

## 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 28, 2024
[Fiscal year]	The 83rd Fiscal Year (from April 1, 2023 to March 31, 2024)
[Company name]	NIKKON Holdings Kabushiki Kaisha
[Company name in English]	NIKKON Holdings Co., Ltd.
[Title and name of representative]	President and Representative Director, Masakatsu Kuroiwa
[Address of registered headquarter]	6-17 Akashi-cho Chuo-ku, Tokyo
[Telephone number]	03-3541-5330 (main phone number)
[Name of contact person]	Director and Managing Executive Officer, Yasunori Matsuda
[Nearest place of contact]	6-17 Akashi-cho Chuo-ku, Tokyo
[Telephone number]	03-3541-5330 (main phone number)
[Name of contact person]	Director and Managing Executive Officer, Yasunori Matsuda
[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	79th fiscal year	80th fiscal year	81st fiscal year	82nd fiscal year	83rd fiscal year
Period of account	March 2020	March 2021	March 2022	March 2023	March 2024
Net sales (millions of yen)	199,512	182,536	198,159	212,071	222,324
Ordinary profit (millions of yen)	22,525	20,572	21,584	22,108	23,875
Profit attributable to owners of parent (millions of yen)	16,721	14,544	14,741	15,913	16,608
Comprehensive income (millions of yen)	12,691	19,667	15,710	18,753	27,315
Net assets (millions of yen)	193,296	208,290	219,035	229,399	246,445
Total assets (millions of yen)	297,489	322,139	339,475	360,748	388,446
Net assets per share (yen)	2,932.77	3,160.46	3,334.70	3,566.33	3,899.85
Earnings per share (yen)	254.01	221.26	224.41	246.61	260.99
Diluted earnings per share (yen)	253.11	220.51	223.81	246.03	260.53
Equity ratio (%)	64.8	64.5	64.4	63.4	63.3
Return on equity (%)	8.8	7.3	6.9	7.1	7.0
Price-earnings ratio (times)	8.3	10.0	9.1	10.0	11.3
Net cash provided by (used in) operating activities (millions of yen)	25,901	23,229	28,985	32,547	31,107
Net cash provided by (used in) investing activities (millions of yen)	(19,867)	(25,402)	(31,567)	(22,548)	(24,340)
Net cash provided by (used in) financing activities (millions of yen)	(584)	1,473	759	(208)	(4,408)
Cash and cash equivalents at end of period (millions of yen)	30,820	30,366	29,157	39,460	42,796
Number of employees (Average number of part-time employees not included in the above numbers) (persons)	12,579 (3,428)	12,212 (3,697)	12,669 (3,760)	12,855 (3,301)	12,802 (3,419)

(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 81st fiscal year, and the key financial data for the 81st and subsequent fiscal years are data to which such accounting standards were applied.

## (2) Key financial data of reporting company

Fiscal term	79th fiscal year	80th fiscal year	81st fiscal year	82nd fiscal year	83rd fiscal year
Period of account	March 2020	March 2021	March 2022	March 2023	March 2024
Operating revenue (millions of yen)	11,010	12,197	9,767	10,053	10,863
Ordinary profit (millions of yen)	9,958	10,864	8,843	8,852	9,696
Profit (millions of yen)	10,323	10,693	8,425	8,378	9,159
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	65,739,892	63,239,892
Net assets (millions of yen)	111,625	120,947	123,712	124,413	130,254
Total assets (millions of yen)	192,340	209,301	214,252	231,160	247,467
Net assets per share (yen)	1,693.28	1,835.10	1,884.78	1,935.33	2,062.88
Dividends per share (yen)	76.00	67.00	69.00	99.00	105.00
(Of the above, interim dividends per share)	(38.00)	(33.00)	(34.00)	(48.00)	(50.00)
Earnings per share (yen)	156.81	162.69	128.26	129.84	143.93
Diluted earnings per share (yen)	156.26	162.14	127.92	129.53	143.68
Equity ratio (%)	57.9	57.6	57.6	53.7	52.6
Return on equity (%)	9.3	9.2	6.9	6.8	7.2
Price-earnings ratio (times)	13.5	13.7	15.9	19.1	20.5
Dividend payout ratio (%)	48.5	41.2	53.8	76.2	73.0
Number of employees (persons)	27	31	32	33	39
(Average number of part-time employees not included in the above numbers)	(6)	(6)	(7)	(6)	(6)
Total shareholder return (%)	83.7	90.3	86.2	106.4	128.7
(Comparison index: TOPIX total return index) (%)	(90.5)	(128.6)	(131.2)	(138.8)	(196.2)
Share-price highs (yen)	2,801	2,466	2,516	2,647	3,417
Share-price lows (yen)	1,671	1,852	1,959	1,841	2,407

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

2. Share-price highs and lows are those recorded on the Prime Market of the Tokyo Stock Exchange on and after April 4, 2022 and on the First Section of the Tokyo Stock Exchange before then.

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

## 2. History

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

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

- 2000 Established NK AMERICA, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A. Yokohama Business Office was established in Daikoku Pier (Tsurumi-ku, Yokohama-shi) as a base in the port area (present NIPPON KONPO UNYU SOKO CO., LTD., Daikoku Business Office, consolidated subsidiary). Obtained a permission for special group cargo motor trucking.
- 2004 Obtained ISO14001 Certification in Tochigi Business Office (present NIPPON KONPO UNYU SOKO CO., LTD., consolidated subsidiary). Established NKA TRANSPORTATION, INC. (consolidated subsidiary) and NKA LOGISTICS, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A.
- 2006 Established NIPPON KONPO VIETNAM CO., LTD. (consolidated subsidiary) in Hanoi, Vietnam. Completed the new headquarters building at 6-17 Akashi-cho Chuo-ku, Tokyo (within the premises of the former headquarters). Acquired Ryoji Unyu Co., Ltd. (consolidated subsidiary) in Itabashi-ku, Tokyo.
- 2008 Established NKA CUSTOMS SERVICE, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A.
- 2010 Acquired CHUETSUTEC Co., Ltd. (consolidated subsidiary) in Koto-ku, Tokyo. As a result of the acquisition of CHUETSUTEC Co., Ltd., Sapporo Shinbun Yuso Co., Ltd. its subsidiary, became a consolidated subsidiary of the Company.
- 2011 Established A.N.I. TRANSPORT, LTD. (consolidated subsidiary) in Uthai District, Ayutthaya, Thailand. Established NKP MEXICO, S.A. de C.V. (consolidated subsidiary) in El Salto, State of Jalisco, Mexico.
- 2013 Acquired SHINEI SOKO CO., LTD. in Kaisei-machi, Ashigarakami-gun, Kanagawa (a consolidated subsidiary, merged into present NIPPON KONPO UNYU SOKO CO., LTD. in the same year). Established AUTO TECHNIC AMERICAS, INC. (consolidated subsidiary) in Sydney, Ohio, U.S.A.
- 2014 Acquired ITO-EXPRESS CO., LTD. (consolidated subsidiary) in Seto-shi, Aichi. Launched the next-generation environmental full-trailer (21 m) truck operations. Established SAYAMA NIKKON CO., LTD. in Hidaka-shi, Saitama, OGAWA NIKKON CO., LTD. in Ogawa-machi, Hiki-gun, Saitama, FUJISAWA NIKKON CO., LTD. in Fujisawa-shi, Kanagawa, NIIGATA NIKKON CO., LTD. in Niigata-shi, Niigata, MATSUMOTO NIKKON CO., LTD. in Matsumoto-shi, Nagano, SUZUKA NIKKON CO., LTD. in Suzuka-shi, Mie, and GUNMA NIKKON CO., LTD. in Ota-shi, Gunma (all of the above are consolidated subsidiaries).
- 2015 With the transition to a holding company structure, the Company changed its trade name to NIKKON Holdings Co., Ltd., and transferred most of its business to the newly established NIPPON KONPO UNYU SOKO CO., LTD. (consolidated subsidiary), a spin-off from the Company.  
Established SENDAI NIKKON CO., LTD. in Sendai-shi, Miyagi, CHIBA NIKKON CO., LTD. in Funabashi-shi, Chiba, SIAM AUTO TECHNIC CO., LTD. in Uthai District, Ayutthaya, Thailand, and NIKKON Moving Co., Ltd. and NIKKON Information Systems Co., Ltd. in Chuo-ku, Tokyo (all of the above are consolidated subsidiaries).
- 2016 Established GINZA Consulting Co., Ltd. and NK International Co., Ltd. in Chuo-ku, Tokyo, NIKKON CHONGQING LOGISTICS CO., LTD. in Chongqing, China, KANAZAWA NIKKON CO., LTD. in Hakusan-shi, Ishikawa, and NAGOYA NIKKON CO., LTD. in Nagoya-shi, Aichi (all of the above are consolidated subsidiaries).  
Higashi Soko Co. Ltd., was merged into NIPPON KONPO UNYU SOKO CO., LTD., which is a consolidated subsidiary.
- 2017 Acquired BANDO SANGYO CO., LTD. in Koto-ku, Tokyo. Thereafter, it was merged into NIPPON KONPO UNYU SOKO CO., LTD., which is a consolidated subsidiary.  
PT NIPPON KONPO INDONESIA in Jakarta, Indonesia, and NIPPON KONPO INDIA PRIVATE LTD. in Gurugram, Haryana, India were converted to consolidated subsidiaries.
- 2018 Acquired MATSUHISA UNYU CO., LTD. in Sakahogi-cho, Kamo-gun, Gifu and MATSUHISA SOUGOU CO., LTD. in Minokamo-shi, Gifu (both of the above are consolidated subsidiaries).
- 2019 Established NK LOGISTICA MEXICO, S.A. de C.V. (consolidated subsidiary) in Apaseo el Grande, Guanajuato, Mexico.  
MATSUHISA Unyu Co., Ltd. was merged into MATSUHISA SOUGOU CO., LTD., which is a consolidated subsidiary.  
CHUGOKU BUTSURYU SERVICE CO., LTD. in Setouchi-shi, Okayama and CHUETSU YUSOU Co, Ltd. in 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 76 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.

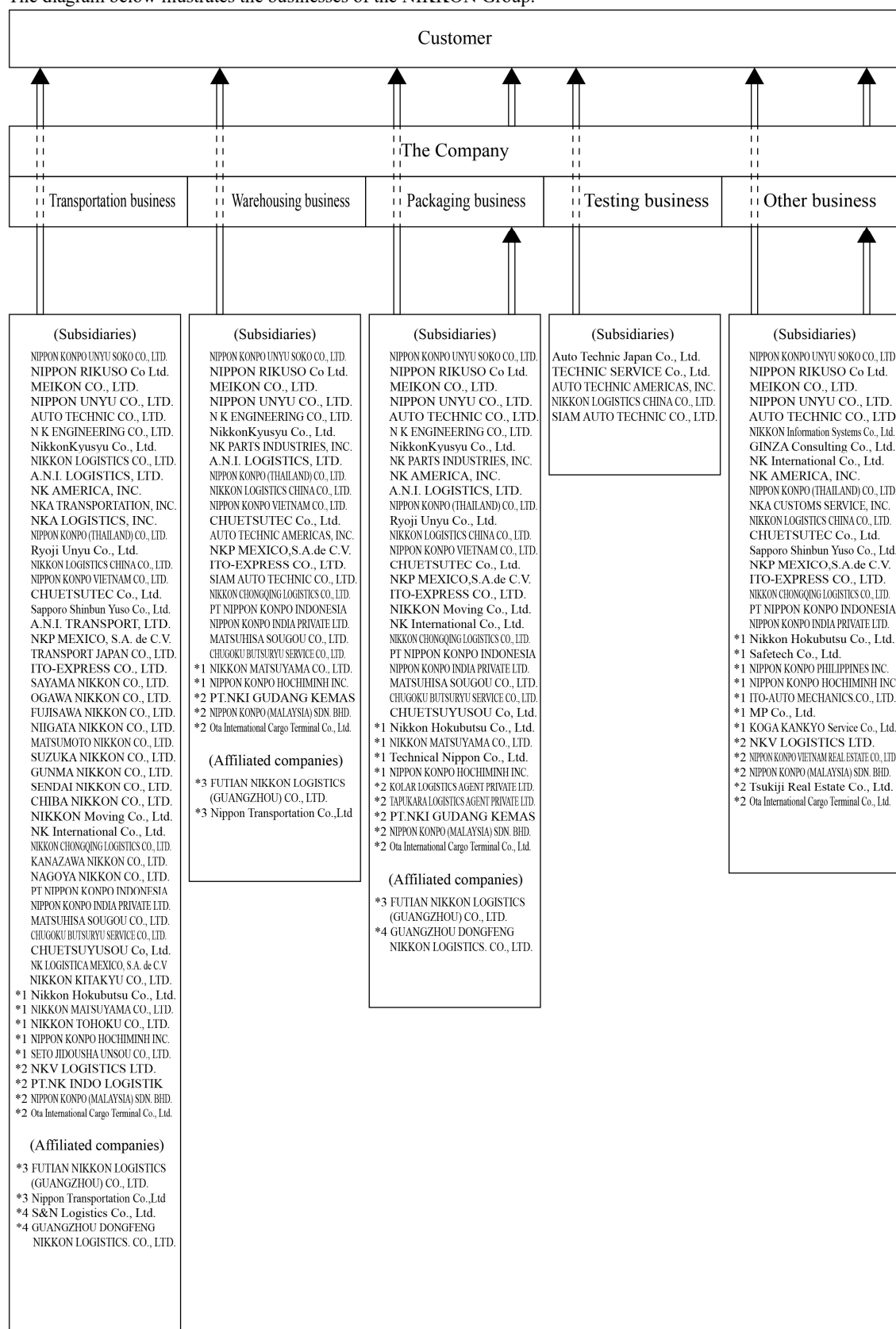
Warehousing business: engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. NIPPON KONPO UNYU SOKO CO., LTD. and other 27 subsidiaries and affiliated companies engage in the warehousing business.

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.

Other businesses: engage in customs clearance services, repairs and maintenance of vehicles, etc., sales of petroleum products, non-life insurance agency business, sales, leasing and intermediary management of real property, disposal and collection of waste, and electric power generation and sales of electricity. The Company and NIPPON KONPO UNYU SOKO CO., LTD. as well as other 30 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 subsidiaries)					
* 4, 5, 6 NIPPON KONPO UNYU SOKO CO., LTD.	Chuo-ku, Tokyo	500	Transportation business and others	100	Partial entrustment or acceptance of entrustment of business Partial lease of land and buildings Two concurrently serving officers Financing and lending of funds
* 5 NIPPON RIKUSO Co., Ltd.	Suzuka-shi, Mie	90	Transportation business and others	100	Financing and lending of funds
* 5 MEIKON CO., LTD.	Komaki-shi, Aichi	48	Transportation business and others	100	Financing and lending of funds
* 5 NIPPON UNYU CO., LTD.	Oizumi-machi, Ora-gun, Gunma	360	Transportation business and others	100	Financing and lending of funds
* 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 LOGISTICS CO., LTD.	Osaka-shi, Osaka	10	Transportation business	100 (100)	Financing
* 4 NK PARTS INDUSTRIES, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 17,500	Packaging business and others	100	One concurrently serving officer
* 5 TECHNIC SERVICE Co., LTD.	Suzuka-shi, Mie	20	Testing business	100	Financing
* 4 A.N.I. LOGISTICS, LTD.	Uthai District, Ayutthaya, Thailand	Million THB 373	Packaging business and others	99 (50)	One concurrently serving officer Lending of funds
NK AMERICA, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 1,000	Other businesses, etc.	100 (80)	One concurrently serving officer
NKA TRANSPORTATION, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 200	Transportation business	100 (100)	One concurrently serving officer
NKA LOGISTICS, INC.	Sydney, Ohio, U.S.A.	Thousand U.S. dollars 5	Transportation business	100 (100)	One concurrently serving officer
NIPPON KONPO (THAILAND) CO., LTD.	Uthai District, Ayutthaya, Thailand	Million THB 344	Packaging business and others	99 (51)	One concurrently serving officer



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

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

Name	Address	Paid-in capital or capital contribution (millions of yen)	Principal business	Ratio of voting rights holding (held) (%)	Relationship
NK LOGISTICA MEXICO, S.A. de C.V.	Apaseo el Grande, Guanajuato, Mexico	Thousand MXN 50	Transportation business	- [100]	—
* 5 CHUGOKU BUTSURYU SERVICE CO., LTD.	Setouchi-shi, Okayama	20	Transportation business and others	100	One concurrently serving officer Partial lease of land and buildings Financing
CHUETSU YUSOU Co, Ltd.	Satsumasendai-shi, Kagoshima	16	Transportation business and others	99 (99)	Lending of funds
NIKKON KITAKYU CO., LTD.	Kitakyushu-shi, Fukuoka	30	Transportation business and others	86	One concurrently serving officer

(Affiliated companies accounted for using equity method)					
FUTIAN NIKKON LOGISTICS (GUANGZHOU) CO., LTD.	Guangzhou, Guangdong Province, China	Million CNY 228	Transportation business and others	30	One concurrently serving officer
Nippon Transportation Co., Ltd.	Ota-shi, Gunma	50	Transportation business	34	—

(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	102,714 million yen
(2) Ordinary profit	8,477 million yen
(3) Profit	5,955 million yen
(4) Net assets	119,384 million yen
(5) Total assets	176,708 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, 2024

Name of business segment	Number of employees (persons)	
Transportation business	3,653	(1,100)
Warehousing business	1,312	(382)
Packaging business	4,995	(1,728)
Testing business	1,935	(64)
Other businesses	193	(20)
Company-wide (shared)	714	(125)
Total	12,802	(3,419)

- (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, 2024

Number of employees (persons)	Average age (years old)	Average length of service (years)	Average annual salary (Thousands of yen)
39 (6)	42.8	14.6	6,224

- (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, 2024, 12 of the consolidated subsidiaries are also members of the Nippon Konpo Unyu Soko Labor Union, which has 3,016 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 1,799 members as of March 31, 2024. At Ryoji Unyu Co., Ltd., the Ryoji Unyu Labor Union has been formed, which has been a member of Federation of Mitsubishi Motors Workers' Unions and has 76 members as of March 31, 2024. At NIKKON KITAKYU CO., LTD., the NIKKON KITAKYU Labor Union has been formed. It belongs to a council of workers' unions related to YASKAWA Electric Corporation and has 54 members as of March 31, 2024. 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, 2024, these unions have 66 and 148 members, respectively. Moreover, the four companies, NIPPON RIKUSO Co., Ltd., MEIKON CO., LTD., NIPPON UNYU CO., LTD., and CHUETSU YUSOU Co, Ltd. have formed independent labor unions as a single company respectively. The numbers of members as of March 31, 2024 are as follows: the Nippon Rikuso Labor Union has 395 members, the Meikon Labor Union has 147 members, the Nippon Unyu Labor Union has 388 members, and the Chuetsuyusou Labor Union has 12 members. All of the above companies and unions have continued to have a sound path of solidarity with labor and management, and the relationship between labor and management is stable.

There are no other special issues to report.

