

This is an excerpt translation of the Japanese original. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Annual Securities Report

(Report pursuant to Article 24, Paragraph 1 of the
Financial Instruments and Exchange Act)
The 44th Fiscal Year
(from April 1, 2025 to March 31, 2026)

VT HOLDINGS CO., LTD.

(E02889)

Part I Company Information

I Overview of the Company

1 Key Financial Data

(1) Business results of the Group

Reporting period	International Financial Reporting Standards					
	40th	41st	42nd	43rd	44th	44th
Fiscal year	March 2022	March 2023	March 2024	March 2025	March 2026	March 2026
Units of amount	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Thousands of U.S. dollars
Revenue	237,930	266,329	311,604	351,630	388,733	2,430,645
Profit before tax	17,959	12,646	11,458	9,732	10,129	63,334
Profit attributable to owners of parent	11,678	7,180	6,697	5,302	4,898	30,626
Comprehensive income attributable to owners of parent	13,276	15,718	9,147	1,349	4,610	28,825
Equity attributable to owners of parent	51,342	64,500	72,851	71,244	70,684	441,968
Total assets	188,049	229,834	272,883	277,900	303,067	1,894,998
Equity attributable to owners of parent per share (Yen and U.S. dollars)	442.65	556.10	606.73	588.69	608.00	3.80
Basic earnings per share (Yen and U.S. dollars)	101.01	61.91	56.86	43.83	41.50	0.26
Diluted earnings per share (Yen and U.S. dollars)	101.01	61.91	56.78	43.83	41.50	0.26
Ratio of equity attributable to owners of parent to total assets (%)	27.3	28.1	26.7	25.6	23.3	23.3
Return on equity attributable to owners of parent (%)	25.5	12.4	9.8	7.4	6.9	6.9
Price-earnings ratio (Times)	4.4	8.2	9.4	11.4	11.7	11.7
Cash flows from operating activities	16,818	11,173	12,064	27,956	18,791	117,495
Cash flows from investing activities	(5,610)	(9,794)	(10,334)	(11,011)	(10,814)	(67,617)
Cash flows from financing activities	(8,744)	(623)	(1,358)	(15,809)	(9,471)	(59,220)
Cash and cash equivalents at end of period	11,844	12,644	13,483	14,643	13,565	84,818
Number of employees (People)	3,786	4,062	4,067	4,299	4,527	4,527
[Average number of temporary staff]	[727]	[710]	[823]	[972]	[1,047]	[1,047]

(Notes) 1. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS Reporting Standards”).

2. The number of employees represents the number of regular employees.

3. The diluted earnings per share for the fiscal years ended March 31, 2022, 2023, 2025, and 2026 are the same as the basic earnings per share as there were no potential shares that would have a dilution effect.

4. Figures presented in this table have been rounded off to the nearest million yen and thousand U.S. dollars, respectively.

(2) Business results of the reporting company

Reporting period	40th	41st	42nd	43rd	44th	44th
Fiscal year	March 2022	March 2023	March 2024	March 2025	March 2026	March 2026
Units of amount	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Thousands of U.S. dollars
Net sales	3,825	3,803	4,534	4,682	4,892	30,588
Ordinary profit	2,843	2,722	3,525	3,658	4,193	26,218
Earnings	3,521	2,751	3,990	2,815	2,509	15,688
Share capital	4,297	4,297	4,861	5,099	5,099	31,883
Number of shares issued (Shares)	119,381,034	119,381,034	121,631,034	122,581,034	122,581,034	122,581,034
Net assets	18,677	26,591	30,067	26,405	21,292	133,133
Total assets	54,141	68,067	74,727	77,330	78,799	492,709
Net assets per share (Yen and U.S. dollars)	159.89	229.17	250.40	218.19	183.15	1.15
Dividend per share (Yen and U.S. dollars)	22.00	23.50	24.00	24.00	24.00	0.15
[Interim dividend per share]	[11.00]	[11.50]	[12.00]	[12.00]	[12.00]	[0.08]
Earnings per share (Yen and U.S. dollars)	30.46	23.72	33.88	23.27	21.26	0.13
Diluted earnings per share (Yen and U.S. dollars)	30.46	23.72	33.83	23.27	21.26	0.13
Equity-to-asset ratio (%)	34.3	39.1	40.2	34.1	27.1	27.1
Rate of return on equity (%)	23.4	12.2	14.1	10.0	10.5	10.5
Price-earnings ratio (Times)	14.6	21.4	15.8	21.4	22.9	22.9
Payout ratio (%)	72.2	99.1	70.8	103.1	112.9	112.9
Number of employees (People)	27	33	33	31	32	32
[Average number of temporary staff]	[—]	[—]	[2]	[2]	[1]	[1]
Total shareholder return (%)	104.9	123.9	135.5	132.8	135.5	135.5
[Comparison benchmark: TOPIX Total Return Index] (%)	[102.0]	[107.9]	[152.5]	[150.2]	[202.2]	[202.2]
Highest share price (Yen and U.S. dollars)	595	536	548	538	575	3.60
Lowest share price (Yen and U.S. dollars)	410	438	481	432	436	2.73

