

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 30, 2022
[Fiscal Year]	The 81st Fiscal Year (from April 1, 2021 to March 31, 2022)
[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
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[Telephone number]	03-3541-5330 (main phone number)
[Name of contact person]	Director, Managing Executive Officer, and General Manager of Accounting Department, Yasunori Matsuda
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[Name of contact person]	Director, Managing Executive Officer, and General Manager of Accounting Department, 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	77th fiscal year	78th fiscal year	79th fiscal year	80th fiscal year	81st fiscal year
Period of account	March 2018	March 2019	March 2020	March 2021	March 2022
Net sales (Millions of yen)	187,819	197,693	199,512	182,536	198,159
Ordinary profit (Millions of yen)	20,715	22,019	22,525	20,572	21,584
Profit attributable to owners of parent (Millions of yen)	14,545	14,768	16,721	14,544	14,741
Comprehensive income (Millions of yen)	15,966	11,806	12,691	19,667	15,710
Net assets (Millions of yen)	182,627	186,900	193,296	208,290	219,035
Total assets (Millions of yen)	286,013	294,213	297,489	322,139	339,475
Net assets per share (Yen)	2,702.46	2,810.70	2,932.77	3,160.46	3,334.70
Earnings per share (Yen)	215.30	221.03	254.01	221.26	224.41
Diluted Earnings per share (Yen)	214.58	220.22	253.11	220.51	223.81
Equity ratio (%)	63.7	63.3	64.8	64.5	64.4
Return on equity (%)	8.2	8.0	8.8	7.3	6.9
Price-earnings ratio (times)	13.0	11.8	8.3	10.0	9.1
Net cash provided by (used in) operating activities (Millions of yen)	24,309	25,337	25,901	23,229	28,985
Net cash provided by (used in) investing activities (Millions of yen)	(22,884)	(16,892)	(19,867)	(25,402)	(31,567)
Net cash provided by (used in) financing activities (Millions of yen)	(8,330)	(11,659)	(584)	1,473	759
Cash and cash equivalents at end of period (Millions of yen)	28,302	25,231	30,820	30,366	29,157
Number of employees (average number of part-time employees not included in the above numbers) (persons)	12,209 (5,532)	12,361 (3,677)	12,579 (3,428)	12,212 (3,697)	12,669 (3,760)

(Notes) 1. The number of employees shows the number of full-time employees.

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

(2) Key financial data of reporting company

Fiscal term	77th fiscal year	78th fiscal year	79th fiscal year	80th fiscal year	81st fiscal year
Period of account	March 2018	March 2019	March 2020	March 2021	March 2022
Net sales and operating revenue (Millions of yen)	13,299	10,413	11,010	12,197	9,767
Ordinary profit (Millions of yen)	9,547	9,444	9,958	10,864	8,843
Profit (Millions of yen)	9,561	9,075	10,323	10,693	8,425
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	68,239,892	68,239,892	68,239,892
Net assets (Millions of yen)	112,342	110,838	111,625	120,947	123,712
Total assets (Millions of yen)	191,554	185,870	192,340	209,301	214,252
Net assets per share (Yen)	1,662.43	1,666.52	1,693.28	1,835.10	1,884.78
Dividends per share (Yen)	65.00	67.00	76.00	67.00	69.00
(Of the above, interim dividends per share)	(30.00)	(32.00)	(38.00)	(33.00)	(34.00)
Earnings per share (Yen)	141.53	135.83	156.81	162.69	128.26
Diluted Earnings per share (Yen)	141.06	135.33	156.26	162.14	127.92
Equity ratio (%)	58.5	59.4	57.9	57.6	57.6
Return on equity (%)	8.8	8.2	9.3	9.2	6.9
Price-earnings ratio (times)	19.7	19.3	13.5	13.7	15.9
Dividend payout ratio (%)	45.9	49.3	48.5	41.2	53.8
Number of employees (average number of part-time employees not included in the above numbers) (persons)	23 (9)	27 (3)	27 (6)	31 (6)	32 (7)
Total shareholder return (%)	120.2	115.8	97.9	105.2	100.6
(Comparison index: TOPIX total return index) (%)	(115.9)	(110.0)	(99.6)	(141.5)	(144.3)
Share-price highs (Yen)	3,440	3,175	2,801	2,466	2,516
Share-price lows (Yen)	2,221	2,386	1,671	1,852	1,959

(Notes) 1. The number of employees shows the number of full-time employees.

2. Share-price highs and lows are those recorded on the First Section of the Tokyo Stock Exchange.

3. Changes in presentation pertaining to operating revenue were made from the 78th fiscal year. The key financial data pertaining to the 77th fiscal year are shown as figures reflecting the changes in presentation.

4. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the fiscal year under review, and the key financial data for the fiscal year under review 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 NARA CO., LTD., a consolidated subsidiary) in Tawaramoto-sho, 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 Satsumasendai-shi, Kagoshima, which is a subsidiary of CHUETSUTEC Co, Ltd. (consolidated subsidiary), were converted to consolidated subsidiaries.
- 2021 NICHIIYU 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.

3. Description of business

The NIKKON Group consists of the Company and its 74 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 55 subsidiaries and affiliated companies engage in the transportation business.

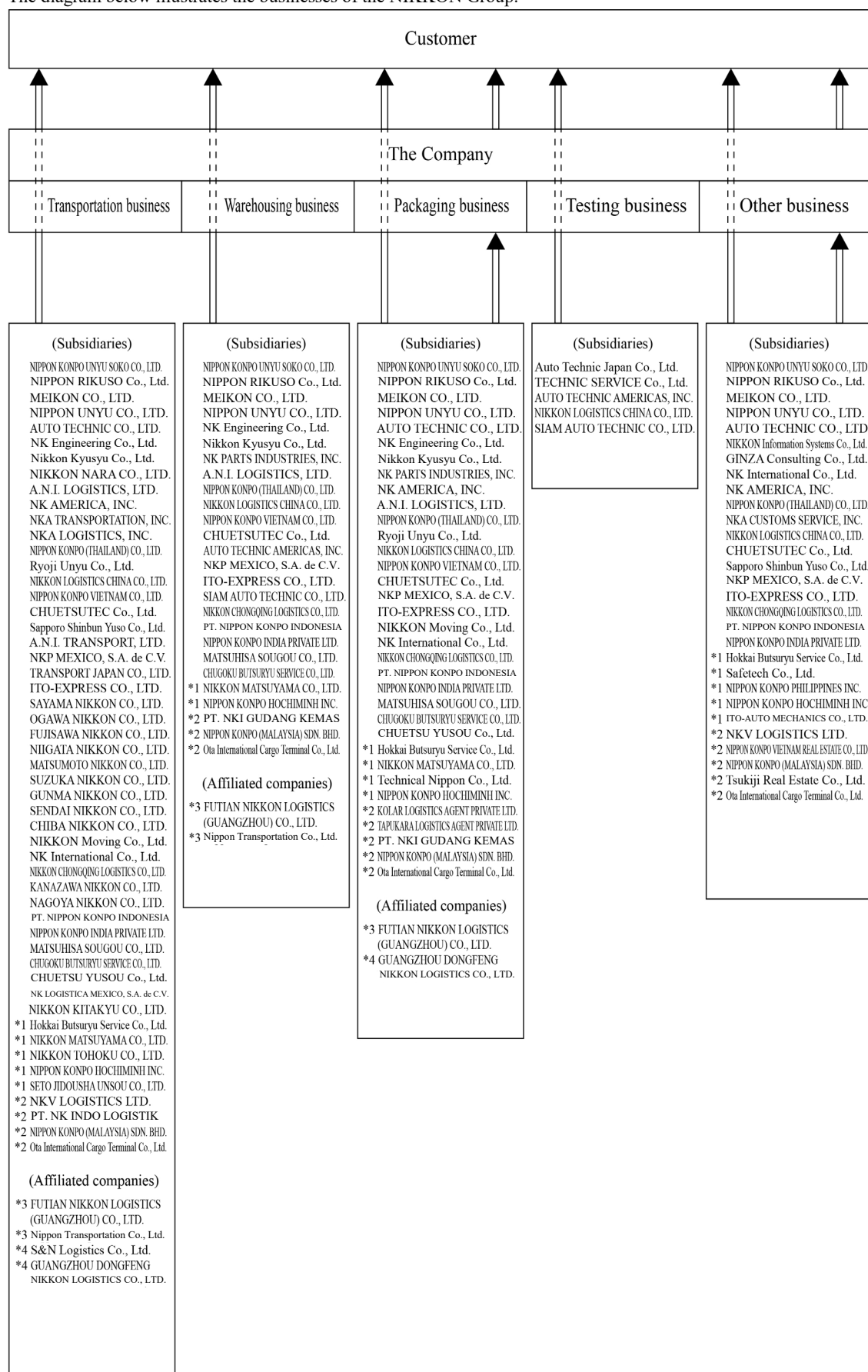
Warehousing business: engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. NIPPON KONPO UNYU SOKO CO., LTD. and other 27 subsidiaries and affiliated companies engage in the warehousing business.

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 35 subsidiaries and affiliated companies engage in the packaging business.

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.

Others businesses: engages 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, and electric power generation and sales of electricity. The Company and NIPPON KONPO UNYU SOKO CO., LTD. as well as other 28 subsidiaries and affiliated companies engage in other businesses.

The diagram below illustrates the businesses of the NIKKON Group.



(Notes) 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 subsidiary) * 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	One concurrently serving officer Financing and lending of funds
* 5 MEIKON CO., LTD.	Komaki-shi, Aichi	48	Transportation business and others	100	One concurrently serving officer 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
* 5 AUTO TECHNIC CO., LTD.	Sayama-shi, Saitama	32	Packaging business and others	100	Financing
* 5, 7 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
* 5 NIKKON NARA CO., LTD.	Yamatokoriyama-shi, Nara	10	Transportation business	100 (100)	Financing
* 4 NK PARTS INDUSTRIES, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollar 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 Lending of funds
NK AMERICA, INC.	U.S.A. Sydney, Ohio	Thousand U.S. dollar 1,000	Other businesses, etc.	100 (80)	One concurrently serving officer
NKA TRANSPORTATION, INC.	U.S.A. Sydney, Ohio	Thousand U.S. dollar 200	Transportation business	100 (100)	One concurrently serving officer
NKA LOGISTICS, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollar 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	One concurrently serving officer Financing
NKA CUSTOMS SERVICE, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollar 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)	-
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. dollar 650	Testing business and others	100 (100)	-
* 5 TRANSPORT JAPAN CO., LTD.	Koto-ku, Tokyo	10	Transportation business	100	Financing
* 5 ITO-EXPRESS CO., LTD.	Seto-shi, Aichi	80	Transportation business and others	100	One concurrently serving officer 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 and lending of funds
* 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	50	Packaging business and others	100	One concurrently serving officer Partial lease of buildings Financing and lending of funds
NIKKON Information Systems Co., Ltd.	Chuo-ku, Tokyo	50	Other businesses	100	Partial lease of buildings Lending of funds
* 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 Lending of funds
* 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. dollar 22,900	Transportation business and others	100 [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	Partial lease of land and buildings Financing
CHUETSU YUSOU Co, Ltd.	Satsumasendai-shi, Kagoshima	16	Transportation business and others	99 (99)	Lending of funds
NIKKON KITAKYU CO., LTD.	Kitakyushu-shi, Fukuoka	30	Transportation business	86	-

(Affiliated companies accounted for using equity method)					
FUTIAN NIKKON LOGISTICS (GUANGZHOU) CO., LTD., Guangzhou, Guangdong Province, China		Million CNY 28	Transportation business and others	30	One concurrently serving officer
Nippon Transportation Co., Ltd.	Ota-shi, Gunma	50	Transportation business	34	-

- (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 93,390 million yen
(2) Ordinary profit 8,431 million yen
(3) Profit 5,696 million yen
(4) Net assets 113,213 million yen
(5) Total assets 160,719 million yen
- *7. Net sales of Auto Technic Japan Co., Ltd. (excluding intercompany net sales among consolidated subsidiaries) accounted for more than 10% of the total consolidated net sales. However, key profit/loss information is omitted because the ratio of net sales of testing business to total net sales exceeds 90% of segment information.

5. Employees

(1) Information about group

As of March 31, 2022

Name of business segment	Number of employees (persons)	
Transportation business	3,735	(1,095)
Warehousing business	1,125	(357)
Packaging business	5,004	(2,070)
Testing business	1,911	(51)
Other businesses	186	(15)
Company-wide (shared)	708	(172)
Total	12,669	(3,760)

- (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, 2022

Number of employees (persons)	Average age (years old)	Average length of service (years)	Average annual salary (Thousands of yen)
32 (7)	41.7	14.1	6,074

- (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, 2022, 12 of the consolidated subsidiaries are also members of the Nippon Konpo Unyu Soko Labor Union, which has 3,035 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 1,745 members as of March 31, 2022. At Ryoji Unyu Co., Ltd., the RyoJi Unyu Labor Union has been reformed, which has been a member of Federation of Mitsubishi Motors Workers' Unions and has 81 members as of March 31, 2022. 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, 2022, these unions have 68 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 number of members as of March 31, 2022 is as follows: the Nippon Rikuso Labor Union has 382 members, the Meikon Labor Union has 120 members, the Nippon Unyu Labor Union has 367 members, and the Chuestsuyusou Labor Union has 10 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 special issues to report.

II. Overview of Business

1. Management policy, business environment, issues to address

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.

Despite ongoing signs of recovery of the Japanese economy due to the declining number of new COVID-19 cases as a result of vaccination efforts amid the persisting impact of the COVID-19 pandemic during the fiscal year ended March 31, 2022, the outlook for the economy remained uncertain as social and economic activities have not fully recovered yet.

In the logistics industry, the severe business condition has continued due to rising fuel prices and other factors, in addition to a chronic labor shortage and intensified competition.

As for the outlook for the future, although the domestic economy is on a moderate recovery trend, the outlook for the economy is likely to remain uncertain due to concerns about the effects of rising raw materials and fuel prices.

Under these circumstances, the fiscal year ending March 2023 is the final year of the Medium-term Business Plan "Challenge 12". To ensure sustainable growth over the long term in the future, we have made aggressive capital investments such as expanding our logistics bases to meet the demand for the post-COVID-19 recovery, and have built a system that will not miss the demand for recovery. By utilizing these enhanced regional networks, trunk line transportation and logistics bases for tandem trailer trucks have been able to cover the entire country, making it possible to meet customer needs even more than ever before. In order to make up for the delays caused by the COVID-19 pandemic, we will implement measures such as the basic strategy "Creation of group synergies in Japan and globally" to achieve the targets of the Medium-term Business Plan.

As for ESG efforts, we will strive to address issues such as environmental issues, labor shortages, and diversity. We will make efforts to introduce environmentally-conscious vehicles and install solar panels for our own consumption in response to "environmental issues," promote manpower reduction and robotization through the introduction of systems and utilize foreign workers to address "labor shortages," and formulate career plans for women's empowerment and implement in-house training for "diversity."

As future challenges, we will focus on expanding our customers to industries other than automobiles, strengthening our domestic and international networks, thereby further increasing our corporate value.

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, 2022.

2. 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, 2022.

(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) The COVID-19 pandemic

If the COVID-19 pandemic spreads or is prolonged in the areas where the NIKKON Group operates, the NIKKON Group's operating results and financial situation may be affected by the decrease in customers' demand for logistics and the disruption of logistics services due to the infection of employees.

3. 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, 2022 is as follows.