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

1) Reporting company

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

2) Consolidated subsidiaries

Fiscal year ended March 31, 2024						Supplemental remarks
Name	Proportion of female workers in managerial posts (%) (Notes) 1	Percentage of male workers who took childcare leave (%) (Notes) 2	Wage difference between male and female workers (%) (Notes) 3			
			All workers	Regular employees	Part-time and fixed-term employees	
NIPPON KONPO UNYU SOKO CO., LTD.	2.5	34.2	62.2	66.2	67.8	—
NIPPON RIKUSO Co., Ltd.	5.7	0.0	69.1	66.9	68.1	
NIPPON UNYU CO., LTD.	4.5	—	68.1	64.6	76.9	
Auto Technic Japan Co., Ltd.	1.1	81.0	70.7	71.7	64.5	
CHUETSUTEC Co., Ltd.	0.0	—	83.7	83.4	85.4	
ITO-EXPRESS CO., LTD.	0.0	28.6	62.9	68.1	91.3	
MEIKON CO., LTD.	0.0	83.3	55.3	82.7	41.5	
TECHNIC SERVICE Co., LTD.	0.0	100.0	65.4	80.4	86.9	

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

2. The column shows the percentages of male workers who took childcare leave as stipulated in Article 71-4, item (i), of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

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

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

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

3) Domestic consolidated companies

Fiscal year ended March 31, 2024					Supplemental remarks
Proportion of female workers in managerial posts (%) (Notes) 1	Percentage of male workers who took childcare leave (%) (Notes) 2	Wage difference between male and female workers (%) (Notes) 3			
		All workers	Regular employees	Non-regular employees	
2.0	57.7	60.4	64.9	63.5	

(Notes) 1. The column shows figures calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). The metrics for the Group companies inside and outside Japan is 8.53%.

2. The column shows the percentages of male workers who took childcare leave calculated in accordance with Article 71-4, item (i), of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

3. With regard to the wage difference between male and female workers, one of the factors for the average wage of female workers being lower than that of male workers is that the number of female workers is relatively small in the whole workforce. This influences the calculation because it reflects differences between male and female workers in compositions on respective job types, employment forms, labor hours and lengths of service. The average age of employees of the NIKKON Holdings Group in Japan are 37.6 years old for males and 32.9 years old for females, and the average lengths of service is 11.5 years for males and 7.2 years for females. In addition, the proportion of females in driving jobs, the wages for which are relatively high, is 3.3%, and the proportion of females in managerial posts is 2.2%. This is one of the factors behind the wage difference. Going forward, the Group will promote the hiring of females and increase the ratio of female workers to our workforce from a long-term view. We will also create a work environment where everyone has opportunities for growth while balancing work and individual life events.

## II. Overview of Business

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

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

During the fiscal year ended March 31, 2024, the global economy was on a gradual recovery path as a whole, as some regions remained robust, including the United States, which enjoyed strong personal consumption. Meanwhile, economic security risks increased, including Russia's invasion of Ukraine and military conflicts in the Middle East, and coupled with the slowing trend of the Chinese economy, the outlook became increasingly uncertain, and the world was half way down the road to a full-fledged economic recovery. The Japanese economy was also on a gradual recovery path, and in the automobile industry, car production recovered due to the alleviation of the shortage of in-vehicle semiconductors, leading to the normalization of supply chains. On the other hand, overall cargo movements lacked strength partly because of the impact of a drop in production in the manufacturing industry linked to the global economic slowdown.

Under such economic circumstances, the NIKKON Group launched its new three-year management plan, the 13th Medium-term Business Plan, in April 2024, and took a step forward to take on new challenges by setting up the three pillars of "Overseas Business," "Recycling Business" and "Clothing, Food and Shelter-related Business" as growth drivers for its business strategy.

In addition to the start of the operation of newly constructed warehouse facilities and the acquisitions of MP Co., Ltd., a cardboard manufacturer, in November 2023 and KOGA KANKYO Service Co., Ltd., which is engaged in an industrial waste collection and transportation business, in December 2023, the Group also acquired NIKKON Ryomo Co., Ltd. (formerly MITSUBA Logistics Co., Ltd.) and the U.S. carrier car business into the Group in the fiscal year 2024, albeit later than initially scheduled, and we are making steady progress toward achieving the plan.

Under its unique strategy of "self-sufficiency and managing our hand," the NIKKON Group will address the 2024 problem by utilizing its own facilities and drivers, which allows for flexible operations regardless of the time of day, conducting transit operations for long-distance transportation, and reducing the time required for loading and unloading and waiting for cargo.

With regard to ESG management, along with active female engagement, reduction of CO<sub>2</sub> emissions and total abolition of mercury lamps, we will also strive to enhance the corporate value of the entire Group by putting emphasis on work-life balance and improving productivity through the practice of human capital management.

The forward-looking statements contained in this document are based on judgments of the NIKKON Group that were made as of the end of the fiscal year ended March 31, 2024.

## 2. Perspectives and efforts toward sustainability

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

The forward-looking statements contained in this document are based on judgments of the NIKKON Group that were made as of the end of the fiscal year ended March 31, 2024.

### (1) Basic perspectives toward sustainability

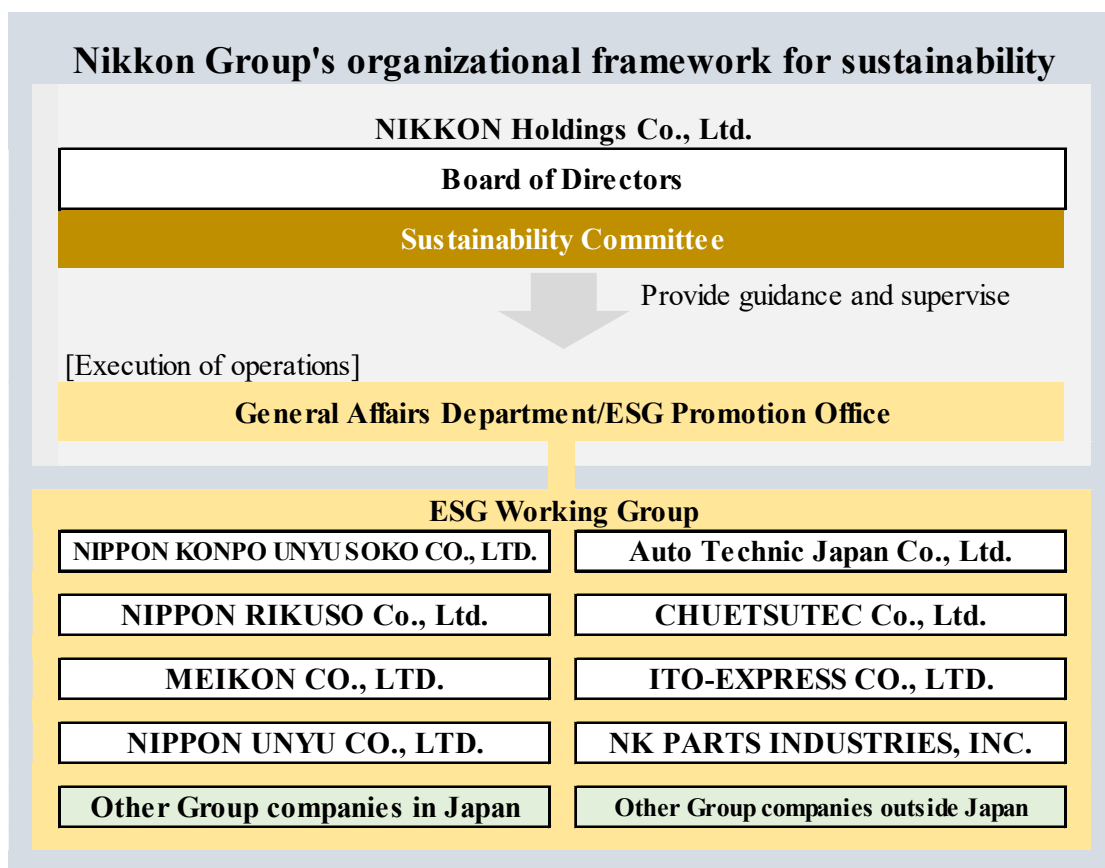
The NIKKON Group strives to help establish a sustainable society and improve our corporate value through the creation of new services through its logistics business based on its Group Basic Philosophy and Group Conduct Guidelines.

### (2) Governance

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

Specifically, the Group has established the Sustainability Committee, chaired by an Outside Director, as an advisory body to the Board of Directors, and the Committee functions as an organization under the direct control of the Directors to supervise and provide guidance on the implementation status of overall ESG-related matters. The Committee meets once every quarter and reports on matters related to sustainability including climate-related issues to the Board of Directors, conducts multifaceted discussions in meetings attended by Directors about highly important topics, and works on speedy policy establishment and even more highly effective activities under the directions of the Board of Directors.

Separately, the ESG Promotion Office serving to promote practical ESG activities seeks to collaborate with each department and Group company. It discusses and drafts sustainability strategies including measures against climate change, and proposes such strategies to the Sustainability Committee. It also identifies themes that should be practiced through corporate activities as well as important issues, and promotes specific efforts to address climate change and promote diversity.





### (3) Strategies

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

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

Category	Class	Expected risks and opportunities	Impacts on businesses	Main actions
Transition risks	Policy/law and regulations	Exhaust gas regulations	Increased cost due to adoption of environmentally-friendly vehicles	Charging reasonable fees
	Technology	Delay in technology development	Delay in adoption of low-carbon heavy trucks due to automakers' delay in development of such trucks	Collecting information on development statuses in automakers
	Market	Changes in customer needs	Reduced share due to delayed CO <sub>2</sub> emission reduction	Establishment and promotion of medium- to long-term decarbonization plan
	Reputation	Impacts on fund procurement and stock price	Difficulty in fund procurement from financial institutions, and stock price declines with investors' interest lost, as a result of being assessed as making insufficient efforts for CO <sub>2</sub> emission reduction	Ensuring thorough information disclosure
Physical risks	Acute	Occurrence of a natural disaster	Disruption of logistic services due to the consequences of a natural disaster such as severed roads or flooded warehouses	Driving forward Business Continuity Plan (BCP) measures based on such information as hazard maps
	Chronic	Temperature increase	Deteriorated work environment due to increase in average temperature	Improving work environment
Opportunities	Resource efficiency	Transportation efficiency improvement and CO <sub>2</sub> emission reduction	Reduced costs for energy, etc.	Promoting trunk line transportation utilizing tandem trailer trucks
	Products/Services	Development of services	New business opportunities created through development of transportation services that would result in CO <sub>2</sub> emission reduction	Driving forward proposals for modal shift, cooperative delivery, and transportation jigs

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

Furthermore, the NIKKON Group is advancing efforts to accomplish the policy regarding human resource development including ensuring its diversity, and the policy regarding the enhancement of corporate environments. The central axis of these

policies is at “constructing next-generation logistics.”

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

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

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

#### 1. Safety first

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

#### 2. Constructing next-generation logistics

The Company focuses its efforts on developing next-generation logistics so that the importance of logistics may be handed down to younger generations. Since 2021, the Company has been endowing lectures on logistics management at Hitotsubashi University. We have students visit our offices as well as take lectures, thus helping develop the next generation of human resources who will lead the development of the logistics industry in the future. In addition, the Company loans employees to outside logistics research institutions for research on the latest development of logistics.

#### 3. Reinforcement of efforts for employees’ sustainable growth

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

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

##### 1) Constructing next-generation logistics

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

##### 2) Developing next-generation human resources and succession planning

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

##### 3) Promoting diversification of human resources

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

##### 4) Developing environments to secure human resources

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

5) Expanding and developing human resources

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

(4) Risk management

1) Process for identifying and assessing climate-related risks

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

2) Process for managing climate-related risks

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

(5) Metrics and targets

The NIKKON Group has set reduction targets for greenhouse gas (Scope 1 and Scope 2) emissions and mercury lamps, which are indicators drafted by the ESG Promotion Office under the guidance of the Sustainability Committee and resolved by the Board of Directors. The performance for the fiscal year ended March 31, 2024 are as follows. In response to the increasing business volume, the Group is expanding transportation via full trailer trucks and modal shift, introducing environmentally-friendly vehicles such as hybrid cars and small EVs and installing solar panels. The Group will continue to promote reductions in energy consumption through more efficient transportation and switch to clean energy sources. Toward our 30% reduction target for fiscal year 2030, it will make concrete efforts, in consideration of the government's goal of making electric vehicles account for 20-30% of new small commercial vehicle sales, trends of technological development for large vehicles, which are the Group's mainstay vehicles, and progress in the development of supply infrastructure, among others, with the aim of achieving the subsequent goal of carbon neutrality in 2050.

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

[CO<sub>2</sub> emissions (Scopes 1 and 2 combined)]

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2026	Fiscal year ending March 31, 2030	Fiscal year ending March 31, 2050
	Actual (base year)	Actual	Target	Target	Target	Target
CO <sub>2</sub> emission reduction target	—	(1.3)%	(0.4)%	(3.7)%	(30)%	(100)%
CO <sub>2</sub> emissions (tons)	180,048	177,732	179,318	173,340	126,034	0

[Mercury lamp reduction]

(Units)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2026
	Actual	Actual	Plan	Plan
Number of mercury lamps	12,347	8,995	6,041	33
Number of planned reductions	—	(3,352)	(2,954)	(6,008)

Metrics and targets regarding the human capital are as follows.

[Proportion of female employees]

		Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2026
		Actual	Actual	Plan	Plan
Percentage of female employees to all employees	Domestic	18.2%	18.3%	20.0%	22.2%
	Overseas	37.3%	38.3%	39.1%	39.4%
	Total	23.4%	23.5%	24.9%	26.5%
Percentage of females to all those in executive posts	Domestic	10.0%	11.6%	14.0%	17.2%
	Overseas	39.8%	41.7%	41.2%	41.3%
	Total	19.4%	21.3%	23.4%	25.5%
Percentage of female employees to all employees in managerial posts	Domestic	1.6%	2.0%	4.8%	7.7%
	Overseas	21.6%	21.8%	22.2%	25.0%
	Total	8.1%	8.5%	10.4%	13.2%

### 3. Business and other risks

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

The forward-looking statements contained in this document are based on judgments of the NIKKON Group that were made as of the end of the fiscal year ended March 31, 2024.

#### (1) Fluctuations in fuel costs

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

#### (2) Legal regulations, etc.

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

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

#### (3) Possibility of serious accidents

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

#### (4) Impairment of non-current assets

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

#### (5) Natural disasters, etc.

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

#### (6) Trends in customer companies

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

#### (7) M&A

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

#### (8) Securing and developing human resources

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

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

##### (1) Overview of operating results, etc.

An overview of the financial position, operating results, and cash flows (hereinafter referred to as “operating results, etc.”) of the NIKKON Group (the Company and its consolidated subsidiaries and entities accounted for using equity method) during the fiscal year ended March 31, 2024 is as follows.

The forward-looking statements contained in this document are based on judgments of the NIKKON Group that were made as of the end of the fiscal year ended March 31, 2024.

##### 1) Financial position and operating results

For the fiscal year ended March 31, 2024, the Group made active capital investments and operating activities such as the acquisition of land and buildings in Matsuyama-shi, Ehime and Ohio, U.S.A.; the acquisition of warehouses in Miyoshi-machi, Saitama and Koga-shi, Ibaraki; the acquisition of land for business use in Lat Krabang, Thailand and Jawa Barat, Indonesia.

As a result, consolidated sales for the fiscal year ended March 31, 2024 were 222,324 million yen, up 4.8% year-on-year, mainly due to a recovery in business volume, in addition to the effect of capital investments. Operating profit was 21,235 million yen, up 8.4% year-on-year, mainly due to the effect of higher sales. Ordinary profit was 23,875 million yen, up 8.0% year-on-year. Profit attributable to owners of parent was 16,608 million yen, up 4.4% year-on-year.

Operating results by segment are as follows.

##### Transportation business

Sales were 100,398 million yen, up 3.8% year-on-year, mainly due to a recovery in the volume of cargo handled. Operating profit was 5,585 million yen, up 10.3% year-on-year, mainly due to the effect of higher sales.

##### Warehousing business

Sales were 38,863 million yen, up 3.0% 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 8,328 million yen, down 1.1% year-on-year, mainly due to the effects of higher personnel expenses and depreciation.

##### Packaging business

Sales were 53,809 million yen, up 8.5% year-on-year, mainly due to a recovery in business volume. Operating profit was 3,320 million yen, up 10.4% year-on-year, mainly due to the effect of higher sales.

##### Testing business

Sales were 22,881 million yen, up 9.3% year-on-year, due to a recovery in business volume. Operating profit was 3,329 million yen, up 49.7% year-on-year, due to the effect 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 42,796 million yen, an increase of 3,336 million yen from the end of the previous fiscal year.

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

### (Cash flows from operating activities)

Net cash provided by operating activities was 31,107 million yen, a decrease of 1,440 million yen from the previous fiscal year. Major factors having a positive impact on cash flow from operating activities included increases of 857 million yen in profit before income taxes, 672 million yen in cash flows from increase (decrease) in provision for bonuses, and 1,856 million yen in cash flows from increase (decrease) in other liabilities. Major factors having a negative impact on cash flow from operating activities were a decrease of 2,906 million yen in decrease (increase) in trade receivables, and an increase of 1,549 million yen in income taxes paid.

### (Cash flows from investing activities)

Net cash used in investing activities was 24,340 million yen, an increase of 1,791 million yen from the previous fiscal year. This increase mainly came from an increase of 1,285 million yen in the purchase of property, plant and equipment.

### (Cash flows from financing activities)

Net cash used in financing activities was 4,408 million yen, an increase of 4,200 million yen from the previous fiscal year. Major factors contributing to the increase of outflow were an increase of 12,328 million yen in repayments of long-term borrowings and respective increases in cash outflow of 999 million yen for the purchase of treasury shares and 1,088 million yen in payment of dividends. Major factor contributing to the decrease of outflow was an increase of 10,000 million yen in proceeds from long-term borrowings.

## 3) Sales results

Sales results by segment during the fiscal year ended March 31, 2024 are as follows.

Name of business segment	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)		
	Amount (millions of yen)	Composition ratio (%)	Increase (decrease) from previous fiscal year (%)
Transportation business	100,398	45.1	103.8
Warehousing business	38,863	17.5	103.0
Packaging business	53,809	24.2	108.5
Testing business	22,881	10.3	109.3
Other businesses	6,370	2.9	90.2
Total	222,324	100	104.8

(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, 2023 (From April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	
	Amount (millions of yen)	Proportion (%)	Amount (millions of yen)	Proportion (%)
Honda Motor Co., Ltd.	30,736	14.5	37,368	16.8

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

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

1) Details of the recognition, analysis and discussion of the operating results, etc. for the fiscal year ended March 31, 2024

The NIKKON Group's operating results, etc. for the fiscal year ended March 31, 2024 are as follows.

a) Financial position

(Assets)

Current assets at the end of the fiscal year under review totaled 87,981 million yen, an increase of 4,954 million yen from the end of the previous fiscal year. This increase was mainly the result of increases of 3,625 million yen in cash and deposits and 2,299 million yen in electronically recorded monetary claims - operating, partially offset by a 798 million yen decrease in notes and accounts receivable - trade. Non-current assets totaled 300,464 million yen, an increase of 22,743 million yen from the end of the previous fiscal year. The increase was the result of an increase of 11,392 million yen in property, plant and equipment, which was mainly due to the acquisition of land and buildings in Matsuyama-shi, Ehime, and Ohio, U.S.A.; the acquisition of warehouses in Miyoshi-machi, Saitama, and Koga-shi, Ibaraki; the acquisition of land for business use in Lat Krabang, Thailand, and Jawa Barat, Indonesia; and progress on construction of a warehouse in Utsunomiya-shi, Tochigi; as well as an increase of 10,741 million yen in investment securities due to their market valuation and others.

