	Decrease	As of March 31, 2024	
Reporting company (Parent company)	Share acquisition rights as share options	—	—	—	—	—	161
Total		—	—	—	—	—	161

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total cash dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
May 12, 2023 Board of Directors	Common shares	3,274	51	March 31, 2023	June 8, 2023
November 10, 2023 Board of Directors	Common shares	3,197	50	September 30, 2023	December 12, 2023

Note: Total dividends based on the resolution of the Board of Directors meeting dated May 12, 2023 include dividends of 1 million yen on the Company's shares owned by a trust whose beneficiaries are Directors and total dividends based on the resolution of the Board of Directors meeting dated November 10, 2023 include dividends of 1 million yen on the Company's shares owned by a trust whose beneficiaries are Directors.

(2) Of the dividends whose record date belongs to the fiscal year concerned, the dividend whose effective date falls in the following fiscal year

Resolution	Class of shares	Total cash dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
May 10, 2024 Board of Directors	Common shares	3,471	Retained earnings	55	March 31, 2024	June 10, 2024

Note: Total dividends based on the resolution of the Board of Directors meeting dated May 10, 2024 include dividends of 2 million yen on the Company's shares owned by a trust whose beneficiaries are Directors.

Fiscal year ended March 31, 2025

1. Matters related to issued shares

Class of shares	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Common shares (shares)	63,239,892	63,239,892	—	126,479,784

(Note) The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares.

(Major cause of change)

Breakdown of increase in shares is as follows:

Increase due to share split 63,239,892 shares

2. Matters related to treasury shares

Class of shares	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Common shares (shares)	176,223	5,421,913	3,764	5,594,372

(Notes) 1. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares.

2. The number of treasury shares as of March 31, 2025 includes shares of the Company held by a trust whose beneficiaries are Directors (98,400 shares).

(Major cause of change)

Breakdown of increase in shares is as follows:

Increase due to share split 989,244 shares

Increase due to purchase of treasury shares based on the resolution of the Board of Directors 4,432,100 shares

Increase due to purchase of treasury shares of less than one unit 569 shares

Breakdown of decrease in shares is as follows:

Decrease due to the exercise of share acquisition rights 3,700 shares

Decrease due to request for additional purchase of treasury shares of less than one unit up to the trading unit 64 shares

3. Matters related to share acquisition rights

Category	Breakdown of share acquisition rights	Class of shares subject to share acquisition rights	The number of shares subject to share acquisition rights (shares)				Balance as of March 31, 2025
			As of April 1, 2024	Increase	Decrease	As of March 31, 2025	
Reporting company (Parent company)	Share acquisition rights as share options	—	—	—	—	—	152
Total		—	—	—	—	—	152

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total cash dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
May 10, 2024 Board of Directors	Common shares	3,471	55	March 31, 2024	June 10, 2024
November 8, 2024 Board of Directors	Common shares	3,364	54	September 30, 2024	December 12, 2024

Note: Total dividends based on the resolution of the Board of Directors meeting dated May 10, 2024 include dividends of 2 million yen on the Company's shares owned by a trust whose beneficiaries are Directors and total dividends based on the resolution of the Board of Directors meeting dated November 8, 2024 include dividends of 2 million yen on the

Company's shares owned by a trust whose beneficiaries are Directors.

(2) Of the dividends whose record date belongs to the fiscal year concerned, the dividend whose effective date falls in the following fiscal year

Resolution	Class of shares	Total cash dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
May 9, 2025 Board of Directors	Common shares	3,266	Retained earnings	27	March 31, 2025	June 13, 2025

Note: Total dividends based on the resolution of the Board of Directors meeting dated May 9, 2025 include dividends of 2 million yen on the Company's shares owned by a trust whose beneficiaries are Directors.

(Consolidated statement of cash flows)

*1. The relationship between cash and cash equivalents at end of period and amounts of items on the consolidated balance sheet

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	43,847 million yen	36,784 million yen
Time deposits of over three months	(1,050)	(847)
Cash and cash equivalents	42,796	35,937

2. Major breakdown of assets and liabilities of companies that became consolidated subsidiaries resulting from the acquisition of equity interests

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

Fiscal year ended March 31, 2025

The breakdown of assets and liabilities at the start of consolidation arising from the inclusion of SUPREME AUTO TRANSPORT, LLC. in consolidation through the acquisition of its equity interests, as well as the relation between the acquisition price of equity interests in SUPREME AUTO TRANSPORT, LLC. and the expenditures for the acquisition of the company (net amount) are as follows:

Current assets	2,926	million yen
Non-current assets	2,969	million yen
Goodwill	3,792	million yen
Current liabilities	(1,163)	million yen
Non-current liabilities	(1,180)	million yen
Valuation difference	13,994	million yen
Non-controlling interests	(4,386)	million yen
Share acquisition price	16,952	million yen
Cash and cash equivalents	(1,196)	million yen
Deduction: expenditures for acquisition	15,756	million yen

3. Major breakdown of assets and liabilities of companies that became consolidated subsidiaries resulting from the acquisition of shares

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

Fiscal year ended March 31, 2025

The breakdown of assets and liabilities at the start of consolidation arising from the inclusion of CHUOH PACK INDUSTRY CO., LTD. in consolidation through the acquisition of its shares, as well as the relation between the acquisition price of shares in CHUOH PACK INDUSTRY CO., LTD. and the expenditures for the acquisition of the company (net amount) are as follows:

Current assets	10,899	million yen
Non-current assets	4,336	million yen
Goodwill	8,172	million yen
Current liabilities	(1,148)	million yen
Non-current liabilities	(808)	million yen
Fair market valuation	243	million yen
Non-controlling interests	(3,895)	million yen
Share acquisition price	17,800	million yen
Cash and cash equivalents	(7,996)	million yen
Deduction: expenditures for acquisition	9,803	million yen

(Leases)

Details are omitted because of its insignificance.

(Financial instruments)

1. Matters related to status of financial instruments

(1) Approach to financial instruments

The Group raises required funds mainly by bank borrowings or issuing corporate bonds in light of the capital expenditure plan. We manage temporary surplus funds by using highly safe financial instruments and raises short-term working capital by bank borrowings. We use derivatives to hedge against risks of future changes in foreign exchange and interest rate, and we do not use them for speculative purposes as a policy.

(2) Details of financial instruments and associated risks

Operating receivables, including notes and accounts receivables - trade, and electronically recorded monetary claims - operating are exposed to the credit risk of each customer. Operating receivables in foreign currency are also exposed to the risk of foreign exchange fluctuations.

Investment securities are mainly composed of shares of the companies with which the Company has business relationships, and exposed to the risk of market price fluctuations.

Most of notes and accounts payable - trade, and electronically recorded obligations - operating, which are operating payables, are due within four months. Although operating payables denominated in foreign currencies are exposed to the risk of foreign exchange fluctuations, they are within the scope of the balance of operating receivables in the same foreign currencies.

Most of notes payables - facilities and electronically recorded obligations - non-operating, which are non-operating payables, are due within six months.

Borrowings and bonds are chiefly intended for procurement of funds required for capital investment, and the ones with longest maturity will be due in seven years after the closing date.

Of derivative transactions, the Company uses forward exchange contracts to hedge against the risk of foreign exchange fluctuations for operating payables in foreign currency, and interest rate swap agreements to hedge against the risk of fluctuations in interest payments for its borrowings and corporate bonds. For hedging accounting, such as hedging instruments, hedged items, hedging policy, and methods for evaluating hedging effectiveness, please refer to (6) Significant hedge accounting methods of 4. Disclosure of accounting policies.

(3) Risk management system for financial instruments

1) Credit risk (the risk of the counterparty default) management

For operating receivables, the Sales Department monitors main business partners' status and the Business Department and Sales Offices manage due dates and balances by business partner. The Company thus seeks to capture collectability concerns as a result of worsening financial situation early and mitigate their risks. Our consolidated subsidiaries have similar management systems to ours.

The Company makes derivative transactions only with issuers with high ratings to mitigate credit risk.

2) Market risk (the risk of fluctuations in foreign exchange or interest rate) management

The Company captures the risk of foreign exchange fluctuations for operating receivables/payables denominated in foreign currency by currency and by month and uses forward exchange contracts to hedge against the risk as appropriate.

The Company regularly checks market prices and issuers' financial situations for investment securities while it continuously reviews holdings, taking into account the relationship with business partners.

Departments in charge make derivative transactions upon approval of the Board of Directors in accordance with the Management Rules. Monthly transaction results are reported to the Board of Directors.

3) Management of liquidity risk on financing (the risk of failing to make payment on due date)

Each of our Group companies creates and updates a financing plan when necessary, and the Group manages its liquidity risk by maintaining liquidity on hand.

(4) Supplementary explanation on matters related to fair values of financial instruments

As fair value measurements of financial instruments incorporate variable factors, values may change under different assumptions.

2. Matters related to fair values of financial instruments

Book values on consolidated balance sheet and fair values of financial instruments, as well as the differences between them are as follows:

As of March 31, 2024

	Book value on consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
(1) Securities and investment securities	29,653	29,653	—
Total assets	29,653	29,653	—
(2) Bonds payable	40,000	40,042	42
(3) Long-term borrowings	27,034	27,023	(10)
Total liabilities	67,034	67,065	31

As of March 31, 2025

	Book value on consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
(1) Securities and investment securities	24,129	24,129	—
Total assets	24,129	24,129	—
(2) Bonds payable	40,000	39,935	(64)
(3) Convertible-bond-type bonds with share acquisition rights	22,105	29,645	7,539
(4) Long-term borrowings	25,743	25,701	(41)
Total liabilities	87,848	95,282	7,434

(Notes) 1. Notes to cash and deposits, notes and accounts receivable - trade, electronically recorded monetary claims - operating, notes and accounts payable - trade, electronically recorded obligations - operating, short-term borrowings, current portion of bonds payable, income taxes payable, notes payable - facilities, electronically recorded obligations - non-operating are omitted, because it is cash (in case of cash), or otherwise their fair values approximate book values since they are settled in a short term.

2. (1) Securities and investment securities does not include equities without market value. Book values of these financial instruments on consolidated balance sheet are as follows:

(Millions of yen)

Category	As of March 31, 2024	As of March 31, 2025
Unlisted shares	3,336	3,901

3. Redemption schedule for monetary claims and securities with maturities after the closing date

As of March 31, 2024

	Within 1 year (Millions of yen)	Over 1 year through 5 years (Millions of yen)	Over 5 years through 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	43,847	—	—	—
Notes and accounts receivable - trade	32,610	—	—	—
Electronically recorded monetary claims - operating	5,946	—	—	—
Total	82,404	—	—	—

As of March 31, 2025

	Within 1 year (Millions of yen)	Over 1 year through 5 years (Millions of yen)	Over 5 years through 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	36,784	—	—	—
Notes and accounts receivable - trade	37,079	—	—	—
Electronically recorded monetary claims - operating	6,302	—	—	—
Total	80,166	—	—	—

4. Repayment schedule for bonds and long-term borrowings after the closing date

As of March 31, 2024

	Within 1 year (Millions of yen)	Over 1 year through 2 years (Millions of yen)	Over 2 years through 3 years (Millions of yen)	Over 3 years through 4 years (Millions of yen)	Over 4 years through 5 years (Millions of yen)	Over 5 years (Millions of yen)
Bonds payable	10,000	10,000	10,000	—	—	20,000
Long-term borrowings	2,025	2,020	3,013	11,000	11,000	—
Total	12,025	12,020	13,013	11,000	11,000	20,000

As of March 31, 2025

	Within 1 year (Millions of yen)	Over 1 year through 2 years (Millions of yen)	Over 2 years through 3 years (Millions of yen)	Over 3 years through 4 years (Millions of yen)	Over 4 years through 5 years (Millions of yen)	Over 5 years (Millions of yen)
Short-term borrowings	17,800	—	—	—	—	—
Bonds payable	10,000	10,000	—	—	20,000	10,000
Convertible-bond-type bonds with share acquisition rights	—	—	—	—	—	22,000
Long-term borrowings	2,666	3,468	11,229	11,045	—	—
Total	30,465	13,468	11,229	11,045	20,000	32,000

5. Matters related to the breakdown by level of fair values of financial instruments

The Company classifies fair values of financial instruments into the following three levels according to the observability and significance of inputs for fair value measurement.