1) Financial position and operating results

In Japan, the NIKKON Group established core bases in Inzai-shi, Chiba and Ibaraki-shi, Osaka, which have packaging functions with large facilities, and a new base which has fixed-temperature storage functions in Takaoka-shi, Toyama, and new bases which have enhanced logistics functions in Yorii-machi, Saitama and Ota-shi, Gunma. We also invested in the construction of additional warehouses to enhance our storage capacity in Kani-shi, Gifu, Niigata-shi, Niigata and Seto-shi, Aichi, as well as in Thailand in overseas. Thus, we have made aggressive capital investments and conducted operating activities.

Moreover, in order to complement the blank areas and acquire new business, the NIKKON Group acquired the shares of Yaskawa Transport Co., Ltd. based in Kitakyushu-shi, Fukuoka to place it under the wing of the NIKKON Group.

As a result, the NIKKON Group’s consolidated sales for the fiscal year ended March 31, 2022 were 198,159 million yen, up 8.6% year-on-year, mainly due to a recovery in business volume. Operating profit was 19,512 million yen, up 7.3% year-on-year, due to the effects of sales increase and efficiency improvement of operations. Ordinary profit was 21,584 million yen, up 4.9% year-on-year, following the increase in operating profit. Profit attributable to owners of parent was 14,741 million yen, up 1.4% year-on-year.

Operating results by segment are as follows.

Transportation business

Sales were 90,338 million yen, up 6.8% year-on-year, mainly due to a recovery in the volume of cargo handled. Operating profit was 4,498 million yen, down 4.0% year-on-year, due to the effect of higher fuel price.

Warehousing business

Sales were 34,600 million yen, up 7.8% year-on-year, due to 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 8,050 million yen, up 6.6% year-on-year, mainly due to the effect of higher sales.

Packaging business

Sales were 44,363 million yen, up 10.5% year-on-year, mainly due to a recovery in the volume handled. Operating profit was 2,354 million yen, down 0.5% year-on-year, mainly due to the effects of higher personnel expenses and outsourcing expenses.

Testing business

Sales were 21,863 million yen, up 6.8% year-on-year, mainly due to a recovery in the volume handled. Operating profit was 3,739 million yen, up 33.1% year-on-year, due to the effects of higher sales and efficiency improvement of operations.

2) Cash flows

Cash and cash equivalents (hereafter referred to as “cash”) at the end of the fiscal year under review were 29,157 million yen, a decrease of 1,208 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 inflow from operating activities was 28,985 million yen, an increase of 5,755 million yen from the previous fiscal year. The increase mainly came from increases of 3,196 million yen in loss on retirement of non-current assets resulting from the purchase of leased assets, 2,584 million yen in cash flows from increase (decrease) in trade payables, 1,953 million yen in cash flows from increase (decrease) in other liabilities, and 607 million yen in depreciation, partially offset by the decrease of 3,285 million yen in gain from forfeiture of leased assets.

(Cash flows from investing activities)

Net cash used in investing activities totaled 31,567 million yen, an increase of 6,164 million yen from the previous fiscal year. A primary factor for the increase was an increase of 6,255 million yen in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash inflow from financing activities totaled 759 million yen, a decrease of 713 million yen from the previous fiscal year. This decrease mainly came from an increase of 573 million yen in purchase of treasury shares.

3) Sales results

Sales results by segment during the fiscal year ended March 31, 2022 are as follows.

Name of business segment	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)		
	Amount (Millions of yen)	Composition ratio (%)	Increase (decrease) from previous fiscal year (%)
Transportation business	90,338	45.6	6.8
Warehousing business	34,600	17.5	7.8
Packaging business	44,363	22.4	10.5
Testing business	21,863	11.0	6.8
Other businesses	6,993	3.5	31.9
Total	198,159	100.0	8.6

(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, 2021 (From April 1, 2020 to March 31, 2021)		Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Honda Motor Co., Ltd.	29,055	15.9	29,159	14.7

(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. The forward-looking statements contained in this document are based on judgments made as of the end of the fiscal year ended March 31, 2022.

1) Details of the recognition, analysis and discussion of the operating results, etc. for the fiscal year ended March 31, 2022

The NIKKON Group's operating results, etc. for the fiscal year ended March 31, 2022 are as follows.

a) Financial position

(Assets)

Current assets at the end of the fiscal year under review totaled 74,655 million yen, an increase of 113 million yen from the end of the previous fiscal year. The increase mainly came from an increase of 1,729 million yen in notes and accounts receivable - trade, despite decreases of 1,172 million yen in cash and deposits and 494 million yen in securities. Non-current assets totaled 264,819 million yen, an increase of 17,222 million yen from the end of the previous fiscal year. The increase mainly came from an increase of 18,400 million yen in property, plant and equipment due to purchase of warehouses in Ota-shi, Gunma, Yorii-cho, Saitama, Asaka-shi, Saitama, Inzai-shi, Chiba, Niigata-shi, Niigata, Takaoka-shi, Toyama, Kani-shi, Gifu, Seto-shi, Aichi, Ibaraki-shi, Osaka, and Thailand, business sites in Tokai-shi, Aichi, Ora-machi, Gunma, and Koga-shi, Ibaraki, and an income property in Wako-shi, Saitama.

As a result, total assets were 339,475 million yen, an increase of 17,336 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 44,367 million yen, a decrease of 1,901 million yen from the end of the previous fiscal year. This decrease mainly came from decreases of 2,541 million yen in electronically recorded obligations - non-operating and 2,020 million yen in short-term borrowings resulting from repayments, partially offset by increases of 1,737 million yen in notes and accounts payable - trade and 679 million yen in electronically recorded obligations - operating. Non-current liabilities totaled 76,072 million yen, an increase of 8,493 million yen from the end of the previous fiscal year. This increase mainly came as the company financed 10,000 million yen through issuing bonds to fund facilities, partially offset by repaying long-term borrowings of 1,823 million yen.

As a result, total liabilities were 120,440 million yen, an increase of 6,591 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review were 219,035 million yen, an increase of 10,744 million yen from the end of the previous fiscal year. This increase mainly came from an increase of 10,209 million yen in retained earnings.

As a result, the equity ratio at the end of the period under review was 64.4% (64.5% at the end of the previous fiscal year).

b) Operating results

(Net sales)

Consolidated sales for the fiscal year ended March 31, 2022 were 198,159 million yen, up 8.6% year-on-year. Despite the effects of supply chain disruptions due to the COVID-19 pandemic and the shortage of semiconductors, the volume of cargo handled and business volume recovered in various industries including automotive-related, the NIKKON Group's main customer. 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, 2022 was 19,512 million yen, up 7.3% year-on-year. Despite cost-increasing factors such as rising fuel prices, the Group's operating profit increased due to the effects of higher sales and efficiency improvement of operations. 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, 2022 was 2,392 million yen, down 14.0 % year-on-year. This is mainly due to a decrease of 763 million yen in compensation income resulting from the expropriation of land and the

revision of warehouse contracts that occurred in the previous fiscal year, despite foreign exchange gains of 367 million yen on foreign currency-denominated assets as a result of the weakening of yen.

As a result, ordinary profit was 21,584 million yen, up 4.9% year-on-year.

(Profit attributable to owners of parent)

Extraordinary income for the fiscal year ended March 31, 2022 was 3,421 million yen, an increase of 2,465 million yen from the previous fiscal year. This was mainly due to the purchase of a warehouse which had been borrowed as leased assets in Inzai-shi, Chiba, which resulted in gain on cancellation of leases of 3,285 million yen, partially offset by decreases in gain on sale of investment securities of 369 million yen and gain on sale of non-current assets of 302 million yen, respectively. Extraordinary losses totaled 3,368 million yen, an increase of 3,237 million yen from the previous fiscal year. This mainly came from an increase of 3,262 million yen in loss on retirement of non-current assets resulting from the purchase of leased assets.

As a result, profit attributable to owners of parent was 14,741 million yen, up 1.4% year-on-year.

c) Analysis of cash flows

Analysis of cash flows for the fiscal year ended March 31, 2022 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.

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. As of the end of the fiscal year ended March 31, 2022, the balance of straight bonds was 50 billion yen, and the balance of borrowings was 15,033 million yen.

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

The NIKKON Group has launched the 12th Medium-term Business Plan (Challenge 12) for three years from April 1, 2020, and has set a target for the fiscal year ending March 2023 as follows: 230 billion yen for net sales, 23 billion yen for operating profit, 10.0% for ratio of operating profit to net sales, and 8.0% for rate of return on equity (ROE).

For the fiscal year ended March 31, 2022, which is the second year of the said business plan, net sales were 198,159 million yen (92.2% compared to the plan), and operating profit was 19,512 million yen (90.8% compared to the plan) due to the prolonged effects of the COVID-19 pandemic, supply chain disruptions, and the steep rise in fuel prices, etc., failing to meet the target for the second year of the Medium-term Business Plan.

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 obligation

Some companies in the NIKKON Group have adopted defined benefit plans. The retirement benefit obligations 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 obligations and retirement benefit expenses, the following are the sensitivity to changes in the major assumptions given to retirement benefit obligations and retirement benefit expenses as of the end of the fiscal year ended March 31, 2022. Negative figures (in parenthesis) represent a decrease in retirement benefit obligations and positive figures represent an increase in retirement benefit obligations. 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, 2022

	Changes in assumptions used in actuarial calculations	Impact on retirement benefit obligations (Millions of yen)
Discount rates	0.5% increase	(921)
	0.5% decrease	996
	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	(53)
	0.5% decrease	53

The main assumptions used in actuarial calculations used to calculate retirement benefit obligations as of the end of the fiscal year ended March 31, 2022 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.

4. Material contracts, etc.

There are no applicable matters to be reported.

5. 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, 2022 was 28,280 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 5,154 million yen for new acquisition, or remodeling, of land for the transportation business use and 187 commercial vehicles.

(2) Warehousing business

We have made capital investments of 13,826 million yen, including those for acquiring land for the warehousing business use and for acquiring warehouses in Yorii-machi, Saitama, Asaka-shi, Saitama, Ota-shi, Gunma, Inzai-shi, Chiba, Niigata-shi, Niigata, Takaoka-shi, Toyama, Kani-shi, Gifu, Seto-shi, Aichi, and Ibaraki-shi, Osaka.

(3) Packaging business

We have made capital investments of 2,802 million yen for newly acquiring land for the packaging business use, air-conditioning equipment for workshops, forklifts for on-premises work, etc.

(4) Testing business

Capital expenditures for the testing business was 1,477 million yen, mainly due to the acquisition of test equipment in Haga-machi, Tochigi.

(5) Others businesses

The amount of capital expenditures in others segment was 5,019 million yen, mainly due to the acquisition of real estate for lease, etc. in Wako-shi, Saitama.

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

2. Major Facilities

(1) Reporting company

As of March 31, 2022

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			
Headquarters and others (Chuo-ku, Tokyo)	Other businesses Company- wide	Office and others	360	0	3	1	1,468	-	1,832	25
Real Estate Business Department (Haga-machi, Tochigi and other locations)	Other businesses	Leased land and buildings, and others	7,970	67	11	210	21,018	-	29,068	7

(2) Domestic subsidiaries

As of March 31, 2022

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) 70 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	60,513	3,115	358	2,759 (285)	61,481	3	125,473	3,369
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	7,650	482	74	328 (100)	5,531	25	13,764	450
MEIKON CO., LTD.	Headquarters (Komaki-shi, Aichi) 8 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	5,453	481	22	274 (43)	6,110	-	12,068	134
NIPPON UNYU CO., LTD.	Headquarters (Oizumi-machi, Gunma) 14 other business offices	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	5,269	351	41	336 (179)	6,117	6	11,787	402
Auto Technic Japan Co., Ltd.	Headquarters (Haga-machi, Tochigi) 4 other business places	Testing business	Testing facility Office and others	3,479	2,505	312	18 (64)	508	2	6,807	1,847
CHUETS UTEC 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	1,499	227	16	62 (20)	2,054	-	3,797	346

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			
ITO-EXPRESS CO., LTD.	Headquarters (Seto-shi, Aichi) 13 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Office and others	1,920	203	16	138 (25)	2,494	-	4,634	554

(3) Overseas subsidiaries

As of March 31, 2022

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	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Office and others	1,537	178	223	707 (30)	272	-	2,212	671

(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) 20 other business places	Transportation business Warehousing business Packaging business	Land and buildings	1,638
NIPPON RIKUSO Co., Ltd.	Kanto Business Office (Kawagoe-shi, Saitama) 1 other business place	Warehousing business Packaging business	Land and buildings	123
MEIKON CO., LTD.	Head Business Office (Komaki-shi, Aichi) 1 other business place	Warehousing business	Land and buildings	263
NIPPON UNYU CO., LTD.	Isesaki Business Office (Isesaki-shi, Gunma) 6 other business places	Warehousing business Packaging business	Land and buildings	708

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 Business Office (Samut Prakan, Thailand)	Warehousing business	Land and buildings	113

Company name	Business place (location)	Name of business segment	Details of facilities and equipment	Annual leasing fee (Millions of yen)
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	172

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

(1) Construction of major facilities, etc.

1) Reporting company

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				
NIKKON Holdings Co., Ltd.	TBD (Haga-machi, Tochigi)	Other businesses	Land purchase	1,045	-	Internal cash flow	April 2022	December 2022	Area 55,000 m ²

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.	Fukuoka Business Office (Shime-machi, Fukuoka)	Transportation business Warehousing business Packaging business	Land purchase	1,008	100	Internal cash flow	December 2021	April 2022	Area 4,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Fukuoka Business Office (Shime-machi, Fukuoka)	Transportation business Warehousing business Packaging business	Acquisition of existing building	29	2	Internal cash flow	December 2021	April 2022	Area 2,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Suzuka Center Business Officer (Suzuka-shi, Mie)	Transportation business Warehousing business Packaging business	Warehouse extension	2,138	1,738	Internal cash flow	March 2021	May 2022	Area 16,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Miyoshi Business Office (Miyoshi-machi, Saitama)	Transportation business Warehousing business Packaging business	Construction of warehouse	5,620	-	Internal cash flow	March 2022	September 2023	Area 31,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Iwanuma Business Office (Iwanuma-shi, Miyagi)	Transportation business Warehousing business Packaging business	Construction of warehouse	3,180	2,168	Internal cash flow and funds through bond issuance of the reporting company	June 2021	June 2022	Area 22,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Kitakami Business Office (Kitakami-shi, Iwate)	Transportation business Warehousing business Packaging business	Warehouse extension	1,529	509	Internal cash flow and funds through bond issuance of the reporting company	January 2021	August 2022	Area 14,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Sanwa Business Office (Koga-shi, Ibaraki)	Transportation business Warehousing business Packaging business	Construction of warehouse	3,701	60	Internal cash flow	March 2022	September 2023	Area 23,000 m ²

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.	Atsugi Business Office (Astugi-shi, Kanagawa)	Transportation business Warehousing business Packaging business	Land purchase	1,443	288	Internal cash flow and funds through bond issuance of the reporting company	January 2021	June 2022	Area 12,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	Atsugi Business Office (Astugi-shi, Kanagawa)	Transportation business Warehousing business Packaging business	Construction of warehouse	3,026	605	Internal cash flow and funds through bond issuance of the reporting company	January 2021	June 2022	Area 18,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	TBD (Kanegasaki-cho, Iwate)	Transportation business Warehousing business Packaging business	Land purchase	570	-	Internal cash flow	April 2022	May 2022	Area 30,000 m ²
NIPPON KONPO UNYU SOKO CO., LTD.	TBD (Sendai-shi, Miyagi)	Transportation business Warehousing business Packaging business	Land purchase	960	-	Internal cash flow	April 2022	July 2022	Area 10,000 m ²
MEIKON CO., LTD.	Hino Business Office (Hino-cho, Shiga)	Transportation business Warehousing business Packaging business	Construction of warehouse	880	144	Internal cash flow	February 2022	September 2022	Area 6,000 m ²
NIPPON UNYU CO., LTD.	Ora Business Office (Ora-machi, Gunma)	Transportation business Warehousing business Packaging business	Construction of warehouse	2,360	1,304	Internal cash flow and funds through bond issuance of the reporting company	July 2021	May 2022	Area 12,000 m ²

3) Overseas subsidiaries

There are no applicable matters to be reported.