As a result, total assets were 388,446 million yen, an increase of 27,697 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 59,366 million yen, an increase of 1,007 million yen from the end of the previous fiscal year. The increase mainly came from increases of 10,000 million yen in current portion of bonds payable, due to transfers from non-current liabilities, and 1,592 million yen in deposit received in other, partially offset by a decrease of 11,126 million yen in short-term borrowings due to repayment. Non-current liabilities totaled 82,634 million yen, an increase of 9,644 million yen from the end of the previous fiscal year. The increase mainly came from increases of 16,974 million yen in long-term borrowings and 3,090 million yen in deferred tax liabilities, partially offset by a decrease of 10,000 million yen in bonds payable due to transfers to current liabilities.

As a result, total liabilities were 142,001 million yen, an increase of 10,651 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review totaled 246,445 million yen, an increase of 17,046 million yen from the end of the previous fiscal year. This was mainly due to increases of 7,054 million yen in valuation difference on available-for-sale securities, 3,352 million yen in retained earnings and 2,798 million yen in foreign currency translation adjustment, and a decrease of 3,044 million yen in treasury shares due to cancellation.

As a result, the equity ratio at the end of the period under review was 63.3% (63.4% at the end of the previous fiscal year).

b) Operating results

(Net sales)

Consolidated net sales for the fiscal year ended March 31, 2024 were 222,324 million yen, up 4.8% year-on-year. This increase was attributable to the recovery in volume of cargo handled, as well as an increase in volume of cargo handled due to the start of operation of our newly established and expanded warehouses. Net sales by segment are stated in (1) Overview of operating results, etc., 1) Financial position and operating results.

(Operating profit)

Operating profit for the fiscal year ended March 31, 2024 was 21,235 million yen, up 8.4% year-on-year. It was steady due to the increase in net sales. Operating profit by segment are stated in (1) Overview of operating results, etc., 1) Financial position and operating results.

(Ordinary profit)

Non-operating income for the fiscal year ended March 31, 2024 was 2,998 million yen, an increase of 145 million yen from the previous fiscal year. This was primarily due to an increase of 191 million yen in dividend income. Non-operating



expenses totaled 358 million yen, an increase of 33 million yen from the previous fiscal year. This was primarily due to an increase of 24 million yen in interest expenses.

As a result, ordinary profit was 23,875 million yen, up 8.0% year-on-year.

(Profit attributable to owners of parent)

Extraordinary income for the fiscal year ended March 31, 2024 was 192 million yen, a decrease of 765 million yen from the previous fiscal year. This is mainly due to a decrease of 744 million yen in compensation for expropriation that occurred in the previous fiscal year. Extraordinary losses totaled 432 million yen, an increase of 143 million yen from the previous fiscal year. This is mainly due to 107 million yen in loss on revision of retirement benefit plan that occurred following lump-sum recognition as expenses of past service costs associated with the revision of retirement benefit plans in subsidiaries.

As a result, profit attributable to owners of parent was 16,608 million yen, up 4.4% year-on-year.

c) Analysis of cash flows

Analysis of cash flows for the fiscal year ended March 31, 2024 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, 2024, the balance of straight bonds was 50 billion yen, and the balance of borrowings was 29,059 million yen.

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

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

For the fiscal year ended March 31, 2024, the first fiscal year of the plan, we set targets as follows: 230 billion yen for net sales, 22 billion yen for operating profit, and 9.6% for ratio of operating profit to net sales. Despite a gradual recovery in the Japanese economy and the resolution of parts shortages that had hampered production activities in the automobile industry, net sales were 222,324 million yen, operating profit was 21,235 million yen, and ratio of operating profit to net sales was 9.6%. Although the ratio reached its target, both net sales and operating profit fell slightly short of the targets set for the first fiscal year of the plan.

The Group set targets for the fiscal year ending March 31, 2025, the second fiscal year of the plan, as follows: 250 billion yen for net sales, 24 billion yen for operating profit, and 9.6% for ratio of operating profit to net sales.

## 2) Significant accounting estimates and assumptions used for the estimates

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

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

### a) Future cash flows in impairment accounting

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

### b) Calculation of retirement benefit liability

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

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

In the calculation of retirement benefit liability and retirement benefit expenses, the following are the sensitivity to changes in the major assumptions given to retirement benefit liability and retirement benefit expenses as of the end of the fiscal year ended March 31, 2024. Negative figures (in parenthesis) represent a decrease in retirement benefit liability and positive figures represent an increase in retirement benefit liability. Sensitivity analysis assumes that all assumptions used in actuarial calculations are constant except for the assumptions used in actuarial calculations subject to the analysis.

As of the end of the fiscal year ended March 31, 2024:

	Changes in assumptions used in actuarial calculations	Impact on retirement benefit liability (millions of yen)
Discount rates	0.5% increase	(807)
	0.5% decrease	842
	Changes in assumptions used in actuarial calculations	Impact on retirement benefit expenses (millions of yen)
Expected rate of return on plan assets	0.5% increase	(58)
	0.5% decrease	58

The main assumptions used in actuarial calculations used to calculate retirement benefit liability as of the end of the fiscal year ended March 31, 2024 are as stated in V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated financial statements, [Notes], (Retirement benefits), (8) Matters related to the assumptions of actuarial calculations.

## 5. Material contracts, etc.

(Business combination by acquisition)

The Company entered into an equity transfer agreement to acquire 75% stake in Supreme Auto Transport, Inc., a U.S. company operating ground transportation services for automobiles, on April 16, 2024, after consensus was reached between the existing investors.

Details are as stated in V. Financial Information, 1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, [Notes], (Subsequent events).

## 6. Research and development activities

There are no applicable matters to be reported.

### III. Information about Facilities

#### 1. Overview of capital expenditures

Capital expenditures for the fiscal year ended March 31, 2024 was 23,139 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 4,617 million yen for new acquisition, or remodeling, of land for the transportation business use and 284 commercial vehicles.

(2) Warehousing business:

We have made capital investments of 11,442 million yen for new acquisition of land for the warehousing business use and warehouses in Miyoshi-machi, Saitama, Koga-shi, Ibaraki and Ohio, U.S.A.

(3) Packaging business

We have made capital investments of 2,681 million yen for newly acquiring land for the packaging business use, forklifts for on-premises work, etc.

(4) Testing business

Capital expenditures for the testing business was 705 million yen, mainly due to the acquisition of test equipment in Hagamachi, Tochigi.

(5) Other businesses

The amount of capital expenditures in other businesses was 3,692 million yen, mainly due to the construction of real estate for lease in Utsunomiya-shi, Tochigi.

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

#### 2. Major Facilities

(1) Reporting company

As of March 31, 2024

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 <sup>2</sup> )	Amount			
Headquarters and others (Chuo-ku, Tokyo)	Other businesses Company- wide	Office and others	332	0	8	1	1,468	—	1,810	29
Real Estate Business Department (Haga-machi, Tochigi and other locations)	Other businesses	Leased land and buildings, and others	7,306	34	7	262	22,254	—	29,603	10

## (2) Domestic subsidiaries

As of March 31, 2024

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 <sup>2</sup> )	Amount			
NIPPON KONPO UNYU SOKO CO., LTD.	Headquarters (Chuo-ku, Tokyo) 73 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	71,962	3,835	518	2,817 (214)	66,238	—	142,554	3,464
NIPPON RIKUSO Co., Ltd.	Headquarters (Suzuka-shi, Mie) 13 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	6,956	489	82	327 (100)	5,523	29	13,081	471
MEIKON CO., LTD.	Headquarters (Komaki-shi, Aichi) 10 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	5,564	377	56	273 (43)	6,110	—	12,108	161
NIPPON UNYU CO., LTD.	Headquarters (Oizumi-machi, Gunma) 14 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Refueling facility Office and others	6,316	366	80	336 (177)	6,122	3	12,889	423
Auto Technic Japan Co., Ltd.	Headquarters (Haga-machi, Tochigi) 4 other business places	Testing business	Testing facility Office and others	3,068	1,654	315	18 (67)	508	15	5,562	1,891

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 <sup>2</sup> )	Amount			
CHUETSU TEC Co., Ltd.	Headquarters (Koto-ku, Tokyo) 15 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Office and others	1,337	184	47	63 (19)	2,090	—	3,660	358
ITO-EXPRESS CO., LTD.	Headquarters (Seto-shi, Aichi) 11 other business places	Transportation business Warehousing business Packaging business Other businesses Company-wide	Commercial vehicle Warehouse Workshop Office and others	1,727	246	18	148 (21)	2,780	54	4,827	591

## (3) Overseas subsidiaries

As of March 31, 2024

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 <sup>2</sup> )	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	2,763	340	421	865 (-)	488	-	4,014	731

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

2. Figures in parenthesis are on lease.

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

## 1) Reporting company

There are no major facilities on lease.

## 2) Domestic subsidiaries

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Annual leasing fee (millions of yen)
NIPPON KONPO UNYU SOKO CO., LTD.	Hidaka Business Office (Hidaka-shi, Saitama) 15 other business places	Transportation business Warehousing business Packaging business	Land and buildings	1,745
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) 3 other business places	Warehousing business	Land and buildings	723
NIPPON UNYU CO., LTD.	Isesaki Business Office (Isesaki-shi, Gunma) 4 other business places	Warehousing business Packaging business	Land and buildings	797

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	136
NIKKON LOGISTICS CHINA CO., LTD.	Shanghai Branch (Songjiang District, Shanghai)	Warehousing business	Land and buildings	76
NIPPON KONPO VIETNAM CO., LTD.	Binh Duong Warehouse (Binh Duong Province, Vietnam) 1 other business place	Transportation business Warehousing business Packaging business	Land and buildings	179

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

#### (1) Construction of major facilities, etc.

##### 1) Reporting company

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 (Utsunomiya-shi, Tochigi)	Other businesses	Construction of building Construction	6,484	4,332	Internal cash flow and borrowing	October 2022	December 2024	Area 43,000 m <sup>2</sup>

##### 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.	Kitakami Business Office (Kanegasaki-cho, Iwate)	Transportation business Warehousing business Packaging business	Construction of warehouse	4,081	761	Internal cash flow and borrowing from the reporting company	September 2023	January 2025	Area 25,000 m <sup>2</sup>
NIPPON KONPO UNYU SOKO CO., LTD.	Tokai Business Office (Tokai-shi, Aichi)	Transportation business Warehousing business Packaging business	Construction of warehouse	3,720	959	Internal cash flow and borrowing from the reporting company	December 2023	January 2025	Area 20,000 m <sup>2</sup>
NIPPON KONPO UNYU SOKO CO., LTD.	Suzuka Center (Suzuka-shi, Mie)	Transportation business Warehousing business Packaging business	Warehouse extension	2,735	48	Internal cash flow and borrowing from the reporting company	March 2024	March 2025	Area 16,000 m <sup>2</sup>
NIPPON KONPO UNYU SOKO CO., LTD.	Sendai Business Office (Sendai-shi, Miyagi)	Transportation business Packaging business	Construction of workshop and office	535	91	Internal cash flow and borrowing from the reporting company	February 2024	August 2024	Area 1,000 m <sup>2</sup>
NIPPON UNYU CO., LTD.	Ota IC Business Office (Ota-shi, Gunma)	Warehousing business	Construction of warehouse	895	298	Internal cash flow and borrowing from the reporting company	December 2023	July 2024	Area 8,000 m <sup>2</sup>

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



3) Overseas subsidiaries

Company name	Business place (Location)	Name of business segment	Details of facilities and equipment	Planned investment amount (millions of yen)		Funds procurement method	Date of commencement	Date of scheduled completion	Increased capacity after completion
				Total amount	Amount already paid				
PT NIPPON KONPO INDONESIA	Deltamas Business Office (Kabupaten Bekasi , Jawa Barat)	Transportation business Warehousing business Packaging business	Construction of warehouse	943	251	Internal cash flow and borrowing from the reporting company	August 2023	July 2024	Area 15,000 m <sup>2</sup>

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

(2) Disposal of major facilities, etc.

No disposal of major facilities, etc. is planned.

#### IV. Information about Reporting Company

##### 1. Company's shares, etc.

###### (1) Total number of shares, etc.

###### 1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common shares	152,000,000
Total	152,000,000

###### 2) Issued shares

Class	Shares issued as of the end of the fiscal year (shares) (March 31, 2024)	Shares issued as of the filing date (shares) (June 28, 2024)	Exchanges on which stock is listed/Certified associations of financial instruments dealers to which the Company is affiliated	Description
Common shares	63,239,892	63,239,892	Prime Market of the Tokyo Stock Exchange	Share unit 100 shares
Total	63,239,892	63,239,892	—	—

(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*	238
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 23,800
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Notes) 1
Period of exercise of share acquisition rights*	From July 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, 2024). As of the last day of the month preceding the filing date (May 31, 2024), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

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

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

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

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

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

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

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

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

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

Date of resolution	July 13, 2012
Category and number of grantees (persons)	7 Directors of the Company 13 Executive Officers of the Company
Number of share acquisition rights*	201
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 20,100
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, 2024). As of the last day of the month preceding the filing date (May 31, 2024), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

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

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

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

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

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

Reorganization”) in the respective cases.

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

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

Date of resolution	June 27, 2013
Category and number of grantees (persons)	7 Directors of the Company 14 Executive Officers of the Company
Number of share acquisition rights*	138
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 13,800
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Notes) 1
Period of exercise of share acquisition rights*	From July 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, 2024). As of the last day of the month preceding the filing date (May 31, 2024), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

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

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

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

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

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



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

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

Date of resolution	June 27, 2014
Category and number of grantees (persons)	7 Directors of the Company 13 Executive Officers of the Company
Number of share acquisition rights*	120
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 12,000
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, 2024). As of the last day of the month preceding the filing date (May 31, 2024), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

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

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

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

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

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

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

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

Date of resolution	June 29, 2015
Category and number of grantees (persons)	7 Directors of the Company 14 Executive Officers of the Company
Number of share acquisition rights*	92
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 9,200
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, 2024). As of the last day of the month preceding the filing date (May 31, 2024), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

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

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

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

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

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

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

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

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*	129
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 12,900
Amount payable on the exercise of share acquisition rights (yen)*	1 per share (Notes) 1
Period of exercise of share acquisition rights*	From July 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, 2024). As of the last day of the month preceding the filing date (May 31, 2024), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

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

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

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

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

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

Reorganization”) in the respective cases.

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

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

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*	102
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 10,200
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, 2024). As of the last day of the month preceding the filing date (May 31, 2024), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

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

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

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

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

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



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

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

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*	92
Class, description and number of shares subject to share acquisition rights (shares)*	Common shares: 9,200
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, 2024). As of the last day of the month preceding the filing date (May 31, 2024), matters to be described have remained unchanged since the end of the fiscal year under review. As such, the description as of the last day of the month preceding the filing date is omitted.

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

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

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

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

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

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

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

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)
May 31, 2022 (Note)	(2,500,000)	65,739,892	—	11,316	—	11,582
March 29, 2024 (Note)	(2,500,000)	63,239,892	—	11,316	—	11,582

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

(5) Shareholding by shareholder category

As of March 31, 2024

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)	—	32	27	118	183	3	4,279	4,642	—
Number of shares held (units)	—	164,500	13,667	115,014	232,058	7	106,686	631,932	46,692
Ratio of shares held (%)	—	26.03	2.16	18.20	36.72	0.00	16.88	100.00	—

(Notes) 1. Of 127,023 treasury shares, 1,270 units are included in the “Individuals, others” and 23 shares are included in the “Status of shares below unit.”

2. The “Financial institutions” includes 49,200 shares (492 units) of the Company held by a trust whose beneficiaries are Directors.

## (6) Major shareholders

As of March 31, 2024

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)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	8,320	13.18
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	3,196	5.06
GOLDMAN, SACHS & CO. REG (Standing Proxy: Goldman Sachs Japan Co., Ltd.)	200 WEST STREET NEW YORK, NY, USA	2,968	4.70
General Incorporated Association Kuroiwa-Kai	192-1 Makinoji, Koga-shi, Ibaraki	2,560	4.05
Honda Motor Co., Ltd.	2-1-1 Minamiaoyama, Minato-ku, Tokyo	2,449	3.88
Custody Bank of Japan, Ltd. (trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	2,347	3.71
Isuzu Motors Limited	1-2-5 Takashima, Nishi-ku, Yokohama-shi, Kanagawa	1,692	2.68
Hino Motors, Ltd.	3-1-1 Hinodai, Hino-shi, Tokyo	1,494	2.36
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	1,454	2.30
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE (Standing Proxy: MUFG Bank, Ltd.)	2 KING EDWARD STREET, LONDON EC1A 1HQ UNITED KINGDOM	1,412	2.23
Total	—	27,896	44.20

(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. 8,320 thousand shares

Custody Bank of Japan, Ltd. 2,347 thousand shares

2. Out of the number of shares held by Custody Bank of Japan, Ltd. above, 49 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 November 28, 2023, contained the information listed below regarding shares held by Silchester International Investors LLP as of November 27, 2023. 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	7,030,100	10.69

(7) Voting rights

1) Issued shares

As of March 31, 2024

Category	Number of shares (shares)	Number of voting rights (units)	Description
Shares without voting rights	—	—	—
Shares with limited voting rights (treasury shares, etc.)	—	—	—
Shares with limited voting rights (others)	—	—	—
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common shares 127,000	—	—
Shares with full voting rights (others)	Common shares 63,066,200	630,662	—
Shares below one unit	Common shares 46,692	—	—
Total number of issued shares	63,239,892	—	—
Total voting rights held by all shareholders	—	630,662	—

(Notes) 1. The number of shares and voting rights in the “Shares with full voting rights (others)” box includes 49,200 shares (voting rights 492 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 23 treasury shares held by the Company.

2) Treasury shares, etc.

As of March 31, 2024

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	127,000	—	127,000	0.20
Total	—	127,000	—	127,000	0.20

(Note) The number of treasury shares does not include 49,200 shares (voting rights 492 units) of the Company held by a trust whose beneficiaries are Directors.

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

1) Overview of share ownership plan for Directors

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

## 2. Acquisition and disposal of treasury shares

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

### (1) Acquisition by resolution of shareholders meeting

There are no applicable matters to be reported.

### (2) Acquisition by resolution of Board of Directors meeting

Category	Number of shares (shares)	Total amount (yen)
Status of resolution at a Board of Directors meeting (August 4, 2023) (Acquisition period: From August 21, 2023 to January 31, 2024)	1,500,000	4,000,000,000
Treasury shares acquired before the fiscal year under review	—	—
Treasury shares acquired during the fiscal year under review	1,240,000	3,999,765,600
Total number and amount of remaining shares to be acquired by resolution	260,000	234,400
Ratio of unexercised shares to the number resolved as of the end of the fiscal year under review (%)	17.3	0.0
Treasury shares acquired during the current term	—	—
Ratio of unexercised shares to the number resolved as of the filing date (%)	17.3	0.0

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

Category	Number of shares (shares)	Total amount (yen)
Treasury shares acquired during the fiscal year under review	453	1,369,244
Treasury shares acquired during the current term	157	465,121

(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, 2024, to the filing date of this annual securities report.