(Notes) 1. The number of employees represents the number of regular employees.

2. The diluted earnings per share for the fiscal years ended March 31, 2022, 2023, 2025, and 2026 are the same as the earnings per share as there were no potential shares that would have a dilution effect.

3. The highest and lowest share prices refer to those recorded on the Tokyo Stock Exchange (Prime Market) since April 4, 2022 and those recorded on the Tokyo Stock Exchange (First Section) prior to that date.

4. The Board of Directors resolved at its meeting held on May 15, 2026 to pay a year-end dividend of ¥12.00, out of the annual dividend of ¥24.00 per share for the 44th fiscal year.

2 History

Date	Description
Mar. 1983	Honda Verno Tokai Co., Ltd. was founded at Marune, Kagi Yamachi, Tokai, Aichi Prefecture with capital of ¥40 million.
Apr. 1983	Signed a basic agreement for a Verno dealership with Honda Motor Co., Ltd. and opened the Tokai Shop in Kagi Yamachi, Tokai, Aichi Prefecture.
May 1994	Relocated the head office to Dadaboshi, Kagi Yamachi, Tokai, Aichi Prefecture (however, did not change the corporate registered address).
Sep. 1998	Shares listed on Second Section of Nagoya Stock Exchange.
Mar. 1999	Acquired Ford Life Chubu Co., Ltd. (now FLC Co., Ltd.) and Honda Motor Sales Meinan Co., Ltd. (now Honda Cars Tokai Co., Ltd.).
Jun. 1999	Established ORIX Rent-A-Car Chubu Corporation (now J-net Rental & Lease Co., Ltd.).
Mar. 2000	Established New Steel Homes Japan Corporation (now Archish Gallery Co., Ltd., a consolidated subsidiary).
Apr. 2000	Expanded Honda dealership territory into Gifu Prefecture by taking over sales areas from Honda Verno Gifu Co., Ltd.
Apr. 2000	Established ORIX Rent-A-Car Osaka Corporation (now J-net Rental & Lease Co., Ltd.).
Apr. 2000	Acquired Chukyo Honda Co., Ltd. (now Honda Cars Tokai Co., Ltd.).
Jun. 2000	Listed on Nasdaq Japan Market of Osaka Securities Exchange.
Oct. 2000	Chukyo Honda Co., Ltd. merged with Honda Motor Sales Meinan Co., Ltd. and changed the company name to Honda Primo Tokai Co., Ltd. (now Honda Cars Tokai Co., Ltd.).
Mar. 2002	ORIX Rent-A-Car Chubu Corporation merged with ORIX Rent-A-Car Osaka Corporation and changed the company name to ORIX Rent-A-Car Meihan Corporation (now J-net Rental & Lease Co., Ltd., a consolidated subsidiary).
Mar. 2003	Acquired Trust Co., Ltd. (now a consolidated subsidiary).
Apr. 2003	Sales operations for new and used cars as well as sales operations for car maintenance, including designated car maintenance services and car disassembly and maintenance services, were split off and handed over to the newly established Honda Verno Tokai Co., Ltd. (now Honda Cars Tokai Co., Ltd., a consolidated subsidiary). The company transitioned to a holding company and changed the company name from Honda Verno Tokai Co., Ltd. to VT HOLDINGS CO., LTD. Changed the corporate registered address to Dadaboshi, Kagi Yamachi, Tokai, Aichi Prefecture.
Jan. 2004	Acquired C.E.S Co., Ltd. (now a consolidated subsidiary).
Sep. 2004	Established Face On Co., Ltd. (now PCI Co., Ltd., a consolidated subsidiary).
Nov. 2004	Trust Co., Ltd. (now a consolidated subsidiary) was listed on Mothers Market of Tokyo Stock Exchange (now listed on Standard Market of Tokyo Stock Exchange).
Apr. 2005	Acquired LCI Co., Ltd. (now a consolidated subsidiary).
Jul. 2005	Established E-ESCO Co., Ltd. (now MIRAIZ Co., Ltd., a consolidated subsidiary).
Dec. 2005	Acquired Nagano Nissan Auto Co., Ltd. (now a consolidated subsidiary) and NN Service Co., Ltd. (now Nagano Nissan Service Co., Ltd., a consolidated subsidiary).
Jul. 2006	Acquired Shizuoka Nissan Auto Sales Co., Ltd. (now a consolidated subsidiary), PZ Motors Co., Ltd. (now Shizuoka Nissan Auto Sales Co., Ltd., a consolidated subsidiary), and Shizuoka Nissan Service Co., Ltd. (now Shizuoka Service Co., Ltd., a consolidated subsidiary).
Jul. 2006	Acquired Mikawa Nissan Motor Co., Ltd. (now a consolidated subsidiary), Car Make Okazaki Co., Ltd. (now a consolidated subsidiary), and Office Support Center Co., Ltd. (now J-net Rent-A-Car Hokkaido, Co., Ltd., a consolidated subsidiary).
Aug. 2006	Honda Verno Tokai Co., Ltd. merged with Honda Primo Tokai Co., Ltd. and changed the company name to Honda Cars Tokai Co., Ltd. (now a consolidated subsidiary).
Feb. 2011	Acquired Western Breeze Trading 23 (Proprietary) Limited (now Trust Absolut Auto (Pty) Ltd., a consolidated subsidiary).
Oct. 2011	Acquired Sojitz Absolut Auto (Proprietary) Limited (now Sky Absolut Auto (Pty) Ltd., a consolidated subsidiary).
Apr. 2012	Acquired Colt Car Retail Limited (now CCR Motor Co. Ltd., a consolidated subsidiary).