(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	152,000,000
Total	152,000,000

2) Issued shares

Class	Shares issued as of the end of the fiscal year (shares) (March 31, 2022)	Shares issued as of the filing date (shares) (June 30, 2022)	Exchanges on which stock is listed /Certified associations of financial instruments dealers to which the Company is affiliated	Description
Common shares	68,239,892	65,739,892	First Section of the Tokyo Stock Exchange (as of the end of the fiscal year) Prime Market (as of the filing date)	Share unit 100 shares
Total	68,239,892	65,739,892	-	-

(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 *	374
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares, 37,400
Amount payable on the exercise of share acquisition rights (yen) *	1 per share (Notes) 1
Period of exercise of share acquisition rights *	From July 20, 2011 to 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, 771 Amount to be incorporated into the stated capital, 386
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 *	(Notes) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2022). As of the end of the month preceding the filing date (May 31, 2022), there had been no change in description since the end of the fiscal year under review. Therefore, any further description as of the end of the month preceding the filing date has been 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 3). 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;
 - (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.

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 *	296
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares, 29,600
Amount payable on the exercise of share acquisition rights (yen) *	1 per share (Notes) 1
Period of exercise of share acquisition rights *	From July 31, 2012 to 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, 827 Amount to be incorporated into the stated capital, 414
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 *	(Notes) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2022). As of the end of the month preceding the filing date (May 31, 2022), there had been no change in description since the end of the fiscal year under review. Therefore, any further description as of the end of the month preceding the filing date has been 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 3). 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;
 - (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.

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 *	205
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares, 20,500
Amount payable on the exercise of share acquisition rights (yen) *	1 per share (Notes) 1
Period of exercise of share acquisition rights *	From July 23, 2013 to 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, 1,480 Amount to be incorporated into the stated capital, 740
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 *	(Notes) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2022). As of the end of the month preceding the filing date (May 31, 2022), there had been no change in description since the end of the fiscal year under review. Therefore, any further description as of the end of the month preceding the filing date has been 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 3). 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;
 - (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.

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 *	179
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares, 17,900
Amount payable on the exercise of share acquisition rights (yen) *	1 per share (Notes) 1
Period of exercise of share acquisition rights *	From July 23, 2014 to 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, 1,582 Amount to be incorporated into the stated capital, 791
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 *	(Notes) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2022). As of the end of the month preceding the filing date (May 31, 2022), there had been no change in description since the end of the fiscal year under review. Therefore, any further description as of the end of the month preceding the filing date has been 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 3). 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;
 - (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.

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 *	137
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares, 13,700
Amount payable on the exercise of share acquisition rights (yen) *	1 per share (Notes) 1
Period of exercise of share acquisition rights *	From July 28, 2015 to 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, 1,856 Amount to be incorporated into the stated capital, 928
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 *	(Notes) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2022). As of the end of the month preceding the filing date (May 31, 2022), there had been no change in description since the end of the fiscal year under review. Therefore, any further description as of the end of the month preceding the filing date has been 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 3). 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;
 - (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.

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 *	168
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares, 16,800
Amount payable on the exercise of share acquisition rights (yen) *	1 per share (Notes) 1
Period of exercise of share acquisition rights *	From July 22, 2016 to 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, 1,830 Amount to be incorporated into the stated capital, 915
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 *	(Notes) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2022). As of the end of the month preceding the filing date (May 31, 2022), there had been no change in description since the end of the fiscal year under review. Therefore, any further description as of the end of the month preceding the filing date has been 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 3). 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;
 - (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.

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 *	133
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares, 13,300
Amount payable on the exercise of share acquisition rights (yen) *	1 per share (Notes) 1
Period of exercise of share acquisition rights *	From July 22, 2017 to 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, 2,229 Amount to be incorporated into the stated capital, 1,115
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 *	(Notes) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2022). As of the end of the month preceding the filing date (May 31, 2022), there had been no change in description since the end of the fiscal year under review. Therefore, any further description as of the end of the month preceding the filing date has been 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 3). 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;
 - (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.

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 *	118
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares, 11,800
Amount payable on the exercise of share acquisition rights (yen) *	1 per share (Notes) 1
Period of exercise of share acquisition rights *	From July 21, 2018 to 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, 2,541 Amount to be incorporated into the stated capital, 1,271
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 *	(Notes) 2

* Description denotes information as of the end of the fiscal year under review (March 31, 2022). As of the end of the month preceding the filing date (May 31, 2022), there had been no change in description since the end of the fiscal year under review. Therefore, any further description as of the end of the month preceding the filing date has been 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 3). 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;
 - (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.

2) Rights plans

There are no applicable matters to be reported.

3) Share acquisition rights for other uses

There are no applicable matters to be reported.

(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)
January 1, 2018 (Notes) 1	-	68,239,892	-	11,316	(749)	11,582
May 31, 2022 (Notes) 2	(2,500,000)	65,739,892	-	11,316	-	11,582

(Notes) 1. The decrease is due to a company split, which was attributable to the succession of business to NIPPON KONPO UNYU SOKO CO., LTD., a wholly owned subsidiary.

2. The decrease is due to the cancellation of treasury shares.

(5) Shareholding by shareholder category

As of March 31, 2022

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)	-	31	24	120	175	2	3,260	3,612	-
Number of shares held (units)	-	178,866	10,319	115,569	242,879	7	134,337	681,977	42,192
Ratio of shares held (%)	-	26.23	1.51	16.95	35.61	0.00	19.70	100.00	-

(Notes) 1. Of 2,696,378 treasury shares, 26,963 units are included in the “Individuals, others” and 78 shares are included in the “Status of shares below unit.”

2. The “Financial institutions” includes 26,900 shares (269 units) of the Company held by a trust whose beneficiaries are Directors.

(6) Major shareholders

As of March 31, 2022

Name	Address	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of issued shares (excluding treasury shares) (%)
Master Trust Bank of Japan, Ltd. (trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	8,941	13.64
NORTHERN TRUST CO.(AVFC)RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST (Standing Proxy: HSBC Tokyo)	50 BANK STREET CANARY WHARF LONDON E14 5 NT, UK	5,869	8.96
NORTHERN TRUST CO.(AVFC)RE U.S. TAX EXEMPTED PENSION FUNDS (Standing Proxy: HSBC Tokyo)	50 BANK STREET CANARY WHARF LONDON E14 5 NT, UK	2,906	4.43
Custody Bank of Japan, Ltd. (trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	2,681	4.09
General Incorporated Association Kuroiwa-Kai	192-1 Makinoji, Koga-shi, Ibaraki	2,560	3.91
Honda Motor Co., Ltd.	2-1-1 Minamiaoyama, Minato-ku, Tokyo	2,449	3.74
NORTHERN TRUST CO.(AVFC)SUB A/C NON TREATY (Standing Proxy: HSBC Tokyo)	50 BANK STREET CANARY WHARF LONDON E14 5 NT, UK	2,018	3.08
Isuzu Motors Limited	6-26-1 Minamioi, Shinagawa-ku, Tokyo	1,692	2.58
NORTHERN TRUST CO. (AVFC)RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (Standing Proxy: HSBC Tokyo)	50 BANK STREET CANARY WHARF LONDON E14 5 NT, UK	1,514	2.31
Hino Motors, Ltd.	3-1-1 Hinodai, Hino-shi, Tokyo	1,494	2.28
Total	-	32,128	49.02

(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. 8,941 thousand shares

Custody Bank of Japan, Ltd. 2,681 thousand shares

2. Out of the number of shares held by Custody Bank of Japan, Ltd. above, 26 thousand shares are the Company's shares held by a trust whose beneficiaries are Directors.

3. The Large Shareholding Report made available to the public as of March 7, 2019, contained the information listed below regarding shares held by Kiltearn Partners LLP as of February 28, 2019. 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 (%)
Kiltearn Partners LLP	3 Exchange Place, Semple Street, Edinburgh, Midlothian, EH3 8BL, Scotland, United Kingdom	2,710,400	3.97

3. The Large Shareholding Report made available to the public as of January 6, 2020, contained the information listed below regarding shares held by Silchester International Investors LLP as of December 30, 2019. 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	12,668,000	18.56

(7) Voting rights
1) Issued shares

As of March 31, 2022

Category	The 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 2,696,300	-	-
Shares with full voting rights (others)	Common shares 65,501,400	655,014	-
Shares below one unit	Common shares 42,192	-	-
Total number of issued shares	68,239,892	-	-
Total voting rights held by all shareholders	-	655,014	-

(Note) 1. The number of shares and voting rights in the “Shares with full voting rights (others)” box includes 26,900 shares (voting rights 269 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 78 treasury shares held by the Company.

2) Treasury shares, etc.

As of March 31, 2022

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	2,696,300	-	2,696,300	3.95
Total	-	2,696,300	-	2,696,300	3.95

(Note) The number of treasury shares does not include 26,900 shares (voting rights 269 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 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	The number of shares (shares)	Total amount (yen)
Status of resolution at a Board of Directors meeting (December 3, 2021) (Date of acquisition: December 6, 2021)	277,800	573,379,200
Treasury shares acquired before the current fiscal year	-	-
Treasury shares acquired during the current fiscal year	277,800	573,379,200
Total number and amount of remaining shares to be acquired by resolution	-	-
Ratio of unexercised shares to the number resolved as of the end of the current fiscal year (%)	-	-
Treasury shares acquired during the current term	-	-
Ratio of unexercised shares to the number resolved as of the filing date (%)	-	-

Category	The number of shares (shares)	Total amount (yen)
Status of resolution at a Board of Directors meeting (May 13, 2022) (Acquisition period: From May 16, 2022, to December 28, 2022)	1,400,000	3,000,000,000
Treasury shares acquired before the current fiscal year	-	-
Treasury shares acquired during the current fiscal year	-	-
Total number and amount of remaining shares to be acquired by resolution	1,400,000	3,000,000,000
Ratio of unexercised shares to the number resolved as of the end of the current fiscal year (%)	100.0	100.0
Treasury shares acquired during the current term	434,600	890,984,900
Ratio of unexercised shares to the number resolved as of the filing date (%)	69.0	70.3

(Note) “Treasury shares acquired during the current term” does not include the number of shares purchased during the period from June 18, 2022, to the filing date of this annual securities report.

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

Category	The number of shares (shares)	Total amount (yen)
Treasury shares acquired during the current fiscal year	209	492,381
Treasury shares acquired during the current term	21	41,076

(Note) “Treasury shares acquired during the current term” does not include the number of shares below one unit purchased during the period from June 1, 2022, to the filing date of this annual securities report.

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

Category	Current fiscal year		Current term	
	The number of shares (shares)	Total amount disposed (yen)	The number of shares (shares)	Total amount disposed (yen)
Acquired treasury shares for which subscribers were solicited	-	-	-	-
Acquired treasury shares retired	-	-	2,500,000	5,986,375,000
Acquired treasury shares transferred due to merger, stock exchange, stock delivery, or company split	-	-	-	-
Others (Note) 3	61,200	151,069,140	-	-
Number of treasury shares held	2,723,278	-	411,699	-

(Notes) 1. 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, 2022, to the filing date of this annual securities report.

2. 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, 2022, to the filing date of this annual securities report.

3. Disposal of treasury shares during the current fiscal year is due to the exercise of share acquisition rights.

4. The number of treasury shares held during the current fiscal year and during the current period includes shares of the Company held by a trust whose beneficiaries are Directors (26,900 shares).

3 Dividend policy

Our basic policy of profit distribution is to target a dividend payout ratio of 30% and to pay dividends after comprehensively taking into account such factors as future earnings forecasts, reinforcement of our corporate structure, and dividend payout ratio. 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 69 yen per share (including an interim dividend of 34 yen) for the current fiscal year.

As a result, the dividend payout ratio for the current fiscal year is 53.8% (with a consolidated dividend payout ratio of 30.7% for the current consolidated fiscal year).

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 5, 2021 Resolution at a Board of Directors meeting	2,237	34
May 13, 2022 Resolution at a Board of Directors meeting	2,294	35

We changed our basic policy at a Board of Directors meeting held on May 13, 2022, so that, starting in the fiscal year ending March 31, 2023, we would target a dividend payout ratio of 40% and pay dividends after comprehensively taking into account such factors as future earnings forecasts, reinforcement of our corporate structure, and dividend payout ratio.

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.

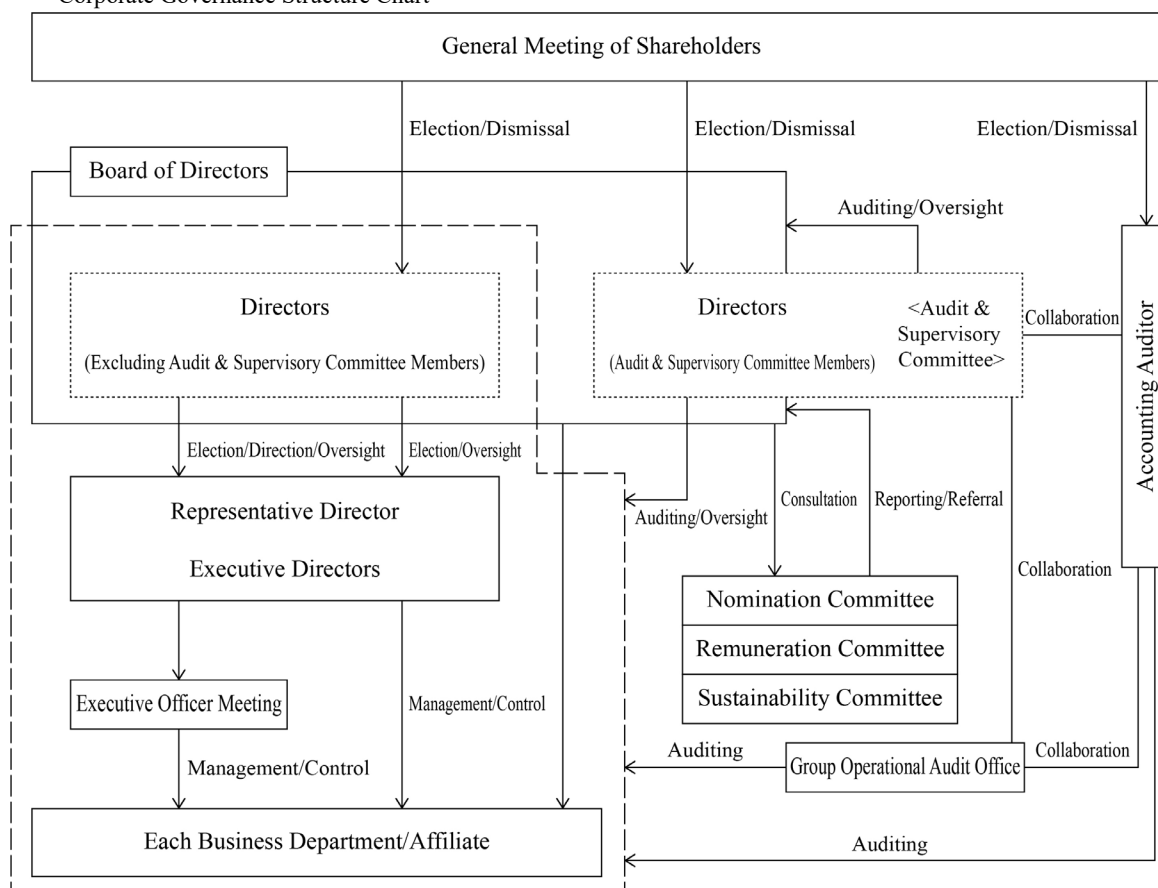
The Company has installed a Board of Directors, an Audit & Supervisory Committee, and an accounting auditor as management control organs.