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

Category	Fiscal year under review		Current term	
	Number of shares (shares)	Total amount disposed (yen)	Number of shares (shares)	Total amount disposed (yen)
Acquired treasury shares for which subscribers were solicited	—	—	—	—
Acquired treasury shares retired	2,500,000	6,794,350,000	—	—
Acquired treasury shares transferred due to merger, stock exchange, stock delivery, or company split	—	—	—	—
Others (Note 3)	127,821	331,581,116	—	—
Number of treasury shares held	176,223	—	176,380	—

(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, 2024 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, 2024, to the filing date of this annual securities report.
3. Disposal of treasury shares during the fiscal year under review is due to the exercise of share acquisition rights, disposal of treasury shares to the employees' shareholding association through a third-party allotment and transfer of shares below one unit upon request for sale.
4. The numbers of treasury shares held during the fiscal year under review and the current term each include shares of the Company held by a trust whose beneficiaries are Directors (49,200 shares).



### 3. Dividend policy

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

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

Based on the policy above, we decided to pay a dividend of 105 yen per share (including an interim dividend of 50 yen) for the fiscal year under review.

As a result, the dividend payout ratio for the fiscal year under review is 73.0% (with a consolidated dividend payout ratio of 40.1% for the fiscal year under review).

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

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

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

Date of resolution	Total cash dividends (millions of yen)	Dividend per share (yen)
November 10, 2023 Resolution at a Board of Directors meeting	3,197	50
May 10, 2024 Resolution at a Board of Directors meeting	3,471	55

## 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.

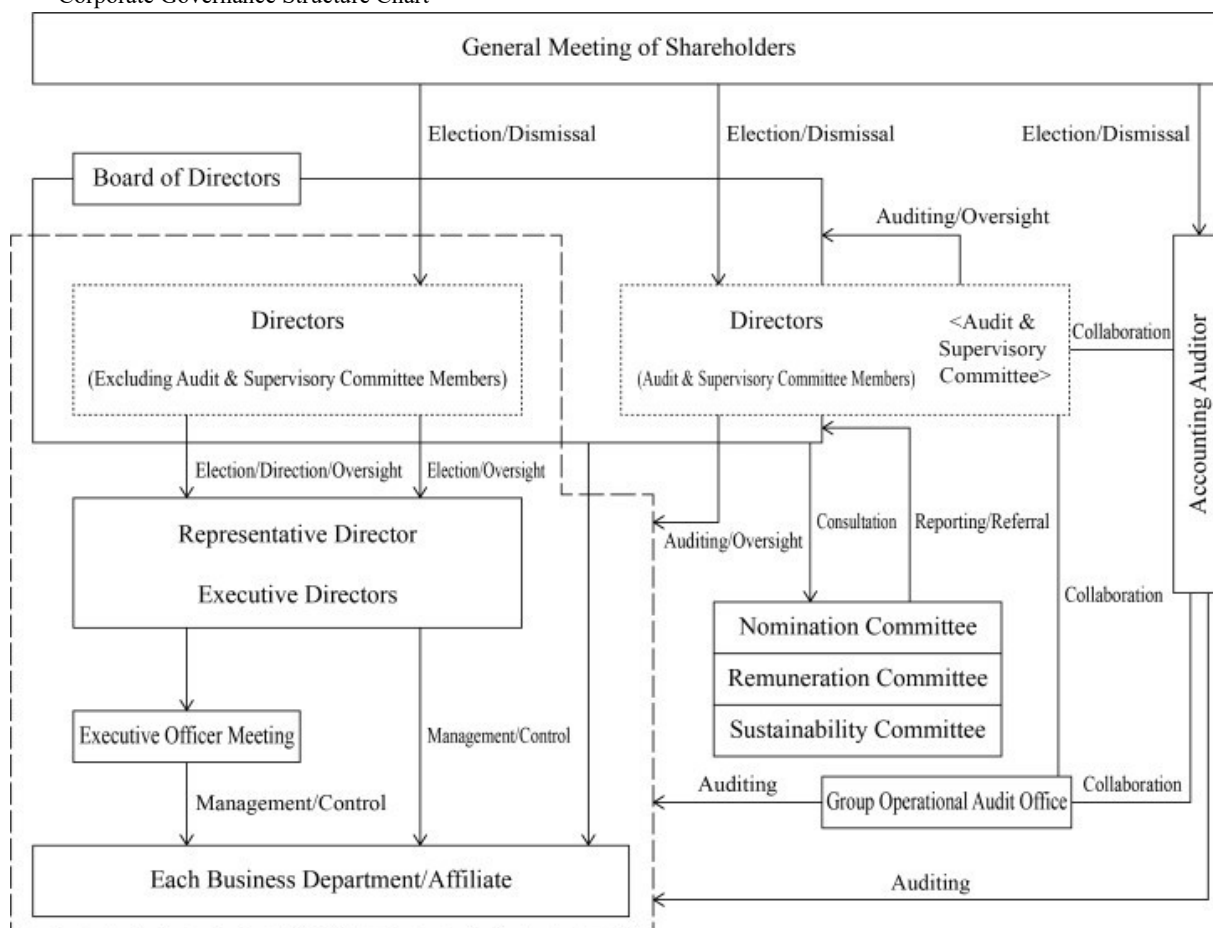
The Company has installed a Board of Directors, an Audit & Supervisory Committee, and an accounting auditor as management control organs.

The Board of Directors consists of 10 members and is chaired by Masakatsu Kuroiwa, President and Representative Director. The other members are Directors Seiji Ooka, Yasunori Matsuda, Hidehiro Motohashi, Kioi Yamada, Aiko Koma, Ryutaro Ozeki, Tetsuya Okuda, Hideki Kawasaki, and Kanako Takeda. They include four Outside Directors: Aiko Koma, Ryutaro Ozeki, Tetsuya Okuda, and Kanako Takeda. The Company holds monthly ordinary Board of Directors' meetings for the purpose of approving material matters and extraordinary Board of Directors' meetings whenever necessary. 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 Tetsuya Okuda, who chairs the committee, and Audit & Supervisory Committee Members Hideki Kawasaki and Kanako Takeda. They include two Outside Directors: Tetsuya Okuda and Kanako Takeda. The Company holds Audit & Supervisory Committee meetings and meetings of Audit & Supervisory Committee Members and seeks to strengthen their independence and functions, thereby adopting an audit structure in accordance with the Audit & Supervisory Committee Rules, the Audit & Supervisory Committee Audit Standards, and the Audit & Supervisory Committee Auditing Standards for Internal Control System. The Company also adopts a structure which allows Audit & Supervisory Committee Members to adequately monitor Directors' performance of duties through attendance at Board of Directors' meetings and other important meetings, individual interviews with Directors, division managers and other relevant persons, and business audits and reports of business sites in Japan and overseas.

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

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 Directors and employees conforms to laws, regulations and the Articles of Incorporation (Item 4, Item 5 of the same paragraph)

I The NIKKON Holdings Group shall fulfil its corporate responsibility in relation to customers, shareholders and communities and contribute to the development of society through sound business activities. To achieve this goal, the NIKKON Holdings Group's employees will all practice the NIKKON Holdings Group Conduct Guidelines enacted in October 2007.

II The Company shall establish a Compliance Hotline (system for submitting reports from inside or outside the company) for reporting compliance-related information. The Compliance Promotion Committee shall deliberate on matters reported via the hotline and take appropriate action.

III Internal audit divisions shall develop the compliance structure and verify its efficacy.

m. System for ensuring the appropriateness of the operations of the corporate group which consists of the Company and its subsidiaries (Item 5 of the same paragraph)

I The Company shall establish a dedicated section for managing subsidiaries and, upon appointing a person responsible, shall adopt a structure for managing the operations of subsidiaries, etc. in accordance with the Affiliated Company Regulations.

II Directors, etc. of subsidiaries shall regularly report the status of business and operations at subsidiaries to Directors of the Company.

III Subsidiaries shall be audited by the Company's internal audit division and Directors who are Audit & Supervisory Committee Members.

IV The Company shall develop a structure under which the Company, which is the parent company, monitors subsidiaries to ensure that they do not engage in inappropriate acts and a structure under which subsidiaries do not have to obey when the parent company instructs them to engage in inappropriate acts.

V The Company shall develop and operate the necessary internal control structure to ensure the reliability of financial reporting and help maintain and improve public trust.

n. Basic views on and status of efforts for eliminating antisocial forces

I Basic views on eliminating antisocial forces

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

II Status of efforts for eliminating anti-social forces

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

#### 4) Limited liability agreement

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

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

#### 5) Number of Directors

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

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

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

- b. Dividends of surplus

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

- 7) Resolution requirement for election of Directors

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

- 8) Special resolutions at the General Meeting of Shareholders

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

- 9) Status of activities of the Board of Directors

According to the Regulations of the Board of Directors, the Board of Directors makes resolutions for basic policies and plans on the Company's management, matters regarding important business execution, as well as matters stipulated in laws, regulations and the articles of incorporation., and receives reports regarding matters stipulated in laws and regulations and the statuses of execution of important operations. The Company holds monthly ordinary Board of Directors' meetings and extraordinary Board of Directors' meetings whenever necessary and held 14 Board of Directors' meetings during the fiscal year under review.

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

Name	Full-time/Outside	Number of meetings held	Number of meetings attended
Masakatsu Kuroiwa	Full-time	14	14
Seiji Ooka	Full-time	14	14
Yasunori Matsuda	Full-time	14	14
Hidehiro Motohashi	Full-time	14	14
Kioi Yamada	Full-time	14	14
Aiko Koma	Outside	14	14
Ryutaro Ozeki	Outside	14	14
Hideki Miyata	Outside	14	14
Hiroshi Sakairi	Full-time	14	14
Tetsuya Okuda	Outside	14	13

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

Deliberated subjects	Number of discussions	Number of reports
Management strategies, governance, and sustainability	13	13
Risks, compliance, and internal control	1	11
Personnel affairs	5	10
Financial reporting and finance	13	7
Capital expenditures	21	15
Other particular matters	13	6
Total	66	62

10) Status of activities of the Nomination Committee

The Company resolved to establish the Nomination Committee as a voluntary advisory body to the Board of Directors at a Board of Directors meeting held on December 6, 2019. The Committee convened once during the fiscal year under review, attended by all the members. As of June 28, 2024, the Committee consists of three members: Outside Director Ryutaro Ozeki, who chairs the Committee; Outside Director (Audit & Supervisory Committee Member) Tetsuya Okuda; and Representative Director Masakatsu Kuroiwa.

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

11) Status of activities of the Remuneration Committee

The Company resolved to establish the Remuneration Committee as a voluntary advisory body to the Board of Directors at a Board of Directors meeting held on January 10, 2020. The Committee convened once during the fiscal year under review, attended by all the members. As of June 28, 2024, the Committee consists of three members: Outside Director Aiko Koma, who chairs the Committee; Outside Director (Audit & Supervisory Committee Member) Kanako Takeda; and Representative Director Masakatsu Kuroiwa.

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



## (2) Directors (and other Officers)

## 1) List of Directors (and other Officers)

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

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (thousands of shares)
President, Representative Director and Chief Executive Officer	Masakatsu Kuroiwa	February 2, 1951	<p>March 1973      Joined the Company</p> <p>September 1981      General Manager of Suzuka Center</p> <p>June 1986      Director</p> <p>June 1989      Managing Director</p> <p>November 1994      President, A.N.I. LOGISTICS, LTD.</p> <p>June 1999      Senior Managing Director, the Company</p> <p>January 2003      Chairman and President, NK PARTS INDUSTRIES, INC.</p> <p>April 2009      General Manager of Sales Headquarters, the Company</p> <p>June 2009      President and Representative Director</p> <p>June 2011      President, Representative Director and Executive Officer</p> <p>October 2015      President, Representative Director and Chief Executive Officer (current position)</p>	(Note) 3	164
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	21

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (thousands of shares)
Director and Managing Executive Officer	Yasunori Matsuda	March 9, 1959	<p>March 1982    Joined the Company</p> <p>November 1997    Assistant Manager of Accounting Department</p> <p>June 2000    Seconded to NK PARTS INDUSTRIES, INC.</p> <p>June 2007    General Manager of Accounting Department, the Company</p> <p>October 2009    General Manager of Affiliated Companies Management Department</p> <p>April 2012    Executive Officer</p> <p>June 2012    Director and Executive Officer</p> <p>April 2019    General Manager of Legal Affairs Department</p> <p>April 2021    Director and Managing Executive Officer (current position)</p> <p>April 2023    General Manager of Overseas Business Department (current position)</p> <p>April 2024    General Manager of Legal Affairs Department (current position)</p>	(Note) 3	30
Director and Executive Officer	Hidehiro Motohashi	January 14, 1965	<p>March 1988    Joined the Company</p> <p>July 2010    General Manager of Okayama Sales Office</p> <p>June 2014    General Manager of Personnel Department and General Manager of Information Management Department</p> <p>April 2015    Executive Officer</p> <p>April 2015    General Manager of Labor Department and General Manager of Health Development Center</p> <p>September 2015    Resigned as Executive Officer</p> <p>October 2015    Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD.</p> <p>April 2020    Executive Officer, the Company</p> <p>June 2021    Director and Executive Officer (current position)</p> <p>July 2021    General Manager of Group Administration Department (current position)</p> <p>December 2022    General Manager of HR Supervisory Department (current position)</p>	(Note) 3	13
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    Joined the Company, General Manager of Sales Planning Office (current position)</p> <p>April 2020    Executive Officer</p> <p>June 2021    Director and Executive Officer (current position)</p>	(Note) 3	3

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (thousands of shares)
Director	Aiko Koma	January 17, 1980	<p>December 2007 Registered as a lawyer (Tokyo Bar Association)</p> <p>January 2019 Joined RENAISS Law Office</p> <p>Partner, RENAISS Law Office (current position)</p> <p>June 2021 Outside Director, the Company (current position)</p>	(Note) 3	1
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	0

Title and position	Name	Date of birth	Career summary	Term	Number of shares held (thousands of shares)
Director (Audit & Supervisory Committee Member)	Tetsuya Okuda	September 2, 1961	<p>April 1984      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 and Transport</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 &amp; Supervisory Committee Member), the Company (current position)</p>	(Note) 4	0

Title and position	Name	Date of birth	Career summary		Term	Number of shares held (thousands of shares)
Director (Audit & Supervisory Committee Member)	Hideki Kawasaki	January 10, 1964	March 1986 April 1997 August 2001 April 2004 April 2009 October 2015 March 2017 March 2018 April 2018 April 2022 June 2022 June 2024	Joined the Company Manager of Sales Office of Kumamoto Center Seconded to NIPPON KONPO (THAILAND) CO., LTD. Manager of the Fourth Sales Department, the Company General Manager of Labor Department Deputy General Manager of Tokyo Business Department and General Manager of Tokyo Sales Office, NIPPON KONPO UNYU SOKO CO., LTD. General Manager of General Affairs Department and General Manager of Information Management Department General Manager of General Affairs Department and General Manager of Legal Affairs Department Executive Officer General Manager of Operational Audit Office Corporate Auditor Director (Audit & Supervisory Committee Member), the Company (current position)	(Note) 4	11
Director (Audit & Supervisory Committee Member)	Kanako Takeda	November 14, 1976	April 2010 March 2016 June 2024	Joined IAU accounting corporation Iwata Office Tax accountant (current position) Outside Director (Audit & Supervisory Committee Member), the Company (current position)	(Note) 4	—
Total						248

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

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

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

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

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

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

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

Title	Name	Position
Chief Executive Officer	Masakatsu Kuroiwa	Chairman and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman and Director, A.N.I. LOGISTICS, LTD.; Chairman and Director, NIPPON KONPO (THAILAND) CO., LTD.; Chairman and Director, A.N.I. TRANSPORT, LTD.; and Chairman and Director, SIAM AUTO TECHNIC CO., LTD.
Senior Executive Officer	Seiji Ooka	President and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman, NIKKON LOGISTICS CHINA CO., LTD.; and Chairman, NIKKON CHONGQING LOGISTICS CO., LTD.
Managing Executive Officer	Yasunori Matsuda	General Manager of Legal Affairs Department; and General Manager of Overseas Business Department
Executive Officer	Hidehiro Motohashi	General Manager of Group Administration Department; and General Manager of HR Supervisory 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.
	Takashi Abe	General Manager of Domestic Business Department; Vice President and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.; Chairman and Representative Director, Auto Technic Japan Co., Ltd. President, NK Engineering Co., Ltd.; and President and Representative Director, Nikkon Kyusyu 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.
	Atsushi Kayamoto	
	Takashi Shibayama	President and Representative Director, ITO-EXPRESS CO., LTD
	Toshihisa Nishimura	President and Representative Director, NIPPON RIKUSO Co., Ltd.; and President and Representative Director, TECHNIC SERVICE Co., Ltd.
	Sakyo Horii	President and Representative Director, MEIKON CO., LTD.; and President and Representative Director, MATSUHISA SOUGOU CO., LTD.
	Sumito Hashimoto	President and Representative Director, NIPPON UNYU CO., LTD.; and President and Representative Director, NIKKON Ryomo CO., LTD.
	Satoshi Mizukami	President and Representative Director, Auto Technic Japan Co., Ltd.
	Yukitoshi Seki	President and Representative Director, CHUETSUTECH Co, Ltd; President and Representative Director, Sapporo Shinbun Yuso Co, Ltd; President and Representative Director, CHUETSU YUSOU Co, Ltd.; and President and Representative Director, TRANSPORT JAPAN CO., LTD.
	Daisuke Gunji	President, NIPPON KONPO INDIA PRIVATE LTD.
	Tatsuya Fujisaku	

## 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 and supervise execution of duties by Directors from an independent standpoint by utilizing her expertise and a wide range of knowledge and experience, leading to greater transparency and stronger supervisory function of the Board of Directors. She holds 1,329 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 and guidance on management of the Company based on his wealth of experience and broad insight as a corporate manager and supervise execution of duties by Directors from an independent standpoint, leading to greater transparency and stronger supervisory function of the Board of Directors. He holds 746 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 746 issued shares of the Company.

Outside Director Kanako Takeda is a certified public tax accountant. There existed no transactional relationship between the Company and her in the past, with her independence being ensured. Thus, we believe that there will be no potential conflict of interest with ordinary shareholders. She has professional expertise and a wealth of experience as a certified public tax accountant and is acquainted with finance, accounting and tax matters. The Company has elected her as an Outside Director as it deems that she will lead to strengthening the corporate system of the Company including the audit system based on her experience. She does not hold 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

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

The career and other information of each Audit & Supervisory Committee Members as of June 28, 2024 is as follows.

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

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

Name	Number of meetings held	Number of meetings attended
Hideki Miyata	14	14
Hiroshi Sakairi	14	14
Tetsuya Okuda	14	13

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

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

- Attending important meetings, including the Board of Directors meetings, the Management Strategy Council, Executive Officer meetings, the Risk Management Committee, and the Compliance Promotion Committee
- Holding meetings with the Representative Director for the purpose of examining and exchanging views on recent events, issues to be addressed, management policies, and other matters. (once a month, approximately for an hour)
- Reviewing important final decision documents, including minutes of Board of Directors meetings, approval documents, and contracts.
- Attending regular meetings with the accounting auditor (approximately 10 times a year) for the purpose of reporting audit results and exchanging views.
- Attending quarterly hearings with headquarters divisions of 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, and relevant departments are also asked for their opinions where necessary. Group Operational Audit Office also conducts follow-up activities to confirm whether improvements have been made to address any issues identified and endeavors to conduct proper internal audits.

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

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

## 3) Status of accounting audits

### a. Name of the audit corporation

KPMG AZSA LLC

### b. Continuous audit period

Since the fiscal year ended March 31, 1996

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

Designated Limited Liability Partners, Engagement Partners: Yoshiaki Uesaka and Mako Tasaka

### d. Assistants for accounting audits

Nine CPAs, six persons who passed the CPA Examination, and 23 other workers.