Date	Description
Apr. 2012	Acquired Nissan Satio Saitama Co., Ltd. (now a consolidated subsidiary) and Nissan Service Saitama Co., Ltd. (now Service Saitama Co., Ltd., a consolidated subsidiary).
Apr. 2014	Acquired Nissan Satio Nara Co., Ltd. (now a consolidated subsidiary).
Aug. 2014	Acquired MG Home Co., Ltd. (now AMG Holdings Co., Ltd., a consolidated subsidiary).
Oct. 2014	Acquired Scotts Motors Artarmon (Pty) Ltd. (now a consolidated subsidiary).
Dec. 2014	Acquired Griffin Mill Garages Limited (now a consolidated subsidiary).
May 2015	Shares transferred from JASDAQ (Standard) Market to First Section Market of Tokyo Stock Exchange and from Second Section Market to First Section Market of Nagoya Stock Exchange.
Aug. 2015	Acquired MG Sogo Service Co., Ltd. (now a consolidated subsidiary).
Feb. 2016	Established Motoren Shizuoka Co., Ltd. (now a consolidated subsidiary).
May 2016	Acquired Wessex Garages Holdings Limited (now a consolidated subsidiary).
Jul. 2016	Changed the corporate registered address to Naka Ward, Nagoya, Aichi Prefecture.
Oct. 2016	Acquired Master Automocion, S.L. and its 11 subsidiaries (now consolidated subsidiaries).
Sep. 2017	Established Master Dealer de Automocion 2017, S.L. (now a consolidated subsidiary).
Nov. 2017	Acquired Mogacar de Automocion, S.L. (now a consolidated subsidiary).
Mar. 2018	Acquired Quiauto, S.A. (now M Teknik de Automocion 2023, S.A., a consolidated subsidiary).
Aug. 2019	Acquired Koyo Auto Co., Ltd. (now a consolidated subsidiary).
Aug. 2019	Established Motoren Mikawa Co., Ltd. (now a consolidated subsidiary).
Jul. 2020	Acquired TAKI HOUSE Co., Ltd. (now a consolidated subsidiary).
Jan. 2021	Acquired Honda Yonrin Hanbai Marujun Co., Ltd. (now Honda Cars Tokai Co., Ltd., a consolidated subsidiary).
Apr. 2021	MG Home Co., Ltd. changed its name to AMG Holdings Co., Ltd. (now a consolidated subsidiary) and became a holding company. The successor company changed its name to MG Home Co., Ltd. (now a consolidated subsidiary) and took over the housing business.
Apr. 2021	Acquired Caterham Cars Group Limited (now a consolidated subsidiary), Caterham Cars Limited (now a consolidated subsidiary), and Seven Motorsport Limited (now a consolidated subsidiary).
Jun. 2021	Established M-Motorbikes Espana, S. L. (now a consolidated subsidiary).
Nov. 2021	Honda Yonrin Hanbai Marujun Co., Ltd. (now Honda Cars Tokai Co., Ltd., a consolidated subsidiary) became a wholly owned subsidiary through a share exchange.
Nov. 2021	Acquired TAKAGAKI Gumi, Inc. (now a consolidated subsidiary).
Apr. 2022	Due to market restructuring by Tokyo Stock Exchange, shares moved from First Section to Prime Market of Tokyo Stock Exchange. In addition, due to market restructuring by Nagoya Stock Exchange, shares moved from First Section to Premier Market of Nagoya Stock Exchange.
Apr. 2022	Honda Cars Tokai Co., Ltd. (now a consolidated subsidiary) merged with Honda Yonrin Hanbai Marujun Co., Ltd.
Sep. 2022	Established Motoren Donan Co., Ltd. (now Motoren Sapporo Co., Ltd., a consolidated subsidiary).
Oct. 2022	Acquired Kawasaki Housing Co., Ltd. (now a consolidated subsidiary) and Houmainte Co., Ltd. (now a consolidated subsidiary).
Apr. 2023	Acquired Ciclos Domingo, S.L. (now Emebaics, S.L., a consolidated subsidiary).
May 2023	Real estate leasing business split off and taken over from Honda Cars Tokai Co., Ltd. (now a consolidated subsidiary) through an absorption-type split.
May 2023	Established Caterham EVo Limited (now a consolidated subsidiary).
Jul. 2023	Acquired Fuji Motoren Co., Ltd. (now a consolidated subsidiary).
Feb. 2025	Established Caterham Global Co., Ltd. (now a consolidated subsidiary).
Apr. 2025	Acquired Motoren Sapporo Co., Ltd. (now a consolidated subsidiary).
Aug. 2025	The tender offer for the shares of Trust Co., Ltd. was completed, making it a wholly owned subsidiary.
Apr. 2026	Motoren Sapporo Co., Ltd. merged with Motoren Donan Co., Ltd.
Apr. 2026	LCI Co., Ltd. merged with SCI Co., Ltd.
Apr. 2026	Acquired Nissan Prince Yamanashi Co., Ltd. (now a consolidated subsidiary).