Level 1 fair value: Fair values calculated using, out of the observable inputs for fair value measurement, the quoted prices in active markets for the target assets or liabilities of the fair value measurements.

Level 2 fair value: Fair values calculated using the observable inputs for fair value measurements other than those in level 1.

Level 3 fair value: Fair values calculated using unobservable inputs for fair value measurements.

When several types of inputs that have a significant impact on the calculation of fair values are used, those fair values are classified at the level that is the least prioritized in calculating them, among the respective levels of these inputs.

(1) Financial instruments recorded at fair value on the consolidated balance sheet

As of March 31, 2024

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Equities	29,623	—	—	29,623
Investment trusts	30	—	—	30
Total assets	29,653	—	—	29,653

As of March 31, 2025

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Equities	23,816	—	—	23,816
Investment trusts	312	—	—	312
Total assets	24,129	—	—	24,129

(2) Financial instruments other than those recorded at fair value on the consolidated balance sheet

As of March 31, 2024

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	—	40,042	—	40,042
Long-term borrowings	—	27,023	—	27,023
Total liabilities	—	67,065	—	67,065

As of March 31, 2025

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	—	39,935	—	39,935
Convertible-bond-type bonds with share acquisition rights	—	29,645	—	29,645
Long-term borrowings	—	25,701	—	25,701
Total liabilities	—	95,282	—	95,282

(Note) Description of the evaluation technic used for fair value measurements and inputs for fair value measurements

Securities and investment securities

Fair values of listed equities and investment trusts are classified as level 1 fair value because they are measured based on the quoted prices and are traded in active markets.

Bonds payable

Fair values of bonds issued by the Company are classified as level 2 fair value because they are measured at the present value of total principal and interest discounted at the rate that takes into account their issuable period and credit risk.

Convertible-bond-type bonds with share acquisition rights

Fair values of convertible-bond-type bonds with share acquisition rights are classified as level 2 fair value because they are measured based on the quoted prices.

Long-term borrowings

Fair values of long-term borrowings are classified as level 2 fair value because we use the discounted present value method to measure their fair values based on the interest rate that takes into account total principal and interest, the remaining period of the liability, and credit risk.

(Securities)

1. Available-for-sale securities

As of March 31, 2024

Category	Book value on consolidated balance sheet (millions of yen)	Acquisition cost (millions of yen)	Difference (millions of yen)
Those with book value on consolidated balance sheet exceeding acquisition cost			
Equities	29,522	4,193	25,329
Other	30	8	21
Subtotal	29,552	4,201	25,350
Those with book value on consolidated balance sheet not exceeding acquisition cost			
Equities	101	131	(30)
Other	—	—	—
Subtotal	101	131	(30)
Total	29,653	4,333	25,320

(Note) The table above on available-for-sale securities does not include unlisted equities (with book value on consolidated balance sheet of 61 million yen), because they have no quoted market prices.

As of March 31, 2025

Category	Book value on consolidated balance sheet (millions of yen)	Acquisition cost (millions of yen)	Difference (millions of yen)
Those with book value on consolidated balance sheet exceeding acquisition cost			
Equities	23,667	4,259	19,407
Other	24	8	16
Subtotal	23,692	4,268	19,423
Those with book value on consolidated balance sheet not exceeding acquisition cost			
Equities	124	139	(14)
Other	312	326	(14)
Subtotal	437	466	(28)
Total	24,129	4,734	19,395

(Note) The table above on available-for-sale securities does not include unlisted equities (with book value on consolidated balance sheet of 119 million yen), because they have no quoted market prices.

2. Available-for-securities sold

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

Fiscal year ended March 31, 2025

Class	Proceeds from sale (millions of yen)	Total gains on sale (millions of yen)	Total losses on sale (millions of yen)
Equities	270	30	—
Other	—	—	—
Total	270	30	—

(Derivatives)

Derivative transactions not subject to hedge accounting

Currency-related derivatives

As of March 31, 2024

There are no applicable matters to be reported.

As of March 31, 2025

There are no applicable matters to be reported.

(Retirement benefits)

1. Overview of retirement benefit plans adopted

The Company and its consolidated subsidiaries have set both a defined benefit corporate pension plan and a lump-sum retirement benefit plan as their defined benefit-type plans. The Company and some of its consolidated subsidiaries have set defined contribution pension plans as a defined contribution-type plan.

Some consolidated subsidiaries use the simplified method to calculate retirement benefit liability and expenses for their defined benefit corporate pension plan and lump-sum retirement benefit plan.

Moreover, some consolidated subsidiaries changed their retirement benefit plans in response to the extension of the mandatory retirement age from 60 to 65. As a result of this change, retirement benefit liability decreased by 33 million yen with the same amount of past service costs recognized.

All of the related past service costs are recognized in the fiscal year under review.

2. Defined benefit plans

(1) Reconciliation between the opening balance and the closing balance of retirement benefit liability

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
The opening balance of retirement benefit liability	16,648 million yen	16,479 million yen
Service cost	1,144	1,128
Interest expense	101	133
Actuarial differences generated	(904)	(1,054)
Past service cost	107	(33)
Retirement benefits paid	(639)	(742)
Increase due to acquisition of new consolidated subsidiaries	—	613
Other	21	(8)
The closing balance of retirement benefit liability	16,479	16,516

(2) Reconciliation between the opening balance and closing balance of plan assets

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
The opening balance of plan assets	11,251 million yen	12,042 million yen
Expected return on plan assets	283	284
Actuarial differences generated	242	(538)
Contribution from the employer	569	586
Retirement benefits paid	(304)	(400)
The closing balance of plan assets	12,042	11,975

(3) Reconciliation between the closing balances of retirement benefit liability and plan assets, and retirement benefit liability and retirement benefit assets on the consolidated balance sheet

	As of March 31, 2024	As of March 31, 2025
Funded retirement benefit liability	13,688 million yen	13,195 million yen
Plan assets	(12,042)	(11,975)
	1,646	1,220
Unfunded retirement benefit liability	2,791	3,320
Net amount of assets and liabilities recorded on the consolidated balance sheet	4,437	4,541
Retirement benefit liability	4,940	5,196
Retirement benefit assets	(502)	(655)
Net amount of assets and liabilities recorded on the consolidated balance sheet	4,437	4,541

(Note) The table includes plans that use the simplified method.

(4) Breakdown of retirement benefit expenses

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Service cost	1,144 million yen	1,128 million yen
Interest expense	101	133
Expected return on plan assets	(283)	(284)
Recognized actuarial difference	56	(303)
Amortization of past service cost	107	(33)
Retirement benefit expenses on defined benefit plans	1,126	639

(5) Remeasurements of defined benefit plans

Breakdown of the items recorded as remeasurements of defined benefit plans (before income taxes and tax effects) is as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Actuarial difference	(1,203) million yen	(211) million yen
Total	(1,203)	(211)

(6) Accumulated remeasurements of defined benefit plans

Breakdown of the item recorded as accumulated remeasurements of defined benefit plans (before income taxes and tax effects) is as follows:

	As of March 31, 2024	As of March 31, 2025
Unrecognized actuarial difference	(1,255) million yen	(1,467) million yen
Total	(1,255)	(1,467)

(7) Plan assets

1) The major breakdown of plan assets

The ratio of each major category to total plan assets is as follows.

	As of March 31, 2024	As of March 31, 2025
Bonds	25.3%	28.7%
Equities	14.0	1.9
General account	50.5	51.9
Other	10.2	17.6
Total	100.0	100.0

2) Method for determining long-term expected return on plan assets

To determine the long-term expected return on plan assets, we take into account the following factors: current and projected allocations of plan assets; and current and long-term expected returns on diverse assets that compose the plan assets.

(8) Matters related to assumptions of actuarial calculations

Assumptions of key actuarial calculations

	As of March 31, 2024	As of March 31, 2025
Discount rates	0.40% - 0.98%	1.14% - 1.65%
Long-term expected return on plan assets	2.5%	2.5%
Projected rate of salary increase	1.15% - 1.62%	1.11% - 1.61%

3. Defined contribution plan

The required employer contributions of the Company and its consolidated subsidiaries were 326 million yen in the fiscal year ended March 31, 2024 and 333 million yen in the fiscal year ended March 31, 2025.

(Share options, etc.)

1. Details of share options and changes in their volume

(1) Details of share options

	2011 share acquisition rights	2012 share acquisition rights	2013 share acquisition rights
Category and number of grantees	7 Directors of the Company 10 Executive Officers of the Company	7 Directors of the Company 13 Executive Officers of the Company	7 Directors of the Company 14 Executive Officers of the Company
Number of share options by class of shares (note)	Common shares: 165,200	Common shares: 137,200	Common shares: 100,400
Grant date	July 19, 2011	July 30, 2012	July 22, 2013
Vesting condition	No vesting condition is provided.	No vesting condition is provided.	No vesting condition is provided.
Service period	Not specified.	Not specified.	Not specified.
Exercise period	July 20, 2011 - July 19, 2046	July 31, 2012 - July 30, 2047	July 23, 2013 - July 22, 2048

	2014 share acquisition rights	2015 share acquisition rights	2016 share acquisition rights
Category and number of grantees	7 Directors of the Company 13 Executive Officers of the Company	7 Directors of the Company 14 Executive Officers of the Company	7 Directors of the Company 6 Executive Officers of the Company
Number of share options by class of shares (note)	Common shares: 85,800	Common shares: 74,000	Common shares: 63,800
Grant date	July 22, 2014	July 27, 2015	July 21, 2016
Vesting condition	No vesting condition is provided.	No vesting condition is provided.	No vesting condition is provided.
Service period	Not specified.	Not specified.	Not specified.
Exercise period	July 23, 2014 - July 22, 2049	July 28, 2015 - July 27, 2050	July 22, 2016 - July 21, 2051

	2017 share acquisition rights	2018 share acquisition rights
Category and number of grantees	7 Directors of the Company 6 Executive Officers of the Company	7 Directors of the Company 5 Executive Officers of the Company
Number of share options by class of shares (note)	Common shares: 45,600	Common shares: 36,200
Grant date	July 21, 2017	July 20, 2018
Vesting condition	No vesting condition is provided.	No vesting condition is provided.
Service period	Not specified.	Not specified.
Exercise period	July 22, 2017 - July 21, 2052	July 21, 2018 - July 20, 2053

(Note) Translated into the number of shares.

The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. The number of shares above represents figures that reflect the said share split.

(2) Volume of share options and changes thereof

The following information covers share options that existed in the fiscal year ended March 31, 2025 and the numbers of share options were translated into the numbers of shares.

The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. The number of shares and per share prices below represent figures that reflect the said share split.

1) The number of share options

	2011 share acquisition rights	2012 share acquisition rights	2013 share acquisition rights	2014 share acquisition rights
Before vesting (shares)				
As of March 31, 2024	—	—	—	—
Granted	—	—	—	—
Expired	—	—	—	—
Vested	—	—	—	—
Outstanding	—	—	—	—
After vesting (shares)				
As of March 31, 2024	47,600	40,200	27,600	24,000
Vested	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Outstanding	47,600	40,200	27,600	24,000

	2015 share acquisition rights	2016 share acquisition rights	2017 share acquisition rights	2018 share acquisition rights
Before vesting (shares)				
As of March 31, 2024	—	—	—	—
Granted	—	—	—	—
Expired	—	—	—	—
Vested	—	—	—	—
Outstanding	—	—	—	—
After vesting (shares)				
As of March 31, 2024	18,400	25,800	20,400	18,400
Vested	—	—	—	—
Exercised	—	2,400	2,000	3,000
Expired	—	—	—	—
Outstanding	18,400	23,400	18,400	15,400

2) Per share prices

	2011 share acquisition rights	2012 share acquisition rights	2013 share acquisition rights	2014 share acquisition rights
Exercise price (yen)	1	1	1	1
Average share price upon exercise (yen)	—	—	—	—
Fair value per share on grant date (yen)	385.5	413.5	740	791

	2015 share acquisition rights	2016 share acquisition rights	2017 share acquisition rights	2018 share acquisition rights
Exercise price (yen)	1	1	1	1
Average share price upon exercise (yen)	—	1,781	1,781	1,639.5
Fair value per share on grant date (yen)	928	915	1,114.5	1,270.5

2. Method for estimating the number of vested share options

We use the method that only reflects the number of share options that actually expired because it is difficult to reasonably estimate the number of share options that will expire in future.

