



December 26, 2025

For Immediate Release

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(Securities Code: 9072, TSE Prime Market)

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## Notice of Receipt of the Final Report from the Special Committee

As announced in the press release "Notice Concerning Nomination of Director Candidates and Establishment of Special Committee" dated May 16, 2025, based on a resolution of the Board of Directors of the Company held on June 27, 2025, the Company established a special committee (hereinafter referred to as the "Special Committee") with the aim of discussing and verifying measures to improve corporate value of the Company including the revision of its real estate ownership, management, and operation policies from the perspective of enhancing our group's corporate value in the medium to long term while ensuring objectivity, and has been continuously examining the matter.

Today, the Board of Directors of the Company received a final report from the Special Committee regarding the above review and announces the outline as follows. For details, please refer to the attached "Results of the Special Committee's Activities and Response Policy."

### 1. Background of the review

The Special Committee is composed exclusively of independent outside directors of the Company, and is independent from the management of the Company. Upon conducting its review, the Special Committee has not only held a total of 15 meetings with the attendance of all committee members, but also conducted separate interviews with the management, etc. of the Company, whilst taking into account advice from external advisors independently appointed by the Special Committee.

### 2. Policy of the examination, etc.

The Special Committee, upon reviewing the Company's policies for holding, managing, and operating its real estate, has classified the Company's real estate holdings into real estate for rent and real estate for business, and examined the current status of each property. With respect to real estate for rent, real estate appraisals were conducted, and properties that were considered candidates for sale were selected based on capital efficiency evaluated on a market value basis. With respect to real estate for business, from the perspectives of the scale of market value and

liquidity, the top 20 properties in terms of impact were identified as subjects for review, and, after carefully examining real estate appraisals, capital efficiency on a market value basis, the usage status of the relevant properties, and the impact on the business at the time of sale, among other factors, properties that should be considered for sale, including through sale and leaseback (S&LB) arrangements, were selected.

When considering overall measures to enhance the Company's corporate value, we objectively analyzed and evaluated the Company's current situation in accordance with the framework of the business environment, market assessment, financial indicators, business portfolio, and capital policy and asset strategy based on the Company's perception and advice from external advisors.

Furthermore, as the Company positions M&A as a core strategy for medium to long term growth, the Company also reviewed the effectiveness of, and post-execution management status for, major M&A transactions it has undertaken in the past from the perspective of examining such growth strategy.

### 3. Outline of the Special Committee's recommendations

With respect to real estate for rent, while it is necessary to examine individual factors such as the risk of recognizing losses on properties with unrealized losses and the impact on business operations, the Company has received a recommendation that, in principle, the sale of all 10 properties should be considered.

With respect to real estate for business, the Company has received a recommendation that, among the top 20 properties in terms of impact identified as described above, those properties whose capital efficiency remains below the WACC even after taking into account the Company's assumed earnings improvement measures should, after verification of property-specific factors such as material impacts on business operations, be subject to liquidation on a sequential basis if they are determined to be appropriate for sale.

Moreover, while a simple sale of assets would have only a limited contribution to improving the Company's capital efficiency, there have been a certain number of past M&A transactions undertaken by the Company in which operating revenue expanded and profitability improved to a degree exceeding the PMI effects observed in M&A transactions conducted by peer companies. As the execution of M&A transactions is therefore not precluded from the perspective of pursuing further earnings growth going forward, the Company has received a recommendation that the cash raised through the liquidation of owned real estate be allocated either to shareholder returns or to growth investments, including M&A, as such use of funds is considered necessary from the standpoint of improving capital efficiency and enhancing corporate value.

### 4. The Company's response policy

The Company plans to proceed with review and response in accordance with the recommendations from the Special Committee as follows.

(1) Real estate for rent

Taking into account the revenue levels of each property, usage status, and future funding requirements, the Company will, going forward, classify the properties into three groups based on the approaches to reviewing and implementing liquidation, and proceed with management and consideration of liquidation accordingly.

(2) Real estate for business

Taking into account the revenue levels of each property, including real estate for business that was not subject to review by the Special Committee; their utilization status; and future funding requirements, the Company plans to proceed with the reorganization of the Company's real estate holdings in the future based on a defined management and liquidation process.

Specifically, after verifying the level of asset efficiency of the relevant properties, (i) properties whose capital efficiency exceeds the WACC will continue to be held by the Company, and (ii) properties whose capital efficiency falls below the WACC and that meet the following criteria for exclusion from liquidation will also continue to be held by the Company: (1) assets that may affect customer relationships; (2) assets equipped with significant dedicated facilities; (3) assets with low marketability, such as those located in remote areas; and (4) assets for which the transfer of ownership is restricted by laws or regulations.