The Board of Directors consists of 10 members and is chaired by Masakatsu Kuroiwa, President & Representative Director. The other members are Directors Seiji Ooka, Yasunori Matsuda, Hidehiro Motohashi, Kioi Yamada, Aiko Koma, Ryutaro Ozeki, Hiroshi Sakairi, Hideki Miyata, and Tetsuya Okuda. They include four Outside Directors: Aiko Koma, Ryutaro Ozeki, Hideki Miyata, and Tetsuya Okuda. The Company holds monthly ordinary Board of Directors' meetings for the purpose of approving material matters 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.

The Audit & Supervisory Committee consists of three members: Audit & Supervisory Committee Member Hideki Miyata, who chairs the committee, and Audit & Supervisory Committee Members Hiroshi Sakairi and Tetsuya Okuda. They include two Outside Directors: Hideki Miyata and Tetsuya Okuda. 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.

Corporate Governance Structure Chart



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
- III Matters 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 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.

(2) Directors (and other Officers)

1) List of Directors (and other Officers)

Male: 9, Female: 1 (Ratio of females to Directors (and other officers): 10%)

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	405
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	17

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 (current position)</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 (current position)</p> <p>April 2021 Director and Managing Executive Officer (current position)</p>	(Note) 3	27
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>	(Note) 3	11
Director and 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 General Manager of Sales Planning Office, the Company (current position)</p> <p>April 2020 Executive Officer</p> <p>June 2021 Director and Executive Officer (current position)</p>	(Note) 3	2
Director	Aiko Koma	January 17, 1980	<p>December 2007 Registered as a lawyer (Tokyo Bar Association)</p> <p>January 2019 Joined RENAISS Law Office Partner, RENAISS Law Office (current position)</p> <p>June 2021 Outside Director, the Company (current position)</p>	(Note) 3	0

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (Thousands of shares)
Director	Ryutaro Ozeki	August 8, 1959	<p>April 1982 Joined Toyota Motor Sales Co., Ltd. (current Toyota Motor Corporation)</p> <p>April 1996 Resigned from Toyota Motor Corporation</p> <p>May 1996 Joined Ozeki Co., Ltd., Director and General Manager of Corporate Planning Office</p> <p>December 2000 Representative Director, Senior Managing Director and General Manager of Sales Department</p> <p>December 2002 Representative Director and President (current position)</p> <p>September 2003 Corporate Auditor (part-time), View Planning Co., Ltd.</p> <p>February 2008 Corporate Auditor (part-time), Yamato Metal Co., Ltd.</p> <p>December 2009 Director (part-time) (current position)</p> <p>May 2010 Director (part-time), View Planning Co., Ltd.</p> <p>July 2019 Delegate, Tokyo Pharmaceutical Corporate Pension Fund Association (current position)</p> <p>June 2022 Outside Director, the Company (current position)</p>	(Note) 3	-
Director (Audit & Supervisory Committee Member)	Hideki Miyata	March 27, 1968	<p>April 1990 Joined Daiwa Land & Building Co., LTD.</p> <p>September 1993 Joined Ochanomizu General Office (now Ochanomizu Tax and Accounting Inc.)</p> <p>December 1996 Passed the CPTA examination</p> <p>April 1997 Representative, Hideki Miyata CPTA Office (current position)</p> <p>November 1999 Auditor, Ichiju Kai (current position)</p> <p>April 2002 Director, Institute for Capital Management Ltd. (current position)</p> <p>June 2014 Certified as an Organization for Supporting Business Innovation by Ministry of Economy, Trade and Industry (Certification given to Hideki Miyata)</p> <p>June 2016 Outside Corporate Auditor, the Company</p> <p>June 2018 Outside Director (Audit & Supervisory Committee Member) (current position)</p>	(Note 4)	7

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (Thousands of shares)
Director (Audit & Supervisory Committee Member)	Hiroshi Sakairi	December 10, 1957	<p>March 1981 Joined the Company</p> <p>April 1990 General Manager of Wako Sales Office</p> <p>April 1996 Seconded to A.N.I. LOGISTICS, LTD.</p> <p>June 2007 General Manager of KD Sales Department, the Company</p> <p>April 2009 President, NK PARTS INDUSTRIES, INC.</p> <p>June 2016 General Manager of Group Operational Audit Office, the Company</p> <p>July 2016 General Manager of General Affairs Department</p> <p>June 2018 Corporate Auditor, NIPPON KONPO UNYU SOKO CO., LTD.</p> <p>June 2022 Director (Audit & Supervisory Committee Member), the Company (current position)</p>	(Note 4)	5
Director (Audit & Supervisory Committee Member)	Tetsuya Okuda	September 2, 1961	<p>April 1984 Joined the Ministry of Transport (currently the Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>July 2002 Head of Policy Planning Office, General Affairs Division, Maritime Bureau, the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>September 2003 Private Secretary to the Minister of Land, Infrastructure and Transport</p> <p>September 2004 Minister's Secretariat, Director for General Affairs Division</p> <p>August 2005 Director, Transport Consumer Policy Division, Policy Bureau</p> <p>July 2006 General Manager, London Office, Japan National Tourism Organization</p> <p>July 2008 Director, Passenger Transport Division, Road Transport Bureau, the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>July 2009 Director, Airport Planning, Airport Department, Civil Aviation Bureau</p> <p>October 2009 Director, Capital Area Airports Division, Airport Department, Civil Aviation Bureau</p> <p>October 2011 Minister's Secretariat and Director, Personnel Division</p> <p>August 2013 Director, Aviation Network Department, Civil Aviation Bureau</p> <p>July 2014 Deputy Vice-Minister for Policy Coordination, Minister's Secretariat</p> <p>June 2016 Director-General, Railway Bureau</p> <p>July 2017 Director-General, Road Transport Bureau</p> <p>July 2019 Retired</p> <p>November 2019 President, Japan Transport and Tourism Research Institute (current position)</p> <p>June 2022 Outside Director (Audit & Supervisory Committee Member) (current position), the Company</p>	(Note 4)	-
Total					477

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

2 The structure of the Company's Audit and Supervisory Committee is as follows:

Hideki Miyata (Chair), Hiroshi Sakairi (Member), and Tetsuya Okuda (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, 2022, to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2023.

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, 2022, to the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2024.

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 18, 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 Accounting Department; and General Manager of Legal Affairs Department
Executive Officer	Keita Kuroiwa	President and Representative Director, NIPPON UNYU CO., LTD.
	Kenji Okamoto	
	Takashi Abe	General Manager of Domestic Business Department; and Representative Director, Deputy Chief Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD; President, NK Engineering Co., Ltd.; and President and Representative Director, Nikkon Kyusyu Co., Ltd.
	Hideki Nagahama	President and Representative Director, MEIKON CO., LTD.; and Chairman and Representative Director, MATSUHISA SOUGOU CO., LTD.
	Masahiko Masui	President and Representative Director, CHUETSUTEC Co, Ltd; President and Representative Director, Sapporo Shinbun Yuso Co, Ltd; President and Representative Director, TRANSPORT JAPAN CO., LTD.; and President and Representative Director, CHUETSU YUSOU Co, Ltd.
	Yasuyuki Mizumachi	Chairman and Director, NKP MEXICO, S.A. de C.V.; President, NK PARTS INDUSTRIES, INC.; President, NK AMERICA, INC.; President, NKA TRANSPORTATION, INC.; President, NKA LOGISTICS, INC.; President, NKA CUSTOMS SERVICE, INC.; and President, AUTO TECHNIC AMERICAS, INC.
	Takayuki Takada	President and Representative Director, Auto Technic Japan Co., Ltd.
	Takayuki Matsushima	President and Director, A.N.I. LOGISTICS, LTD.; President and Director, KONPO (THAILAND) CO., LTD.; President and Director, A.N.I. TRANSPORT, LTD.; and President and Director, SIAM AUTO TECHNIC CO., LTD.
	Katsuya Unno	General Manager of Group Operational Audit Office; and President and Representative Director, Nikkon Information Systems Co., Ltd.
	Hidehiro Motohashi	General Manager of Group Administration 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.
	Atsushi Kayamoto	
	Hitoshi Kamimura	General Manager of Overseas Business Department
	Takashi Shibayama	President and Representative Director, ITO-EXPRESS CO., LTD
Toshihisa Nishimura	President and Representative Director, NIPPON RIKUSO Co., Ltd.	

2) 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

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 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 358 issued 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 on management in general by utilizing his wealth of experience and broad insight as a corporate manager and supervise management from an independent and objective perspective without being bound by the internal thinking of the Company, leading to greater transparency and stronger supervisory function of the Board of Directors. He holds no issued shares of the Company.

Outside Director Hideki Miyata is a certified public tax accountant. There existed no transactional relationship between the Company and him in the past, with his independence being ensured. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. He has professional expertise and a wealth of experience as a certified public tax accountant and is acquainted with business accounting practices. The Company has elected him as an Outside Director as it deems that he is an appropriate person for strengthening the corporate system of the Company including the audit system based on his experience. He holds 7,110 issued 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 no issued 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

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.

3) 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

a. Organization, members, and procedures of audits by the Audit & Supervisory Committee

As of the filing date, the Company's Audit & Supervisory Committee consists of one full-time Audit & Supervisory Committee Member and two Outside Audit & Supervisory Committee Members. Outside Audit & Supervisory Committee Member Hideki Miyata is qualified as a certified public tax accountant and has extensive knowledge on financial and accounting affairs.

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.

b. Status of activities of the Audit & Supervisory Committee

The Audit & Supervisory Committee for the current fiscal year consists of one full-time Audit & Supervisory Committee Member and two Outside Audit & Supervisory Committee Members. The career and other information of each Audit & Supervisory Committee Members is as follows.

Title and position	Name	Career, etc.	Attendance at meetings of the Audit & Supervisory Committee
Full-time Audit & Supervisory Committee Member	Kazutaka Kaneko	He has various knowledge on the Company based on his career since he joined the Company, including General Manager of General Affairs Department and General Manager of Corporate Planning Office.	14/14 (100%)
Outside Audit & Supervisory Committee Member	Hideki Miyata	He has extensive knowledge on financial and accounting affairs based mainly on professional expertise and experience as a certified public tax accountant.	14/14 (100%)
Outside Audit & Supervisory Committee Member	Yoshiyuki Ajioka	He has advanced expertise acquired as a lawyer as well as extensive knowledge on corporate governance.	14/14 (100%)

The Audit & Supervisory Committee convenes regularly once a month, with 14 meetings held for the current fiscal year, including extraordinary meetings. The meetings lasted approximately 40 minutes on average, and the following matters were resolved and reported in the meetings.

Proposals to be resolved: audit policies and plans by the Audit & Supervisory Committee, decision on and approval for remuneration for audits by the accounting auditor, evaluation of the accounting auditor and assessment of the reasonableness of its reelection, 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.

Matters to be reported: sharing of information on matters reported from the Compliance Promotion Committee (on-site inspections by supervisory authorities and other bodies, whistle-blowing records, etc.), pending lawsuits involving group companies, reports on misconducts by employees of group companies, etc.

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 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.

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 due to the COVID-19 pandemic, 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.

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: Tatsunaga Fumikura and Mako Tasaka

d. Assistants for accounting audits

Four CPAs, four persons who passed the CPA Examination, and four other staffers.

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, 2021		Fiscal year ended March 31, 2022	
	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	57	2	57	2
Consolidated subsidiaries	18	-	19	-
Total	75	2	76	2

Remuneration for non-audit certification for the previous fiscal year was paid for the preparation of a comfort letter in relation to the issuance of bonds.

Remuneration for non-audit certification for the current fiscal year 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, 2021		Fiscal year ended March 31, 2022	
	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	-	-	-	-
Consolidated subsidiaries	-	1	-	-
Total	-	1	-	-

Non-audit certification services for consolidated subsidiaries for the previous fiscal year consist of advisory services regarding tax affairs for overseas subsidiaries.

c. Details of remuneration for other important audit certification

For the previous and current fiscal years, 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 current fiscal year.

(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.

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).

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

(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 target for the "Profit attributable to owners of parent" for the fiscal year ended March 31, 2022, or the second year of the first Medium-term Business Plan, is 15.5 billion yen, whereas that for the "Profit attributable to owners of parent" for the fiscal year ending March 31, 2023, or the final year of the Business Plan, is 16.5 billion yen.

(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

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)	168	119	48	20	8
Audit & Supervisory Committee Members (excluding Outside Directors)	17	17	-	-	1
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 remunerations of officers who receive aggregated remunerations of 100 million yen or more
There are no applicable matters to be reported.

(5) Shareholdings

(i) 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.

(ii) Shares for investment held for non-pure investment purposes

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.

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

	The number of issues (Issue)	Total book value on the balance sheet (Millions of yen)
Unlisted shares	1	23
Shares other than the unlisted shares	14	17,693

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

	The number of issues (Issue)	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	7	Shares acquired through the business partners' shareholding association

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

	The number of issues (Issue)	Total value sold related to the decrease in the number of shares (Millions of yen)
Unlisted shares	-	-
Shares other than the unlisted shares	12	92

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	Current fiscal year	Previous fiscal year	Purpose and quantitative effect of shareholding and reason for increase in the number of shares	Whether the issuer holds shares of the Company
	The number of shares (shares)	The number of shares (shares)		
	Book value on the balance sheet (Millions of yen)	Book value on the balance sheet (Millions of yen)		
Honda Motor Co., Ltd.	3,500,966	3,498,875	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it. We participate in the business partner's shareholding association of the company concerned and acquired 2,090 shares in the current fiscal year.	Yes
	12,207	11,612		
Hirata Corporation	272,400	272,400	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it.	Yes
	1,470	1,868		
Aica Kogyo Company, Limited	412,000	412,000	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it.	Yes
	1,231	1,643		
Seino Holdings Co., Ltd.	921,000	921,000	The Company holds the shares of the company concerned as the Company believes that it will contribute to our grown strategy and enhancement of our corporate values through our business partnership with it.	Yes
	1,025	1,420		
ISEKI & CO., LTD.	341,700	341,700	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it.	Yes
	444	563		
Mitsubishi UFJ Financial Group, Inc.	507,617	507,617	The Company holds the shares of the company concerned for smooth financial transactions.	No Note 2
	385	300		
NITTO KOGYO CORPORATION	150,400	150,400	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it.	Yes
	237	305		
SENKON LOGISTICS CO., LTD.	275,700	383,600	The Company holds the shares of the company concerned to expand our business in the Tohoku region.	Yes
	215	305		

Issue	Current fiscal year	Previous fiscal year	Purpose and quantitative effect of shareholding and reason for increase in the number of shares	Whether the issuer holds shares of the Company
	The number of shares (shares)	The number of shares (shares)		
	Book value on the balance sheet (Millions of yen)	Book value on the balance sheet (Millions of yen)		
Eidai Co., Ltd.	704,000	704,000	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it.	Yes
	204	209		
MITSUBA Corporation	461,000	461,000	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it.	Yes
	170	312		
OSAKI ELECTRIC CO., LTD.	118,000	118,000	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it.	Yes
	55	71		
Mizuho Financial Group, Inc.	18,130	18,130	The Company holds the shares of the company concerned for smooth financial transactions.	No Note 3
	28	28		
Sompo Holdings, Inc.	2,000	2,000	The Company holds the shares of the company concerned to maintain and reinforce its relationship with the company concerned in insurance business.	No Note 4
	10	8		
Sumitomo Rubber Industries, Ltd.	4,200	4,200	The Company deals with the company concerned mainly in logistics business. We own the shares of the company concerned to maintain and reinforce business transactions with it.	Yes
	4	5		
SEKISUI CHEMICAL CO., LTD.	-	1,000	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	2		
NTN Corporation	-	1,000	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		
NIKKO COMPANY	-	1,000	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		
SHIP HEALTHCARE HOLDINGS, INC.	-	100	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		
TOTO LTD.	-	100	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		

Issue	Current fiscal year	Previous fiscal year	Purpose and quantitative effect of shareholding and reason for increase in the number of shares	Whether the issuer holds shares of the Company
	The number of shares (shares)	The number of shares (shares)		
	Book value on the balance sheet (Millions of yen)	Book value on the balance sheet (Millions of yen)		
Bridgestone Corporation	-	100	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		
MS&AD Insurance Group Holdings, Inc.	-	100	The Company had held the shares of the company concerned to maintain and reinforce its relationship with the company concerned in insurance business, but sold them in the current fiscal year.	No Note 5
	-	0		
Yutaka Giken Company Limited	-	100	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		
F-TECH INC.	-	100	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		
ITOKI CORPORATION	-	100	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		
MITSUBISHI MOTORS CORPORATION	-	100	The Company had held the shares of the company concerned to gather information on industry trends of logistics business, etc., but sold them in the current fiscal year.	No
	-	0		

(Note) 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.
4. The Company's shares are held by Sompo Holdings, Inc.'s subsidiary, Sompo Japan Insurance Inc.
5. The Company's shares are held by MS&AD Insurance Group Holdings, Inc.'s subsidiary, Mitsui Sumitomo Insurance Company Limited.