(Tax effect accounting)

1. Breakdown of major factors that caused deferred tax assets and liabilities

	As of March 31, 2024	As of March 31, 2025
(Deferred tax assets)		
Provision for bonuses	1,449 million yen	1,584 million yen
Enterprise tax payable	384	374
Provision for bonuses and legal welfare expenses	216	239
Retirement benefit liability	2,228	2,425
Unrealized gains on non-current assets	601	627
Impairment loss	216	208
Remeasurements of defined benefit plans	3	—
Share acquisition rights	49	48
Provision for retirement benefits for directors (and other officers)	151	179
Valuation difference on available-for-sale securities	9	9
Depreciation	549	697
Other	647	1,162
Deferred tax assets (subtotal)	6,508	7,557
Valuation allowance	(361)	(302)
Offset with deferred tax liabilities	(2,477)	(2,981)
Total deferred tax assets	3,669	4,273
(Deferred tax liabilities)		
Valuation difference on available-for-sale securities	(7,771)	(6,104)
Reserve for tax purpose reduction entry of non- current assets	(772)	(813)
Retained earnings of overseas subsidiaries	(1,194)	(1,227)
Other	(1,309)	(1,650)
Deferred tax liabilities (subtotal)	(11,049)	(9,795)
Offset with deferred tax assets	2,477	2,981
Total deferred tax liabilities	(8,571)	(6,813)
Net deferred tax liabilities	(4,902)	(2,540)

2. The breakdown of any major items that caused the significant difference between the statutory tax rate and the effective tax rate after applying tax effect accounting

This note has been omitted because the difference between the statutory tax rate and the effective tax rate after applying tax effect accounting was 5% or less in both the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025.

3. Revision of deferred tax assets and deferred tax liabilities due to changes in income tax rates

“Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, whereby a special defense corporation tax will be imposed from a fiscal year beginning on or after April 1, 2026.

In line with this, the effective statutory income tax rate for the calculation of deferred tax assets and deferred tax liabilities relating to temporary differences expected to be eliminated in and after a fiscal year beginning on or after April 1, 2026, has been changed from 30.6% to 31.5%.

As a result of this change, deferred tax liabilities (after deducting deferred tax assets) increased by 95 million yen, while valuation difference on available-for-sale securities decreased by 163 million yen, Income taxes - deferred decreased by 80 million yen, and remeasurements of defined benefit plans, net of tax decreased by 12 million yen, for the fiscal year ended March 31, 2025.

(Business combinations)

Business combination by acquisition

(1) SUPREME AUTO TRANSPORT, LLC.

1. Outline of business combination

1) Name of acquired company and its business content

Name of acquired company: SUPREME AUTO TRANSPORT, LLC.

Description of business: Automobile finished vehicle transportation operations

2) Main reason for business combination

SUPREME AUTO TRANSPORT, LLC. (hereinafter referred to as “SPMA”), since its establishment in 2000, has, through its core service of finished vehicle transportation, built up its knowledge and track record in providing seamless automobile finished vehicle transportation operations using trucks and trailers throughout the U.S.

Meanwhile, the Company has been developing comprehensive logistics services, including packaging, transportation, and warehousing, primarily catering to automobile manufacturers. Finished vehicle transportation has been one of our core businesses since our conception.

The development of this business in the U.S. aligns with the objective of “expanding overseas business,” as outlined in our 13th Medium-term Business Plan. Through this highly compatible business expansion, we aim to create synergy effects with existing businesses both domestically and internationally, which revitalizes the companies within the Group.

3) Date of business combination

May 20, 2024

4) Legal form of business combination

Acquisition of equity using cash as consideration

5) Name of company after combination

No change.

6) Percentage of voting rights acquired

75%

7) Main grounds for deciding the acquiring company

A consolidated subsidiary of the Company acquired an equity stake in the company using cash for consideration.

2. Period of acquired business results included in the consolidated financial statements

From April 1, 2024 to December 31, 2024

3. Acquisition cost for the acquired company and breakdown by type of consideration

Consideration for acquisition:	cash	111 million U.S. dollars
Acquisition cost		111 million U.S. dollars

4. Description and amount of major acquisition-related expenses

Advisory fees, etc.: 695 million yen

5. Amount of goodwill accrued, reason for accrual, amortization method and amortization period

1) Amount of goodwill accrued

25 million U.S. dollars

2) Reason for accrual

The goodwill accrued from the capacity for future excess earnings expected from upcoming business developments.

3) Amortization method and amortization period

Straight-line method over seven years

6. Amounts of assets acquired and liabilities assumed on the date of the business combination, and the major components thereof

Current assets	19 million U.S. dollars
Non-current assets	19 million U.S. dollars
Total assets	38 million U.S. dollars
Current liabilities	7 million U.S. dollars
Non-current liabilities	7 million U.S. dollars
Total liabilities	15 million U.S. dollars

7. Estimated amount and calculation method of the effect on the consolidated statement of income for the current consolidated fiscal year if the business combination had been completed on the first day of the consolidated fiscal year

The deemed acquisition date is set to April 1, 2024, and thus there is no said amount of impact.

(2) CHUOH PACK INDUSTRY CO., LTD.

1. Outline of business combination

1) Name of acquired company and its business content

Name of acquired company: CHUOH PACK INDUSTRY CO., LTD.

Description of business: Manufacturing and sales of packaging materials, centered on cardboard products

2) Main reason for business combination

The Company launched the 13th Medium-term Business Plan in April 2023.

It could be anticipated that cross-selling between CHUOH PACK INDUSTRY CO., LTD.'s (hereinafter referred to as "CHUOH PACK INDUSTRY") customer base focused on the Toyota Motor Group and the strong customer base of the Group within the automobile and industrial machinery industries and leveraging the Group's broad geographical networks will expand the sale of CHUOH PACK INDUSTRY's products to areas where it has been unable to sell its products because of geographical limitation.

The Group decided to conduct the business combination as it believed that such combination was consistent with the cross-selling strategy of the Company's 13th Medium-Term Business Plan, and that it would be able to achieve further growth in the business conducted by CHUOH PACK INDUSTRY by creating synergies with the Group.

3) Date of business combination

March 26, 2025

4) Legal form of business combination

Acquisition of shares using cash as consideration

5) Name of company after combination

No change.

6) Percentage of voting rights acquired

71.19%

7) Main grounds for deciding the acquiring company

The Company acquired shares in the company using cash for consideration.

2. Period of acquired business results included in the consolidated financial statements

The deemed acquisition date is set to March 31, 2025, and for the fiscal year ended March 31, only the balance sheet of the acquired company is consolidated, so the financial results of the acquired company are not included.

3. Acquisition cost for the acquired company and breakdown by type of consideration

Consideration for acquisition:	cash	17,800 million yen
Acquisition cost		17,800 million yen

The amounts are provisional because a portion of the consideration for the acquisition has not yet been determined.

4. Description and amount of major acquisition-related expenses (estimate)

Advisory fees, etc.: 341 million yen

5. Amount of goodwill accrued, reason for accrual, amortization method and amortization period

1) Amount of goodwill accrued

8,172 million yen

The amount of the goodwill recognized is a provisional amount since the allocation of acquisition costs has not been completed at the end of fiscal year ended March 31, 2025.

2) Reason for accrual

The goodwill accrued from the capacity for future excess earnings expected from upcoming business developments.

3) Amortization method and amortization period

Not determined at this point.

6. Amounts of assets acquired and liabilities assumed on the date of the business combination, and the major components thereof

Current assets	10,899 million yen
Non-current assets	4,336 million yen
Total assets	15,236 million yen
Current liabilities	1,148 million yen
Non-current liabilities	808 million yen
Total liabilities	1,957 million yen

7. Estimated amount and calculation method of the effect on the consolidated statement of income for the current consolidated fiscal year if the business combination had been completed on the first day of the consolidated fiscal year

Net sales	11,922 million yen
Operating profit	391 million yen
Ordinary profit	456 million yen
Profit before income taxes	476 million yen
Profit attributable to owners of parent	324 million yen
Earnings per share	5.18 yen

(Calculation method of estimated amount)

The difference between the net sales and profit/loss information calculated if the business combination had been completed on the first day of the fiscal year and net sales and profit/loss information of the acquired company on the consolidated statement of income is considered to be the estimated amount of effect. As we are examining the amortization period of the goodwill, the aforementioned estimated amount of effect does not take the amount of effect arising from the amortization of goodwill from April 1, 2024 to March 31, 2025 into account.

This note has not been audited.

(Asset retirement obligations)

This note is omitted because of its insignificance.

(Real estate for lease, etc.)

The Company and some of its consolidated subsidiaries own logistics facilities for lease, commercial facilities for lease, and office buildings for lease in Tokyo and other areas for the purpose of earning rental income. Used by the Company and some of its subsidiaries, some domestic office buildings are stated as real estate, part of which is used as real estate for lease, etc.

The book values on the consolidated balance sheets, changes during the period, and fair values of the real estate for lease, etc. and real estate, part of which is used as real estate for lease, etc. are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Real estate for lease, etc.		
Book value on consolidated balance sheet		
Balance at beginning of period	17,946	14,974
Changes during the period	(2,972)	7,814
Balance at end of period	14,974	22,789
Fair value at fiscal year-end	20,316	28,022
Real estate, part of which is used as real estate for lease, etc.		
Book value on consolidated balance sheet		
Balance at beginning of period	7,598	10,299
Changes during the period	2,701	(77)
Balance at end of period	10,299	10,222
Fair value at fiscal year-end	11,024	10,740

(Notes) 1. Book value on the consolidated balance sheet is equal to the acquisition cost less cumulative depreciations and cumulative impairment losses.

2. Of changes during the period for real estate for lease, etc., the major decreases in the fiscal year ended March 31, 2024, major decreases included depreciation (by 180 million yen), retirement of real estate (by 145 million yen) and transfer to real estate, part of which is used as real estate for lease, etc. (by 2,766 million yen), whereas major increases included acquisition cost of real estate (by 29 million yen) and new lease (by 78 million yen). For the fiscal year ended March 31, 2025, major decreases included depreciation (by 253 million yen), whereas major increases included the acquisition of real estate (by 6,657 million yen) and new leases (by 1,406 million yen).

3. Of changes during the period for real estate, part of which is used as real estate for lease, etc., the major decreases in the fiscal year ended March 31, 2024 included depreciation (by 94 million yen), whereas major increases included acquisition of real estate (by 29 million yen) and transfer from real estate for lease, etc. (by 2,766 million yen). For the fiscal year ended March 31, 2025, major decreases included depreciation (by 97 million yen), whereas major increases included the acquisition of real estate (by 19 million yen).

4. The fair values of major properties at fiscal year-ends are based on real estate appraisal reports by an external real estate appraiser while those of other properties were calculated by the Company according to the Real Estate Appraisal Standards.

Gains (losses) on real estate for lease, etc. and real estate, part of which is used as real estate for lease, etc. are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Real estate for lease, etc.		
Rental income	1,473	1,625
Rental expenses	732	975
Difference	741	649
Real estate, part of which is used as real estate for lease, etc.		
Rental income	309	296
Rental expenses	242	237
Difference	66	59

(Note) Real estate, part of which is used as real estate for lease, etc. includes portion used by the Company and some of its subsidiaries to provide services and for business management. Therefore, rental income for such portion is not recorded. However, expenses on such real estate (e.g. depreciation, taxes and dues, repair expenses, insurance expenses) are included in rental expenses.

(Revenue recognition)

1. Information on the breakdown of revenue from contracts with customers

For information on the breakdown of revenue from contracts with customers, please refer to [Notes] (Segment information, etc.)