(Note) The Company (established on March 22, 1983; substantial surviving company) merged with Honda Auto Sales Co., Ltd. (established on April 11, 1978; [registered] surviving company in form) in April 1997 to change the par value of shares. Accordingly, the above company history is that of the substantial surviving company.

3 Description of Business

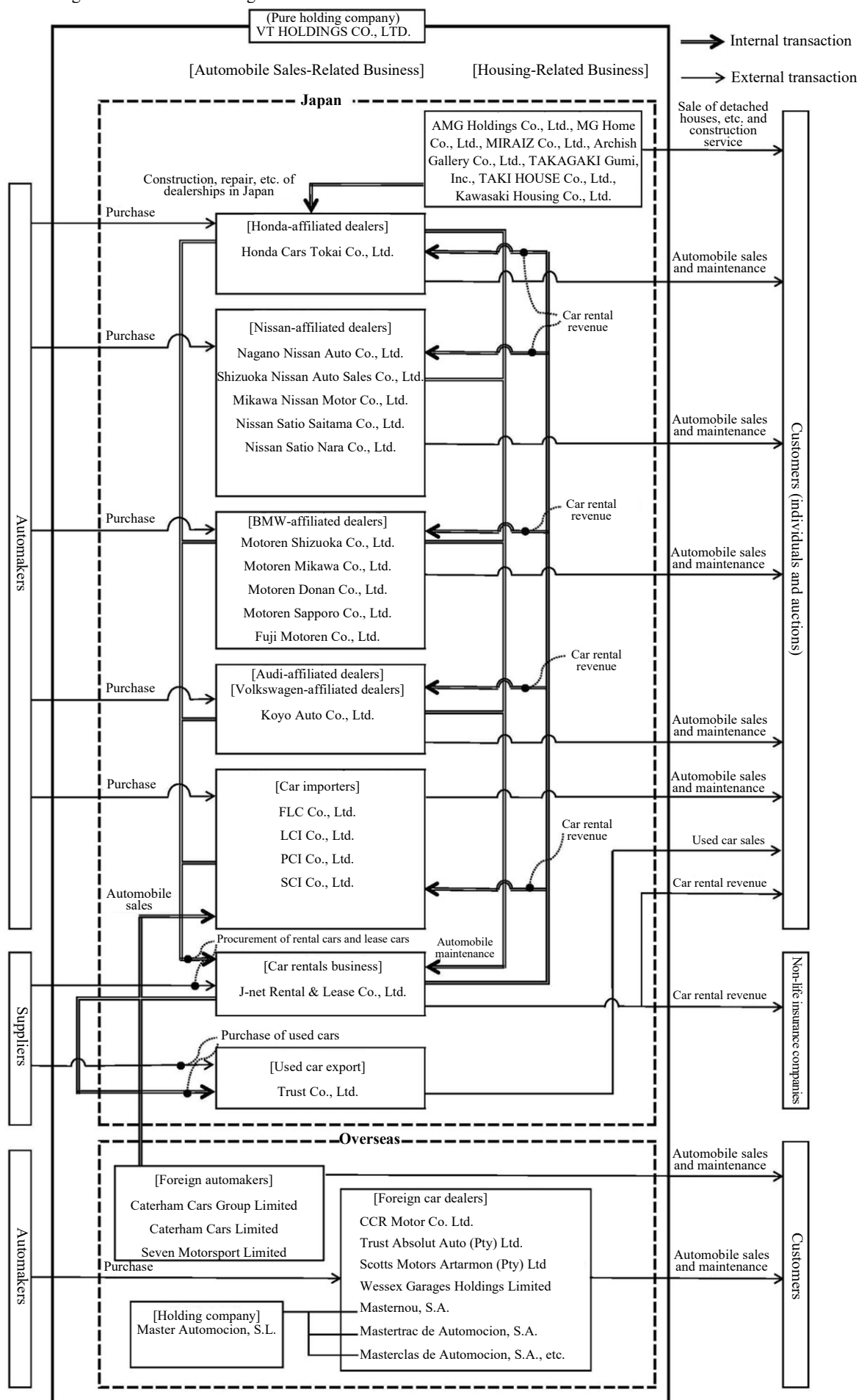
The Group (the Company and its affiliated companies) consists of the Company, 59 subsidiaries, and 3 equity-method affiliates. Its main business is the Automobile Sales-Related Business comprised of the dealership business, car rental business, and car export business. In addition, it is engaged in the Housing-Related Business.

The positioning of the Group's businesses and their relationship to segment information are as follows.

The Company is a "specified listed company, etc.," as stipulated in Article 49, paragraph (2) of the Cabinet Office Order on Restrictions on Securities Transactions. As such, the de minimis threshold for materiality under insider trading regulations is determined based on consolidated figures.

Automobile Sales-Related Business	The dealership business consists of Honda-affiliated dealerships, Nissan-affiliated dealerships, imported car dealerships, importers of foreign cars, and overseas car dealerships. It mainly involves the sale of new and used cars and