(iii) 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, 2021 to March 31, 2022) and financial statements for the fiscal year (from April 1, 2021 to March 31, 2022).

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

(i) Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (As of March 31, 2021)	Current Fiscal year (As of March 31, 2022)
Assets		
Current assets		
Cash and deposits	31,399	30,227
Notes and accounts receivable - trade	33,380	*1 35,110
Electronically recorded monetary claims - operating	3,704	3,545
Securities	951	456
Raw materials and supplies	408	531
Others	4,713	4,797
Allowance for doubtful accounts	(15)	(12)
Total current assets	74,542	74,655
Non-current assets		
Property, plant and equipment		
Buildings and structures	197,057	215,176
Accumulated depreciation	(104,943)	(111,952)
Buildings and structures, net	92,114	103,224
Machinery, equipment and vehicles	51,357	54,924
Accumulated depreciation	(43,059)	(46,099)
Machinery, equipment and vehicles, net	8,298	8,825
Tools, furniture and fixtures	8,622	9,353
Accumulated depreciation	(7,401)	(8,030)
Tools, furniture and fixtures, net	1,220	1,323
Land	103,966	110,792
Leased assets	551	541
Accumulated depreciation	(458)	(361)
Leased assets, net	92	180
Construction in progress	8,236	7,981
Total property, plant and equipment	213,928	232,328
Intangible assets	2,073	2,173
Investments and other assets		
Investment securities	*2 22,191	*2 20,911
Long-term loans receivable	668	559
Deferred tax assets	3,409	3,485
Others	*3 5,399	*3 5,390
Allowance for doubtful accounts	(73)	(29)
Total investments and other assets	31,595	30,317
Total non-current assets	247,596	264,819
Total assets	322,139	339,475

(Millions of yen)

	Previous fiscal year (As of March 31, 2021)	Current Fiscal year (As of March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,799	11,537
Electronically recorded obligations - operating	5,521	6,200
Short-term borrowings	3,843	1,823
Lease liabilities	67	85
Income taxes payable	4,186	3,645
Provision for bonuses	3,785	3,977
Provision for bonuses for directors (and other officers)	183	196
Notes payable - facilities	242	489
Electronically recorded obligations - non-operating	6,470	3,929
Others	12,168	12,482
Total current liabilities	46,269	44,367
Non-current liabilities		
Bonds payable	40,000	50,000
Long-term borrowings	15,033	13,210
Lease liabilities	34	88
Deferred tax liabilities	5,570	5,138
Retirement benefit liability	5,088	5,696
Provision for retirement benefits for directors (and other officers)	395	435
Others	1,457	1,502
Total non-current liabilities	67,579	76,072
Total liabilities	113,848	120,440
Net assets		
Shareholders' equity		
Capital stock	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	180,131	190,340
Treasury shares	(6,187)	(6,609)
Total shareholders' equity	197,593	207,380
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,295	9,621
Foreign currency translation adjustment	(187)	1,807
Remeasurements of defined benefit plans	46	(330)
Total accumulated other comprehensive income	10,154	11,098
Share acquisition rights	320	227
Non-controlling interests	222	328
Total net assets	208,290	219,035
Total liabilities and net assets	322,139	339,475

(ii) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales		
Transportation income	84,553	90,338
Warehouse income	32,083	34,600
Packaging income	40,136	44,363
Other revenue	25,763	28,856
Total net sales	182,536	*1 198,159
Cost of sales		
Transportation cost	75,767	81,220
Warehouse cost	22,851	24,727
Packaging cost	35,464	39,490
Other costs	20,883	23,226
Total cost of sales	154,966	168,665
Gross profit	27,569	29,493
Selling, general and administrative expenses		
Personnel expenses	5,782	6,038
Provision for bonuses	394	395
Provision for bonuses for directors (and other officers)	183	192
Retirement benefit expenses	124	106
Provision for retirement benefits for directors (and other officers)	63	96
Depreciation	552	527
Taxes and dues	1,276	1,325
Travel and transportation expenses	165	208
Provision of allowance for doubtful accounts	(1)	(1)
Others	1,601	1,882
Total selling, general and administrative expenses	9,378	9,980
Operating profit	18,191	19,512
Non-operating income		
Interest income	77	68
Dividend income	488	613
Rental income	76	75
Share of profit of entities accounted for using equity method	484	460
Foreign exchange gains	164	532
Subsidy income	320	130
Compensation income	781	17
Miscellaneous income	386	494
Total non-operating income	2,780	2,392
Non-operating expenses		
Interest expenses	205	210
Bond issuance costs	97	50
Non-deductible consumption tax, etc.	60	-
Miscellaneous expenses	34	59
Total non-operating expenses	398	320
Ordinary profit	20,572	21,584

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Gain on sale of non-current assets	*2,416	*2,114
Gain on sale of investment securities	372	3
Gain on revision of retirement benefit plan	167	-
Compensation income	-	17
Gain on cancellation of leases	-	3,285
Total extraordinary income	956	3,421
Extraordinary losses		
Loss on sale of non-current assets	*3,33	*3,20
Loss on retirement of non-current assets	*4,77	*4,339
Loss on valuation of investment securities	-	4
Loss on sale of investment securities	-	4
Loss on disaster	21	-
Total extraordinary losses	131	3,368
Profit before income taxes	21,397	21,637
Income taxes - current	6,771	6,850
Income taxes - deferred	64	34
Total income taxes	6,836	6,884
Profit	14,560	14,752
Profit attributable to non-controlling interests	16	11
Profit attributable to owners of parent	14,544	14,741

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	14,560	14,752
Other comprehensive income		
Valuation difference on available-for-sale securities	3,347	(674)
Foreign currency translation adjustment	1,332	1,894
Remeasurements of defined benefit plans, net of tax	409	(376)
Share of other comprehensive income of entities accounted for using equity method	17	114
Total other comprehensive income	* 5,106	* 958
Comprehensive income	19,667	15,710
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,633	15,685
Comprehensive income attributable to non-controlling interests	33	25

(iii) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	170,254	(6,186)	187,716
Changes of items during period					
Dividends of surplus			(4,667)		(4,667)
Profit attributable to owners of parent			14,544		14,544
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	9,877	(0)	9,876
Balance at end of current period	11,316	12,332	180,131	(6,187)	197,593

	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 current period	6,948	(1,520)	(363)	5,064	320	194	193,296
Changes of items during period							
Dividends of surplus							(4,667)
Profit attributable to owners of parent							14,544
Purchase of treasury shares							(0)
Disposal of treasury shares							-
Net changes of items other than shareholders' equity	3,347	1,332	409	5,089		27	5,117
Total changes of items during period	3,347	1,332	409	5,089	-	27	14,994
Balance at end of current period	10,295	(187)	46	10,154	320	222	208,290

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	180,131	(6,187)	197,593
Changes of items during period					
Dividends of surplus			(4,472)		(4,472)
Profit attributable to owners of parent			14,741		14,741
Purchase of treasury shares				(639)	(639)
Disposal of treasury shares			(59)	217	158
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	10,209	(422)	9,786
Balance at end of current period	11,316	12,332	190,340	(6,609)	207,380

	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 current period	10,295	(187)	46	10,154	320	222	208,290
Changes of items during period							
Dividends of surplus							(4,472)
Profit attributable to owners of parent							14,741
Purchase of treasury shares							(639)
Disposal of treasury shares							158
Net changes of items other than shareholders' equity	(674)	1,995	(376)	943	(92)	106	957
Total changes of items during period	(674)	1,995	(376)	943	(92)	106	10,744
Balance at end of current period	9,621	1,807	(330)	11,098	227	328	219,035

(iv) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	21,397	21,637
Depreciation	10,630	11,237
Increase (decrease) in provision for bonuses	167	164
Increase (decrease) in provision for bonuses for directors (and other officers)	(29)	9
Increase (decrease) in allowance for doubtful accounts	5	(47)
Increase (decrease) in retirement benefit liability	452	104
Increase (decrease) in provision for retirement benefits for directors (and other officers)	11	39
Interest and dividend income	(566)	(681)
Interest expenses	205	210
Share of loss (profit) of entities accounted for using equity method	(484)	(460)
Loss (gain) on sale of non-current assets	(382)	(96)
Loss on retirement of non-current assets	77	3,273
Gain on cancellation of leases	-	(3,285)
Loss (gain) on sale of investment securities	(372)	0
Decrease (increase) in trade receivables	(742)	(718)
Decrease (increase) in other assets	759	814
Increase (decrease) in trade payables	(167)	2,416
Increase (decrease) in other liabilities	(968)	985
Other, net	(544)	(186)
Subtotal	29,447	35,419
Interest and dividends received	764	1,176
Interest paid	(205)	(209)
Income taxes paid	(6,776)	(7,401)
Net cash provided by (used in) operating activities	23,229	28,985
Cash flows from investing activities		
Payments into time deposits	(49,505)	(1,081)
Proceeds from withdrawal of time deposits	49,215	1,162
Purchase of securities	(701)	(225)
Proceeds from sale and redemption of securities	877	1,066
Purchase of property, plant and equipment	(25,985)	(32,240)
Proceeds from sale of property, plant and equipment	762	160
Purchase of intangible assets	(394)	(382)
Purchase of investment securities	(438)	(140)
Proceeds from sale of investment securities	861	95
Loan advances	(207)	(125)
Proceeds from collection of loans receivable	343	220
Purchase of shares of subsidiaries and associates	(115)	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(263)
Other, net	(116)	187
Net cash provided by (used in) investing activities	(25,402)	(31,567)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	130	-
Repayments of long-term borrowings	(3,869)	(3,843)
Purchase of treasury shares	(0)	(573)
Proceeds from issuance of bonds	20,000	10,000
Redemption of bonds	(10,000)	-
Dividends paid	(4,667)	(4,472)
Dividends paid to non-controlling interests	(5)	(6)
Other, net	(113)	(344)
Net cash provided by (used in) financing activities	1,473	759
Effect of exchange rate change on cash and cash equivalents	246	613
Net increase (decrease) in cash and cash equivalents	(453)	(1,208)
Cash and cash equivalents at beginning of period	30,820	30,366
Cash and cash equivalents at end of period	* 30,366	* 29,157

[Notes]

(Significant accounting policies for preparation of consolidated financial statements)

1. Disclosure of scope of consolidation

(1) The Company has 51 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.

Since fiscal year ended March 31, 2022 NICHYU SHOJI CO., LTD. has been excluded from consolidation as it no longer exists, absorbed into and merged with Auto Technic Japan Co., Ltd.

The Company acquired 86% stake of Yaskawa Transport Co., Ltd and changed its name to NIKKON KITAKYU CO., LTD. and made it into its consolidated subsidiary.

(2) The Company has 19 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 nine non-consolidated subsidiaries, and its affiliated companies, FUTIAN NIKKON LOGISTICS (GUANGZHOU) CO., LTD. and Nippon Transportation Co., Ltd.

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. 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

(i) Investment securities

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

b. Available-for-sale securities

Securities other than equities without fair value...the market 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 fair value.....Mainly the moving average cost method

(ii) Derivatives

Market value method.

(iii) Money held in trust for investment purposes

Market value method.

(iv) 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

(i) 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	10 - 50 years.
Machinery, equipment and vehicles	4 - 17 years.
Tools, furniture and fixtures	4 - 10 years.

(ii) Intangible assets (excluding leased assets)

The Company uses the straight-line method.

The Company and its consolidated subsidiaries use the straight-line method for software (for internal use) based on internal usable period (chiefly five years).

(iii) 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

(i) 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.

(ii) Provision for bonuses

To prepare for the payment of bonuses for its employees, the Company records estimated payments.

(iii) 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, 2022 based on estimated payments in the fiscal year.

(iv) Provision for retirement benefits for directors (and other 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:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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

(i) Periodic attribution for projected retirement benefits

In calculating retirement benefit obligations, 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.

(ii) 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

(i) 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.

(ii) Hedging instruments and hedged items

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

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

(iii) Hedging policy

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

(iv) 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) 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, 2022 according to accounting estimates and which may significantly affect the consolidated financial statements for the fiscal year ending on March 31, 2023.

Impairment of non-current assets

(1) The amount recorded on the financial statements for the fiscal year ended March 31, 2022

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Property, plant and equipment*	213,928	232,328
Intangible assets*	2,073	2,173

* In both the fiscal year ended March 31, 2021 and the fiscal year ended March 31, 2022, a sign of impairment was recognized, as operating loss was continuously incurred in some of our key business sites for warehousing, packaging, and testing businesses due to the stagnant performance in industries to which our major customers belonged. Thus, we calculated undiscounted future cash flows, 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 any sign of impairment can be detected on every closing date. If a sign of impairment is recognized, we compare the total undiscounted future cash flows generated from the asset group with its book value to judge whether we need to recognize impairment loss. 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, 2023 and the Medium-term Business Plan, 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.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

Accordingly, the Company and its consolidated domestic subsidiaries 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.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year under review was added to or deducted from the opening balance of retained earnings of the fiscal year under review, and thus the new accounting policy was applied from such opening balance. However, the new accounting policy was not retrospectively applied to contracts for which nearly all the revenue amounts had been recognized according to the previous treatment in periods prior to the beginning of the fiscal year under review, by applying the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition.

As a result of this change, for the fiscal year under review, net sales decreased by 126 million yen, cost of sales decreased by 80 million yen, while gross profit, operating profit, ordinary profit and profit before income taxes each decreased by 45 million yen respectively. There is no impact on the opening balance of retained earnings.

In the consolidated statement of cash flows for the fiscal year under review, profit before income taxes decreased by 45 million yen, decrease (increase) in trade receivables decreased by 126 million yen, and increase (decrease) in trade payables decreased by 80 million yen.

The impact on per share information is negligible.

According to transitional treatment set in paragraph 89-3 of the Accounting Standard for Revenue Recognition, information about revenue breakdown from contracts with customers in the previous fiscal year is not stated.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and

relevant ASBJ regulations from the beginning of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no impact on the consolidated financial statements.

We also decided to add notes on the breakdown by level of fair values of financial instruments to notes to “Financial instruments”. However, according to the transitional treatment as provided for by paragraph 7-4 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, July 4, 2019), whatever related to the fiscal year ended March 31, 2021 is not stated in the notes mentioned above.