2. Information that forms the basis of understanding revenue from contracts with customers

For information that forms the basis of understanding revenue, please refer to (Significant accounting policies for preparation of consolidated financial statements), 4. Disclosure of accounting policies, (4) Accounting standards for recording significant revenue and expenses.

3. Information on the relationship between the satisfaction of performance obligations based on contracts with customers and cash flows from such contracts, as well as on how much and when the Company expects to recognize revenue from the contracts with customers existing as of March 31, 2025 in the next fiscal year onward

This information is omitted because the Company and its consolidated subsidiaries have no contract assets or liabilities, and have very few contracts whose terms are initially expected to exceed one year, which therefore are deemed insignificant.

(Segment information, etc.)

[Segment information]

1. Description of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available that is evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance.

Depending on the type of service to provide, the Company has four reportable segments, Transportation, Warehousing, Packaging and Testing.

The Transportation segment engages in the transportation of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Warehousing segment engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Packaging segment engages in processing for distribution, delivery agency of automotive parts and others, export packing and other operations. The Testing segment engages in testing finished four-wheeled vehicles and motorcycles, automotive parts, agricultural machinery and others.

2. Methods of calculating amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Methods of accounting procedures for the reportable segments are generally identical to those described in "Significant accounting policies for preparation of consolidated financial statements." Profits in the reportable segments are figures based on operating profit. Transactions between the reportable segments are based on market prices.

3. Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment and information on disaggregation of revenue

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments					Others (Note 1)	Total
	Transportation business	Warehousing business	Packaging business	Testing business	Total		
Net sales							
Automobiles	32,315	9,797	24,302	22,195	88,611	527	89,138
Automotive parts	21,564	9,803	10,948	470	42,786	1,423	44,209
Housing	15,523	3,617	8,132	—	27,274	167	27,441
Agricultural machinery	4,414	1,761	959	58	7,193	106	7,300
Food and beverages	1,451	2,537	678	—	4,667	58	4,726
Newspapers and publications	4,723	0	0	—	4,723	—	4,723
Others	20,405	10,737	8,788	157	40,088	2,948	43,037
Revenue from contracts with customers	100,398	38,255	53,809	22,881	215,345	5,232	220,578
Other revenue	—	607	—	—	607	1,138	1,745
Sales to external customers	100,398	38,863	53,809	22,881	215,953	6,370	222,324
Intersegment sales or transfers	373	299	283	11	968	2,419	3,387
Total	100,772	39,163	54,092	22,893	216,921	8,790	225,712
Segment profit	5,585	8,328	3,320	3,329	20,563	612	21,175
Segment assets	117,002	133,777	66,751	20,169	337,701	49,602	387,304
Others							
Depreciation (Note 2)	2,931	6,643	1,183	1,062	11,820	662	12,483
Investment in equity method affiliates	2,539	—	186	—	2,725	1,541	4,266
Increase in property, plant and equipment and intangible assets (Note 2)	4,617	11,442	2,681	705	19,446	3,692	23,139

(Notes) 1. The “Others” category consists of businesses that are not included in reportable segments. It includes customs clearance business and automobile repair business, etc. In addition, interest income related to operating and non-operating transactions is excluded in the “Others” section in order to better represent the actual situation.

2. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

	Reportable segments					Others (Note 1)	Total
	Transportation business	Warehousing business	Packaging business	Testing business	Total		
Net sales							
Automobiles	43,630	10,038	26,998	23,588	104,255	583	104,838
Automotive parts	24,939	11,508	11,662	508	48,619	1,424	50,043
Housing	16,178	3,460	8,001	—	27,639	149	27,789
Agricultural machinery	4,456	1,913	970	30	7,371	81	7,452
Food and beverages	1,826	2,495	817	—	5,139	14	5,153
Newspapers and publications	4,698	0	—	—	4,698	—	4,698
Others	22,233	10,829	8,914	24	42,001	4,025	46,027
Revenue from contracts with customers	117,963	40,245	57,364	24,152	239,726	6,277	246,003
Other revenue	—	635	—	—	635	1,250	1,886
Sales to external customers	117,963	40,881	57,364	24,152	240,362	7,527	247,890
Intersegment sales or transfers	409	301	532	16	1,259	2,526	3,785
Total	118,373	41,182	57,896	24,168	241,621	10,054	251,675
Segment profit	6,314	8,558	4,248	3,989	23,111	(16)	23,095
Segment assets	132,416	134,337	62,519	18,957	348,231	78,913	427,144
Others							
Depreciation (Note 2)	4,492	7,023	1,294	880	13,691	1,234	14,926
Investment in equity method affiliates	2,713	—	192	—	2,906	1,922	4,829
Increase in property, plant and equipment and intangible assets (Note 2)	7,062	12,713	2,422	1,783	23,982	3,574	27,556

(Notes) 1. The “Others” category consists of businesses that are not included in reportable segments. It includes customs clearance business and automobile repair business, etc. In addition, interest income related to operating and non-operating transactions is excluded in the “Others” section in order to better represent the actual situation.

2. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

4. Difference between total reportable segments and the amounts on consolidated financial statements, as well as details of the difference (matters related to difference adjustment)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total reportable segments	216,921	241,621
Net sales in Others	8,790	10,054
Elimination of intersegment transactions	(3,387)	(3,785)
Net sales on the consolidated financial statements	222,324	247,890

(Millions of yen)

Profit	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total reportable segments	20,563	23,111
Profit in Others	612	(16)
Other adjustments (Note)	60	60
Operating profit on the consolidated financial statements	21,235	23,155

(Note) Other adjustments include the difference resulting from the elimination of operating and non-operating transactions.

(Millions of yen)

Assets	As of March 31, 2024	As of March 31, 2025
Total reportable segments	337,701	348,231
Assets in Others	49,602	78,913
Corporate assets (Note)	1,142	1,614
Total assets on the consolidated financial statements	388,446	428,759

(Note) Corporate assets primarily include surplus operating funds (time deposits, etc.) and long-term investment assets (investment securities).

(Millions of yen)

Others	Total reportable segments		Others		Adjustments		Amount on consolidated financial statements	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Depreciation	11,820	13,691	662	1,234	—	—	12,483	14,926
Investment in equity method affiliates	2,725	2,906	1,541	1,922	—	—	4,266	4,829
Increase in property, plant and equipment and intangible assets	19,446	23,982	3,692	3,574	—	—	23,139	27,556

[Related information]

Fiscal year ended March 31, 2024

1. Information by product and service

(Millions of yen)

	Transportation business	Warehousing business	Packaging business	Testing business	Other businesses	Total
Sales to external customers	100,398	38,863	53,809	22,881	6,370	222,324

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North America	Asia	Total
189,075	15,507	17,741	222,324

(Note) Net sales are classified by country or region based on customers' locations.

(2) Property, plant and equipment

Details of property, plant and equipment are omitted as the amount of property, plant and equipment located in Japan accounts for 90% or more of the amount of property, plant and equipment on consolidated balance sheet.

3. Information by key customer

(Millions of yen)

Customer's name	Net sales	Related segment
Honda Motor Co., Ltd.	37,368	Transportation, warehousing, packaging, testing, and other businesses

Fiscal year ended March 31, 2025

1. Information by product and service

(Millions of yen)

	Transportation business	Warehousing business	Packaging business	Testing business	Other businesses	Total
Sales to external customers	117,963	40,881	57,364	24,152	7,527	247,890

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North America	Asia	Total
202,735	26,531	18,622	247,890

(Note) Net sales are classified by country or region based on customers' locations.

(2) Property, plant and equipment

Details of property, plant and equipment are omitted as the amount of property, plant and equipment located in Japan accounts for 90% or more of the amount of property, plant and equipment on consolidated balance sheet.

3. Information by key customer

(Millions of yen)

Customer's name	Net sales	Related segment
Honda Motor Co., Ltd.	40,995	Transportation, warehousing, packaging, testing, and other businesses

[Information on impairment loss on non-current assets by reportable segment]

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

Fiscal year ended March 31, 2025

There are no applicable matters to be reported.

[Information on amortized goodwill and unamortized goodwill outstanding by reportable segment]

Fiscal year ended March 31, 2024

Details are omitted because of its insignificance.

Fiscal year ended March 31, 2025

(Millions of yen)

	Transportation business	Warehousing business	Packaging business	Testing business	Others	Total
Amortization during the period	466	36	22	—	0	525
Balance at end of period	3,758	146	89	—	8,173	12,167

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

Fiscal year ended March 31, 2025

There are no applicable matters to be reported.

[Related parties]

Transactions with related parties

(1) Transactions between the reporting company of the consolidated financial statements and related parties

Officers and major individual shareholders (limited to individuals) of the company filing the consolidated financial statements

Fiscal year ended March 31, 2024

Type	Name	Location	Paid-in capital or capital contribution (millions of yen)	Description of business or occupation	Ratio of voting rights holding (held) (%)	Relationship with related party	Description of transactions	Transaction amount (millions of yen)	Line item	Balance at end of period (millions of yen)
Officers and their close relatives	Chiyo Kuroiwa	—	—	—	—	Mother of Representative Director of reporting company	Acquisition of shares (Note)	205	—	—
Officers and their close relatives	Keita Kuroiwa	—	—	Director of subsidiary	(Owned) 0.49	Younger brother of Representative Director of reporting company	Acquisition of shares (Note)	19	—	—

(Note) The purchase price of shares is determined based on the equity value of the relevant subsidiary.

Fiscal year ended March 31, 2025

There are no applicable matters to be reported.

(2) Transactions between the reporting company's consolidated subsidiaries and related parties

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

Fiscal year ended March 31, 2025

There are no applicable matters to be reported.

(Per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	1,949.93 yen	1,998.82 yen
Earnings per share	130.49 yen	133.99 yen
Earnings per share after adjustment for the effects of dilutive potential shares	130.27 yen	123.25 yen

(Notes) 1. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. Net assets per share, earnings per share, and diluted earnings per share are calculated on the assumption that the said share split was conducted at the beginning of the fiscal year ended March 31, 2024.

2. When calculating earnings per share, the Company includes its shares remaining in the trust, which it reports as treasury shares in shareholders' equity, into the treasury shares which it deducts from the calculation of the average number of shares during the period. When calculating net assets per share, it also includes them into the treasury shares deducted from the total number of issued shares at the end of the period.

The average number of the treasury shares during the period deducted from the calculation of earnings per share was 68,000 shares in the fiscal year ended March 31, 2024 and 98,000 shares in the fiscal year ended March 31, 2025, while the number of the treasury shares deducted from the calculation of net assets per share was 98,000 shares in the fiscal year ended March 31, 2024 and 98,000 shares in the fiscal year ended March 31, 2025.

3. The basis for calculating earnings per share and earnings per share after adjustment for the effects of dilutive potential shares during the period is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
(1) Earnings per share		
Profit attributable to owners of parent (millions of yen)	16,608	16,550
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent on common stock (millions of yen)	16,608	16,550
Average number of common shares during the period (thousand shares)	127,275	123,514
(2) Earnings per share after adjustment for the effects of dilutive potential shares		
Adjusted profit attributable to owners of parent (millions of yen)	—	(3)
[Amortization of bond premium (after deducting tax equivalent amount)] (millions of yen)		[(3)]
Increase in the number of common shares (thousand shares)	222	10,743
[Subscription rights to shares] (thousand shares)	[222]	[216]
[Convertible-bond-type bonds with share acquisition rights] (thousand shares)	—	[10,526]
Overview of potential shares not included in the calculation of earnings per share after adjustment for the effects of dilutive potential shares because of having no dilutive effect	—	—

(Subsequent events)

There are no applicable matters to be reported.