car repairs. In addition, businesses related to automobile sales include car rentals, car exports, and automobile manufacturing. The Automobile Sales-Related Business comprises the new car segment, used car segment, services segment, car rentals segment, export segment, and other segments. <Main Affiliated Companies> Honda Cars Tokai Co., Ltd.; Nagano Nissan Auto Co., Ltd.; Shizuoka Nissan Auto Sales Co., Ltd.; Mikawa Nissan Motor Co., Ltd.; Nissan Satio Saitama Co., Ltd.; Nissan Satio Nara Co., Ltd.; Motoren Shizuoka Co., Ltd.; Motoren Mikawa Co., Ltd.; Motoren Donan Co., Ltd.; Fuji Motoren Co., Ltd.; Motoren Sapporo Co., Ltd.; FLC Co., Ltd.; Koyo Auto Co., Ltd.; LCI Co., Ltd.; PCI Co., Ltd.; SCI Co., Ltd.; Caterham Cars Group Limited; CCR Motor Co. Ltd.; Trust Absolut Auto (Pty) Ltd.; Scotts Motors Artarmon (Pty) Ltd; Wessex Garages Holdings Limited; Master Automocion, S.L.; Masternou, S.A.; Mastertrac de Automocion, S.A.; Masterclas de Automocion, S.A.; J-net Rental & Lease Co., Ltd.; Trust Co., Ltd., and others.
Housing-Related Business	The Group sells condominiums and detached houses, and provides construction services for custom-built houses and commercial facilities. <Main Affiliated Companies> AMG Holdings Co., Ltd.; MG Home Co., Ltd.; MIRAIZ Co., Ltd.; Archish Gallery Co., Ltd.; TAKI HOUSE Co., Ltd.; TAKAGAKI Gumi, Inc.; Kawasaki Housing Co., Ltd., and others.