(Changes in presentation)

(Consolidated statement of cash flows)

During the previous fiscal year, “Loss on retirement of non-current assets” was included in “Other” under cash flows from operating activities. It is stated independently from the fiscal year under review, as it has become more important. To reflect the changes in presentation, reclassification is made in the consolidated financial statements in the previous fiscal year.

As a result, (467) million yen under “Other” in cash flows from operating activities in the previous fiscal year, is reclassified to 77 million yen under “Loss on retirement of non-current assets” and (544) million yen under “Other.”

(Additional information)

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

The Company has implemented 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.

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 amounted to 65 million yen with the number of shares being 26,000 as of the end of the consolidated fiscal year under review.

(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, 2022
Notes	812 million yen
Accounts receivable - trade	34,298 million yen

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

	As of March 31, 2021	As of March 31, 2022
Investment securities (equities)	2,628 million yen	2,585 million yen

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

	As of March 31, 2021	As of March 31, 2022
Other	3,431 million yen	3,615 million yen

(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) on the consolidated financial statements.

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Buildings and structures	8 million yen	- million yen
Machinery, equipment and vehicles	61	109
Tools, furniture and fixtures	1	2
Land	345	2
Other	0	0
Total	416	114

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Buildings and structures	1 million yen	6 million yen
Machinery, equipment and vehicles	1	4
Tools, furniture and fixtures	0	0
Land	29	10
Other	0	0
Total	33	20

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Buildings and structures	76 million yen	65 million yen
Machinery, equipment and vehicles	0	0
Tools, furniture and fixtures	0	0
Leased assets	-	3,272
Other	0	0
Total	77	3,339

(Consolidated statement of comprehensive income)

* Reclassification adjustments and tax effects related to other comprehensive income

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Valuation difference on available-for-sale securities:		
Gains (losses) recognized during the fiscal year	5,075 million yen	(972) million yen
Reclassification adjustments	(248)	(0)
Amount before income tax effect	4,827	(973)
Income tax effect	(1,479)	298
Valuation difference on available-for-sale securities	3,347	(674)
Foreign currency translation adjustment:		
Gains (losses) recognized during the fiscal year	1,332	1,894
Foreign currency translation adjustment	1,332	1,894
Remeasurements of defined benefit plans:		
Gains (losses) recognized during the fiscal year	303	(610)
Reclassification adjustments	298	37
Amount before income tax effect	601	(573)
Income tax effect	(192)	196
Remeasurements of defined benefit plans, net of tax	409	(376)
Share of other comprehensive income of entities accounted for using equity method:		
Gains (losses) recognized during the fiscal year	17	114
Share of other comprehensive income of entities accounted for using equity method	17	114
Total other comprehensive income	5,106	958

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2021

1. Matters related to issued shares

Class of shares	As of April 1, 2020	Increase	Decrease	As of March 31, 2021
Common shares (shares)	68,239,892	-	-	68,239,892

2. Matters related to treasury shares

Class of shares	As of April 1, 2020	Increase	Decrease	As of March 31, 2021
Common shares (shares)	2,506,382	87	-	2,506,469

(Major cause of change)

Breakdown of increase in shares as follows:

Increase due to purchase of treasury shares of less than one unit 87 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, 2021 (millions of yen)
			As of April 1, 2020	Increase	Decrease	As of March 31, 2021	
Reporting company (Parent company)	Share acquisition rights as share options	-	-	-	-	-	320
Total		-	-	-	-	-	320

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
May 22, 2020 Board of Directors	Common shares	2,497	38	March 31, 2020	June 12, 2020
November 6, 2020 Board of Directors	Common shares	2,169	33	September 30, 2020	December 8, 2020

(2) Of the dividends whose record date belongs to the current fiscal year, 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 12, 2021 Board of Directors	Common shares	2,234	Retained earnings	34	March 31, 2021	June 8, 2021

Fiscal year ended March 31, 2022

1. Matters related to issued shares

Class of shares	As of April 1, 2021	Increase	Decrease	As of March 31, 2022
Common shares (shares)	68,239,892	-	-	68,239,892

2. Matters related to treasury shares

Class of shares	As of April 1, 2021	Increase	Decrease	As of March 31, 2022
Common shares (shares)	2,506,469	278,009	61,200	2,723,278

Note: The number of treasury shares as of March 31, 2022 include shares of the Company held by a trust whose beneficiaries are directors (26,900 shares).

(Major cause of change)

Breakdown of increase in shares as follows:

Increase due to purchase of treasury shares based on the resolution of the Board of Directors 277,800 shares

Increase due to purchase of treasury shares of less than one unit 209 shares

Breakdown of decrease in shares as follows:

Decrease due to the exercise of share acquisition rights 61,200 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, 2022 (millions of yen)
			As of April 1, 2021	Increase	Decrease	As of March 31, 2022	
Reporting company (Parent company)	Share acquisition rights as share options	-	-	-	-	-	227
Total		-	-	-	-	-	227

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
May 12, 2021 Board of Directors	Common shares	2,234	34	March 31, 2021	June 8, 2021
November 5, 2021 Board of Directors	Common shares	2,237	34	September 30, 2021	December 7, 2021

Note: Total dividends based on the resolution of the Board of Directors meeting dated November 5, 2021 include dividends of 0 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 current fiscal year, 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 13, 2022 Board of Directors	Common shares	2,294	Retained earnings	35	March 31, 2022	June 8, 2022

Note: Total dividends based on the resolution of the Board of Directors meeting dated May 13, 2022 include dividends of 0 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, 2021	Fiscal year ended March 31, 2022
Cash and deposits	31,399 million yen	30,227 million yen
Time deposits of over three months	(1,032)	(1,069)
Cash and cash equivalents	30,366	29,157

*2. The major breakdown of assets and liabilities of companies that newly became a consolidated subsidiary due to acquisition of their shares by the Company

Fiscal year ended March 31, 2021

There are no applicable matters to be reported.

Fiscal year ended March 31, 2022

Details are omitted because of its insignificance.

(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.

Securities and investment securities are mainly composed of held-to-maturity bonds and 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 10 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

(i) 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.

Since held-to-maturity bonds includes only those with high ratings in accordance with the Fund Management Rules, their credit risks are insignificant.

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

(ii) 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 securities and investment securities while it continuously reviews holdings of those other than held-to-maturity bonds, 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.

(iii) 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, 2021

	Book value on consolidated balance sheet (Millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
(1) Securities and investment securities	20,445	20,443	(2)
Total assets	20,445	20,443	(2)
(2) Bonds payable	40,000	40,015	15
(3) Long-term borrowings	15,033	15,022	(10)
Total liabilities	55,033	55,038	5

As of March 31, 2022

	Book value on consolidated balance sheet (Millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
(1) Securities and investment securities	18,715	18,711	(3)
Total assets	18,715	18,711	(3)
(2) Bonds payable	50,000	50,031	31
(3) Long-term borrowings	13,210	13,196	(13)
Total liabilities	63,210	63,228	18

(Note) 1. Matters related to methods for measuring fair values of financial instruments, as well as securities

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, 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 fair value. Book values of these financial instruments on consolidated balance sheet are as follows:

(Millions of yen)

Category	As of March 31, 2021	As of March 31, 2022
Unlisted shares	2,696	2,652

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

As of March 31, 2021

	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	31,399	-	-	-
Notes and accounts receivable - trade	33,380	-	-	-
Electronically recorded monetary claims - operating	3,704	-	-	-
Securities and investment securities				
Held-to-maturity bonds				
(1) Commercial paper	-	-	-	-
(2) Certificate of deposit	-	-	-	-
(3) Other	951	193	-	-
Total	69,435	193	-	-

As of March 31, 2022

	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	30,227	-	-	-
Notes and accounts receivable - trade	35,110	-	-	-
Electronically recorded monetary claims - operating	3,545	-	-	-
Securities and investment securities				
Held-to-maturity bonds				
(1) Commercial paper	-	-	-	-
(2) Certificate of deposit	-	-	-	-
(3) Other	456	-	-	-
Total	69,339	-	-	-

4. Repayment schedule for bonds and long-term borrowings

As of March 31, 2021

	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	20,000
Long-term borrowings	3,843	1,823	13,151	25	20	13
Total	3,843	1,823	13,151	10,025	10,020	20,013

As of March 31, 2022

	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	1,823	13,153	23	20	13	-
Total	1,823	13,153	10,023	10,020	10,013	20,000

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, 2022

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Equities	18,259	-	-	18,259
Bonds payable	-	452	-	452
Total assets	18,259	452	-	18,711

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

As of March 31, 2022

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	-	50,031	-	50,031
Long-term borrowings	-	13,196	-	13,196
Total liabilities	-	62,865	-	62,865

(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 are classified as level 1 fair value because they are measured based on the quoted prices and are traded in active markets. Bonds held by the Company are measured based on prices on exchanges or those quoted by financial institutions, which however are infrequently traded in markets and hence cannot be regarded as quoted prices in active markets. Therefore, fair values of such bonds are classified as level 2 fair value.

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.

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. Held-to-maturity bonds

As of March 31, 2021

Category	Book value on consolidated balance sheet (Millions of yen)	Fair value as of March 31, 2021 (Millions of yen)	Difference (Millions of yen)
Those with fair value exceeding book value on consolidated balance sheet	276	276	0
Those with fair value not exceeding book value on consolidated balance sheet	868	865	(2)
Total	1,144	1,142	(2)

As of March 31, 2022

Category	Book value on consolidated balance sheet (Millions of yen)	Fair value as of March 31, 2022 (Millions of yen)	Difference (Millions of yen)
Those with fair value exceeding book value on consolidated balance sheet	-	-	-
Those with fair value not exceeding book value on consolidated balance sheet	456	452	(3)
Total	456	452	(3)

2. Available-for-sale securities

As of March 31, 2021

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	18,854	3,853	15,001
Other	26	8	18
Subtotal	18,880	3,861	15,019
Those with book value on consolidated balance sheet not exceeding acquisition cost			
Equities	420	479	(59)
Other	-	-	-
Subtotal	420	479	(59)
Total	19,300	4,340	14,960

(Note) The table above on available-for-sale securities does not include unlisted equities (with book value on consolidated balance sheet of 67 million yen), because they have no quoted market prices, and it is regarded as extremely difficult to measure their fair values.

As of March 31, 2022

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	17,749	3,637	14,112
Other	23	8	14
Subtotal	17,772	3,645	14,127
Those with book value on consolidated balance sheet not exceeding acquisition cost			
Equities	486	626	(140)
Other	-	-	-
Subtotal	486	626	(140)
Total	18,259	4,272	13,986

(Note) The table above on available-for-sale securities does not include unlisted equities (with book value on consolidated balance sheet of 67 million yen), because they have no quoted market prices.

3. Available-for-securities sold

Fiscal year ended March 31, 2021

Class	Proceeds from sale (millions of yen)	Total gains on sale (Millions of yen)	Total losses on sale (Millions of yen)
Equities	858	372	-
Other	-	-	-
Total	858	372	-

Fiscal year ended March 31, 2022

Class	Proceeds from sale (millions of yen)	Total gains on sale (Millions of yen)	Total losses on sale (Millions of yen)
Equities	95	3	4
Other	-	-	-
Total	95	3	4

(Derivatives)

1. Derivative transactions not subject to hedge accounting

Currency-related derivatives

As of March 31, 2021

Category	Transaction type	Contract amount (Millions of yen)	Contract amount due after 1 year (Millions of yen)	Fair value (Millions of yen)	Valuation profit or loss (Millions of yen)
Non-market transactions	Currency-swap transactions Received in yen and paid in Thai baht	215	108	(53)	(53)
	Currency-swap transactions Received in USD and paid in Indian rupee	112	67	11	11
Total		327	175	(42)	(42)

(Note) Fair value measurement method

Fair values are measured at prices quoted by partner financial institutions.

As of March 31, 2022

Category	Transaction type	Contract amount (Millions of yen)	Contract amount due after 1 year (Millions of yen)	Fair value (Millions of yen)	Valuation profit or loss (Millions of yen)
Non-market transactions	Currency-swap transactions Received in yen and paid in Thai baht	108	29	(31)	(31)
	Currency-swap transactions Received in USD and paid in Indian rupee	74	24	11	11
Total		182	54	(19)	(19)

(Note) Fair value measurement method

Fair values are measured at prices quoted by partner financial institutions.

2. Derivative transactions subject to hedge accounting

Interest-rate-related derivatives

As of March 31, 2021

Hedge accounting method	Transaction type	Principal hedged item	Contract amount (Millions of yen)	Contract amount due after 1 year (Millions of yen)	Fair value (Millions of yen)
Exceptional treatment for interest rate swaps	Interest rate swap transaction Interest received at floating rate and interest paid at fixed rate	Long-term borrowings	250	-	(Note)

(Note) Fair value of interest rate swaps to which exceptional treatment is applied is included in the fair value of long-term borrowings as the interest rate swaps are treated as part of the long-term borrowings which are the hedged item.

As of March 31, 2022

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 benefit-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.

2. Defined benefit plans

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
The opening balance of retirement benefit liability	15,530 million yen	15,630 million yen
Service cost	1,185	1,185
Interest expense	16	34
Actuarial differences generated	(240)	432
Past service cost	(167)	-
Retirement benefits paid	(834)	(655)
Increase due to the acquisition of new consolidated subsidiary	-	274
Other	141	25
The closing balance of retirement benefit liability	15,630	16,917

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
The opening balance of plan assets	10,311 million yen	10,605 million yen
Expected return on plan assets	257	265
Actuarial differences generated	63	(178)
Contribution from the employer	533	551
Retirement benefits paid	(560)	(297)
Increase due to the acquisition of new consolidated subsidiary	-	280
The closing balance of plan assets	10,605	11,227

(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, 2021	As of March 31, 2022
Funded retirement benefit liability	12,945 million yen	14,155 million yen
Plan assets	(10,605)	(11,227)
	2,339	2,928
Unfunded retirement benefit liability	2,684	2,762
Net amount of assets and liabilities recorded on the consolidated balance sheet	5,024	5,690
Retirement benefit liability	5,088	5,696
Retirement benefit assets	(64)	(6)
Net amount of assets and liabilities recorded on the consolidated balance sheet	5,024	5,690

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

(4) Breakdown of retirement benefit expenses

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Service cost	1,185 million yen	1,185 million yen
Interest expense	16	34
Expected return on plan assets	(257)	(265)
Recognized actuarial difference	298	37
Retirement benefit expenses on defined benefit plans	1,241	992

(5) Remeasurements of defined benefit plans, net of tax

Breakdown of the items recorded as remeasurements of defined benefit plans, net of tax (before tax effects) is as follows:

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Actuarial difference	(601) million yen	573 million yen
Total	(601)	573

(6) Remeasurements of defined benefit plans

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

	As of March 31, 2021	As of March 31, 2022
Unrecognized actuarial difference	(95) million yen	477 million yen
Total	(95)	477

(7) Plan assets

(i) The major breakdown of plan assets

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

	As of March 31, 2021	As of March 31, 2022
Bonds	21.9%	28.0%
Equities	14.4	1.8
General account	51.6	51.1
Other	12.0	19.0
Total	100.0	100.0

(ii) 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, 2021	As of March 31, 2022
Discount rates	(0.14)% - 0.27%	0.08% - 0.39%
Long-term expected return on plan assets	2.5%	2.5%
Projected rate of salary increase	1.1% - 1.6%	1.15% - 1.7%

3. Defined contribution plan

The required employer contributions of the Company and its consolidated subsidiaries were 327 million yen in the previous fiscal year and 315 million yen in the current fiscal year.

(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: 82,600	Common shares: 68,600	Common shares: 50,200
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: 42,900	Common shares: 37,000	Common shares: 31,900
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: 22,800	Common shares: 18,100
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.

(2) Volume of share options and changes thereof

The following information covers share options that existed in the fiscal year ended March 31, 2022 and the numbers of share options were translated into the numbers of shares.