5) [Annexed consolidated detailed schedules]

[Annexed consolidated detailed schedule of corporate bonds]

Company name	Issue	Issue date	Balance at beginning of the fiscal year under review (millions of yen)	Balance at end of the fiscal year under review (millions of yen)	Interest rate (%)	Collateral	Redemption date
NIKKON Holdings Co., Ltd.	The sixth issuance of unsecured straight bonds	December 18, 2018	10,000 (—)	10,000 (10,000)	0.320 per annum	Unsecured	December 18, 2025
NIKKON Holdings Co., Ltd.	The seventh issuance of unsecured straight bonds	October 11, 2019	10,000 (—)	10,000 (—)	0.280 per annum	Unsecured	October 11, 2029
NIKKON Holdings Co., Ltd.	The eighth issuance of unsecured straight bonds	September 18, 2020	10,000 (10,000)	— (—)	0.230 per annum	Unsecured	September 18, 2024
NIKKON Holdings Co., Ltd.	The ninth issuance of unsecured straight bonds	September 18, 2020	10,000 (—)	10,000 (—)	0.420 per annum	Unsecured	September 18, 2030
NIKKON Holdings Co., Ltd.	The tenth issuance of unsecured straight bonds	March 10, 2022	10,000 (—)	10,000 (—)	0.320 per annum	Unsecured	March 10, 2027
NIKKON Holdings Co., Ltd.	The 11th issuance of unsecured straight bonds	May 30, 2024	— (—)	10,000 (—)	0.843 per annum	Unsecured	May 30, 2029
NIKKON Holdings Co., Ltd.	Zero Coupon Convertible Bonds due 2031	December 12, 2024	— (—)	22,105 (—)	—	—	December 12, 2031
Total	—	—	50,000 (10,000)	72,105 (10,000)	—	—	—

(Notes) 1. Parenthesized values refer to those redeemable within one year.

2. Details of the Convertible-bond-type bonds with share acquisition rights are as follows:

Issue	Zero Coupon Convertible Bonds due 2031
Class of shares to be issued	Common shares
Issue price of share acquisition rights (yen)	Nil
Initial conversion price (yen)	(Note) 2 2,090
Total issue price (millions of yen)	22,000
Total issue price of shares issued upon the exercise of stock acquisition rights (millions of yen)	—
Percentage of share acquisition rights granted (%)	100
Period of exercise of share acquisition rights	From December 26, 2024 to November 28, 2031)

(Notes) 1. It is assumed that the full payment due for exercising share acquisition rights is paid in lieu of the full redemption of the convertible bonds associated with those rights when requested by rights holders seeking to exercise their share acquisition rights. It is further assumed that such a request is made when the share acquisition rights are exercised.

2. At its meeting held on May 9, 2025, the Board of Directors approved a proposal to pay a year-end dividend per share of 27 yen for the fiscal year ended March 31, 2025. Accordingly, pursuant to the conversion price adjustment provisions of the terms of the Zero Coupon Convertible Bonds due 2031, the conversion price has been adjusted from 2,090 yen to 2,065.1 yen.

3. Below is the annual redemption schedule within five years from the closing date.

Within 1 year (Millions of yen)	Over 1 year through 2 years (Millions of yen)	Over 2 years through 3 years (Millions of yen)	Over 3 years through 4 years (Millions of yen)	Over 4 years through 5 years (Millions of yen)
10,000	10,000	—	—	20,000

[Annexed consolidated detailed schedule of borrowings]

Category	Balance at beginning of the fiscal year under review (millions of yen)	Balance at end of the fiscal year under review (millions of yen)	Average interest rate (%)	Due date
Short-term borrowings	—	17,800	0.7	—
Long-term borrowings due within 1 year	2,025	2,666	1.5	—
Lease liabilities due within 1 year	37	112	—	—
Long-term borrowings (excluding those due within 1 year)	27,034	25,743	0.7	From April 2026 through August 2028
Lease liabilities (excluding those due within 1 year)	84	214	—	From April 2026 through December 2031
Other interest-bearing debts Deposits received (due within 1 year)	767	850	0.2	—
Total	29,948	47,387	—	—

(Notes) 1. The average interest rate is stated as the weighted average interest rate on the balance of borrowings, etc. at end of period.

2. The Company does not state the average interest rate for lease liabilities because it records lease liabilities inclusive of amounts equivalent to interest payments included in total lease expenses on the consolidated balance sheet.

3. The repayment schedule of long-term borrowings and lease liabilities (excluding those due within one year) within five years after the closing date is as follows:

Category	Over 1 year through 2 years (Millions of yen)	Over 2 years through 3 years (Millions of yen)	Over 3 years through 4 years (Millions of yen)	Over 4 years through 5 years (Millions of yen)
Long-term borrowings	3,468	11,229	11,045	—
Lease liabilities	95	65	35	14

[Annexed consolidated detailed schedule of asset retirement obligations]

The amounts of asset retirement obligations at the beginning and the end of the current fiscal year are not larger than 1% of the total liabilities and net assets at the beginning and the end of the fiscal year under review. Therefore, the schedule of asset retirement obligations is not disclosed in accordance with Article 92-2 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

(2) Other information

1) Semiannual information in the fiscal year ended March 31, 2025

(Cumulative period)	Six months ended September 30, 2024	Fiscal year ended March 31, 2025
Net sales (millions of yen)	120,361	247,890
Profit before income taxes (millions of yen)	11,025	24,140
Profit attributable to owners of parent (millions of yen)	6,744	16,550
Earnings per share (yen)	53.72	133.99

(Notes) 1. The Company has conducted a share split with an effective date of October 1, 2024 in the ratio of one share to two shares. "Earnings per share" is calculated on the assumption that the said share split was conducted at the beginning of the fiscal year ended March 31, 2025.

2. The Company finalized the provisional accounting treatment for the business combination in the fiscal year ended March 31, 2025. The relevant figures for the six months ended September 30, 2024 reflect the significant revision of the initially allocated amount of acquisition costs as the Company finalized the provisional accounting treatment for the business combination.

2) Status after the closing date

There are no applicable matters to be reported.

3) Significant lawsuits

There are no applicable matters to be reported.

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	29,856	12,771
Accounts receivable - trade	*1 116	*1 976
Short-term loans receivable	*1 9,241	*1 27,190
Other	*1 1,201	*1 668
Total current assets	40,416	41,606
Non-current assets		
Property, plant and equipment		
Buildings	7,414	13,070
Structures	224	549
Machinery and equipment	34	290
Vehicles	0	0
Tools, furniture and fixtures	16	30
Land	23,723	23,707
Construction in progress	4,801	56
Total property, plant and equipment	36,216	37,705
Intangible assets	1	1
Investments and other assets		
Investment securities	28,682	21,769
Shares of subsidiaries and associates	101,195	118,239
Investments in capital of subsidiaries and associates	3,787	3,787
Long-term loans receivable	*1 37,152	*1 43,419
Other	15	18
Total investments and other assets	170,833	187,235
Total non-current assets	207,051	224,941
Total assets	247,467	266,548

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	15	9
Short-term borrowings	—	17,800
Current portion of long-term borrowings	2,000	2,000
Current portion of bonds payable	10,000	10,000
Accounts payable - other	*1 209	*1 284
Income taxes payable	131	51
Deposits received	*1 29,274	*1 27,658
Notes payable - facilities	6	—
Electronically recorded obligations - non-operating	811	842
Provision for bonuses	37	42
Provision for bonuses for directors (and other officers)	52	58
Other	*1 126	*1 204
Total current liabilities	42,665	58,952
Non-current liabilities		
Bonds payable	40,000	40,000
Convertible-bond-type bonds with share acquisition rights	—	22,105
Long-term borrowings	27,000	25,000
Deferred tax liabilities	7,008	5,017
Provision for retirement benefits for executive officers	20	14
Other	*1 518	*1 660
Total non-current liabilities	74,547	92,798
Total liabilities	117,213	151,750
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus		
Legal capital surplus	11,582	11,582
Total capital surplus	11,582	11,582
Retained earnings		
Legal retained earnings	1,426	1,426
Other retained earnings		
Reserve for dividends	50	50
Reserve for tax purpose reduction entry of non-current assets	15	14
General reserve	92,000	92,000
Retained earnings brought forward	(2,989)	(3,422)
Total retained earnings	90,501	90,067
Treasury shares	(482)	(10,473)
Total shareholders' equity	112,917	102,492
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	17,175	12,152
Total valuation and translation adjustments	17,175	12,152
Share acquisition rights	161	152
Total net assets	130,254	114,797
Total liabilities and net assets	247,467	266,548

2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating revenue	*1 10,863	*1 19,610
Operating costs	*1 1,008	*1 1,213
Operating gross profit	9,855	8,397
Selling, general and administrative expenses	*2 952	*2 1,211
Operating profit	8,903	7,186
Non-operating income		
Interest income	0	0
Interest on securities	9	37
Dividend income	732	1,019
Foreign exchange gains	267	—
Miscellaneous income	27	*1 27
Total non-operating income	1,037	1,084
Non-operating expenses		
Interest expenses	79	160
Interest on bonds	157	215
Bond issuance costs	—	187
Foreign exchange losses	—	1,091
Miscellaneous expenses	6	9
Total non-operating expenses	242	1,664
Ordinary profit	9,696	6,605
Extraordinary income		
Gain on sale of non-current assets	—	*3 50
Gain on sale of investment securities	—	29
Total extraordinary income	—	79
Extraordinary losses		
Loss on sale of non-current assets	—	*4 5
Total extraordinary losses	—	5
Profit before income taxes	9,696	6,680
Income taxes - current	511	280
Income taxes - deferred	26	(4)
Total income taxes	537	276
Profit	9,159	6,403

Operating cost statement

		Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Category	Note No.	Amount (millions of yen)	Composition ratio (%)	Amount (millions of yen)	Composition ratio (%)
I. Personnel expenses		69	6.9	63	5.3
(Provision for bonuses)		(5)		(5)	
II. Other expenses					
1. Repair expenses		196		151	
2. Depreciation		448		524	
3. Insurance expenses		20		22	
4. Facility expenses		5		5	
5. Taxes and dues		176		326	
6. Travel and transportation expenses		0		0	
7. Others		91		117	
Total other expenses		939	93.1	1,149	94.7
Total operating costs		1,008	100.0	1,213	100.0

3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus	Retained earnings				
		Legal capital surplus	Legal retained earnings	Other retained earnings			
				Reserve for dividends	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of period	11,316	11,582	1,426	50	15	92,000	1,106
Changes during period							
Dividends of surplus							(6,471)
Profit							9,159
Purchase of treasury shares							
Disposal of treasury shares		9					
Cancellation of treasury shares		(9)					(6,784)
Reversal of reserve for tax purpose reduction entry of non-current assets					(0)		0
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	(0)	—	(4,096)
Balance at end of period	11,316	11,582	1,426	50	15	92,000	(2,989)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(3,596)	113,901	10,301	10,301	210	124,413
Changes during period						
Dividends of surplus		(6,471)				(6,471)
Profit		9,159				9,159
Purchase of treasury shares	(4,072)	(4,072)				(4,072)
Disposal of treasury shares	392	401				401
Cancellation of treasury shares	6,794	—				—
Reversal of reserve for tax purpose reduction entry of non-current assets		—				—
Net changes in items other than shareholders' equity			6,873	6,873	(49)	6,824
Total changes during period	3,113	(983)	6,873	6,873	(49)	5,840
Balance at end of period	(482)	112,917	17,175	17,175	161	130,254

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus	Retained earnings				
		Legal capital surplus	Legal retained earnings	Other retained earnings			
				Reserve for dividends	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of period	11,316	11,582	1,426	50	15	92,000	(2,989)
Changes during period							
Dividends of surplus							(6,835)
Profit							6,403
Purchase of treasury shares							
Disposal of treasury shares							(1)
Reversal of reserve for tax purpose reduction entry of non-current assets					(0)		0
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	(0)	—	(433)
Balance at end of period	11,316	11,582	1,426	50	14	92,000	(3,422)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(482)	112,917	17,175	17,175	161	130,254
Changes during period						
Dividends of surplus		(6,835)				(6,835)
Profit		6,403				6,403
Purchase of treasury shares	(10,001)	(10,001)				(10,001)
Disposal of treasury shares	10	8				8
Reversal of reserve for tax purpose reduction entry of non-current assets		—				—
Net changes in items other than shareholders' equity			(5,023)	(5,023)	(8)	(5,031)
Total changes during period	(9,991)	(10,424)	(5,023)	(5,023)	(8)	(15,456)
Balance at end of period	(10,473)	102,492	12,152	12,152	152	114,797

[Notes]

(Significant accounting policies)

1. Evaluation standards and methods for assets

(1) Securities

- a. Held-to-maturity bonds...the amortized cost method (straight-line method)
- b. Shares of subsidiaries and affiliated companies...the moving average cost method
- c. Available-for-sale securities

Securities other than equities without market pricethe fair value method (valuation differences are directly booked into net assets and costs of securities sold are determined by the moving average method).