The following is a schematic flow diagram of the businesses.



4 Status of Affiliated Companies

Name	Address	Capital	Primary business	Percentage of voting rights (%)	Relationship	Note
(Consolidated subsidiaries)						
Honda Cars Tokai Co., Ltd.	Showa-ku, Nagoya	Millions of yen 90	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for purchases. Lending and borrowing of funds 6 Directors are also Directors of the Company	(Note 3)
Nagano Nissan Auto Co., Ltd.	Nagano, Nagano Prefecture	Millions of yen 38	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 2 Directors are also Directors of the Company	(Note 3)
Shizuoka Nissan Auto Sales Co., Ltd.	Suruga-ku, Shizuoka	Millions of yen 80	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 4 Directors are also Directors of the Company	(Note 3)
Mikawa Nissan Motor Co., Ltd.	Anjo, Aichi Prefecture	Millions of yen 30	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 4 Directors are also Directors of the Company	
Nissan Satio Saitama Co., Ltd.	Chuo-ku, Saitama	Millions of yen 40	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 2 Directors are also Directors of the Company	
Nissan Satio Nara Co., Ltd.	Yamatokoriyama, Nara Prefecture	Millions of yen 50	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 3 Directors are also Directors of the Company	
Motoren Shizuoka Co., Ltd.	Suruga-ku, Shizuoka	Millions of yen 90	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for borrowings and purchases. Lending and borrowing of funds 3 Directors are also Directors of the Company	
Motoren Mikawa Co., Ltd.	Okazaki, Aichi Prefecture	Millions of yen 10	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for borrowings and purchases. Lending and borrowing of funds 3 Directors are also Directors of the Company	
Motoren Donan Co., Ltd.	Hokuto, Hokkaido	Millions of yen 10	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 2 Directors are also Directors of the Company	(Note 7)
Fuji Motoren Co., Ltd.	Chuo-ku, Hamamatsu	Millions of yen 50	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for purchases. Lending and borrowing of funds 3 Directors are also Directors of the Company	
Motoren Sapporo Co., Ltd.	Nishi-ku, Sapporo	Millions of yen 48	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for purchases. Lending and borrowing of funds 1 Director is also Director of the Company	(Note 7)
Koyo Auto Co., Ltd.	Kitami, Hokkaido	Millions of yen 30	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for purchases. Lending and borrowing of funds 2 Directors are also Directors of the Company	
FLC Co., Ltd.	Kiyosu, Aichi Prefecture	Millions of yen 40	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for purchases. Lending and borrowing of funds 1 Director is also Director of the Company	

Name	Address	Capital	Primary business	Percentage of voting rights (%)	Relationship	Note
LCI Co., Ltd.	Ota-ku, Tokyo	Millions of yen 99	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for purchases. Lending and borrowing of funds 3 Directors are also Directors of the Company	(Note 8)
PCI Co., Ltd.	Ota-ku, Tokyo	Millions of yen 99	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 4 Directors are also Directors of the Company	
SCI Co., Ltd.	Ota-ku, Tokyo	Millions of yen 10	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 3 Directors are also Directors of the Company	(Note 8)
Caterham Cars Group Limited	Dartford, UK	Millions of pounds 41.954	Automobile Sales-Related Business	100.00	Lending and borrowing of funds 2 Directors are also Directors of the Company	(Note 3)
Caterham Cars Limited	Dartford, UK	Millions of pounds 10.498	Automobile Sales-Related Business	100.00 (100.00)	The Company provides liability guarantees for borrowings and real estate lease contracts, etc. 2 Directors are also Directors of the Company	(Note 3)
CCR Motor Co. Ltd.	Gloucester, UK	Millions of pounds 32.253	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for purchases. Lending and borrowing of funds 3 Directors are also Directors of the Company	(Note 3)
Trust Absolut Auto (Pty) Ltd.	Johannesburg, Republic of South Africa	Millions of rand 95	Automobile Sales-Related Business	100.00 (100.00)	2 Directors are also Directors of the Company	(Note 3)
Scotts Motors Artarmon (Pty) Ltd	Sydney, Australia	Millions of Australian dollars 25.710	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for purchases. Lending and borrowing of funds 2 Directors are also Directors of the Company	(Note 3)
Wessex Garages Holdings Limited	Bristol, UK	Millions of pounds 1.615	Automobile Sales-Related Business	100.00	The Company provides liability guarantees for borrowings and purchases. Lending and borrowing of funds 3 Directors are also Directors of the Company	(Note 6)
Master Automocion, S.L.	Barcelona, Spain	Millions of euros 23.947	Automobile Sales-Related Business	84.00	The Company provides liability guarantees for borrowings. 3 Directors are also Directors of the Company	(Note 3)
Masternou, S.A.	Barcelona, Spain	Millions of euros 1.422	Automobile Sales-Related Business	100.00 (100.00)	–	
Mastertrac de Automocion, S.A.	Barcelona, Spain	Euros 900,000	Automobile Sales-Related Business	100.00 (100.00)	–	
Masterclas de Automocion, S.A.	Barcelona, Spain	Euros 318,000	Automobile Sales-Related Business	100.00 (100.00)	–	
J-net Rental & Lease Co., Ltd.	Higashi-ku, Nagoya	Millions of yen 60	Automobile Sales-Related Business	99.45 (54.20)	The Company provides liability guarantees for real estate lease contracts, etc. Lending and borrowing of funds 2 Directors are also Directors of the Company	(Note 3)
Trust Co., Ltd.	Naka-ku, Nagoya	Millions of yen 40	Automobile Sales-Related Business	100.00	2 Directors are also Directors of the Company	