On the other hand, with respect to properties whose capital efficiency falls below the WACC and that do not meet the exclusion criteria above, the Company plans to implement earnings improvement measures. Properties for which improvements in profitability are confirmed will continue to be held by the Company, while properties for which such improvements are not expected will be subject to liquidation, taking into account future funding requirements and other relevant factors.

(3) Approach to the use of funds raised through the liquidation of the Company's real estate holdings

Taking into account the points raised by the Special Committee, the Company plans to proceed with further consideration of the use of funds raised through the liquidation of its real estate holdings, including shareholder returns and growth investment measures such as M&A.

5. Future plans

The Special Committee has concluded its review with the submission of this final report. The Company intends to continue its deliberations at the Board of Directors in accordance with the policy set forth in Section 4 above, and after giving due consideration to the review results and recommendations from the Special Committee, to formulate and disclose the next Medium-Term Management Plan (scheduled for announcement in March 2026).

Received the final report from the Special Committee established in June 2025

## 1. Purpose of the Special Committee

To discuss and verify measures to improve corporate value of the Company including the revision of its real estate ownership, management, and operation policies from the perspective of enhancing our group's corporate value in the medium to long term while ensuring objectivity

## 2. Review Framework and Discussion Topics of the Special Committee

**Committee  
Members**  
Four Outside  
Directors

Ryutaro Ozeki  
Aiko Koma  
Ichinari Koda  
Clark Graninger

The Committee has held 15 meetings since June 2025 and has mainly discussed the following topics, while taking into account evaluations and analyses by independent external advisors:

- Understanding and analyzing the status of ownership, management system, and operation policy of real estate owned by the Company
- Verification of the appropriateness of earnings improvement measures for properties with returns below the Company's cost of capital (WACC)
- Review of potentially applicable tax structures for sale and leaseback (S&LB) arrangements of the Company's real estate holdings
- Verifying the rationality of past major M&A transactions by analyzing and confirming the extent to which synergies have been realized
- Valuation of the Company from a capital market perspective and comparative analysis of peer companies

### 3. Verification of the Status of Real Estate, etc. and the Committee's Recommendations

#### Verification of real estate for rent (all 10 properties)

- Understanding of the usage status, market value, and gain/loss level of the relevant properties.
- Comparison of capital efficiency based on market value\* and the WACC.
  - ⇒ **While it is necessary to examine individual factors such as the risk of recognizing losses on properties with unrealized losses and the impact on business operations, the Committee has recommended that, in principle, the sale of all 10 properties should be considered.**

#### Verification of real estate for business (top 20 properties in terms of Impact)

- Scrutinizing the usage status of the relevant properties, potential negative impacts on business, in the event of S&LB. The followings are implemented for each business site associated with the target properties
  - Analysis of capital efficiency\* (based on market value), assumed lease payments and the Company's capacity to bear such costs in the event of S&LB, and other factors
  - Comparison of capital efficiency based on market value\* and the WACC, and verification of the appropriateness of earnings improvement measures for properties with capital efficiency below the WACC
- ⇒ **The Committee has recommended that those properties whose capital efficiency remains below the WACC even after taking into account the Company's assumed earnings improvement measures should, after verification of property-specific factors such as negative impacts on business operations, be subject to liquidation on a sequential basis if they are determined to be appropriate for sale.**

\*Calculate the yield by dividing the after-tax EBITDA of the site where each property exists by the market value of each property.

Note that, with the submission of this final report, the Special Committee has fulfilled its purpose and concluded its review based on the matters entrusted by the Board of Directors. Going forward, the Board of Directors will conduct its deliberations taking into account the recommendations set forth in this final report.

### 3. Results of the Special Committee's Activities and Response Policy

#### 4. Our Response Policy Based on the Final Report

Taking into account the review results and recommendations received from the Special Committee, our response policy will be specifically reflected in the Medium-Term Management Plan scheduled to be announced in March 2026, after considering the allocation of funds for measures such as shareholder returns and growth investments including M&A. At this time, we are advancing internal discussions along the following directions.

**Real estate for rent: 10 properties, Market Value: approx. 40 billion yen**

Based on the revenue levels of each property, usage status, and future funding requirements, we plan to proceed with reviews of management and liquidation by grouping the properties into three categories

Group	Liquidation policy	No. of properties	Expected liquidation value	Scheduled liquidation period
(i)	Liquidate through sale	4	Approx. 25 billion yen	Next Medium-Term Management Plan period (FY26–28)
(ii)	Liquidate with redevelopment <sup>*2</sup>	3	Approx. 9 billion yen	Upon completion of redevelopment (FY30–31)
(iii)	Determine whether to proceed with liquidation after careful assessment of business impact	2	—	—