Equities without market valuethe moving average cost method

(2) Derivatives

Fair value method

(3) Money held in trust for investment purposes

Fair value method

2. Depreciation method of non-current assets

(1) Property, plant and equipment

The Company uses the declining balance method.

However, the Company uses the straight-line method for buildings (excluding facilities attached to buildings) acquired on April 1, 1998 or later and facilities attached to buildings and structures acquired on April 1, 2016 or later. It uses the straight-line-method to depreciate immaterial depreciable assets whose acquisition cost is over 100,000 yen through 200,000 yen for three years.

Principal useful lives are as follows:

Buildings	8 - 50 years
Structures	10 - 20 years
Machinery and equipment	7 - 12 years
Vehicles	6 years
Tools, furniture and fixtures	5 - 15 years

(2) Intangible assets

The Company uses the straight-line method.

The Company uses the straight-line method for its software (for internal use) based on internal usable period (five years).

3. Standards for recording allowances and provisions

- (1) Allowance for doubtful accountTo prepare for potential losses from uncollectable notes and accounts receivables, a provision is made on general receivables based on historical rates. For specific receivables such as doubtful receivables, collectability is considered individually to record an estimated uncollectable amount.
- (2) Provision for bonusesTo prepare for the payment of bonuses for its employees, the Company records estimated payments.
- (3) Provision for bonuses for directors
(and other officers)To prepare for the payment of bonuses to directors (and other officers), the Company recorded the amount attributable to fiscal year ended March 31, 2025 based on estimated payments in the fiscal year.
- (4) Provision for retirement benefits for
executive officers.....To prepare for the payment of retirement benefits for executive officers, the Company recorded the amount required at the end of the period in accordance with its internal regulations on retirement benefits for executive officers.

4. Standards for recording revenues and expenses

Details of main performance obligations and regular timing for revenue recognition in major businesses related to revenue from contracts with the customers of the Company are as follows:

(1) Real estate rental business

As real estate rental business, we use properties owned by the Company to rent commercial spaces and acquire business land mainly for logistics-related business. We recognize revenue from our real estate rental business over the rental period according to the accounting standard for lease transactions.

Consideration for our performance obligation is collected generally within three months after the obligation is fulfilled according to the payment terms separately determined, and does not involve a material financial element.

5. Other significant matters providing the basis for the preparation of non-consolidated financial statements

(1) Treatment of hedge accounting

a. Hedge accounting methods

The Company in principle uses deferred hedge accounting. Designated hedge accounting is applied to the forward exchange contracts that meet the requirements for designated hedge accounting, while exceptional accounting treatment is applied to interest-rate swaps that meet the requirements for exceptional accounting treatment.

b. Hedging instruments and hedged items

Hedging instruments.....Interest-rate swaps and forward exchange contracts

Hedged items.....Borrowings and accounts receivable - trade

c. Hedging policy

The Company does this only for the purpose of hedging against interest rate risks and foreign exchange risks.

d. Evaluating hedging effectiveness

During the period between the start of a hedge and the time of judging its effectiveness, the Company compares cumulative market fluctuations of the hedging instrument and the hedged item to judge hedging effectiveness based on their changes in amount. When concluding a forward exchange contract, the Company allocates it to each with the same maturity date and the same amount in foreign currency according to its risk management policy, enabling it to fully secure the correlation regardless of subsequent fluctuations in foreign exchange. The Company therefore omits the evaluation of the effectiveness of forward exchange contracts on the closing date.

(Significant accounting estimates)

Valuation of shares of subsidiaries and associates

(1) The amount recorded on the financial statements

118,239 million yen in shares of subsidiaries and associates recorded on the balance sheet includes 18,142 million yen in the acquisition of shares in CHUOH PACK INDUSTRY CO., LTD. (hereinafter referred to as “CHUOH PACK INDUSTRY”).

(2) Information on details of the significant accounting estimates pertaining to the identified items

For shares of subsidiaries and associates without a market price, the carrying amount in the non-consolidated balance sheet is based on the acquisition costs. However, if the substantive value of the shares declines significantly due to a deterioration of the issuer's financial position, unless its recoverability is supported by sufficient evidence, the book value shall be reduced to the actual value, and the amount of such reduction shall be treated as a loss for the current fiscal year.

On March 26, 2025, the Company acquired CHUOH PACK INDUSTRY as a consolidated subsidiary through the purchase of its shares. Future net sales in CHUOH PACK INDUSTRY's business plan, which forms the basis for the valuation of corporate value, involve uncertainty because they include the key assumption that net sales will continue to grow going forward. Although such estimates are determined based on the best possible estimates available, a significant impact on estimates of future cash flows could have a material effect on financial statements for the next fiscal year and beyond.

(Additional information)

(Implementation of the share-based remuneration plan for Directors)

The Company has implemented a share-based remuneration plan using a trust (hereafter “the Plan”) for its Directors (excluding the members of the Audit and Supervisory Committee and the Outside Directors). The purpose and outline of the Plan are as stated in “[Notes] (additional information)” under “V. Financial Information, 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements.”

(Non-consolidated balance sheet)

*1. Items on subsidiaries and affiliated companies

Monetary claims and obligations on subsidiaries and affiliated companies

	As of March 31, 2024	As of March 31, 2025
Short-term monetary claims	9,401 million yen	28,201 million yen
Long-term monetary claims	37,152	43,419
Short-term monetary obligations	29,282	27,668
Long-term monetary obligations	30	30

2. Transfer of liquidated accounts receivable

	As of March 31, 2024	As of March 31, 2025
Transfer of accounts receivable	2,246 million yen	2,441 million yen

(Non-consolidated statement of income)

*1. The following transactions with affiliated companies are included.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating transaction volume		
Operating revenue	9,787 million yen	8,438 million yen
Operating costs	48	71
Non-operating transaction volume	—	1

*2. Expenses included in selling expenses accounted for roughly 3% in the fiscal year ended March 31, 2024 and 3% in the fiscal year ended March 31, 2025 while expenses included in general and administrative expenses accounted for approximately 97% in the fiscal year ended March 31, 2024 and 99% in the fiscal year ended March 31, 2025.

Below are major items and amounts of selling, general and administrative expenses.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Personnel expenses	525 million yen	577 million yen
Provision for bonuses	31	36
Provision for bonuses for directors (and other officers)	53	62
Retirement benefit expenses	13	16
Depreciation	3	5
Taxes and dues	93	173
Travel and transportation expenses	26	35
Provision of allowance for doubtful accounts	(2)	—
Other	306	419
Total	952	1,211

*3. Details of gain on sale of non-current assets are as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Tools, furniture and fixtures	— million yen	0 million yen
Land	—	50
Total	—	50

*4. Details of loss on sale of non-current assets are as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Land	— million yen	5 million yen
Total	—	5

(Securities)

Our subsidiaries' and affiliated companies' shares are not stated as they have no quoted market prices (the amount on balance sheet of the subsidiaries' shares was 118,227 million yen and that of the affiliated companies' shares was 12 million yen in the fiscal year ended March 31, 2025; the amount on balance sheet of the subsidiaries' shares was 101,183 million yen and that of the affiliated companies' was 12 million yen in the fiscal year ended March 31, 2024).

(Tax effect accounting)

1. Breakdown of major factors that caused deferred tax assets and liabilities

	As of March 31, 2024	As of March 31, 2025
(Deferred tax assets)		
Provision for bonuses	11 million yen	13 million yen
Enterprise tax payable	21	7
Impairment loss	23	0
Long-term accounts payable - other	34	35
Loss on valuation of shares of subsidiaries	423	435
Share acquisition rights	49	48
Subsidiaries' shares arising from divestiture	745	767
Valuation difference on available-for-sale securities	5	5
Adjustment on gain (loss) on transfer	128	138
Increase in subsidiaries' shares due to disposal of their capital surplus	—	214
Other	78	87
Deferred tax assets (subtotal)	1,521	1,753
Valuation allowance	(608)	(826)
Offset with deferred tax liabilities	(912)	(926)
Total deferred tax assets	—	—
(Deferred tax liabilities)		
Valuation difference on available-for-sale securities	(7,585)	(5,599)
Adjustment on gain (loss) on transfer	(328)	(337)
Other	(6)	(7)
Deferred tax liabilities (subtotal)	(7,920)	(5,944)
Offset with deferred tax assets	912	926
Total deferred tax liabilities	(7,008)	(5,017)
Net deferred tax liabilities	(7,008)	(5,017)

2. The breakdown of any major items that caused the significant difference between the statutory tax rate and the effective tax rate after applying tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Non-deductible expenses such as entertainment expenses	0.2	0.7
Non-taxable income such as dividend income	(26.2)	(30.8)
Per capita inhabitant tax	0.0	0.0
Changes in valuation allowance	0.1	2.9
Changes due to application of statutory tax rate including special defense corporation tax rate	—	(0.2)
Other	0.9	0.9
Effective tax rate after applying tax effect accounting	5.5	4.1

3. Revision of deferred tax assets and deferred tax liabilities due to changes in income tax rates

“Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, whereby a special defense corporation tax will be imposed from a fiscal year beginning on or after April 1, 2026.

In line with this, the effective statutory income tax rate for the calculation of deferred tax assets and deferred tax liabilities relating to temporary differences expected to be eliminated in and after a fiscal year beginning on or after April 1, 2026, has been changed from 30.6% to 31.5%.

As a result of this change, deferred tax liabilities (after deducting deferred tax assets) increased by 143 million yen, while valuation difference on available-for-sale securities decreased by 159 million yen, and Income taxes - deferred decreased by 15 million yen, for the fiscal year ended March 31, 2025.

(Business combinations)

This note is omitted because the same information is included under “Notes (Business combinations)” of the consolidated financial statements.

(Revenue recognition)

Information that forms the basis of understanding revenue from contracts with customers

For information that forms the basis of understanding revenue, please refer to “[Notes] (significant accounting policies), 4. Accounting standards for recording significant revenues and expenses” of non-consolidated financial statements.

(Subsequent events)

There are no applicable matters to be reported.

4) Annexed detailed schedules

[Annexed detailed schedule of property, plant and equipment, etc.]

(Millions of yen)

Type of asset	Balance at beginning of current period	Increase during the period	Decrease during the period	Balance at end of current period	Accumulated depreciation or amortization at end of current period	Depreciation or amortization during the period	Balance at end of current period, net
Property, plant and equipment							
Buildings	11,892	6,116	—	18,008	4,937	460	13,070
Structures	879	366	—	1,246	697	42	549
Machinery and equipment	232	272	—	505	214	16	290
Vehicles	3	—	—	3	3	—	0
Tools, furniture and fixtures	135	24	22	137	106	10	30
Land	23,723	—	15	23,707	—	—	23,707
Construction in progress	4,801	2,533	7,279	56	—	—	56
Total property, plant and equipment	41,668	9,314	7,318	43,664	5,959	529	37,705
Intangible assets	17	—	—	17	16	0	1

(Notes) 1. Balance at beginning of current period and balance at end of current period are stated at acquisition cost.