(i) 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, 2021	-	-	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Vested	-	-	-	-
Outstanding	-	-	-	-
After vesting (shares)				
As of March 31, 2021	45,700	41,600	28,400	24,800
Vested	-	-	-	-
Exercised	8,300	12,000	7,900	6,900
Expired	-	-	-	-
Outstanding	37,400	29,600	20,500	17,900

	2015 share acquisition rights	2016 share acquisition rights	2017 share acquisition rights	2018 share acquisition rights
Before vesting (shares)				
As of March 31, 2021	-	-	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Vested	-	-	-	-
Outstanding	-	-	-	-
After vesting (shares)				
As of March 31, 2021	20,800	25,500	18,900	16,500
Vested	-	-	-	-
Exercised	7,100	8,700	5,600	4,700
Expired	-	-	-	-
Outstanding	13,700	16,800	13,300	11,800

(ii) 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)	2,438	2,400	2,401	2,401
Fair value per share on grant date (yen)	771	827	1,480	1,582

	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)	2,407	2,415	2,405	2,406
Fair value per share on grant date (yen)	1,856	1,830	2,229	2,541

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, 2021	As of March 31, 2022
(Deferred tax assets)		
Provision for bonuses	1,200 million yen	1,227 million yen
Enterprise tax payable	330	326
Provision for bonuses and legal welfare expenses	178	183
Retirement benefit liability	2,085	2,110
Unrealized gains on non-current assets	568	565
Impairment loss	227	227
Remeasurements of defined benefit plans	22	153
Share acquisition rights	98	69
Provision for retirement benefits for directors (and other officers)	134	142
Valuation difference on available-for-sale securities	18	42
Depreciation	348	361
Other	707	584
Deferred tax assets (subtotal)	<u>5,921</u>	<u>5,994</u>
Valuation allowance	<u>(583)</u>	<u>(448)</u>
Offset with deferred tax liabilities	<u>(1,928)</u>	<u>(2,061)</u>
Total deferred tax assets	<u>3,409</u>	<u>3,485</u>
(Deferred tax liabilities)		
Valuation difference on available-for-sale securities	(4,603)	(4,326)
Reserve for tax purpose reduction entry of non-current assets	(805)	(757)
Retained earnings of overseas subsidiaries	(1,090)	(1,149)
Other	(1,000)	(965)
Deferred tax liabilities (subtotal)	<u>(7,498)</u>	<u>(7,199)</u>
Offset with deferred tax assets	<u>1,928</u>	<u>2,061</u>
Total deferred tax liabilities	<u>(5,570)</u>	<u>(5,138)</u>
Net deferred tax liabilities	<u>(2,160)</u>	<u>(1,652)</u>

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, 2021 and the fiscal year ended March 31, 2022.

(Business combinations)

Details are omitted because of its insignificance.

(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, 2021	Fiscal year ended March 31, 2022
Real estate for lease, etc.		
Book value on consolidated balance sheet		
Balance at beginning of period	15,586	20,155
Changes during the period	4,568	(2,243)
Balance at end of period	20,155	17,913
Fair value at fiscal year-end	24,164	22,240
Real estate, part of which is used as real estate for lease, etc.		
Book value on consolidated balance sheet		
Balance at beginning of period	2,953	2,923
Changes during the period	(29)	4,741
Balance at end of period	2,923	7,665
Fair value at fiscal year-end	3,317	8,121

(Note) 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 included depreciation (by 192 million yen) and major increases included acquisition cost of real estate (by 4,835 million yen) in the fiscal year ended March 31, 2021. For the fiscal year ended March 31, 2022, major decreases included real estate, part of which is used as real estate for lease, etc. (by 4,813 million yen) and depreciation (by 191 million yen), whereas major increases included acquisition cost of real estate (by 2,782 million yen).

3. Of changes during the period for real estate, part of which is used as real estate for lease, etc., major decreases included depreciation (by 47 million yen) in the fiscal year ended March 31, 2021. For the fiscal year ended March 31, 2022, major decreases included depreciation (by 74 million yen) and major increases included transfer from real estate for lease, etc. (by 4,813 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, 2021	Fiscal year ended March 31, 2022
Real estate for lease, etc.		
Rental income	1,468	1,483
Rental expenses	683	733
Difference	785	750
Real estate, part of which is used as real estate for lease, etc.		
Rental income	112	218
Rental expenses	104	181
Difference	8	36

(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 recording for 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, 2022 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 reporting 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, 2021

(Millions of yen)

	Reportable segments					Others (Note 1)	Total
	Transportation business	Warehousing business	Packaging business	Testing business	Total		
Net sales							
Sales to external customers	84,553	32,083	40,136	20,463	177,236	5,300	182,536
Intersegment sales or transfers	254	342	512	14	1,123	2,176	3,299
Total	84,807	32,426	40,648	20,477	178,359	7,476	185,836
Segment profit	4,686	7,549	2,365	2,809	17,411	921	18,332
Segment assets	99,985	106,183	53,773	17,534	277,476	43,349	320,825
Others							
Depreciation (note 2)	2,986	4,796	1,077	1,130	9,991	639	10,630
Investment in equity method affiliates	1,417	-	174	-	1,592	1,054	2,646
Increase in property, plant and equipment and intangible assets (note 2)	6,651	10,574	2,182	1,951	21,361	6,983	28,344

(Note) 1. The "Others" category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.

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	24,801	8,689	17,668	21,189	72,348	972	73,321
Automotive parts	21,232	9,509	9,309	556	40,609	1,673	42,282
Housing	15,547	3,030	7,837	-	26,414	156	26,571
Agricultural machinery	4,625	1,520	924	20	7,091	126	7,217
Food and beverages	1,459	2,170	617	-	4,248	55	4,303
Newspapers and publications	4,614	0	0	-	4,615	-	4,615
Others	18,057	9,069	8,005	97	35,229	2,947	38,177
Revenue from contracts with customers	90,338	33,990	44,363	21,863	190,556	5,933	196,490
Other revenue	-	609	-	-	609	1,059	1,669
Sales to external customers	90,338	34,600	44,363	21,863	191,166	6,993	198,159
Intersegment sales or transfers	313	285	403	26	1,028	2,603	3,632
Total	90,652	34,886	44,766	21,890	192,195	9,596	201,791
Segment profit	4,498	8,050	2,354	3,739	18,643	1,035	19,678
Segment assets	101,054	115,758	56,432	18,170	291,415	46,905	338,321
Others							
Depreciation (note 2)	2,880	5,412	1,033	1,235	10,561	676	11,237
Investment in equity method affiliates	1,536	-	135	-	1,672	1,049	2,722
Increase in property, plant and equipment and intangible assets (note 2)	5,154	13,826	2,802	1,477	23,261	5,019	28,280

(Note) 1. The "Others" category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.

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.

3. Matters relating to changes in reportable segments

As described in Changes in accounting policies, the Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the fiscal year under review, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed measurements of profit or loss of operating segments.

According to those changes, compared to previous accounting treatment, in Transportation business, sales decreased by 103 million yen and segment profit decreased by 35 million yen. In Packaging business, sales decreased by 19 million yen and segment profit decreased by 9 million yen. In Others, sales decreased by 3 million yen, and segment profit decreased by 0 million yen.

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, 2021	Fiscal year ended March 31, 2022
Total reportable segments	178,359	192,195
Net sales in Others	7,476	9,596
Elimination of intersegment transactions	(3,299)	(3,632)
Net sales on the consolidated financial statements	182,536	198,159

(Millions of yen)

Profit	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Total reportable segments	17,411	18,643
Profit in Others	921	1,035
Other adjustments (note)	(141)	(165)
Operating profit on the consolidated financial statements	18,191	19,512

(Note) Other adjustments include the difference resulting from the elimination of operating and non-operating transactions.

(Millions of yen)

Assets	As of March 31, 2021	As of March 31, 2022
Total reportable segments	277,476	291,415
Assets in Others	43,349	46,905
Corporate assets (note)	1,314	1,153
Total assets on the consolidated financial statements	322,139	339,475

(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, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Depreciation	9,991	10,561	639	676	-	-	10,630	11,237
Investment in equity method affiliates	1,592	1,672	1,054	1,049	-	-	2,646	2,722
Increase in property, plant and equipment and intangible assets	21,361	23,261	6,983	5,019	-	-	28,344	28,280

[Related information]

Fiscal year ended March 31, 2021

1. Information by product and service

(Millions of yen)

	Transportation business	Warehousing business	Packaging business	Testing business	Other businesses	Total
Sales to external customers	84,553	32,083	40,136	20,463	5,300	182,536

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North America	Asia	Total
160,716	6,869	14,950	182,536

(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 account 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.	29,055	Transportation, warehousing, packaging, testing, and other businesses

Fiscal year ended March 31, 2022

1. Information by product and service

(Millions of yen)

	Transportation business	Warehousing business	Packaging business	Testing business	Other businesses	Total
Sales to external customers	90,338	34,600	44,363	21,863	6,993	198,159

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North America	Asia	Total
171,496	8,977	17,686	198,159

(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 account 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.	29,159	Transportation, warehousing, packaging, testing, and other businesses

[Information on impairment loss on non-current assets by reportable segment]

Fiscal year ended March 31, 2021

There are no applicable matters to be reported.

Fiscal year ended March 31, 2022

There are no applicable matters to be reported.

[Information on amortized goodwill and unamortized goodwill outstanding by reportable segment]

Fiscal year ended March 31, 2021

Details are omitted because of its insignificance.

Fiscal year ended March 31, 2022

Details are omitted because of its insignificance.

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2021

There are no applicable matters to be reported.

Fiscal year ended March 31, 2022

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

Fiscal year ended March 31, 2021

There are no applicable matters to be reported.

Fiscal year ended March 31, 2022

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, 2021

There are no applicable matters to be reported.

Fiscal year ended March 31, 2022

There are no applicable matters to be reported.

(Per share information)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	3,160.46 yen	3,334.70 yen
Earnings per share	221.26 yen	224.41 yen
Diluted Earnings per share	220.51 yen	223.81 yen

(Note) 1. 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 17,000 shares in the fiscal year ended March 31, 2022 and the number of the treasury shares deducted from the calculation of net assets per share was 26,000 shares in the fiscal year ended March 31, 2022.

2. 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, 2021	Fiscal year ended March 31, 2022
(1) Earnings per share		
Profit attributable to owners of parent (Millions of yen)	14,544	14,741
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent on common stock (Millions of yen)	14,544	14,741
Average common shares during the period (Thousand shares)	65,733	65,689
(2) Earnings per share after adjustment for the effects of dilutive potential shares		
Adjusted profit attributable to owners of parent (Millions of yen)	-	-
Increase in the number of common shares (Thousand shares)	222	174
(Subscription rights to shares) (Thousand shares)	(222)	(174)
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)

The Company resolved to purchase its treasury shares under the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act at the Board of Directors meeting held on May 13, 2022.

1. Reason for purchase of treasury shares

To enable the Company to carry out its flexible capital policies in response to a changing management environment.

2. Details of matters related to the purchase

- (1) Type of shares purchased: The Company's common shares
- (2) The total shares purchased: 1,400,000 shares (cap)
- (3) Purchase period: From May 16, 2022 to December 28, 2022
- (4) Total purchase price: 3,000 million yen (cap)
- (5) Purchase method: market purchase

(v) Annexed consolidated detailed schedules

[Annexed consolidated detailed schedule of corporate bonds]

Company name	Issue	Issue date	Balance at beginning of current period (Millions of yen)	Balance at end of current period (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 (-)	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 (-)	0.320 per annum	Unsecured	March 10, 2027
Total	-	-	40,000 (-)	50,000 (-)	-	-	-

(Note) 1. Parenthesized values refer to those redeemable within one year.

2. 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	10,000

[Annexed consolidated detailed schedule of borrowings]

Category	Balance at beginning of current period (Millions of yen)	Balance at end of current period (Millions of yen)	Average interest rate (%)	Due date
Long-term borrowings due within 1 year	3,843	1,823	0.3	-
Lease liabilities due within 1 year	67	85	-	-
Long-term borrowings (Excluding those due within 1 year)	15,033	13,210	0.2	From April 2023 through February 2027
Lease liabilities (Excluding those due within 1 year)	34	88	-	From April 2023 through March 2027
Other interest-bearing debts Deposits received (due within 1 year)	700	606	0.1	-
Total	19,679	15,814	-	-

(Note) 1. The average interest rate is stated as the weighted average interest rate on the balance of borrowings 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	13,153	23	20	13
Lease liabilities	77	8	2	1

[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 current fiscal year. 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

(i) Quarterly information in the fiscal year ended March 31, 2022

(Cumulative period)	The first quarter	The second quarter	The third quarter	Current fiscal year
Net sales (millions of yen)	47,573	94,614	146,562	198,159
Profit before income taxes (millions of yen)	5,241	9,948	15,991	21,637
Profit attributable to owners of parent (millions of yen)	3,358	6,542	10,792	14,741
Earnings per share (yen)	51.08	99.47	164.15	224.41

(Accounting period)	The first quarter	The second quarter	The third quarter	The fourth quarter
Earnings per share (yen)	51.08	48.39	64.69	60.27

(ii) Status after the closing date

There are no applicable matters to be reported.

(iii) Significant lawsuits

There are no applicable matters to be reported.

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

(i) Non-consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	21,102	18,970
Accounts receivable - trade	*1 111	*1 121
Securities	951	456
Short-term loans receivable	*1 8,293	*1 10,032
Other	*1 1,829	*1 1,099
Allowance for doubtful accounts	(82)	(45)
Total current assets	32,204	30,634
Non-current assets		
Property, plant and equipment		
Buildings	7,831	8,076
Structures	274	254
Machinery and equipment	75	67
Vehicles	0	0
Tools, furniture and fixtures	11	15
Land	20,269	22,487
Construction in progress	15	23
Total property, plant and equipment	28,479	30,924
Intangible assets	4	2
Investments and other assets		
Investment securities	18,905	17,740
Shares of subsidiaries and associates	100,188	100,728
Investments in capital of subsidiaries and associates	3,292	3,292
Long-term loans receivable	*1 26,206	*1 30,911
Other	*1 22	*1 18
Allowance for doubtful accounts	(2)	(3)
Total investments and other assets	148,612	152,689
Total non-current assets	177,096	183,617
Total assets	209,301	214,252

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable - trade	12	0
Electronically recorded obligations - operating	-	12
Current portion of long-term borrowings	3,800	1,800
Accounts payable - other	*1,292	*1,155
Income taxes payable	105	130
Deposits received	*124,594	*120,960
Notes payable - facilities	20	75
Provision for bonuses	38	35
Provision for bonuses for directors (and other officers)	50	47
Other	111	138
Total current liabilities	29,024	23,356
Non-current liabilities		
Bonds payable	40,000	50,000
Long-term borrowings	14,800	13,000
Deferred tax liabilities	3,983	3,633
Other	545	550
Total non-current liabilities	59,329	67,183
Total liabilities	88,353	90,540
Net assets		
Shareholders' equity		
Capital stock	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	16	15
General reserve	82,000	87,000
Retained earnings brought forward	10,213	9,107
Total retained earnings	93,706	97,599
Treasury shares	(6,187)	(6,609)
Total shareholders' equity	110,418	113,889
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,208	9,594
Total valuation and translation adjustments	10,208	9,594
Share acquisition rights	320	227
Total net assets	120,947	123,712
Total liabilities and net assets	209,301	214,252

(ii) Non-consolidated Statement of Income

(Millions of yen)