### e. Policies and reasons for selecting the audit corporation

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

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

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

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

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

4) Details of audit remuneration

a. Details of remuneration for Certified Public Accountants

Category	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
	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	59	—	62	—
Consolidated subsidiaries	19	—	21	—
Total	78	—	84	—

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

There are no applicable matters to be reported.

c. Details of remuneration for other important audit certification

For the fiscal years ended March 31, 2023 and March 31, 2024, no significant amount of remuneration for audit certification services was paid by consolidated subsidiaries of the Company to Certified Public Accountants who belong to networks other than the one to which auditing CPAs of the Company belong.

d. Policies concerning audit remuneration

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

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

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

#### (4) Remuneration for Directors (and other Officers)

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

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

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

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

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

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

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 targets for the "Profit attributable to owners of parent" of the Medium-term Business Plan that newly started from the fiscal year ended March 31, 2024 are as follows: 16.0 billion yen for the first year, the fiscal year ended March 31, 2024; 17.0 billion yen for the second year, the fiscal year ending March 31, 2025; and 20.0 billion yen for the final year, the fiscal year ending March 31, 2026.

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

for the previous position.

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

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

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

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

Category of Directors and other officers	Total amount of remunerations (millions of yen)	Total amount of remunerations by type (millions of yen)			Number of eligible Directors and other officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration, etc. included therein	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	180	93	86	29	5
Audit & Supervisory Committee Members (excluding Outside Directors)	12	12	—	—	1
Outside Directors and other officers	19	19	—	—	4

(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

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

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

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

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

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

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

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

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

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

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

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

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

	The number of issues (issues)	Total book value on the balance sheet (millions of yen)
Unlisted shares	1	23
Shares other than the unlisted shares	14	28,628

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

	The number of issues (issues)	Total acquisition costs related to the increase in the number of shares (millions of yen)	Reason for the increase in the number of shares
Unlisted shares	—	—	—
Shares other than the unlisted shares	1	7	Shares acquired through the business partners' shareholding association and share split

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

There are no applicable matters to be reported.



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

Specified investment shares

Issue	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Purpose of shareholding, outline of the business alliance, quantitative effect of shareholding and reason for increase in the number of shares	Whether the issuer holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Total book value on the balance sheet (millions of yen)	Total book value on the balance sheet (millions of yen)		
Honda Motor Co., Ltd.	10,514,782	3,503,179	Refer to 2) above with regard to the purpose of shareholding. We participate in the business partner's shareholding association of the company concerned. The increase in the number of shares is due to the acquisition of shares through the association and share split.	Yes
	19,883	12,296		
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
	2,138	1,865		
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
	1,947	1,344		
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
	1,532	1,250		
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
	790	430		
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
	752	240		
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
	622	397		
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
	352	406		
SENKON LOGISTICS CO., LTD.	275,700	275,700	The Company holds the shares of the company concerned to expand our business in the Tohoku region.	Yes
	238	217		

Issue	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Purpose of shareholding, outline of the business alliance, quantitative effect of shareholding and reason for increase in the number of shares	Whether the issuer holds shares of the Company
	Number of shares (shares)	Number of shares (shares)		
	Total book value on the balance sheet (millions of yen)	Total book value on the balance sheet (millions of yen)		
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
	206	157		
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
	80	62		
Mizuho Financial Group, Inc.	18,130	18,130	The Company holds the shares of the company concerned for smooth financial transactions.	No Note 3
	55	34		
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
	19	10		
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
	7	5		

(Notes) 1. The Company describes the method for verifying the rationality of shareholdings as it finds it difficult to state quantitative effects of specified investment shares. The Company verifies the significance of holding individual shares at the Board of Directors meetings, and has confirmed that shares currently held all conform to our holding policy.

2. The Company's shares are held by Mitsubishi UFJ Financial Group, Inc.'s subsidiaries, including MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
3. The Company's shares are held by Mizuho Financial Group, Inc.'s subsidiary, Mizuho Securities Co., Ltd.
4. The Company's shares are held by Sompo Holdings, Inc.'s subsidiary, Sompo Japan Insurance Inc.

3) Shares for investment held for pure investment purposes

There are no applicable matters to be reported.

## V. Financial Information

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

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

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

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

### 2. Audit certification

According to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, KPMG AZSA LLC audited the Company’s consolidated financial statements for the consolidated fiscal year (from April 1, 2023 to March 31, 2024) and financial statements for the fiscal year (from April 1, 2023 to March 31, 2024).

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

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

# 1. Consolidated Financial Statements, etc.

## (1) Consolidated Financial Statements

### 1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	40,221	43,847
Notes and accounts receivable - trade	*1 33,408	*1, *5 32,610
Electronically recorded monetary claims - operating	3,647	*5 5,946
Securities	265	—
Raw materials and supplies	562	614
Other	4,935	4,991
Allowance for doubtful accounts	(14)	(29)
Total current assets	83,026	87,981
Non-current assets		
Property, plant and equipment		
Buildings and structures	229,447	241,579
Accumulated depreciation	(119,126)	(126,469)
Buildings and structures, net	110,320	115,109
Machinery, equipment and vehicles	56,125	59,648
Accumulated depreciation	(48,579)	(50,934)
Machinery, equipment and vehicles, net	7,545	8,713
Tools, furniture and fixtures	10,311	11,167
Accumulated depreciation	(8,539)	(9,320)
Tools, furniture and fixtures, net	1,771	1,847
Land	116,849	120,058
Leased assets	389	346
Accumulated depreciation	(243)	(234)
Leased assets, net	146	111
Construction in progress	6,037	8,222
Total property, plant and equipment	242,671	254,064
Intangible assets	2,368	2,498
Investments and other assets		
Investment securities	*2 22,248	*2 32,990
Long-term loans receivable	388	241
Deferred tax assets	3,603	3,669
Retirement benefit asset	2	502
Other	*3 6,466	*3 6,529
Allowance for doubtful accounts	(28)	(31)
Total investments and other assets	32,681	43,901
Total non-current assets	277,721	300,464
Total assets	360,748	388,446

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,240	10,615
Electronically recorded obligations - operating	6,682	*5 7,333
Short-term borrowings	13,151	2,025
Current portion of bonds payable	—	10,000
Lease liabilities	60	37
Income taxes payable	4,467	4,002
Provision for bonuses	3,930	4,557
Provision for bonuses for directors (and other officers)	213	218
Notes payable - facilities	99	*5 324
Electronically recorded obligations - non-operating	4,299	4,405
Other	14,215	15,845
<b>Total current liabilities</b>	<b>58,358</b>	<b>59,366</b>
<b>Non-current liabilities</b>		
Bonds payable	50,000	40,000
Long-term borrowings	10,059	27,034
Lease liabilities	81	84
Deferred tax liabilities	5,481	8,571
Retirement benefit liability	5,399	4,940
Provision for retirement benefits for directors (and other officers)	454	466
Other provisions	13	20
Other	1,501	1,517
<b>Total non-current liabilities</b>	<b>72,990</b>	<b>82,634</b>
<b>Total liabilities</b>	<b>131,349</b>	<b>142,001</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	194,873	198,226
Treasury shares	(3,596)	(552)
<b>Total shareholders' equity</b>	<b>214,926</b>	<b>221,322</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	10,423	17,477
Foreign currency translation adjustment	3,490	6,289
Remeasurements of defined benefit plans	32	849
<b>Total accumulated other comprehensive income</b>	<b>13,947</b>	<b>24,616</b>
Share acquisition rights	210	161
Non-controlling interests	314	344
<b>Total net assets</b>	<b>229,399</b>	<b>246,445</b>
<b>Total liabilities and net assets</b>	<b>360,748</b>	<b>388,446</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Transportation income	96,744	100,398
Warehouse income	37,729	38,863
Packaging income	49,591	53,809
Other revenue	28,005	29,252
Total net sales	*1 212,071	*1 222,324
Cost of sales		
Transportation cost	86,394	89,820
Warehouse cost	27,340	28,545
Packaging cost	43,693	47,316
Other costs	24,073	23,867
Total cost of sales	181,502	189,549
Gross profit	30,569	32,774
Selling, general and administrative expenses		
Personnel expenses	6,386	6,765
Provision for bonuses	393	429
Provision for bonuses for directors (and other officers)	213	218
Retirement benefit expenses	134	112
Provision for retirement benefits for directors (and other officers)	80	73
Depreciation	551	618
Taxes and dues	1,462	1,321
Travel and transportation expenses	274	331
Provision of allowance for doubtful accounts	1	2
Other	2,311	2,500
Total selling, general and administrative expenses	10,988	11,539
Operating profit	19,580	21,235
Non-operating income		
Interest income	113	183
Dividend income	692	884
Rental income	74	75
Share of profit of entities accounted for using equity method	640	573
Foreign exchange gains	333	237
Subsidy income	321	221
Compensation income	219	413
Miscellaneous income	456	408
Total non-operating income	2,853	2,998
Non-operating expenses		
Interest expenses	229	253
Miscellaneous expenses	95	104
Total non-operating expenses	325	358
Ordinary profit	22,108	23,875

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of non-current assets	*2 95	*2 76
Gain on sale of investment securities	1	—
Compensation for expropriation	860	115
Total extraordinary income	957	192
Extraordinary losses		
Loss on sale of non-current assets	*3 17	*3 11
Loss on retirement of non-current assets	*4 272	*4 202
Loss on disaster	—	13
Settlement payments	—	97
Loss on revision of retirement benefit plan	—	107
Total extraordinary losses	289	432
Profit before income taxes	22,776	23,634
Income taxes - current	7,184	7,437
Income taxes - deferred	(303)	(439)
Total income taxes	6,881	6,998
Profit	15,895	16,636
Profit (loss) attributable to non-controlling interests	(17)	27
Profit attributable to owners of parent	15,913	16,608

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	15,895	16,636
Other comprehensive income		
Valuation difference on available-for-sale securities	802	7,054
Foreign currency translation adjustment	1,663	2,713
Remeasurements of defined benefit plans, net of tax	363	816
Share of other comprehensive income of entities accounted for using equity method	29	95
Total other comprehensive income	* 2,857	* 10,679
Comprehensive income	18,753	27,315
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,762	27,277
Comprehensive income attributable to non-controlling interests	(8)	38



3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,316	12,332	190,340	(6,609)	207,380
Changes during period					
Dividends of surplus			(5,382)		(5,382)
Profit attributable to owners of parent			15,913		15,913
Purchase of treasury shares				(3,001)	(3,001)
Disposal of treasury shares			(10)	27	17
Cancellation of treasury shares			(5,986)	5,986	—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	4,533	3,012	7,546
Balance at end of t period	11,316	12,332	194,873	(3,596)	214,926

	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 end of period	9,621	1,807	(330)	11,098	227	328	219,035
Changes during period							
Dividends of surplus							(5,382)
Profit attributable to owners of parent							15,913
Purchase of treasury shares							(3,001)
Disposal of treasury shares							17
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	802	1,683	363	2,848	(17)	(14)	2,817
Total changes during period	802	1,683	363	2,848	(17)	(14)	10,363
Balance at end of period	10,423	3,490	32	13,947	210	314	229,399

Fiscal year ended March 31, 2024

(Millions of yen)

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

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

## 4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	22,776	23,634
Depreciation	12,307	12,483
Increase (decrease) in provision for bonuses	(59)	613
Increase (decrease) in provision for bonuses for directors (and other officers)	16	5
Increase (decrease) in allowance for doubtful accounts	1	16
Increase (decrease) in retirement benefit liability	101	232
Increase (decrease) in provision for retirement benefits for directors (and other officers)	18	12
Interest and dividend income	(806)	(1,067)
Interest expenses	229	253
Share of loss (profit) of entities accounted for using equity method	(640)	(573)
Loss (gain) on sale of non-current assets	(78)	(64)
Loss on retirement of non-current assets	12	0
Loss (gain) on sale of investment securities	(1)	—
Decrease (increase) in trade receivables	1,939	(966)
Decrease (increase) in other assets	1,291	413
Increase (decrease) in trade payables	185	25
Increase (decrease) in other liabilities	685	2,541
Other, net	196	86
Subtotal	38,176	37,646
Interest and dividends received	938	1,603
Interest paid	(223)	(249)
Income taxes paid	(6,344)	(7,893)
Net cash provided by (used in) operating activities	32,547	31,107
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,362)	(2,319)
Proceeds from withdrawal of time deposits	1,718	2,095
Purchase of securities	(286)	—
Proceeds from sale and redemption of securities	510	294
Purchase of property, plant and equipment	(22,232)	(23,517)
Proceeds from sale of property, plant and equipment	244	121
Purchase of intangible assets	(514)	(459)
Purchase of investment securities	(30)	(32)
Proceeds from sale of investment securities	9	—
Loan advances	(8)	(33)
Proceeds from collection of loans receivable	211	197
Purchase of shares of subsidiaries and associates	—	(430)
Payments for investments in capital of subsidiaries and associates	(495)	—
Other, net	(312)	(256)
Net cash provided by (used in) investing activities	(22,548)	(24,340)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	10,000	20,000
Repayments of long-term borrowings	(1,823)	(14,151)
Purchase of treasury shares	(3,001)	(4,001)
Proceeds from sale of treasury shares	0	280
Dividends paid	(5,382)	(6,471)
Dividends paid to non-controlling interests	(5)	(7)
Other, net	4	(57)
Net cash provided by (used in) financing activities	(208)	(4,408)
Effect of exchange rate change on cash and cash equivalents	511	978
Net increase (decrease) in cash and cash equivalents	10,302	3,336
Cash and cash equivalents at beginning of period	29,157	39,460
Cash and cash equivalents at end of period	*1 39,460	*1 42,796

[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.

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

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

2. Disclosure about application of equity method

The Company applies the equity method to investments in its 11 non-consolidated subsidiaries, and its affiliated companies, FUTIAN NIKKON LOGISTICS (GUANGZHOU) CO., LTD. and Nippon Transportation Co., Ltd.

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

1) Securities

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

b. Available-for-sale securities

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

Equities without market price..... the moving average cost method

2) Derivatives

Fair value method

3) Money held in trust for investment purposes

Fair value method

4) Inventories

Raw materials...mainly the cost method based on the first-in first-out method (balance sheet values reflect write-downs for decreased profitability)

Supplies.....mainly the cost method based on the last purchase cost method (balance sheet values reflect write-downs for decreased profitability)

(2) Depreciation methods for significant depreciable assets

1) Property, plant, and equipment (excluding leased assets)

The Company mainly uses the declining balance method.

However, the Company and its domestic consolidated subsidiaries use the straight-line method for buildings (excluding facilities attached to buildings) acquired on April 1, 1998 or later and facilities attached to buildings and structures acquired on April 1, 2016 or later. They use the straight-line method to depreciate immaterial depreciable assets whose acquisition cost is 100,000 yen or more but less than 200,000 yen for three years.

Principal useful lives are as follows:

Buildings and structures	10 - 50 years
Machinery, equipment and vehicles	4 - 17 years
Tools, furniture and fixtures	4 - 10 years

2) 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).

3) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The Company uses the straight-line method with estimated useful lives equal to lease terms, and zero residual values.

(3) Accounting standards for significant allowances and provisions

1) Allowance for doubtful accounts

To prepare for potential losses from uncollectable notes and accounts receivables, a provision is made on general receivables based on historical rates. For specific receivables such as doubtful receivables, collectability is considered individually to record an estimated uncollectable amount.

2) Provision for bonuses

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

3) Provision for bonuses for directors (and other officers)

To prepare for the payment of bonuses to directors (and other officers), the Company recorded the amount attributable to fiscal year ended March 31, 2024 based on estimated payments in the fiscal year.

4) 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:

1) Transportation business

In our transportation business we identify conducting cargo transportation based on the customer's request as our performance obligation. We recognize revenue, assuming obligation is fulfilled by providing cargo transportation service from start of cargo transportation to arrival of cargo, or to inspection of delivered goods by addressees.

2) Warehousing business

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

3) Packaging business

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

4) Testing business

In our testing business we chiefly provide testing services for transportation equipment and identify provision of the

result output through operation for a certain period as our performance obligation. Since the project received runs for a certain period, we recognize revenue over a specified period, assuming that obligation is fulfilled based on operational progress.

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

(5) Accounting methods for retirement benefits

1) Periodic attribution for projected retirement benefits

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

2) Amortization of actuarial differences and past service costs

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

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

(6) Significant hedge accounting methods

1) Hedge accounting methods

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

2) Hedging instruments and hedged items

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

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

3) Hedging policy

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

4) Evaluation of the effectiveness of hedging

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

(7) 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, 2024 according to accounting estimates and which may significantly affect the consolidated financial statements for the fiscal year ending March 31, 2025.

Impairment of non-current assets

(1) The amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2024

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Property, plant and equipment*	242,671	254,064
Intangible assets*	2,368	2,498

\* In both the fiscal year ended March 31, 2023 and the fiscal year ended March 31, 2024, a sign of impairment was recognized in some of our business sites for warehousing, packaging, and testing businesses, as operating loss was continuously incurred or market prices significantly dropped. Thus, we calculated total undiscounted future cash flows that were expected to be generated by the continuous usage of the assets concerned and the disposal thereof after their use, results of which exceeded the book value in each business site. We therefore did not recognize impairment loss.

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

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

We determine whether 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, 2025 and the business plans, future cash flows are estimated on certain assumptions about an increase in net sales, including new orders that we expect to receive. If these assumptions require revision as uncertain future economic conditions fluctuates, they may affect the estimated future cash flows significantly.

(Changes in accounting policies)

There are no applicable matters to be reported.

(New accounting standards not yet applied)

- Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan)
- Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022, Accounting Standards Board of Japan)
- Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, Accounting Standards Board of Japan)

(1) Overview

In February 2018, the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28), etc. (hereinafter "ASBJ Statement No. 28, etc.") were published and the transfer of responsibilities for providing practical guidance on tax effect accounting from The Japanese Institute of Certified Public Accountants to the Accounting Standards Board of Japan was completed. In the process of the relevant deliberation, it had been determined that the following two points should be reviewed after the announcement of the ASBJ Statement No. 28, etc., which has now been deliberated and announced:

- Accounting classification of tax expenses (taxation on other comprehensive income)
- Tax effect in relation to the sale of shares of subsidiaries, etc. (shares of subsidiaries or those of affiliated companies) provided the group taxation regime is applied

(2) Schedule of application

Planned to be applied from the beginning of the fiscal year ending March 31, 2025.

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

We are currently assessing the effect of applying the Accounting Standard for Current Income Taxes, etc. on the



consolidated financial statements.

(Additional information)

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

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

1. Overview of the transaction

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

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

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

2. The Company’s shares remaining in the Trust

The Company records its shares remaining in the Trust as treasury shares in net assets according to the book value in the Trust (excluding the amount of incidental expenses). The book value of the treasury shares concerned amounted to 65 million yen with the number of shares being 26,000 as of the end of the fiscal year ended March 31, 2023, while the book value amounted to 137 million yen, with the number of shares being 49,000 as of the end of the fiscal year ended March 31, 2024.