2. Major items of increase during the period are as follows:

Buildings	Completion of new warehouse at WALRE Utsunomiya	5,869 million yen
	Additional painting work for waterproofing metallic roof of NK Fujisawa	114 million yen
Structures	Warehouse facilities at WALRE Utsunomiya	362 million yen
Machinery and equipment	Warehouse facilities at WALRE Utsunomiya	270 million yen
Construction in progress	Additional painting work for waterproofing metallic roof of NK Fujisawa	97 million yen
	New warehouse at WALRE Utsunomiya	2,386 million yen
	Design support and supervision fees for ATJ Haga Office	49 million yen

3. Major items of decrease during the period are as follows:

Land	Sale of land in Sakura-shi, Tochigi	15 million yen
Construction in progress	Additional painting work for waterproofing metallic roof of NK Fujisawa	121 million yen
	Transferred to this account item	
	New warehouse at WALRE Utsunomiya	7,152 million yen
	Transferred to this account item	

[Annexed detailed schedule of provisions]

(Millions of yen)

Category	Balance at beginning of current period	Increase during the period	Decrease during the period	Balance at end of current period
Provision for bonuses	37	38	32	42
Provision for bonuses for directors (and other officers)	52	62	56	58
Provision for retirement benefits for executive officers	20	9	14	14

(2) Components of major assets and liabilities

This information is omitted as the Company prepares the consolidated financial statements.

(3) Other information

1) Status after the closing date

There are no applicable matters to be reported.

2) Significant lawsuits

There are no applicable matters to be reported.

VI. Outline of Share-related Administration of Reporting Company

Fiscal year	From April 1 to March 31
Ordinary general meeting of shareholders	June
Record date	March 31
Record dates for dividends of surplus	September 30 and March 31
The number of shares per unit	100 shares
Purchase or additional purchase of treasury shares of less than one unit	
Handling office	(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department
Administrator of the register of shareholders	(Special account) 1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department
Transfer office	—
Purchasing fee	Amount separately specified as an amount equivalent to the fees pertaining to the entrustment of sale and purchase of shares
Method of public notice	Electronic public notice. However, if the public notice is not possible due to an accident or through other compelling reasons, then the public notice shall be posted on Nihon Keizai Shimbun published in Tokyo.
Shareholders' privileges	None.

(Notes) 1. The Company's shareholders (including the substantial shareholders) shall not exercise rights other than those listed below on shares less than one unit they own.

Rights as specified by each item of Article 189, Paragraph 2 of the Companies Act.

Rights to receive dividends of surplus.

Rights to make a claim as set forth by Article 166, Paragraph 1 of the Companies Act.

Rights to receive allotment of shares for subscription or share acquisition rights for subscription according to the number of shares owned by the shareholder.

VII. Reference Information of Reporting Company

1. Information about parent of reporting company

The Company has no parent company as stipulated by Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other reference information

The Company filed the following documents during the period between the start date of the fiscal year ended March 31, 2025 and the filing date of the Annual Securities Report.

(1) Annual Securities Report and documents attached thereto, and Confirmation Letter thereof

For the 83rd fiscal year (From April 1, 2023, to March 31, 2024), filed to the Director-General of the Kanto Local Finance Bureau on June 28, 2024.

(2) Amended Annual Securities Report and Confirmation Letter thereof

For the 83rd fiscal year (From April 1, 2023, to March 31, 2024), filed to the Director-General of the Kanto Local Finance Bureau on June 26, 2025.

(3) Internal Control Report and documents attached thereto

Filed to the Director-General of the Kanto Local Finance Bureau on June 28, 2024.

(4) Semiannual Securities Reports and Confirmation Letters thereof

For the semiannual period of the 84th fiscal year (from April 1, 2024 to September 30, 2024): filed to the Director-General of the Kanto Local Finance Bureau on November 13, 2024.

(5) Current Reports

Filed to the Director-General of the Kanto Local Finance Bureau on July 4, 2024.

The Current Report was based on the provision of Article 19, Paragraph 2, Item 9-2 (Results of exercise of voting rights at the general meeting of shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Filed to the Director-General of the Kanto Local Finance Bureau on August 27, 2024.

The Current Report was based on the provision of Article 19, Paragraph 2, Item 4 (Change in the major shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Filed to the Director-General of the Kanto Local Finance Bureau on November 26, 2024.

The Current Report was based on the provision of Article 19, Paragraph 1 and Article 19, Paragraph 2, Item 1 (Issuance of Zero Coupon Convertible Bonds due 2031) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Filed to the Director-General of the Kanto Local Finance Bureau on March 13, 2025.

The Current Report was based on the provision of Article 19, Paragraph 2, Item 4 (Change in the major shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Filed to the Director-General of the Kanto Local Finance Bureau on May 21, 2025.

The Current Report was based on the provision of Article 19, Paragraph 2, Item 12-2 (Agreement on governance between the company and shareholders) and Item 12-3 (Agreement on disposal of shares, etc. between the company and shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs.

(6) Amended Current Reports

Filed to the Director-General of the Kanto Local Finance Bureau on July 4, 2024.

Filed to the Director-General of the Kanto Local Finance Bureau on November 27, 2024.

(7) Share Buyback Reports

Filed to the Director-General of the Kanto Local Finance Bureau on August 5, 2024.

Filed to the Director-General of the Kanto Local Finance Bureau on September 3, 2024.

Filed to the Director-General of the Kanto Local Finance Bureau on October 4, 2024.

Filed to the Director-General of the Kanto Local Finance Bureau on November 5, 2024.

Filed to the Director-General of the Kanto Local Finance Bureau on December 9, 2024.
Filed to the Director-General of the Kanto Local Finance Bureau on January 9, 2025.
Filed to the Director-General of the Kanto Local Finance Bureau on February 7, 2025.
Filed to the Director-General of the Kanto Local Finance Bureau on March 7, 2025.
Filed to the Director-General of the Kanto Local Finance Bureau on April 4, 2025.

(8) Shelf Registration Supplements (corporate bond) and other documents attached thereto

Filed to the Director-General of the Kanto Local Finance Bureau on May 24, 2024.
Filed to the Director-General of the Kanto Local Finance Bureau on April 23, 2025.

(9) Amended Shelf Registration Statements

Filed to the Director-General of the Kanto Local Finance Bureau on July 4, 2024.
Filed to the Director-General of the Kanto Local Finance Bureau on July 8, 2024.
Filed to the Director-General of the Kanto Local Finance Bureau on August 27, 2024.
Filed to the Director-General of the Kanto Local Finance Bureau on November 26, 2024.
Filed to the Director-General of the Kanto Local Finance Bureau on November 27, 2024.
Filed to the Director-General of the Kanto Local Finance Bureau on March 13, 2025.

Part II Information about Reporting Company's Guarantor, etc.

There are no applicable matters to be reported.

Independent Auditor's Report on the Consolidated
Financial Statements and Internal Control

June 26, 2025

To the Border of Directors of
NIKKON Holdings Co., Ltd.

KPMG AZSA LLC
Tokyo Office

Designated Limited
Liability Partner
Engagement Partner

Certified Public
Accountant

Yasushi Kaneko

Designated Limited
Liability Partner
Engagement Partner

Certified Public
Accountant

Mako Tasaka

<Audits of Consolidated Financial Statements>

Audit opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have audited the consolidated financial statements of NIKKON Holdings Co., Ltd. provided in the "Financial Information" section for the fiscal year from April 1, 2024 to March 31, 2025, which comprise the consolidated balance sheet, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, the consolidated statements of cash flows, significant accounting policies for preparation of consolidated financial statements, other notes and annexed consolidated detailed schedules.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NIKKON Holdings Co., Ltd. and its consolidated subsidiaries as of March 31, 2025, and their financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are further described in the "Auditor's Responsibility for the Audit of the Consolidated Financial Statements" section of this report. We are independent of the Company and its consolidated subsidiaries in accordance with provisions related to professional ethics in Japan, and we are fulfilling our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current fiscal year. Key audit matters are the matters addressed in the process of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasonableness of the acquisition price of the equity interests in SUPREME AUTO TRANSPORT, LLC. and appropriateness of the purchase price allocation to identifiable assets and liabilities	
Key audit matter description and reasons for determination thereof	How the key audit matter was addressed in the audit
<p>As stated in Notes (Significant accounting estimates) and (Business combinations) of the consolidated balance sheet, on May 20, 2024, the Company made SUPREME AUTO TRANSPORT, LLC. (hereinafter referred to as “SPMA”) into a consolidated subsidiary by acquiring 75% of its equity interests for 111 million dollars through NK NORTH AMERICA, INC. (hereinafter referred to as “NKNA”), a consolidated subsidiary of the Company. As a result of the purchase price allocation (hereinafter referred to as the “PPA”), as of the end of the fiscal year ended March 31, 2025, customer-related intangible assets were 13,495 million yen and goodwill was 3,537 million yen, which account for 3.1% and 0.8% of total assets, respectively.</p> <p>In calculating the acquisition price of the equity interests in SPMA, the Company determined the purchase price based on the corporate value calculated on the basis of the multiples of comparable companies and in doing so, consulted with external experts. In the PPA process, the Company also relied on external experts to calculate the fair value of identifiable assets and liabilities, and recorded the difference between the acquisition price and allocated amount of acquisition costs as goodwill.</p> <p>In the evaluation of corporate value and the PPA, management’s judgment will have significant impact mainly on the following matters:</p> <ul style="list-style-type: none"> - The corporate value evaluation was conducted using a valuation model based on the market approach (comparable multiple valuation method). The evaluation of the fair value of customer-related intangible assets in the PPA was conducted using a valuation model based on the income approach (multi-period excess earnings method). The selection of valuation models requires advanced expertise on value evaluation. - The selection of comparable companies and the calculation of multiples in corporate value evaluation require advanced expertise on value evaluation. The calculation of the capital charge rate and the discount rate used to measure the fair value in the PPA also requires advanced expertise on value evaluation. - The Company drew on SPMA’s future business plan as a basis for calculating the fair value of customer-related intangible assets in the PPA, and net sales in the plan contain management’s assumptions that they will continue to grow and thus involve uncertainty. <p>As such, we determined that the reasonableness of the acquisition price of the equity interests in SPMA and the appropriateness of the PPA was of most significance in the audit of the consolidated financial statements of the current fiscal year and was therefore one of the key audit matters.</p>	<p>In assessing the reasonableness of the acquisition price of the equity interests in SPMA and the appropriateness of the PPA, we took primarily the following procedures:</p> <p>(1) Assessment of internal controls</p> <p>We evaluated the effectiveness of development and operation status of the internal control system of the Company regarding the determination of the acquisition price and the PPA. In doing so, we especially focused on internal controls over the issues below.</p> <ul style="list-style-type: none"> - Approval by NIKKON Holdings’ Board of Directors on the acquisition price of equity interests based on SPMA’s corporate value - Approval by external experts on the details of identifiable assets and liabilities and the PPA based on the valuation amount <p>(2) Assessment of the reasonableness of the acquisition price</p> <p>With regard to the key assumptions contained in corporate value evaluation, which forms the basis of the acquisition price, we conducted the following procedures:</p> <ul style="list-style-type: none"> - With the involvement of experts on value evaluation from our domestic network firms, we examined the appropriateness of the evaluation model adopted by the Company as well as the appropriateness of the selected comparable companies and the calculation details of the multiples. <p>(3) Assessment of the appropriateness of the PPA</p> <p>With regard to the key assumptions regarding the PPA, we conducted the following procedures:</p> <ul style="list-style-type: none"> - We made inquiries to SPMA’s management and reviewed the minutes of NIKKON Holdings’ Board of Directors meetings to understand SPMA’s business details and the assumptions about net sales contained in its future business plan. - We compared net sales contained in the future business plan with the company’s past performance and external data on the growth rate of the finished vehicle market (output) in North America and evaluated their reasonableness. - With the involvement of experts on value evaluation from our domestic network firms, we examined the appropriateness of the evaluation model adopted by the Company as well as the appropriateness of the capital charge rate and the discount rate.