Name	Address	Capital	Primary business	Percentage of voting rights (%)	Relationship	Note
AMG Holdings Co., Ltd.	Naka-ku, Nagoya	Millions of yen 1,168	Housing-Related Business	43.49	Lending and borrowing of funds 1 Director is also Director of the Company	(Notes 3, 4, 5)
MG Home Co., Ltd.	Naka-ku, Nagoya	Millions of yen 100	Housing-Related Business	100.00 (100.00)	1 Director is also Director of the Company	
MIRAIZ Co., Ltd.	Naka-ku, Nagoya	Millions of yen 50	Housing-Related Business	100.00	Lending and borrowing of funds 3 Directors are also Directors of the Company	
Archish Gallery Co., Ltd.	Naka-ku, Nagoya	Millions of yen 170	Housing-Related Business	100.00 (100.00)	3 Directors are also Directors of the Company	
TAKI HOUSE Co., Ltd.	Tama-ku, Kawasaki	Millions of yen 100	Housing-Related Business	100.00 (100.00)	—	
TAKAGAKI Gumi, Inc.	Gujo, Gifu Prefecture	Millions of yen 50	Housing-Related Business	100.00 (100.00)	—	
Kawasaki Housing Co., Ltd.	Kita-ku, Kumamoto	Millions of yen 25	Housing-Related Business	100.00 (100.00)	1 Director is also Director of the Company	
24 other companies						
(Equity-method affiliates)						
Wise Holdings Co., Ltd.	Yamashina-ku, Kyoto	Millions of yen 90	Manufacture and sale of metal products	35.46	3 Directors are also Directors of the Company	(Note 4)
2 other companies						

(Notes) 1. The “Primary business” column of consolidated subsidiaries lists the segment name.

2. Figures inside parentheses in the “Percentage of voting rights” column indicate the percentage of voting rights held indirectly.

3. The company is a specified subsidiary.

4. The company is a securities report filing company.

5. Although the Company has 50% or less of the voting rights, the company is substantially controlled by the Company and therefore treated as a subsidiary.

6. The ratio of the revenue (excluding internal revenue between consolidated companies) of Wessex Garages Holdings Limited to consolidated revenue exceeded 10%.

Major profit or loss information, etc.	Wessex Garages Holdings Limited	
	Millions of yen	Thousands of U.S. dollars
1) Revenue	54,972	343,725
2) Profit before tax	(600)	(3,752)
3) Profit	(622)	(3,889)
4) Total equity	2,982	18,646
5) Total assets	17,194	107,510

7. On April 1, 2026, an absorption-type merger was completed, with Motoren Sapporo Co., Ltd. as the surviving company and Motoren Donan Co., Ltd. as the dissolving company.

8. On April 1, 2026, an absorption-type merger was completed, with LCI Co., Ltd. as the surviving company and SCI Co., Ltd. as the dissolving company.

II Overview of Business

1 Management Policy, Business Environment, Issues to Address, etc.

Forward-looking statements in this document are based on the judgments made by the Group as of March 31, 2026.

(1) Management policy

“Through youth, ideas, and ceaseless efforts, we shall provide safe and reliable services to our customers, contribute to the local community, and endeavor to develop our businesses.” Guided by this company creed, and as a public institution of society, the Group aims to become a company with value for all stakeholders, including local communities, shareholders, and employees.

(2) Management strategy, etc.