(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, 2023	As of March 31, 2024
Notes receivable - trade	678 million yen	659 million yen
Accounts receivable - trade	32,730 million yen	30,931 million yen

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

	As of March 31, 2023	As of March 31, 2024
Investment securities (equities)	2,735 million yen	3,274 million yen

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

	As of March 31, 2023	As of March 31, 2024
Other	4,554 million yen	4,564 million yen

\*4. Transfer of liquidated accounts receivable

	As of March 31, 2023	As of March 31, 2024
Transfer of accounts receivable	1,949 million yen	2,246 million yen

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

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

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

	As of March 31, 2023	As of March 31, 2024
Notes receivable - trade	— million yen	59 million yen
Electronically recorded monetary claims - operating	— million yen	173 million yen
Electronically recorded obligations - operating	— million yen	7 million yen
Notes payable - facilities	— million yen	14 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, etc.) on the consolidated financial statements.

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Machinery, equipment and vehicles	82 million yen	75 million yen
Tools, furniture and fixtures	1	0
Land	11	—
Other	0	0
Total	95	76

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Buildings and structures	0 million yen	0 million yen
Machinery, equipment and vehicles	4	11
Tools, furniture and fixtures	8	0
Land	4	—
Total	17	11

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Buildings and structures	190 million yen	181 million yen
Machinery, equipment and vehicles	8	0
Tools, furniture and fixtures	12	0
Land	—	20
Other	61	0
Total	272	202

(Consolidated statement of comprehensive income)

\*Reclassification adjustments and tax effects related to other comprehensive income

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Valuation difference on available-for-sale securities:		
Gains (losses) recognized during the fiscal year	1,164 million yen	10,170 million yen
Reclassification adjustments	(1)	—
Amount before income tax effect	1,163	10,170
Income tax effect	(360)	(3,116)
Valuation difference on available-for-sale securities	802	7,054
Foreign currency translation adjustment:		
Gains (losses) recognized during the fiscal year	1,663	2,713
Foreign currency translation adjustment	1,663	2,713
Remeasurements of defined benefit plans:		
Gains (losses) recognized during the fiscal year	388	1,039
Reclassification adjustments	141	164
Amount before income tax effect	530	1,203
Income tax effect	(166)	(386)
Remeasurements of defined benefit plans, net of tax	363	816
Share of other comprehensive income of entities accounted for using equity method:		
Gains (losses) recognized during the fiscal year	29	95
Share of other comprehensive income of entities accounted for using equity method	29	95
Total other comprehensive income	2,857	10,679

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2023

1. Matters related to issued shares

Class of shares	As of April 1, 2022	Increase	Decrease	As of March 31, 2023
Common shares (shares)	68,239,892	—	2,500,000	65,739,892

(Major cause of change)

Breakdown of decrease in shares is as follows:

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

2. Matters related to treasury shares

Class of shares	As of April 1, 2022	Increase	Decrease	As of March 31, 2023
Common shares (shares)	2,723,278	1,352,513	2,512,200	1,563,591

Note: The number of treasury shares as of March 31, 2023 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 is as follows:

Increase due to purchase of treasury shares based on the resolution of the Board of Directors 1,352,000 shares

Increase due to purchase of treasury shares of less than one unit 513 shares

Breakdown of decrease in shares is as follows:

Decrease due to the exercise of share acquisition rights 12,200 shares

Decrease due to the cancellation of treasury shares 2,500,000 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, 2023 (millions of yen)
			As of April 1, 2022	Increase	Decrease	As of March 31, 2023	
Reporting company (Parent company)	Share acquisition rights as share options	—	—	—	—	—	210
Total		—	—	—	—	—	210

### 4. Matters related to dividends

#### (1) Dividends paid

Resolution	Class of shares	Total cash dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
May 13, 2022 Board of Directors	Common shares	2,294	35	March 31, 2022	June 8, 2022
November 4, 2022 Board of Directors	Common shares	3,088	48	September 30, 2022	December 6, 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 and total dividends based on the resolution of the Board of Directors meeting dated November 4, 2022 include dividends of 1 million yen on the Company's shares owned by a trust whose beneficiaries are Directors.

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

Resolution	Class of shares	Total cash dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
May 12, 2023 Board of Directors	Common shares	3,274	Retained earnings	51	March 31, 2023	June 8, 2023

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

Fiscal year ended March 31, 2024

1. Matters related to issued shares

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

(Major cause of change)

Breakdown of decrease in shares is as follows:

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

2. Matters related to treasury shares

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

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

(Major cause of change)

Breakdown of increase in shares is as follows:

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

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

Breakdown of decrease in shares is as follows:

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

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

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

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

3. Matters related to share acquisition rights

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

4. Matters related to dividends

(1) Dividends paid

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

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

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

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

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

(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, 2023	Fiscal year ended March 31, 2024
Cash and deposits	40,221 million yen	43,847 million yen
Time deposits of over three months	(761)	(1,050)
Cash and cash equivalents	39,460	42,796

(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 seven years after the closing date.

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

### (3) Risk management system for financial instruments

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

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

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.

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

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

The Company regularly checks market prices and issuers' financial situations for 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.

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

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

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

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

2. Matters related to fair values of financial instruments

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

As of March 31, 2023

	Book value on consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
(1) Securities and investment securities	19,715	19,714	(1)
Total assets	19,715	19,714	(1)
(2) Bonds payable	50,000	50,034	34
(3) Long-term borrowings	10,059	10,069	10
Total liabilities	60,059	60,104	45

As of March 31, 2024

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

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

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

(Millions of yen)

Category	As of March 31, 2023	As of March 31, 2024
Unlisted shares	2,797	3,336

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

As of March 31, 2023

	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	40,221	—	—	—
Notes and accounts receivable - trade	33,408	—	—	—
Electronically recorded monetary claims - operating	3,647	—	—	—
Securities and investment securities				
Held-to-maturity bonds				
Other	265	—	—	—
<b>Total</b>	<b>77,543</b>	<b>—</b>	<b>—</b>	<b>—</b>

As of March 31, 2024

	Within 1 year (Millions of yen)	Over 1 year through 5 years (Millions of yen)	Over 5 years through 10 years (Millions of yen)	Over 10 years (Millions of yen)
Cash and deposits	43,847	—	—	—
Notes and accounts receivable - trade	32,610	—	—	—
Electronically recorded monetary claims - operating	5,946	—	—	—
Securities and investment securities				
Held-to-maturity bonds				
Other	—	—	—	—
<b>Total</b>	<b>82,404</b>	<b>—</b>	<b>—</b>	<b>—</b>

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

As of March 31, 2023

	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	13,151	25	20	13	10,000	—
Total	13,151	10,025	10,020	10,013	10,000	20,000

As of March 31, 2024

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

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, 2023

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Equities	19,427	—	—	19,427
Bonds payable	—	263	—	263
Investment trusts	23	—	—	23
Total assets	19,450	263	—	19,714

As of March 31, 2024

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

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

As of March 31, 2023

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	—	50,034	—	50,034
Long-term borrowings	—	10,069	—	10,069
Total liabilities	—	60,104	—	60,104

As of March 31, 2024

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

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

Securities and investment securities

Fair values of listed equities and investment trusts are classified as level 1 fair value because they are measured based on the quoted prices and are traded in active markets. Bonds 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, 2023

Category	Book value on consolidated balance sheet (millions of yen)	Fair value as of March 31, 2023 (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	265	263	(1)
Total	265	263	(1)

As of March 31, 2024

There are no applicable matters to be reported.

2. Available-for-sale securities

As of March 31, 2023

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	19,124	3,903	15,221
Other	23	8	14
Subtotal	19,147	3,911	15,235
Those with book value on consolidated balance sheet not exceeding acquisition cost			
Equities	303	374	(71)
Other	—	—	—
Subtotal	303	374	(71)
Total	19,450	4,286	15,164

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

As of March 31, 2024

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

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

### 3. Available-for-securities sold

Fiscal year ended March 31, 2023

Class	Proceeds from sale (millions of yen)	Total gains on sale (millions of yen)	Total losses on sale (millions of yen)
Equities	9	1	—
Other	—	—	—
Total	9	1	—

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

(Derivatives)

Derivative transactions not subject to hedge accounting

Currency-related derivatives

As of March 31, 2023

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	29	—	(10)	(10)
	Currency-swap transactions Received in USD and paid in Indian rupee	27	—	6	6
Total		56	—	(3)	(3)

(Note) Fair value measurement method

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

As of March 31, 2024

There are no applicable matters to be reported.



(Retirement benefits)

1. Overview of retirement benefit plans adopted

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

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

Moreover, some consolidated subsidiaries changed their personnel systems, leading to changes in the personnel composition by job categories. As a result of this change, retirement benefit liability increased by 107 million yen with the same amount of past service costs recognized.

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

2. Defined benefit plans

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
The opening balance of retirement benefit liability	16,917 million yen	16,648 million yen
Service cost	1,216	1,144
Interest expense	54	101
Actuarial differences generated	(797)	(904)
Past service cost	(25)	107
Retirement benefits paid	(724)	(639)
Other	6	21
The closing balance of retirement benefit liability	16,648	16,479

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
The opening balance of plan assets	11,227 million yen	11,251 million yen
Expected return on plan assets	279	283
Actuarial differences generated	(433)	242
Contribution from the employer	566	569
Retirement benefits paid	(386)	(304)
The closing balance of plan assets	11,251	12,042

(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, 2023	As of March 31, 2024
Funded retirement benefit liability	13,918 million yen	13,688 million yen
Plan assets	(11,251)	(12,042)
	2,666	1,646
Unfunded retirement benefit liability	2,730	2,791
Net amount of assets and liabilities recorded on the consolidated balance sheet	5,396	4,437
Retirement benefit liability	5,399	4,940
Retirement benefit assets	(2)	(502)
Net amount of assets and liabilities recorded on the consolidated balance sheet	5,396	4,437

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

(4) Breakdown of retirement benefit expenses

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Service cost	1,216 million yen	1,144 million yen
Interest expense	54	101
Expected return on plan assets	(279)	(283)
Recognized actuarial difference	166	56
Amortization of past service cost	(25)	107
Retirement benefit expenses on defined benefit plans	1,133	1,126

(5) Remeasurements of defined benefit plans

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Actuarial difference	(530) million yen	(1,203) million yen
Total	(530)	(1,203)

(6) Accumulated remeasurements of defined benefit plans

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

	As of March 31, 2023	As of March 31, 2024
Unrecognized actuarial difference	(52) million yen	(1,255) million yen
Total	(52)	(1,255)

(7) Plan assets

1) The major breakdown of plan assets

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

	As of March 31, 2023	As of March 31, 2024
Bonds	27.3%	25.3%
Equities	1.7	14.0
General account	52.7	50.5
Other	18.4	10.2
Total	100.0	100.0

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

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

(8) Matters related to assumptions of actuarial calculations

Assumptions of key actuarial calculations

	As of March 31, 2023	As of March 31, 2024
Discount rates	0.31% - 0.72%	0.40% - 0.98%
Long-term expected return on plan assets	2.5%	2.5%
Projected rate of salary increase	1.15% - 1.71%	1.15% - 1.62%

3. Defined contribution plan

The required employer contributions of the Company and its consolidated subsidiaries were 323 million yen in the fiscal year ended March 31, 2023 and 326 million yen in the fiscal year ended March 31, 2024.

(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, 2024 and the numbers of share options were translated into the numbers of shares.

1) The number of share options

	2011 share acquisition rights	2012 share acquisition rights	2013 share acquisition rights	2014 share acquisition rights
Before vesting (shares)				
As of March 31, 2023	—	—	—	—
Granted	—	—	—	—
Expired	—	—	—	—
Vested	—	—	—	—
Outstanding	—	—	—	—
After vesting (shares)				
As of March 31, 2023	34,100	27,800	18,900	16,500
Vested	—	—	—	—
Exercised	10,300	7,700	5,100	4,500
Expired	—	—	—	—
Outstanding	23,800	20,100	13,800	12,000

	2015 share acquisition rights	2016 share acquisition rights	2017 share acquisition rights	2018 share acquisition rights
Before vesting (shares)				
As of March 31, 2023	—	—	—	—
Granted	—	—	—	—
Expired	—	—	—	—
Vested	—	—	—	—
Outstanding	—	—	—	—
After vesting (shares)				
As of March 31, 2023	12,600	15,600	12,300	11,000
Vested	—	—	—	—
Exercised	3,400	2,700	2,100	1,800
Expired	—	—	—	—
Outstanding	9,200	12,900	10,200	9,200

2) Per share prices

	2011 share acquisition rights	2012 share acquisition rights	2013 share acquisition rights	2014 share acquisition rights
Exercise price (yen)	1	1	1	1
Average share price upon exercise (yen)	2,481	2,481	2,481	2,481
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)	2,481	2,481	2,481	2,481
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, 2023	As of March 31, 2024
(Deferred tax assets)		
Provision for bonuses	1,241 million yen	1,449 million yen
Enterprise tax payable	351	384
Provision for bonuses and legal welfare expenses	186	216
Retirement benefit liability	2,155	2,228
Unrealized gains on non-current assets	591	601
Impairment loss	225	216
Remeasurements of defined benefit plans	51	3
Share acquisition rights	64	49
Provision for retirement benefits for directors (and other officers)	148	151
Valuation difference on available-for-sale securities	21	9
Depreciation	440	549
Other	604	647
Deferred tax assets (subtotal)	<u>6,084</u>	<u>6,508</u>
Valuation allowance	<u>(365)</u>	<u>(361)</u>
Offset with deferred tax liabilities	<u>(2,115)</u>	<u>(2,477)</u>
Total deferred tax assets	<u>3,603</u>	<u>3,669</u>
(Deferred tax liabilities)		
Valuation difference on available-for-sale securities	(4,666)	(7,771)
Reserve for tax purpose reduction entry of non-current assets	(746)	(772)
Retained earnings of overseas subsidiaries	(1,177)	(1,194)
Other	(1,006)	(1,309)
Deferred tax liabilities (subtotal)	<u>(7,596)</u>	<u>(11,049)</u>
Offset with deferred tax assets	<u>2,115</u>	<u>2,477</u>
Total deferred tax liabilities	<u>(5,481)</u>	<u>(8,571)</u>
Net deferred tax liabilities	<u>(1,877)</u>	<u>(4,902)</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, 2023 and the fiscal year ended March 31, 2024.

(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, 2023	Fiscal year ended March 31, 2024
Real estate for lease, etc.		
Book value on consolidated balance sheet		
Balance at beginning of period	17,913	17,946
Changes during the period	33	(2,972)
Balance at end of period	17,946	14,974
Fair value at fiscal year-end	22,556	20,316
Real estate, part of which is used as real estate for lease, etc.		
Book value on consolidated balance sheet		
Balance at beginning of period	7,665	7,598
Changes during the period	(67)	2,701
Balance at end of period	7,598	10,299
Fair value at fiscal year-end	8,080	11,024

(Notes) 1. Book value on the consolidated balance sheet is equal to the acquisition cost less cumulative depreciations and cumulative impairment losses.

2. Of changes during the period for real estate for lease, etc., the major decreases in the fiscal year ended March 31, 2023 included depreciation (by 213 million yen) and the sale of real estate (by 9 million yen), whereas major increases included the acquisition of real estate (by 64 million yen) and transfer from real estate for internal use (by 194 million yen). For the fiscal year ended March 31, 2024, major decreases included depreciation (by 180 million yen), retirement of real estate (by 145 million yen) and transfer to real estate, part of which is used as real estate for lease, etc. (by 2,766 million yen), whereas major increases included acquisition cost of real estate (by 29 million yen) and new lease (by 78 million yen).

3. Of changes during the period for real estate, part of which is used as real estate for lease, etc., the major decreases in the fiscal year ended March 31, 2023 included depreciation (by 73 million yen), whereas major increases included acquisition of real estate (by 6 million yen). For the fiscal year ended March 31, 2024, major decreases included depreciation (by 94 million yen), whereas major increases included the acquisition of real estate (by 29 million yen) and transfer from real estate for lease, etc. (by 2,766 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, 2023	Fiscal year ended March 31, 2024
Real estate for lease, etc.		
Rental income	1,595	1,473
Rental expenses	766	732
Difference	828	741
Real estate, part of which is used as real estate for lease, etc.		
Rental income	196	309
Rental expenses	177	242
Difference	19	66

(Note) Real estate, part of which is used as real estate for lease, etc. includes portion used by the Company and some of its subsidiaries to provide services and for business management. Therefore, rental income for such portion is not recorded. However, expenses on such real estate (e.g. depreciation, taxes and dues, repair expenses, insurance expenses) are included in rental expenses.

(Revenue recognition)

1. Information on the breakdown of revenue from contracts with customers

For information on the breakdown of revenue from contracts with customers, please refer to [Notes] (Segment information, etc.)

2. Information that forms the basis of understanding revenue from contracts with customers

For information that forms the basis of understanding revenue, please refer to (Significant accounting policies for preparation of consolidated financial statements), 4. Disclosure of accounting policies, (4) Accounting standards for recording significant revenue and expenses.

3. Information on the relationship between the satisfaction of performance obligations based on contracts with customers and cash flows from such contracts, as well as on how much and when the Company expects to recognize revenue from the contracts with customers existing as of March 31, 2024 in the next fiscal year onward

This information is omitted because the Company and its consolidated subsidiaries have no contract assets or liabilities, and have very few contracts whose terms are initially expected to exceed one year, which therefore are deemed insignificant.

(Segment information, etc.)

[Segment information]

1. Description of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available that is evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance.

Depending on the type of service to provide, the Company has four reportable segments, Transportation, Warehousing, Packaging and Testing.

The Transportation segment engages in the transportation of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Warehousing segment engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others.

The Packaging segment engages in processing for distribution, delivery agency of automotive parts and others, export packing and other operations.

The Testing segment engages in testing finished four-wheeled vehicles and motorcycles, automotive parts, agricultural machinery and others.

2. Methods of calculating amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Methods of accounting procedures for the reportable segments are generally identical to those described in "Significant accounting policies for preparation of consolidated financial statements." Profits in the reportable segments are figures based on operating profit. Transactions between the reportable segments are based on market prices.



3. Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment and information on disaggregation of revenue

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments					Others (Note 1)	Total
	Transportation business	Warehousing business	Packaging business	Testing business	Total		
Net sales							
Automobiles	26,891	9,387	21,216	20,171	77,666	608	78,275
Automotive parts	22,513	9,925	9,814	495	42,748	2,012	44,761
Housing	15,920	3,450	8,126	—	27,497	212	27,710
Agricultural machinery	4,690	1,611	938	35	7,275	106	7,382
Food and beverages	1,760	2,336	740	—	4,838	61	4,899
Newspapers and publications	4,659	0	0	—	4,660	—	4,660
Others	20,308	10,408	8,755	240	39,711	2,914	42,625
Revenue from contracts with customers	96,744	37,121	49,591	20,942	204,399	5,915	210,314
Other revenue	—	608	—	—	608	1,147	1,756
Sales to external customers	96,744	37,729	49,591	20,942	205,007	7,063	212,071
Intersegment sales or transfers	426	287	302	19	1,035	3,230	4,265
Total	97,170	38,017	49,893	20,961	206,043	10,293	216,337
Segment profit	5,062	8,422	3,008	2,223	18,717	1,103	19,820
Segment assets	105,863	125,429	61,084	17,626	310,003	49,899	359,903
Others							
Depreciation (Note 2)	2,883	6,346	1,178	1,200	11,608	698	12,307
Investment in equity method affiliates	2,512	—	162	—	2,674	1,099	3,773
Increase in property, plant and equipment and intangible assets (Note 2)	4,106	12,389	1,884	773	19,153	3,072	22,226

(Notes) 1. The “Others” category consists of businesses that are not included in reportable segments. It includes customs clearance business and automobile repair business, etc.