Reasonableness of the acquisition price of the shares in CHUOH PACK INDUSTRY	
Key audit matter description and reasons for determination thereof	How the key audit matter was addressed in the audit
<p>As stated in Notes (Significant accounting estimates) and (Business combinations) of the consolidated balance sheet, on March 26, 2025, the Company made CHUOH PACK INDUSTRY CO., LTD. (hereinafter referred to as “CHUOH PACK INDUSTRY”) into a consolidated subsidiary by acquiring 71.19% of its shares for 17,800 million yen through a tender offer.</p> <p>As a result of the provisional price purchase allocation, as of the end of the fiscal year ended March 31, 2025, the Company recorded 8,172 million yen, which is the difference between the acquisition price and net assets, as goodwill, and the amount accounts for 1.9% of total assets.</p> <p>In carrying out the tender offer of shares in CHUOH PACK INDUSTRY, the Company determined the tender offer price based on the corporate value calculated on the basis of CHUOH PACK INDUSTRY’s future business plan and in the calculation process, consulted with external experts.</p> <p>In the evaluation of corporate value, management’s judgment will have significant impact mainly on the following matters:</p> <ul style="list-style-type: none"> - The Company drew on future net sales in CHUOH PACK INDUSTRY’s future business plan, which forms the basis of the calculation of corporate value evaluation, and such data contain management’s projections that they will continue to grow and thus involve uncertainty. - Corporate value evaluation was conducted mainly using a valuation model based on the income approach (discounted cash flow (DCF) method), and the selection of a valuation model requires advanced expertise on value evaluation. - The estimation of the discount rate used to calculate corporate value requires advanced expertise on value evaluation and thus involves uncertainty. <p>As such, we determined that the reasonableness of the acquisition price of the shares in CHUOH PACK INDUSTRY was of most significance in the audit of the consolidated financial statements of the current fiscal year and was therefore one of the key audit matters.</p>	<p>In assessing the reasonableness of the acquisition price of the shares in CHUOH PACK INDUSTRY, we took primarily the following procedures:</p> <p>(1) Assessment of internal controls</p> <p>We evaluated the effectiveness of development and operation status of the internal control system of the Company regarding the judgement of the necessity of recognizing impairment loss. In doing so, we especially focused on internal controls over the issues below.</p> <ul style="list-style-type: none"> - Approval by NIKKON Holdings’ Board of Directors on the acquisition price of shares based on CHUOH PACK INDUSTRY’s corporate value <p>(2) Assessment of the reasonableness of the acquisition price</p> <p>With regard to the key assumptions contained in corporate value evaluation, which forms the basis of the acquisition price, we conducted the following procedures:</p> <ul style="list-style-type: none"> - We asked NIKKON Holdings’ management about the business overview of CHUOH PACK INDUSTRY to understand its business details. - We made inquiries to NIKKON Holdings’ management and reviewed the minutes of the Company’s Board of Directors meetings to understand the projections about net sales in CHUOH PACK INDUSTRY’s future business plan. - We reviewed the consistency between planned net sales in the future business plan and the business details of CHUOH PACK INDUSTRY and the NIKKON Group and evaluated the reasonableness of the plan. - We confirmed that the plan for the next fiscal year in the future business plan was consistent with the Group budget formulated by NIKKON Holdings for the next fiscal year. - With the involvement of experts on value evaluation from our domestic network firms, we examined the appropriateness of the evaluation model adopted by the Company as well as the appropriateness of the discount rate.

Other Information

Other information comprises the information included in the annual securities report, other than the consolidated financial statements, non-consolidated financial statements, and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Committee is responsible for overseeing the Directors’ performance of their duties related to designing and operating the reporting process of other information.

Our audit opinion on the consolidated financial statements does not cover the other information and we do not provide any opinions thereon.

Our responsibilities in the audit of the consolidated financial statements are to read through the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained

in the process of audit, and watch out for any signs of material misstatements in the other information other than such inconsistency.

If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact.

There is nothing we should report with respect to the other information.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes design and operation of such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Auditor's responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report based on the audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, the auditor exercises professional judgment in the audit process and performs the following while maintaining professional skepticism:

- Identify and assess the risks of material misstatement, whether due to fraud or error, as well as design and perform audit procedures to address the risks of material misstatement. The audit procedures are selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, although the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of going concern and, based on the audit evidence obtained, whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty regarding the premise of going concern, the auditor is required to draw attention in its report to the notes to the consolidated financial statements or, if the notes pertaining to the significant uncertainty are inadequate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of its audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the overall presentation, structure, and content of the consolidated financial statements, including related notes, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Plan and perform audits of the consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which forms the basis of the expression of an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and reviewing the audit of the consolidated financial statements. The auditor is solely responsible for its audit opinion.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, significant audit findings, including any significant deficiencies in internal control, identified during the audit, and other matters required under the auditing standards.

The auditor also reports to the Audit & Supervisory Committee regarding its observance of provisions relevant to professional ethics on independence in Japan and matters that may reasonably be thought to bear on its independence, and any measures in place to eliminate obstacles or any safeguards applied to reduce obstacles to an acceptable level.

From the matters communicated with the Audit & Supervisory Committee, the auditor determines those matters that were of most

significance in the audit of the consolidated financial statements of the fiscal year under review and are therefore the key audit matters. The auditor describes these matters in its auditor's reports unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in its report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Internal Control Audit>

Audit opinion

We also have audited the accompanying internal control report of NIKKON Holdings Co., Ltd. as of March 31, 2025, in accordance with Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act.

In our opinion, the internal control report referred to above, in which NIKKON Holdings Co., Ltd. states that internal control over financial reporting was effective as of March 31, 2025, presents fairly, in all material respects, the assessment results of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for the Opinion

We conducted our internal control audit in accordance with audit standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under the standards for internal control audit are further described in "Auditor's Responsibility for the Internal Control Audit" section in this report. We are independent of the Company and its consolidated subsidiaries in accordance with provisions related to professional ethics in Japan, and we are fulfilling our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit & Supervisory Committee for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

Auditor's Responsibility for the Internal Control Audit

Auditor's responsibility is to obtain reasonable assurance about whether the internal control report is free from material misstatement, based on the internal control audit it conducted, and to express an opinion on the internal control report from an independent standpoint in an audit report on internal control.

In accordance with audit standards for internal control over financial reporting generally accepted in Japan, the auditor exercises professional judgment through the audit process and performs the following while maintaining professional skepticism:

- Perform audit procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The procedures for the internal control audit are selected and applied as determined by the auditor based on the significance of effect on the reliability of financial reporting.
- Evaluate the overall presentation of the internal control report, including the scope, procedures, and results of the assessments of internal control over financial reporting that management described.
- Plan and perform audits of internal controls in order to obtain sufficient and appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The auditor is responsible for instructing, supervising and reviewing the audit of the internal control report. The auditor is solely responsible for its audit opinion.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit of internal control, the results of internal control audits, any identified significant deficiencies in internal control that should be disclosed, the results of corrections therefor and other matters required under the auditing standards for internal control.

The auditor also reports to the Audit & Supervisory Committee regarding its observance of provisions relevant to professional ethics on independence in Japan and matters that may reasonably be thought to bear on its independence, and any measures in place to eliminate obstacles or any safeguards applied to reduce obstacles to an acceptable level.

Information on Remuneration

Remuneration for the auditor and the same network as the auditor in accordance with audit attestation work and non-audit work provided to the company and its subsidiaries is described in Corporate governance, (3) Audits included in "Information about Reporting Company."

Conflicts of Interest

There are no special interests between the Company or its consolidated subsidiaries and the audit firm/engagement partners which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End

Notes 1. The original of the Auditor's Report above is maintained by the Company (the reporting company of the annual securities report).

2. XBRL data are not included in the subject of the audit.

Independent Auditor's
Report

June 26, 2025

To the Board of Directors of
NIKKON Holdings Co., Ltd.

KPMG AZSA LLC
Tokyo Office

Designated Limited
Liability Partner
Engagement Partner

Certified Public
Accountant

Yasushi Kaneko

Designated Limited
Liability Partner
Engagement Partner

Certified Public
Accountant

Mako Tasaka

<Audits of Financial Statements>

Audit opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have audited the non-consolidated financial statements of NIKKON Holdings Co., Ltd. provided in the "Financial Information" section for the 84th fiscal year from April 1, 2024 to March 31, 2025, which comprise the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statements of changes in equity, significant accounting policies, other notes and annexed detailed schedules.

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of NIKKON Holdings Co., Ltd. as of March 31, 2025, and their financial performance for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are further described in the "Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements" section of this report. We are independent of the Company in accordance with provisions related to professional ethics in Japan, and we are fulfilling our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the fiscal year under review. Key audit matters are the matters addressed in the process of our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasonableness of the acquisition price of the shares in CHUOH PACK INDUSTRY	
Key audit matter description and reasons for determination thereof	How the key audit matter was addressed in the audit
<p>As stated in Notes (Significant accounting estimates), 118,239 million yen in shares of subsidiaries and associates recorded on the balance sheet of NIKKON Holdings Co., Ltd. includes 18,142 million yen in the acquisition of shares in CHUOH PACK INDUSTRY, which the Company made into a subsidiary through a tender offer on March 26, 2025, and the amount accounts for 6.8% of total assets.</p> <p>In carrying out the tender offer of shares in CHUOH PACK INDUSTRY, the Company determined the tender offer price based on the corporate value calculated on the basis of CHUOH PACK INDUSTRY's future business plan and in the calculation process, consulted with external experts.</p> <p>Corporate value evaluation involves management's judgement similar to that stated in the key audit matters of the auditor's report of the consolidated financial statements.</p> <p>As such, we determined that the reasonableness of the acquisition price of the shares in CHUOH PACK INDUSTRY was of most significance in the audit of the financial statements of the current fiscal year and was therefore the key audit matter.</p>	<p>In the auditor's report of the consolidated financial statements, we determined that "Reasonableness of the acquisition price of the shares in CHUOH PACK INDUSTRY" was a key audit matter and described how the matter was addressed in the audit.</p> <p>The description is substantially the same as how the matter was addressed in the audit of the non-consolidated financial statements, and therefore, the concrete details thereof are omitted.</p>

Other Information

Other information comprises the information included in the annual securities report, other than the consolidated financial statements, non-consolidated financial statements, and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties related to designing and operating the reporting process of other information.

Our opinion on the non-consolidated financial statements does not cover the other information, and we do not provide an opinion thereon.

Our responsibilities in the audit of the non-consolidated financial statements are to read through the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the process of audit, and watch out for any signs of material misstatements in the other information other than such inconsistency.

If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact.

There is nothing we should report with respect to the other information.

Responsibilities of Management and the Audit & Supervisory Committee for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes design and operation of such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements in accordance with the premise of going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements

Auditor's responsibility is to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are

free from material misstatement, whether due to fraud or error, and to express an opinion on the non-consolidated financial statements from an independent standpoint in an audit report based on the audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, the auditor exercises professional judgment in the audit process and performs the following while maintaining professional skepticism:

- Identify and assess the risks of material misstatement, whether due to fraud or error, as well as design and perform audit procedures to address the risks of material misstatement. The audit procedures are selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, although the objective of the audit of the non-consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the non-consolidated financial statements on the premise of going concern and, based on the audit evidence obtained, whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty regarding the premise of going concern, the auditor is required to draw attention in its report to the notes to the non-consolidated financial statements or, if the notes pertaining to the significant uncertainty are inadequate, issue a modified opinion on the non-consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of its audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation and notes to the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the overall presentation, structure, and content of the non-consolidated financial statements, including related notes, and whether the non-consolidated financial statements fairly present the underlying transactions and accounting events.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, significant audit findings, including any significant deficiencies in internal control, identified during the audit, and other matters required under the auditing standards.

The auditor also reports to the Audit & Supervisory Committee regarding its observance of provisions relevant to professional ethics on independence in Japan and matters that may reasonably be thought to bear on its independence, and any measures in place to eliminate obstacles or any safeguards applied to reduce obstacles to an acceptable level.

From the matters communicated with the Audit & Supervisory Committee, the auditor determines those matters that were of most significance in the audit of the non-consolidated financial statements of the current fiscal year and are therefore the key audit matters. The auditor describes these matters in its auditor's reports unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in its report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Information on Remuneration

The information on remuneration is stated in the auditor's report of the consolidated financial statements.

Conflicts of Interest

There are no special interests between the Company and the audit firm/engagement partners which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End

Notes 1. The original of the Auditor's Report above is maintained by the Company (the reporting company of the annual securities report).

2. XBRL data are not included in the subject of the audit.