Fiscal year ended March 31, 2021 Fiscal year ended March 31, 2022

Operating revenue	*1 12,197	*1 9,767
Operating costs	*1 856	*1 919
Operating gross profit	11,340	8,847
Selling, general and administrative expenses	*2 739	*2 746
Operating profit	10,601	8,101
Non-operating income		
Interest income	0	0
Interest on securities	9	6
Dividend income	425	522
Foreign exchange gains	42	409
Miscellaneous income	95	25
Total non-operating income	573	963
Non-operating expenses		
Interest expenses	55	41
Interest on bonds	138	126
Bond issuance costs	97	50
Non-deductible consumption tax, etc.	15	-
Miscellaneous expenses	3	2
Total non-operating expenses	309	221
Ordinary profit	10,864	8,843
Extraordinary income		
Gain on sale of investment securities	244	3
Total extraordinary income	244	3
Extraordinary losses		
Loss on retirement of non-current assets	*3 10	*3 1
Loss on sale of investment securities	-	4
Loss on valuation of shares of subsidiaries and associates	16	-
Total extraordinary losses	26	5
Profit before income taxes	11,082	8,841
Income taxes - current	401	494
Income taxes - deferred	(13)	(79)
Total income taxes	388	415
Profit	10,693	8,425

Operating cost statement

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
Category	Note No.	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
I. Personnel expenses		58	6.8	58	6.4
(Provision for bonuses)		(6)		(5)	
II. Other expenses					
1. Repair expenses		99		144	
2. Depreciation		419		441	
3. Insurance expenses		13		17	
4. Facility expenses		2		3	
5. Taxes and dues		203		171	
6. Travel and transportation expenses		2		0	
7. Others		58		82	
Total other expenses		798	93.2	860	93.6
Total operating costs		856	100.0	919	100.0

(iii) Non-consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity						
	Capital stock	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 current period	11,316	11,582	1,426	50	16	77,000	9,186
Changes of items during period							
Dividends of surplus							(4,667)
Profit							10,693
Provision for general reserve						5,000	(5,000)
Purchase of treasury shares							
Disposal of treasury shares							
Reversal of reserve for tax purpose reduction entry of non-current assets					(0)		0
Net changes in items other than shareholders' equity							
Total changes of items during period	-	-	-	-	(0)	5,000	1,027
Balance at end of current period	11,316	11,582	1,426	50	16	82,000	10,213

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Shareholders' equity Total	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(6,186)	104,391	6,913	6,913	320	111,625
Changes of items during period						
Dividends of surplus		(4,667)				(4,667)
Profit		10,693				10,693
Provision for general reserve		-				-
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares		-				-
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Net changes in items other than shareholders' equity		-	3,295	3,295		3,295
Total changes of items during period	(0)	6,026	3,295	3,295	-	9,322
Balance at end of current period	(6,187)	110,418	10,208	10,208	320	120,947

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity						
	Capital stock	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 current period	11,316	11,582	1,426	50	16	82,000	10,213
Changes of items during period							
Dividends of surplus							(4,472)
Profit							8,425
Provision for general reserve						5,000	(5,000)
Purchase of treasury shares							
Disposal of treasury shares							(59)
Reversal of reserve for tax purpose reduction entry of non-current assets					(0)		0
Net changes in items other than shareholders' equity							
Total changes of items during period	-	-	-	-	(0)	5,000	(1,106)
Balance at end of current period	11,316	11,582	1,426	50	15	87,000	9,107

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Shareholders' equity Total	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	(6,187)	110,418	10,208	10,208	320	120,947
Changes of items during period						
Dividends of surplus		(4,472)				(4,472)
Profit		8,425				8,425
Provision for general reserve		-				-
Purchase of treasury shares	(639)	(639)				(639)
Disposal of treasury shares	217	158				158
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Net changes in items other than shareholders' equity		-	(614)	(614)	(92)	(706)
Total changes of items during period	(422)	3,471	(614)	(614)	(92)	2,764
Balance at end of current period	(6,609)	113,889	9,594	9,594	227	123,712

[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 fair value...the market 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 fair value.....the moving average cost method

(2) Derivatives

Market value method.

(3) Money held in trust for investment purposes

Market 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 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, 2022 based on estimated payments in the fiscal year.

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 our 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 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.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year under review was added to or deducted from the balance of retained earnings brought forward at the beginning of the fiscal year under review, and thus the new accounting policy was applied from the balance at the beginning of the fiscal year under review. However, the new accounting policy was not retrospectively applied to contracts for which nearly all the revenue amounts had been recognized according to the previous treatment in periods prior to the beginning of the fiscal year under review, by applying the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition.

This result has no impact on the non-consolidated financial statements.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This has no impact on the non-consolidated financial statements.

(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, etc.”

(Non-consolidated balance sheet)

*1 Items on subsidiaries and affiliated companies

Monetary claims and obligations on subsidiaries and affiliated companies

	As of March 31, 2021	As of March 31, 2022
Short-term monetary claims	8,530 million yen	10,201 million yen
Long-term monetary claims	26,206	30,911
Short-term monetary obligations	24,601	20,970

2. The Company guarantees loans from financial institutions and payment of toll road usage fees for the following subsidiaries and affiliated companies.

	As of March 31, 2021	As of March 31, 2022
NIPPON KONPO INDIA PRIVATE LIMITED	106 million yen	74 million yen
NIPPON KONPO (MALAYSIA) SDN. BHD.	58	31
NKM LOGISTICS SDN. BHD.	-	63
A.N.I. LOGISTICS, LTD.	87	33
NIPPON KONPO (THAILAND) CO., LTD.	127	74
SAYAMA NIKKON CO., LTD.	36	36
SUZUKA NIKKON CO., LTD.	39	39
FUJISAWA NIKKON CO., LTD.	26	26
OGAWA NIKKON CO., LTD.	30	30
Total	513	411

3. Transfer of liquidated accounts receivable

	As of March 31, 2021	As of March 31, 2022
Transfer of liquidated accounts receivable	- million yen	614 million yen

(Non-consolidated statement of income)

*1. The following includes transactions with affiliated companies.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating transaction volume		
Operating revenue	11,228 million yen	8,746 million yen
Operating costs	52	52
Non-operating transaction volume	14	1

*2. Expenses included in selling expenses accounted for roughly 4% in the previous fiscal year and 6% in the current fiscal year while expenses included in general and administrative expenses accounted for approximately 96% in the previous fiscal year and 94% in the current fiscal year.

Below are major items and amounts of selling, general and administrative expenses.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Personnel expenses	503 million yen	503 million yen
Provision for bonuses	32	29
Provision for bonuses for directors (and other officers)	50	46
Retirement benefit expenses	7	17
Depreciation	1	3
Taxes and dues	72	88
Travel and transportation expenses	11	12
Provision of allowance for doubtful accounts	9	(36)
Other	140	174
Total	739	746

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Buildings	10 million yen	1 million yen
Total	10	1

(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 100,716 million yen and that of the affiliated companies' shares was 12 million yen in the current fiscal year; the amount on balance sheet of the subsidiaries' shares was 100,176 million yen and that of the affiliated companies' was 12 million yen in the previous fiscal year).

(Tax effect accounting)

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

	As of March 31, 2021	As of March 31, 2022
(Deferred tax assets)		
Provision for bonuses	11 million yen	10 million yen
Enterprise tax payable	15	20
Impairment loss	23	23
Long-term accounts payable - other	61	54
Loss on valuation of shares of subsidiaries	423	423
Share acquisition rights	98	69
Subsidiaries' shares arising from divestiture	745	745
Valuation difference on available-for-sale securities	15	37
Adjustment on gain (loss) on transfer	138	135
Other	58	55
Deferred tax assets (subtotal)	1,590	1,576
Valuation allowance	(717)	(601)
Offset with deferred tax liabilities	(873)	(974)
Total deferred tax assets	-	-
(Deferred tax liabilities)		
Valuation difference on available-for-sale securities	(4,520)	(4,272)
Adjustment on gain (loss) on transfer	(328)	(328)
Other	(7)	(7)
Deferred tax liabilities (subtotal)	(4,856)	(4,608)
Offset with deferred tax assets	873	974
Total deferred tax liabilities	(3,983)	(3,633)
Net deferred tax liabilities	(3,983)	(3,633)

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, 2021	As of March 31, 2022
Statutory tax rate	30.6%	30.6%
(Adjustment)		
Non-deductible expenses such as entertainment expenses	0.2	0.2
Non-taxable income such as dividend income	(27.6)	(25.7)
Per capita inhabitant tax	0.0	0.0
Changes in valuation allowance	(0.1)	(1.3)
Other	0.3	0.9
Effective tax rate after applying tax effect accounting	3.5	4.7

(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)

The Company resolved to purchase its treasury shares under the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act at the Board of Directors meeting held on May 13, 2022.

1. Reason for purchase of treasury shares

To enable the Company to carry out its flexible capital policies in response to a changing management environment.

2. Details of matters related to the purchase

- | | |
|---------------------------------|--|
| (1) Type of shares purchased: | The Company's common shares |
| (2) The total shares purchased: | 1,400,000 shares (cap) |
| (3) Purchase period: | From May 16, 2022 to December 28, 2022 |
| (4) Total purchase price: | 3,000 million yen (cap) |
| (5) Purchase method: | Market purchase |

(iv) 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	10,928	631	-	11,560	3,483	386	8,076
Structures	820	15	0	834	580	35	254
Machinery and equipment	251	5	-	256	188	13	67
Vehicles	3	-	-	3	3	0	0
Tools, furniture and fixtures	162	9	0	172	156	6	15
Land	20,269	2,217	-	22,487	-	-	22,487
Construction in progress	15	7	-	23	-	-	23
Total property, plant and equipment	32,452	2,887	1	35,338	4,413	442	30,924
Intangible assets	16	-	-	16	13	1	2

(Note) 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	Wako-shi, Saitama Prefecture	564million yen
Land	Wako-shi, Saitama Prefecture	2,217million yen

[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
Allowance for doubtful accounts	85	48	85	48
Provision for bonuses	38	35	38	35
Provision for bonuses for directors (and other officers)	50	46	50	47

(2) Components of major assets and liabilities

This information is omitted as the Company prepares the consolidated financial statements.

(3) Other information

(i) Status after the closing date

There are no applicable matters to be reported.

(ii) Significant lawsuits

No such events occurred.

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.

(Note) 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 current fiscal year and the filing date of the Annual Securities Report.

- (1) Annual Securities Report and documents attached thereto, and Confirmation Letter thereof
For the 80th fiscal year (From April 1, 2020, to March 31, 2021), filed to the Director-General of the Kanto Local Finance Bureau on June 30, 2021.
- (2) Internal Control Report and documents attached thereto
Filed to the Director-General of the Kanto Local Finance Bureau on June 30, 2021.
- (3) Quarterly Securities Reports and Document of Confirmation Letters thereof
First quarter of the 81st fiscal year (from April 1, 2021 to June 30, 2021) : filed to the Director-General of the Kanto Local Finance Bureau on August 10, 2021.
Second quarter of the 81st fiscal year (from July 1, 2021 to September 30, 2021): filed to the Director-General of the Kanto Local Finance Bureau on November 12, 2021.
Third quarter of the 81st fiscal year (from October 1, 2021 to December 31, 2021): filed to the Director-General of the Kanto Local Finance Bureau on February 10, 2022.
- (4) Current Reports
Filed to the Director-General of the Kanto Local Finance Bureau on July 2, 2021.
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
- (5) Share Buyback Reports
Filed to the Director-General of the Kanto Local Finance Bureau on January 5, 2022.
- (6) Shelf Registration Statements (Corporate Bonds) and documents attached thereto
Filed to the Director-General of the Kanto Local Finance Bureau on February 14, 2022.

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 30, 2022

To the Border of Directors of
NIKKON Holdings Co., Ltd.

KPMG AZSA LLC
Tokyo Office

Designated Limited Liability Partner Engagement partner	Certified Public Accountant	Tatsunaga Fumikura
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 consolidated financial statements of NIKKON Holdings Co., Ltd. provided in the "Financial Information" section for the fiscal year from April 1, 2021 to March 31, 2022, 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, 2022, 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.

Appropriateness of the judgement regarding the necessity of recognizing impairment loss of non-current assets	
Key audit matter description and reasons for determination thereof	How the key audit matter was addressed in the audit
<p>The Company and its consolidated subsidiaries have numerous business bases in Japan and abroad, operate a variety of businesses, including the transportation, warehousing, packaging, and testing businesses, and possesses considerable non-current assets. In the consolidated balance sheets as of March 31, 2022, property, plant and equipment worth 232,328 million yen and intangible assets worth 2,173 million yen were posted, which accounted for 69.1% of total assets.</p> <p>These non-current assets are amortized regularly; however, if a sign of impairment is recognized, it is necessary to 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, the book value is reduced up to the recoverable amount and the reduced amount of the book value is recognized as impairment loss.</p> <p>As described in the notes to the consolidated financial statements (significant accounting estimates), for the fiscal year ended March 31, 2022, a sign of impairment was recognized, as operating loss was continuously incurred in some of the Company's key business sites for warehousing, packaging, and testing businesses due to the stagnant performance in industries to which its major customers belonged. Thus, the Company calculated undiscounted future cash flows, results of which exceeded the book value in each case. It therefore did not recognize impairment loss.</p> <p>Future cash flow estimates in each business site are made based on the budget of the fiscal year ending March 31, 2023, and the Medium-term Business Plan. In particular, an increase in net sales, including projected new orders, is based on highly uncertain assumptions. Management's judgment on these will have significant impact on future cash flow estimates.</p> <p>As such, we determined that the appropriateness of the judgement regarding the necessity of recognizing impairment loss of non-current assets was of most significance in the audit of the consolidated financial statements of the current fiscal year and was therefore the key audit matter.</p>	<p>In examining the appropriateness of the judgement regarding the necessity of recognizing impairment loss of non-current assets in some major business sites in the warehousing, packaging, and testing businesses recognized to have signs of impairment, we took primarily the following audit 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 controls to examine whether reasonable assumptions are adopted, in particular for future cash flow estimates.</p> <p>(2) Assessment of the reasonableness of estimates of future cash flows</p> <p>In order to assess the reasonableness of key assumptions included in the budget of the fiscal year ending March 31, 2023, and the Medium-term Business Plan, which are the basis for estimating future cash flows, we questioned those responsible for each business site about grounds for those assumptions and primarily conducted the following procedures:</p> <ul style="list-style-type: none"> - In relation to the assumptions about net sales which provide a basis for estimating future cash flows, we asked those responsible for sales about the probability of an estimated increase in net sales, including new orders, and reviewed related materials. - We performed trend analysis on future cash flows based on past performance and reviewed related materials. Furthermore, we assessed the accuracy of estimates by management by comparing budgets in the past years and the Medium-term Business Plan with actual performance in each business site. - We compared future cash flows with those based on multiple alternative assumptions the Company examined in the process of estimating them, asked questions on these matters to those responsible for sales, and assessed their reasonableness. We then examined their impact on the judgement regarding the necessity of recognizing impairment loss.

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.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing 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 safeguards that are in place in order to eliminate or reduce obstacles.

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 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.

<Internal Control Audit>

Audit opinion

We also have audited the accompanying internal control report of NIKKON Holdings Co., Ltd. as of March 31, 2022, 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, 2022, 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 assessment 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 of 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.
- 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 implementing 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 safeguards that are in place in order to eliminate or reduce obstacles.

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.

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 30, 2022

To the Border of Directors of
NIKKON Holdings Co., Ltd.

KPMG AZSA LLC
Tokyo Office

Designated Limited Liability Partner Engagement partner	Certified Public Accountant	Tatsunaga Fumikura
Designated Limited Liability Partner Engagement partner	Certified Public Accountant	Mako Tasaka

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 81st fiscal year from April 1, 2021 to March 31, 2022, 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, 2022, 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 current fiscal year. 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.

We determine that there are no key audit matters to report in our audit report.

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 safeguards that are in place in order to eliminate or reduce obstacles.

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.

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

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- 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.