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.

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments					Others (Note 1)	Total
	Transportation business	Warehousing business	Packaging business	Testing business	Total		
Net sales							
Automobiles	32,315	9,797	24,302	22,195	88,611	527	89,138
Automotive parts	21,564	9,803	10,948	470	42,786	1,423	44,209
Housing	15,523	3,617	8,132	—	27,274	167	27,441
Agricultural machinery	4,414	1,761	959	58	7,193	106	7,300
Food and beverages	1,451	2,537	678	—	4,667	58	4,726
Newspapers and publications	4,723	0	0	—	4,723	—	4,723
Others	20,405	10,737	8,788	157	40,088	2,948	43,037
Revenue from contracts with customers	100,398	38,255	53,809	22,881	215,345	5,232	220,578
Other revenue	—	607	—	—	607	1,138	1,745
Sales to external customers	100,398	38,863	53,809	22,881	215,953	6,370	222,324
Intersegment sales or transfers	373	299	283	11	968	2,778	3,747
Total	100,772	39,163	54,092	22,893	216,921	9,149	226,071
Segment profit	5,585	8,328	3,320	3,329	20,563	943	21,506
Segment assets	117,002	133,777	66,751	20,169	337,701	49,602	387,304
Others							
Depreciation (Note 2)	2,931	6,643	1,183	1,062	11,820	662	12,483
Investment in equity method affiliates	2,539	—	186	—	2,725	1,541	4,266
Increase in property, plant and equipment and intangible assets (Note 2)	4,617	11,442	2,681	705	19,446	3,692	23,139

(Notes) 1. The “Others” category consists of businesses that are not included in reportable segments. It includes customs clearance business and automobile repair business, etc.

2. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

4. Difference between total reportable segments and the amounts on consolidated financial statements, as well as details of the difference (matters related to difference adjustment)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Total reportable segments	206,043	216,921
Net sales in Others	10,293	9,149
Elimination of intersegment transactions	(4,265)	(3,747)
Net sales on the consolidated financial statements	212,071	222,324

(Millions of yen)

Profit	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Total reportable segments	18,717	20,563
Profit in Others	1,103	943
Other adjustments (Note)	(239)	(270)
Operating profit on the consolidated financial statements	19,580	21,235

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

(Millions of yen)

Assets	As of March 31, 2023	As of March 31, 2024
Total reportable segments	310,003	337,701
Assets in Others	49,899	49,602
Corporate assets (Note)	845	1,142
Total assets on the consolidated financial statements	360,748	388,446

(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, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Depreciation	11,608	11,820	698	662	—	—	12,307	12,483
Investment in equity method affiliates	2,674	2,725	1,099	1,541	—	—	3,773	4,266
Increase in property, plant and equipment and intangible assets	19,153	19,446	3,072	3,692	—	—	22,226	23,139

[Related information]

Fiscal year ended March 31, 2023

1. Information by product and service

(Millions of yen)

	Transportation business	Warehousing business	Packaging business	Testing business	Other businesses	Total
Sales to external customers	96,744	37,729	49,591	20,942	7,063	212,071

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North America	Asia	Total
180,469	12,767	18,834	212,071

(Note) Net sales are classified by country or region based on customers' locations.

(2) Property, plant and equipment

Details of property, plant and equipment are omitted as the amount of property, plant and equipment located in Japan accounts for 90% or more of the amount of property, plant and equipment on consolidated balance sheet.

3. Information by key customer

(Millions of yen)

Customer's name	Net sales	Related segment
Honda Motor Co., Ltd.	30,736	Transportation, warehousing, packaging, testing, and other businesses

Fiscal year ended March 31, 2024

1. Information by product and service

(Millions of yen)

	Transportation business	Warehousing business	Packaging business	Testing business	Other businesses	Total
Sales to external customers	100,398	38,863	53,809	22,881	6,370	222,324

2. Information by region

(1) Net sales

(Millions of yen)

Japan	North America	Asia	Total
189,075	15,507	17,741	222,324

(Note) Net sales are classified by country or region based on customers' locations.

(2) Property, plant and equipment

Details of property, plant and equipment are omitted as the amount of property, plant and equipment located in Japan accounts for 90% or more of the amount of property, plant and equipment on consolidated balance sheet.

3. Information by key customer

(Millions of yen)

Customer's name	Net sales	Related segment
Honda Motor Co., Ltd.	37,368	Transportation, warehousing, packaging, testing, and other businesses

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

Fiscal year ended March 31, 2023

There are no applicable matters to be reported.

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

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

Fiscal year ended March 31, 2023

Details are omitted because of its insignificance.

Fiscal year ended March 31, 2024

Details are omitted because of its insignificance.

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2023

There are no applicable matters to be reported.

Fiscal year ended March 31, 2024

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, 2023

There are no applicable matters to be reported.

Fiscal year ended March 31, 2024

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, 2023

There are no applicable matters to be reported.

Fiscal year ended March 31, 2024

There are no applicable matters to be reported.

(Per share information)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	3,566.33 yen	3,899.85 yen
Earnings per share	246.61 yen	260.99 yen
Earnings per share after adjustment for the effects of dilutive potential shares	246.03 yen	260.53 yen

(Notes) 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 26,000 shares in the fiscal year ended March 31, 2023 and 34,000 shares in the fiscal year ended March 31, 2024, while 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, 2023 and 49,000 shares in the fiscal year ended March 31, 2024.

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, 2023	Fiscal year ended March 31, 2024
(1) Earnings per share		
Profit attributable to owners of parent (millions of yen)	15,913	16,608
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent on common stock (millions of yen)	15,913	16,608
Average number of common shares during the period (thousand shares)	64,527	63,637
(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)	153	111
[Subscription rights to shares] (thousand shares)	[153]	[111]
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)

(Business combination by acquisition)

The Group entered into an equity transfer agreement to acquire 75% stake in Supreme Auto Transport, Inc. (hereinafter referred to as “SAT”), a U.S. company operating ground transportation services for automobiles, on April 16, 2024, after consensus was reached between the existing investors. Under the aforementioned agreement, NK North America, Inc. (hereinafter referred to as “NKNA”), which the Company newly established in the U.S., acquired a 75% equity stake in SAT by way of cash payment on May 20, 2024 and SAT became a consolidated subsidiary of NKNA on the same day.

1. Outline of business combination

(1) Name of acquired company and its business content

Name of acquired company: Supreme Auto Transport, Inc.

Description of business: Automobile finished vehicle transportation operations

(2) Main reason for business combination

SAT, since its establishment in 2000, has, through its core service of finished vehicle transportation, built up its knowledge and track record in providing seamless automobile finished vehicle transportation operations using trucks and trailers throughout the U.S. Meanwhile, the Company has been developing comprehensive logistics services, including packaging, transportation, and warehousing, primarily catering to automobile manufacturers. Finished vehicle transportation has been one of our core businesses since our conception. The development of this business in the U.S. aligns with the objective of “expanding overseas business,” as outlined in our 13th Medium-term Business Plan. Through this highly compatible business expansion, we aim to create synergy effects with existing businesses both domestically and internationally, which revitalizes the companies within the Group.

(3) Date of business combination

May 20, 2024

(4) Legal form of business combination

Acquisition of equity using cash as consideration

(5) Name of company after combination

No change.

(6) Percentage of voting rights acquired

75%

(7) Main grounds for deciding the acquiring company

NKNA is acquiring an equity stake in the company using cash for consideration.

2. Acquisition cost for the acquired company and breakdown by type of consideration

Consideration for acquisition: cash	111 million U.S. dollars
Acquisition cost	111 million U.S. dollars

The amounts are provisional because a portion of the consideration for the acquisition has not yet been determined.

3. Description and amount of major acquisition-related expenses (estimate)

Advisory fees, etc: 714 million yen

4. Amount of goodwill to be accrued, reason for accrual, amortization method and amortization period

Not determined at this point.

5. Amounts of assets acquired and liabilities assumed on the date of the business combination, and the major components thereof

Not determined at this point.

(Purchase of treasury shares)

At its Board of Directors meeting held on June 7, 2024, the Company resolved to purchase its treasury shares, pursuant to the provisions of Article 156 of the Companies Act, as applied mutatis mutandis pursuant to the provisions of Article 165, paragraph 3 of said Act.

1. Reason for purchase of treasury shares

The reason for the purchase of treasury shares is to enable the implementation of flexible capital policies in response to the changing business environment.

2. Details on matters pertaining to the purchase

- |   |  |
|---|--|
| (1) Class of shares to be purchased:        | Common shares of the Company           |
| (2) Total number of shares to be purchased: | 1,300,000 shares (maximum)             |
| (3) Period of purchase:                     | From July 1, 2024 to December 30, 2024 |
| (4) Total purchase price of shares:         | 3,000 million yen (maximum)            |
| (5) Method of purchase:                     | Open-market purchase                   |

(Note) At its Board of Directors meeting held on June 7, 2024, the Company resolved to implement a 2-for-1 share split of shares in its common shares, with the effective date being October 1, 2024. Total number of shares to be purchased on and after the effective date will be 2,600,000 shares (maximum).



(Share split)

At its Board of Directors meeting held on June 7, 2024, the Company resolved to implement a share split as follows.

1. Purpose of share split

The purpose of the share split is to lower the amount per investment unit of the Company's shares in order to increase the liquidity of the Company's shares and expand the investor base.

2. Outline of share split

(1) Method of share split

The Company will implement a 2-for-1 share split of shares in its common shares owned by shareholders recorded in the closing register of shareholders as of the record date of September 30, 2024.

(2) Increase in the number of shares due to share split

1) Total number of shares issued prior to share split	63,239,892 shares
2) Increase in shares by this share split	63,239,892 shares
3) Total number of shares issued following share split	126,479,784 shares
4) Total number of shares authorized to be issued following share split	304,000,000 shares

(3) Schedule

(1) Public notice of record date	September 13, 2024 (scheduled)
(2) Record date	September 30, 2024
(3) Effective date	October 1, 2024

3. Impact on per share information

Per share information for the fiscal years ended March 31, 2023 and 2024 on the assumption that the said share split was implemented at the beginning of the fiscal year ended March 31, 2023 is as follows.

	As of March 31, 2023	As of March 31, 2024
Total number of issued shares at the end of the period (excluding treasury shares)	131,479,784 shares	126,479,784 shares
Net assets per share	1,783.16 yen	1,949.93 yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Average number of shares during the period (excluding treasury shares)	1,548,653,792 shares	127,275,962 shares
Earnings per share	123.31 yen	130.49 yen
Diluted earnings per share	123.01 yen	130.27 yen
Dividends per share	51 yen	55 yen

5) [Annexed consolidated detailed schedules]

[Annexed consolidated detailed schedule of corporate bonds]

Company name	Issue	Issue date	Balance at beginning of the fiscal year under review (millions of yen)	Balance at end of the fiscal year under review (millions of yen)	Interest rate (%)	Collateral	Redemption date
NIKKON Holdings Co., Ltd.	The sixth issuance of unsecured straight bonds	December 18, 2018	10,000 (-)	10,000 (-)	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 (10,000)	0.230 per annum	Unsecured	September 18, 2024
NIKKON Holdings Co., Ltd.	The ninth issuance of unsecured straight bonds	September 18, 2020	10,000 (-)	10,000 (-)	0.420 per annum	Unsecured	September 18, 2030
NIKKON Holdings Co., Ltd.	The tenth issuance of unsecured straight bonds	March 10, 2022	10,000 (-)	10,000 (-)	0.320 per annum	Unsecured	March 10, 2027
Total	-	-	50,000 (-)	50,000 (10,000)	-	-	-

(Notes) 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 the fiscal year under review (millions of yen)	Balance at end of the fiscal year under review (millions of yen)	Average interest rate (%)	Due date
Long-term borrowings due within 1 year	13,151	2,025	0.3	-
Lease liabilities due within 1 year	60	37	-	-
Long-term borrowings (excluding those due within 1 year)	10,059	27,034	0.3	From April 2025 through August 2028
Lease liabilities (excluding those due within 1 year)	81	84	-	From April 2025 through December 2031
Other interest-bearing debts Deposits received (due within 1 year)	737	767	0.1	-
Total	24,088	29,948	-	-

(Notes) 1. The average interest rate is stated as the weighted average interest rate on the balance of borrowings, etc. at end of period.

2. The Company does not state the average interest rate for lease liabilities because it records lease liabilities inclusive of amounts equivalent to interest payments included in total lease expenses on the consolidated balance sheet.

3. The repayment schedule of long-term borrowings and lease liabilities (excluding those due within one year) within five years after the closing date is as follows:

Category	Over 1 year through 2 years (millions of yen)	Over 2 years through 3 years (millions of yen)	Over 3 years through 4 years (millions of yen)	Over 4 years through 5 years (millions of yen)
Long-term borrowings	2,020	3,013	11,000	11,000
Lease liabilities	31	25	18	3

[Annexed consolidated detailed schedule of asset retirement obligations]

The amounts of asset retirement obligations at the beginning and the end of the current fiscal year are not larger than 1% of the total liabilities and net assets at the beginning and the end of the fiscal year under review. Therefore, the schedule of asset retirement obligations is not disclosed in accordance with Article 92-2 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

(2) Other information

1) Quarterly information in the fiscal year ended March 31, 2024

(Cumulative period)	The first quarter	The second quarter	The third quarter	Fiscal year ended March 31, 2024
Net sales (millions of yen)	53,452	108,327	166,551	222,324
Profit before income taxes (millions of yen)	6,047	11,794	17,971	23,634
Profit attributable to owners of parent (millions of yen)	4,043	7,981	12,288	16,608
Earnings per share (yen)	62.97	124.42	192.52	260.99

(Accounting period)	The first quarter	The second quarter	The third quarter	The fourth quarter
Earnings per share (yen)	62.97	61.45	68.17	68.50

2) Status after the closing date

There are no applicable matters to be reported.

3) Significant lawsuits

There are no applicable matters to be reported.

## 2. Non-consolidated Financial Statements, etc.

### (1) Non-consolidated Financial Statements

#### 1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	25,886	29,856
Accounts receivable - trade	*1 111	*1 116
Securities	265	—
Short-term loans receivable	*1 10,052	*1 9,241
Other	*1 1,127	*1 1,201
Allowance for doubtful accounts	(22)	—
Total current assets	37,420	40,416
Non-current assets		
Property, plant and equipment		
Buildings	7,753	7,414
Structures	263	224
Machinery and equipment	41	34
Vehicles	0	0
Tools, furniture and fixtures	11	16
Land	23,708	23,723
Construction in progress	1,591	4,801
Total property, plant and equipment	33,370	36,216
Intangible assets	1	1
Investments and other assets		
Investment securities	18,766	28,682
Shares of subsidiaries and associates	100,728	101,195
Investments in capital of subsidiaries and associates	3,787	3,787
Long-term loans receivable	*1 37,072	*1 37,152
Other	*1 16	15
Allowance for doubtful accounts	(3)	—
Total investments and other assets	160,368	170,833
Total non-current assets	193,740	207,051
Total assets	231,160	247,467

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes payable - trade	5	—
Electronically recorded obligations - operating	28	15
Current portion of long-term borrowings	13,000	2,000
Current portion of bonds payable	—	10,000
Accounts payable - other	*1 341	*1 209
Income taxes payable	124	131
Deposits received	*1 27,751	*1 29,274
Notes payable - facilities	—	6
Electronically recorded obligations - non-operating	813	811
Provision for bonuses	35	37
Provision for bonuses for directors (and other officers)	52	52
Other	*1 122	*1 126
Total current liabilities	42,277	42,665
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term borrowings	10,000	27,000
Deferred tax liabilities	3,948	7,008
Provision for retirement benefits for executive officers	13	20
Other	*1 507	*1 518
Total non-current liabilities	64,469	74,547
<b>Total liabilities</b>	<b>106,747</b>	<b>117,213</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus		
Legal capital surplus	11,582	11,582
Total capital surplus	11,582	11,582
Retained earnings		
Legal retained earnings	1,426	1,426
Other retained earnings		
Reserve for dividends	50	50
Reserve for tax purpose reduction entry of non-current assets	15	15
General reserve	92,000	92,000
Retained earnings brought forward	1,106	(2,989)
Total retained earnings	94,598	90,501
Treasury shares	(3,596)	(482)
Total shareholders' equity	113,901	112,917
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,301	17,175
Total valuation and translation adjustments	10,301	17,175
Share acquisition rights	210	161
<b>Total net assets</b>	<b>124,413</b>	<b>130,254</b>
<b>Total liabilities and net assets</b>	<b>231,160</b>	<b>247,467</b>

## 2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	*1 10,053	*1 10,863
Operating costs	*1 1,049	*1 1,008
Operating gross profit	9,003	9,855
Selling, general and administrative expenses	*2 877	*2 952
Operating profit	8,126	8,903
Non-operating income		
Interest income	0	0
Interest on securities	4	9
Dividend income	587	732
Foreign exchange gains	312	267
Miscellaneous income	31	27
Total non-operating income	936	1,037
Non-operating expenses		
Interest expenses	48	79
Interest on bonds	157	157
Miscellaneous expenses	5	6
Total non-operating expenses	210	242
Ordinary profit	8,852	9,696
Extraordinary losses		
Loss on sale of non-current assets	*3 4	—
Loss on retirement of non-current assets	*4 2	—
Total extraordinary losses	7	—
Profit before income taxes	8,845	9,696
Income taxes - current	464	511
Income taxes - deferred	3	26
Total income taxes	467	537
Profit	8,378	9,159

Operating cost statement

Category	Note No.	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
		Amount (millions of yen)	Composition ratio (%)	Amount (millions of yen)	Composition ratio (%)
I. Personnel expenses		60	5.8	69	6.9
(Provision for bonuses)		(5)		(5)	
II. Other expenses					
1. Repair expenses		145		196	
2. Depreciation		464		448	
3. Insurance expenses		19		20	
4. Facility expenses		4		5	
5. Taxes and dues		188		176	
6. Travel and transportation expenses		0		0	
7. Others		166		91	
Total other expenses		989	94.2	939	93.1
Total operating costs		1,049	100.0	1,008	100.0

3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Legal retained earnings	Other retained earnings			
				Reserve for dividends	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of period	11,316	11,582	1,426	50	15	87,000	9,107
Changes during period							
Dividends of surplus							(5,382)
Profit							8,378
Provision for general reserve						5,000	(5,000)
Purchase of treasury shares							
Disposal of treasury shares							(10)
Cancellation of treasury shares							(5,986)
Reversal of reserve for tax purpose reduction entry of non-current assets					(0)		0
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	(0)	5,000	(8,001)
Balance at end of period	11,316	11,582	1,426	50	15	92,000	1,106

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(6,609)	113,889	9,594	9,594	227	123,712
Changes during period						
Dividends of surplus		(5,382)				(5,382)
Profit		8,378				8,378
Provision for general reserve		—				—
Purchase of treasury shares	(3,001)	(3,001)				(3,001)
Disposal of treasury shares	27	17				17
Cancellation of treasury shares	5,986	—				—
Reversal of reserve for tax purpose reduction entry of non-current assets		—				—
Net changes in items other than shareholders' equity			706	706	(17)	689
Total changes during period	3,012	11	706	706	(17)	701
Balance at end of period	(3,596)	113,901	10,301	10,301	210	124,413



Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Legal retained earnings	Other retained earnings			
				Reserve for dividends	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of period	11,316	11,582	1,426	50	15	92,000	1,106
Changes during period							
Dividends of surplus							(6,471)
Profit							9,159
Provision for general reserve							
Purchase of treasury shares							
Disposal of treasury shares		9					
Cancellation of treasury shares		(9)					(6,784)
Reversal of reserve for tax purpose reduction entry of non-current assets					(0)		0
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	(0)	—	(4,096)
Balance at end of period	11,316	11,582	1,426	50	15	92,000	(2,989)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(3,596)	113,901	10,301	10,301	210	124,413
Changes during period						
Dividends of surplus		(6,471)				(6,471)
Profit		9,159				9,159
Provision for general reserve		—				—
Purchase of treasury shares	(4,072)	(4,072)				(4,072)
Disposal of treasury shares	392	401				401
Cancellation of treasury shares	6,794	—				—
Reversal of reserve for tax purpose reduction entry of non-current assets		—				—
Net changes in items other than shareholders' equity			6,873	6,873	(49)	6,824
Total changes during period	3,113	(983)	6,873	6,873	(49)	5,840
Balance at end of period	(482)	112,917	17,175	17,175	161	130,254

[Notes]

(Significant accounting policies)

1. Evaluation standards and methods for assets

(1) Securities

- a. Held-to-maturity bonds...the amortized cost method (straight-line method)
- b. Shares of subsidiaries and affiliated companies...the moving average cost method
- c. Available-for-sale securities

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

Equities without market value..... the moving average cost method

(2) Derivatives

Fair value method

(3) Money held in trust for investment purposes

Fair value method

2. Depreciation method of non-current assets

(1) Property, plant and equipment

The Company uses the declining balance method.

