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For Immediate Release

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## Notice Regarding Issuance of Zero Coupon Convertible Bonds due 2031

NIKKON Holdings Co., Ltd. (the "Company") hereby announces that pursuant to a resolution of the Board of Directors as of 26 November 2024, the Company has resolved to issue the Zero Coupon Convertible Bonds due 2031 (the "Bonds with Stock Acquisition Rights") (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) in the aggregate principal amount of ¥22 billion as follows.

### Background of the Issuance of the Bonds with Stock Acquisition Rights

In an effort to become a company that can compete globally under its long-term vision, "2030 Vision", for the fiscal year 2030, the Company acquired an equity stake in Supreme Auto Transport, LLC., which operates an automobile transportation business in the United States, on 20 May 2024 and made it a consolidated subsidiary.

For the Company which offers comprehensive logistics services, including packaging, transportation and warehousing, primarily to automobile manufacturers, finished vehicle transportation has been a core business since its conception. The development of this business in the United States aligns with the Company's objective of "expanding overseas business" under its 13th Medium-term Business Plan, "Challenge 13". Through this highly compatible business expansion, the Company aims to achieve synergies with its existing businesses both domestically and internationally, further revitalizing the companies within the group.

Together with the execution of its growth strategies set forth in the 13th Medium-term Business Plan, "Challenge 13" above, the NIKKON Holdings Group has positioned the profit distribution to shareholders as one of its management priorities and aims to improve capital efficiency, maximize shareholder value and corporate value as well as promote flexible financial strategies such as the share repurchases.

With the aim of further improving its corporate value by steadily implementing the above measures, the Company has resolved to issue the Bonds with Stock Acquisition Rights, based on the judgment that it is necessary to further strengthen the financial base as well as to diversify financing methods and achieve low-cost financing.

Note: This press release is intended as general information regarding NIKKON Holdings Co., Ltd.'s issuance of the Bonds with Stock Acquisition Rights. This press release does not constitute an offer of, or the solicitation of an offer to buy or subscribe for the Bonds with Stock Acquisition Rights or the shares of common stock of the Company in the United States or in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds with Stock Acquisition Rights and the shares of common stock of the Company issuable upon exercise of, or upon acquisition by the Company of, the stock acquisition rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any relevant securities laws of any state, and may not be offered or sold within the United States, absent registration or an applicable exemption from registration requirements. No public offering of the Securities will be made in the United States.

## Use of Proceeds

The net proceeds of the issue of the Bonds with Stock Acquisition Rights are estimated to be approximately ¥22 billion. The Company intends to apply the net proceeds as follows:

- (a) approximately ¥15 billion towards repayment of loans incurred in connection with the acquisition of Supreme Auto Transport, LLC. in the United States, which became a subsidiary on 20 May 2024; and
- (b) approximately ¥7 billion towards the repurchase of the shares.

## Issuance of the Bonds with Stock Acquisition Rights

1. Securities Offered	¥22,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2031 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i> )
2. Issue Price	100.5%
3. Closing Date	12 December 2024
4. Coupon	0%
5. Redemption at Maturity	100.0%

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