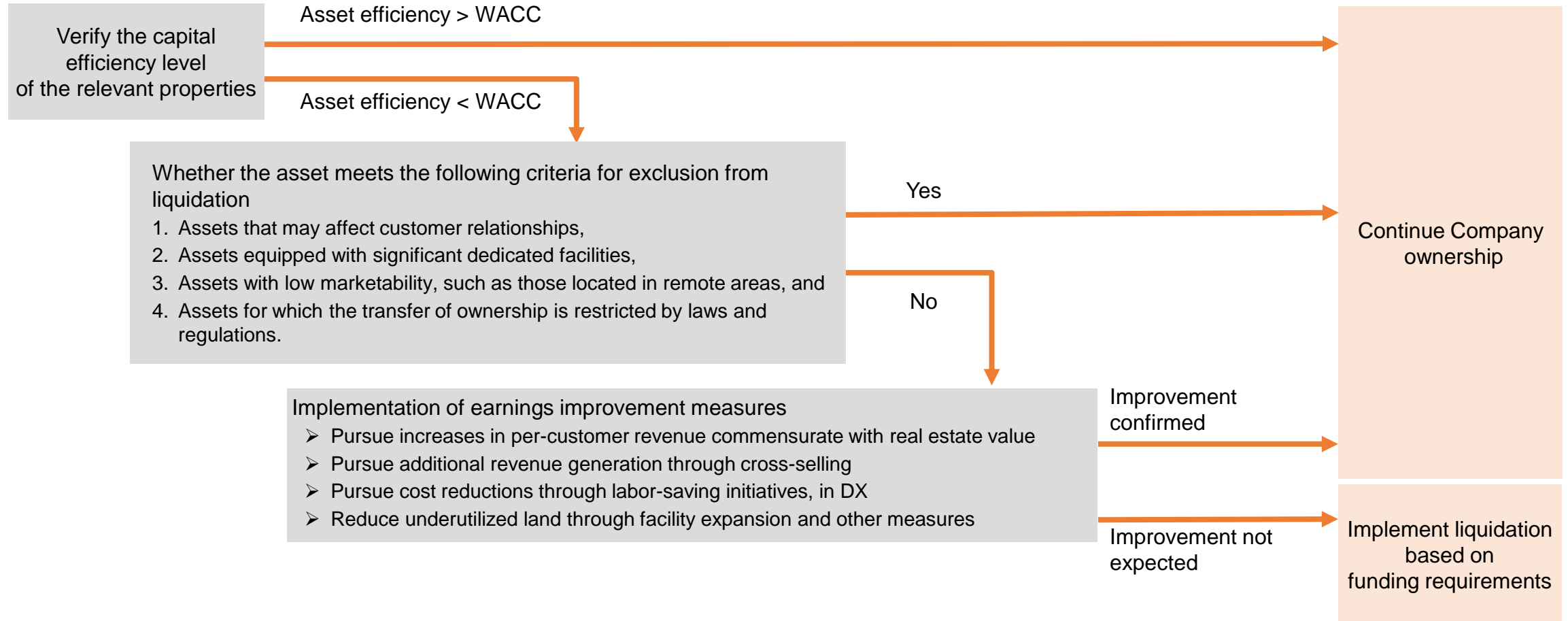
<sup>\*1</sup> Of the 10 income-generating properties listed in the report, one property is leased predominantly to a Group company. Accordingly, as a matter of the response policy, this property has been classified as excluded from consideration unless there is a change in its usage status.

<sup>\*2</sup> As this property has a portion used by the Company for its own purposes, we determined that liquidation with redevelopment is the most desirable option.

## 4. Our Response Policy Based on the Final Report

Real estate for business: 243 properties, Market Value: Approx. 130 billion yen

Based on the recommendations from the Special Committee and taking into account the revenue levels of each property, their usage status, and future funding requirements, we plan to reorganize the Company's real estate holdings in accordance with the management and liquidation process outlined below.



### 4. Our Response Policy Based on the Final Report

#### Approach to the use of funds raised through the liquidation of the Company's real estate holdings

##### Assessment by the Special Committee on the Rationality of M&A

- There have been a certain number of past M&A transactions undertaken by the Company in which operating revenue expanded and profitability improved to a degree exceeding the PMI effects observed in M&A transactions conducted by peer companies. As the execution of M&A transactions is therefore not precluded from the perspective of pursuing further earnings growth going forward
- However, it is recommended that M&A transactions be pursued only where synergies across the entire Group are expected. From a governance perspective, it is desirable to establish more objective criteria, including a framework for post-investment evaluation and verification of synergies, as well as the clarification of absolute investment standards.

In accordance with the following points by the Special Committee, we plan to further review the intended use of funds raised through the liquidation of the Company's real estate holdings.

- A simple sale of assets would have only a limited contribution to improving the Company's capital efficiency.
- Enhancing corporate value does not arise from real estate sales or sale and leaseback transactions in and of themselves; rather, the use of the cash raised through such transactions is of primary importance.
- From the perspectives of improving capital efficiency and enhancing corporate value, it is necessary to allocate the cash raised through this initiative to shareholder returns or to growth investment measures, including M&A.