However, the Company uses the straight-line method for buildings (excluding facilities attached to buildings) acquired on April 1, 1998 or later and facilities attached to buildings and structures acquired on April 1, 2016 or later. It uses the straight-line-method to depreciate immaterial depreciable assets whose acquisition cost is over 100,000 yen through 200,000 yen for three years.

Principal useful lives are as follows:

Buildings	8 - 50 years
Structures	10 - 20 years
Machinery and equipment	7 - 12 years
Vehicles	6 years
Tools, furniture and fixtures	5 - 15 years

(2) Intangible assets

The Company uses the straight-line method.

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

3. Standards for recording allowances and provisions

- (1) Allowance for doubtful 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, 2024 based on estimated payments in the fiscal year.
- (4) Provision for retirement benefits for  
executive officers..... To prepare for the payment of retirement benefits for executive officers, the Company recorded the amount required at the end of the period in accordance with its internal regulations on retirement benefits for executive officers.

#### 4. Standards for recording revenues and expenses

Details of main performance obligations and regular timing for revenue recognition in major businesses related to revenue from contracts with the customers of the Company are as follows:

##### (1) Real estate rental business

As real estate rental business, we use properties owned by the Company to rent commercial spaces and acquire business land mainly for logistics-related business. We recognize revenue from our real estate rental business over the rental period according to the accounting standard for lease transactions.

Consideration for our performance obligation is collected generally within three months after the obligation is fulfilled according to the payment terms separately determined, and does not involve a material financial element.

#### 5. Other significant matters providing the basis for the preparation of non-consolidated financial statements

##### (1) Treatment of hedge accounting

###### a. Hedge accounting methods

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

###### b. Hedging instruments and hedged items

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

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

###### c. Hedging policy

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

###### d. Evaluating hedging effectiveness

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

(Additional information)

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

The Company has implemented a share-based remuneration plan using a trust (hereafter “the Plan”) for its Directors (excluding the members of the Audit and Supervisory Committee and the Outside Directors). The purpose and outline of the Plan are as stated in “[Notes] (additional information)” under “V. Financial Information, 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements.”

(Non-consolidated balance sheet)

\*1. Items on subsidiaries and affiliated companies

Monetary claims and obligations on subsidiaries and affiliated companies

	As of March 31, 2023	As of March 31, 2024
Short-term monetary claims	10,244 million yen	9,401 million yen
Long-term monetary claims	37,072	37,152
Short-term monetary obligations	27,767	29,282
Long-term monetary obligations	30	30

2. The Company guarantees loans from financial institutions for the following subsidiaries and affiliated companies.

	As of March 31, 2023	As of March 31, 2024
NIPPON KONPO INDIA PRIVATE LIMITED	27 million yen	— million yen
NKM LOGISTICS SDN. BHD.	69	—
A.N.I. LOGISTICS, LTD.	10	—
NIPPON KONPO (THAILAND) CO., LTD.	19	—
Total	126	—

3. Transfer of liquidated accounts receivable

	As of March 31, 2023	As of March 31, 2024
Transfer of accounts receivable	1,949 million yen	2,246 million yen

(Non-consolidated statement of income)

\*1. The following transactions with affiliated companies are included.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating transaction volume		
Operating revenue	8,951 million yen	9,787 million yen
Operating costs	41	48

\*2. Expenses included in selling expenses accounted for roughly 3% in the fiscal year ended March 31, 2023 and 3% in the fiscal year ended March 31, 2024 while expenses included in general and administrative expenses accounted for approximately 97% in the fiscal year ended March 31, 2023 and 97% in the fiscal year ended March 31, 2024.

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Personnel expenses	509 million yen	525 million yen
Provision for bonuses	30	31
Provision for bonuses for directors (and other officers)	54	53
Retirement benefit expenses	16	13
Depreciation	3	3
Taxes and dues	88	93
Travel and transportation expenses	20	26
Provision of allowance for doubtful accounts	(22)	(2)
Other	277	306
Total	877	952

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Land	4 million yen	— million yen
Total	4	—

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

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Buildings	2 million yen	— million yen
Total	2	—

(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 101,183 million yen and that of the affiliated companies' shares was 12 million yen in the fiscal year ended March 31, 2024; the amount on balance sheet of the subsidiaries' shares was 100,716 million yen and that of the affiliated companies' was 12 million yen in the fiscal year ended March 31, 2023).

(Tax effect accounting)

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

	As of March 31, 2023	As of March 31, 2024
(Deferred tax assets)		
Provision for bonuses	10 million yen	11 million yen
Enterprise tax payable	18	21
Impairment loss	23	23
Long-term accounts payable - other	34	34
Loss on valuation of shares of subsidiaries	423	423
Share acquisition rights	64	49
Subsidiaries' shares arising from divestiture	745	745
Valuation difference on available-for-sale securities	16	5
Adjustment on gain (loss) on transfer	131	128
Other	83	78
Deferred tax assets (subtotal)	1,552	1,521
Valuation allowance	(603)	(608)
Offset with deferred tax liabilities	(949)	(912)
Total deferred tax assets	—	—
(Deferred tax liabilities)		
Valuation difference on available-for-sale securities	(4,563)	(7,585)
Adjustment on gain (loss) on transfer	(328)	(328)
Other	(6)	(6)
Deferred tax liabilities (subtotal)	(4,898)	(7,920)
Offset with deferred tax assets	949	912
Total deferred tax liabilities	(3,948)	(7,008)
Net deferred tax liabilities	(3,948)	(7,008)

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, 2023	As of March 31, 2024
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	(25.4)	(26.2)
Per capita inhabitant tax	0.0	0.0
Changes in valuation allowance	0.0	0.1
Other	(0.2)	0.9
Effective tax rate after applying tax effect accounting	5.3	5.5

(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)

(Purchase of treasury shares)

At its Board of Directors meeting held on June 7, 2024, the Company resolved to purchase its treasury shares, pursuant to the provisions of Article 156 of the Companies Act, as applied mutatis mutandis pursuant to the provisions of Article 165, paragraph 3 of said Act.

1. Reason for purchase of treasury shares

The reason for the purchase of treasury shares is to enable the implementation of flexible capital policies in response to the changing business environment.

2. Details on matters pertaining to the purchase

- |   |  |
|---|--|
| (1) Class of shares to be purchased:        | Common shares of the Company           |
| (2) Total number of shares to be purchased: | 1,300,000 shares (maximum)             |
| (3) Period of purchase:                     | From July 1, 2024 to December 30, 2024 |
| (4) Total purchase price of shares:         | 3,000 million yen (maximum)            |
| (5) Method of purchase:                     | Open-market purchase                   |

(Note) At its Board of Directors meeting held on June 7, 2024, the Company resolved to implement a 2-for-1 share split of shares in its common shares, with the effective date being October 1, 2024. Total number of shares to be purchased on and after the effective date will be 2,600,000 shares (maximum).

(Share split)

At its Board of Directors meeting held on June 7, 2024, the Company resolved to implement a share split as follows.

1. Purpose of share split

The purpose of the share split is to lower the amount per investment unit of the Company's shares in order to increase the liquidity of the Company's shares and expand the investor base.

2. Outline of share split

(1) Method of share split

The Company will implement a 2-for-1 share split of shares in its common shares owned by shareholders recorded in the closing register of shareholders as of the record date of September 30, 2024.

(2) Increase in the number of shares due to share split

1) Total number of shares issued prior to share split	63,239,892 shares
2) Increase in shares by this share split	63,239,892 shares
3) Total number of shares issued following share split	126,479,784 shares
4) Total number of shares authorized to be issued following share split	304,000,000 shares

(3) Schedule

(1) Public notice of record date	September 13, 2024 (scheduled)
(2) Record date	September 30, 2024
(3) Effective date	October 1, 2024

3. Impact on per share information

Per share information for the fiscal years ended March 31, 2023 and 2024 on the assumption that the said share split was implemented at the beginning of the fiscal year ended 31, 2023 is as follows.

	As of March 31, 2023	As of March 31, 2024
Total number of issued shares at the end of the period (excluding treasury shares)	131,479,784 shares	126,479,784 shares
Net assets per share	967.67 yen	1,031.44 yen

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Average number of shares during the period (excluding treasury shares)	1,548,653,792 shares	127,275,962 shares
Earnings per share	64.92 yen	71.97 yen
Diluted earnings per share	64.77 yen	71.84 yen
Dividends per share	51 yen	55 yen



4) Annexed detailed schedules

[Annexed detailed schedule of property, plant and equipment, etc.]

(Millions of yen)

Type of asset	Balance at beginning of current period	Increase during the period	Decrease during the period	Balance at end of current period	Accumulated depreciation or amortization at end of current period	Depreciation or amortization during the period	Balance at end of current period, net
Property, plant and equipment							
Buildings	11,833	58	—	11,892	4,477	397	7,414
Structures	882	—	3	879	654	38	224
Machinery and equipment	232	—	—	232	198	7	34
Vehicles	3	—	—	3	3	—	0
Tools, furniture and fixtures	177	11	53	135	118	6	16
Land	23,708	15	—	23,723	—	—	23,723
Construction in progress	1,591	3,225	15	4,801	—	—	4,801
Total property, plant and equipment	38,429	3,310	71	41,668	5,452	449	36,216
Intangible assets	16	0	—	17	15	1	1

(Notes) 1. Balance at beginning of current period and balance at end of current period are stated at acquisition cost.

2. Major items of increase during the period are as follows:

Land	Land development in Sakura-shi, Tochigi	15million yen
Construction in progress	Construction of warehouse in Utsunomiya-shi, Tochigi	3,189million 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	26	—	26	—
Provision for bonuses	35	35	33	37
Provision for bonuses for directors (and other officers)	52	53	53	52
Provision for retirement benefits for executive officers	13	6	—	20

(2) Components of major assets and liabilities

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

(3) Other information

1) Status after the closing date

There are no applicable matters to be reported.

2) Significant lawsuits

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 fiscal year ended March 31, 2024 and the filing date of the Annual Securities Report.

- (1) Annual Securities Report and documents attached thereto, and Confirmation Letter thereof  
For the 82nd fiscal year (From April 1, 2022, to March 31, 2023), filed to the Director-General of the Kanto Local Finance Bureau on June 30, 2023.
- (2) Internal Control Report and documents attached thereto  
Filed to the Director-General of the Kanto Local Finance Bureau on June 30, 2023.
- (3) Quarterly Securities Reports and Confirmation Letters thereof  
First quarter of the 83rd fiscal year (from April 1, 2023 to June 30, 2023): filed to the Director-General of the Kanto Local Finance Bureau on August 10, 2023.  
Second quarter of the 83rd fiscal year (from July 1, 2023 to September 30, 2023): filed to the Director-General of the Kanto Local Finance Bureau on November 13, 2023.  
Third quarter of the 83rd fiscal year (from October 1, 2023 to December 31, 2023): filed to the Director-General of the Kanto Local Finance Bureau on February 13, 2024.
- (4) Current Reports  
Filed to the Director-General of the Kanto Local Finance Bureau on July 3, 2023.  
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 September 4, 2023.  
Filed to the Director-General of the Kanto Local Finance Bureau on October 3, 2023.  
Filed to the Director-General of the Kanto Local Finance Bureau on November 2, 2023.  
Filed to the Director-General of the Kanto Local Finance Bureau on December 4, 2023.  
Filed to the Director-General of the Kanto Local Finance Bureau on January 11, 2024.  
Filed to the Director-General of the Kanto Local Finance Bureau on February 1, 2024.
- (6) Securities Registration Statements  
Filed to the Director-General of the Kanto Local Finance Bureau on August 4, 2023.
- (7) Amended Securities Registration Statements  
Filed to the Director-General of the Kanto Local Finance Bureau on August 8, 2023.  
Filed to the Director-General of the Kanto Local Finance Bureau on August 10, 2023.  
Filed to the Director-General of the Kanto Local Finance Bureau on November 10, 2023.  
Filed to the Director-General of the Kanto Local Finance Bureau on November 13, 2023.
- (8) Shelf Registration Statements (corporate bond) and documents attached thereto  
Filed to the Director-General of the Kanto Local Finance Bureau on February 14, 2024.
- (9) Shelf Registration Supplements (corporate bond) and documents attached thereto  
Filed to the Director-General of the Kanto Local Finance Bureau on May 24, 2024.

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

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June 28, 2024

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

**KPMG AZSA LLC**  
Tokyo Office

Designated Limited  
Liability Partner  
Engagement Partner

Certified Public  
Accountant

Yoshiaki Uesaka

Designated Limited  
Liability Partner  
Engagement Partner

Certified Public  
Accountant

Mako Tasaka

<Audits of Consolidated Financial Statements>

Audit opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have audited the consolidated financial statements of NIKKON Holdings Co., Ltd. provided in the "Financial Information" section for the fiscal year from April 1, 2023 to March 31, 2024, 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, 2024, 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.

Emphasis of Matter

As described in the notes to the consolidated financial statements regarding subsequent events, the Company entered into an equity transfer agreement to acquire 75% stake in Supreme Auto Transport, Inc. (hereinafter referred to as "SAT"), a U.S. company operating ground transportation services for automobiles, on April 16, 2024, after consensus was reached between the existing investors. Based on the conclusion of the agreement, NK North America, Inc., which the Company newly established in the U.S., acquired a 75% equity stake in SAT on May 20, 2024 and SAT became a consolidated subsidiary of NKNA on the same day.

These matters do not affect 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, 2024, property, plant and equipment worth 254,064 million yen and intangible assets worth 2,498 million yen were posted, which accounted for 66.0% 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, 2024, a sign of impairment was recognized, as operating loss was continuously incurred or the market prices of asset groups significantly dropped in some of the Company's business sites for warehousing, packaging, and testing businesses. Thus, the Company calculated total undiscounted future cash flows that were expected to be generated by the continuous usage of the assets concerned and the disposal thereof after their use, results of which exceeded the book value in each business site. The Company 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, 2025 and business plans developed by management. 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 appropriate assumptions are adopted, in particular for future cash flow estimates.</p> <p>(2) Assessment of the appropriateness of estimates of future cash flows</p> <p>In order to assess the appropriateness of key assumptions included in the budget of the fiscal year ending March 31, 2025 and business plans, 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"> <li>- In relation to the assumptions about net sales which provide a basis for the budget and estimates in business plans, we asked those responsible for each business site about the probability of an estimated increase in net sales, including new orders, and reviewed related materials.</li> <li>- 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 business plans with actual performance in each business site.</li> <li>- We reviewed the assumption about net sales by comparing it with business plans published by the key customers of the Company as well as market forecast data obtained from external organization in relation to those key customers.</li> </ul>

#### 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 measures in place to eliminate obstacles or any safeguards applied to reduce obstacles to an acceptable level.

From the matters communicated with the Audit & Supervisory Committee, the auditor determines those matters that were of most significance in the audit of the consolidated financial statements of the fiscal year under review and are therefore the key audit matters. The auditor describes these matters in its auditor's reports unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in its report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### <Internal Control Audit>

##### Audit opinion

We also have audited the accompanying internal control report of NIKKON Holdings Co., Ltd. as of March 31, 2024, 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, 2024, presents fairly, in all material respects, the assessment results of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

##### Basis for the Opinion

We conducted our internal control audit in accordance with audit standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under the standards for internal control audit are further described in "Auditor's Responsibility for the Internal Control Audit" section in this report. We are independent of the Company and its consolidated subsidiaries in accordance with provisions related to professional ethics in Japan, and we are fulfilling our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Responsibilities of Management and the Audit & Supervisory Committee for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

##### Auditor's Responsibility for the Internal Control Audit

Auditor's responsibility is to obtain reasonable assurance about whether the internal control report is free from material misstatement, based on the internal control audit it conducted, and to express an opinion on the internal control report from an independent standpoint in an audit report on internal control.

In accordance with audit standards for internal control over financial reporting generally accepted in Japan, the auditor exercises professional judgment through the audit process and performs the following while maintaining professional skepticism:

- Perform audit procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The procedures for the internal control audit are selected and applied as determined by the auditor based on the significance of effect on the reliability of financial reporting.
- Evaluate the overall presentation of the internal control report, including the scope, procedures, and results of the assessments of internal control over financial reporting that management described.
- 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 measures in place to eliminate obstacles or any safeguards applied to reduce obstacles to an acceptable level.

##### Information on Remuneration

Remuneration for the auditor and the same network as the auditor in accordance with audit attestation work and non-audit work provided to the company and its subsidiaries is described in Corporate governance, (3) Audits included in "Information about



Reporting Company.”

**Conflicts of Interest**

There are no special interests between the Company or its consolidated subsidiaries and the audit firm/engagement partners which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End

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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.

Independent Auditor's  
Report

June 28, 2024

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

KPMG AZSA LLC  
Tokyo Office

Designated Limited  
Liability Partner  
Engagement Partner

Certified Public  
Accountant

Yoshiaki Uesaka

Designated Limited  
Liability Partner  
Engagement Partner

Certified Public  
Accountant

Mako Tasaka

<Audits of Financial Statements>

Audit opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have audited the non-consolidated financial statements of NIKKON Holdings Co., Ltd. provided in the "Financial Information" section for the 83rd fiscal year from April 1, 2023 to March 31, 2024, 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, 2024, and their financial performance for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are further described in the "Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements" section of this report. We are independent of the Company in accordance with provisions related to professional ethics in Japan, and we are fulfilling our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the fiscal year under review. Key audit matters are the matters addressed in the process of our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 measures in place to eliminate obstacles or any safeguards applied to reduce obstacles to an acceptable level.

From the matters communicated with the Audit & Supervisory Committee, the auditor determines those matters that were of most significance in the audit of the non-consolidated financial statements of the current fiscal year and are therefore the key audit matters. The auditor describes these matters in its auditor's reports unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in its report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Information on Remuneration

The information on remuneration is stated in the auditor's report of the consolidated financial statements.

#### Conflicts of Interest

There are no special interests between the Company and the audit firm/engagement partners which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End

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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.