The Group’s principal management strategy is to build a new business model for automobile dealership operations and, through proactive M&A, achieve business expansion and profit growth. Going forward, the Group will continue to drive business expansion mainly in its core Automobile Sales-Related Business. In addition, the Group will utilize its management resources to the fullest to focus on improving profitability in business fields outside of the Automobile Sales-Related Business.

(3) Objective indicators for judging the achievement of management targets, etc.

The Group has formulated a business strategy aimed at the development of the entire Group, themed on expanding business scale, increasing earning power, and improving investment efficiency.

The management target is to stably expand revenue and profit to achieve both business growth and high profitability. As financial indicators, importance is attached to the ratio of operating profit to revenue and the return on equity attributable to owners of parent.

(4) Business and financial issues to address with priority

Expansion of business scale through M&A is one of the Group’s principal management strategies. To strengthen the management foundation for such expansion, the following issues are addressed intensively.

1) Increasing basic earnings

In the Automobile Sales-Related Business, given the long-term decline in new car sales in Japan, the Group’s car dealers aim to increase the profitability of the used car and services segments, which form the Group’s basic earnings, thereby building a corporate structure that makes financial results less susceptible to fluctuations in new car sales.

Furthermore, the Group seeks to further improve the Group’s basic earnings by diversifying sales regions for used car exports and increasing the added value of products, and in the car rentals segment, by expanding the company-operated and franchised car rental shop network nationwide.

2) Strengthening the financial base

The Group views strengthening the financial base as essential for the long-term and stable expansion of its business scale. To this end, the Group has taken steps to enhance equity capital, secure funds for M&A, and improve the equity-to-asset ratio. For example, it increased capital through third-party allotment in March 2007, issued bonds with stock acquisition rights in August 2009, issued share acquisition rights in November 2012, and issued share acquisition rights through a third-party allotment utilizing treasury shares in April 2022.

Additionally, one of the Group’s themes is increasing cash generated from business revenue. Under this theme, the Group is promoting balanced cash flow strategies, such as focusing on enhancing operating cash flow from existing businesses while also reducing liabilities, and will continue to make efforts toward strengthening the financial base, including obtaining financing from capital markets.

3) Reinforcing the risk management framework

With the globalization of economic activity, the business environment surrounding the Group has become increasingly complex. Risks are now transcending borders, including environmental risks, notably, natural disasters, infectious diseases, and other pandemics; globally expanding geopolitical risks; economic risks, such as economic crises, rapid changes in prices of energy, raw materials, and other commodities, uncertain tariffs, and exchange rate fluctuations; and technological risks, such as cyberattacks and system failures. The Group Risk Management Committee has been established to accurately grasp and address these compound risks, and is taking steps to reinforce the risk management framework.

4) Tackling social issues, etc.

To achieve the targets of the Sustainable Development Goals (SDGs) and realize a sustainable society, the Group considers it a management priority to establish a sustainability promotion structure and actively implement SDGs initiatives. To advance sustainability initiatives as a Group-wide effort across companies, including Group companies in Japan and overseas in the automobile, housing, and other businesses, the Sustainability Committee, chaired by the President & CEO, was established in 2021. It provides direction for the Group’s overall sustainability activities and monitors their progress. Going forward, the committee will continue to promote a variety of initiatives, including greenhouse gas reduction activities and investment in human capital to increase the diversity of human resources.

5) Strengthening corporate governance

To advance the above measures appropriately and contribute to long-term improvements in corporate value, the Company has worked to strengthen corporate governance, such as through the appointment of Independent Directors and Outside Directors.

To remain a company trusted by all stakeholders, the Company will continue to give importance to corporate ethics, as well as strive to enhance corporate governance and strictly comply with laws and regulations, thereby ensuring the soundness of management along with transparency and fairness in management decision-making and business execution.

As for the future outlook, while social and economic activities are expected to remain on a generally expanding trend, the business environment is anticipated to remain unpredictable, requiring close monitoring of the situations surrounding Iran and Ukraine, inflation, particularly in energy and raw material costs, rising labor costs and interest rates, associated currency fluctuations, and changes in used car prices, among other factors.

Under these circumstances, to sustainably increase corporate value, the Company will share indirect resources across the Group, transform business processes through the promotion of digital transformation (DX), and continuously strengthen human capital to realize value to customers. It will flexibly respond to the diverse needs of customers in Japan and overseas, take on new challenges, and transform the current situation.

6) Issues facing the Housing-Related Business

In the construction and real estate industry, there are concerns over persistently high land and material prices, rising construction labor costs, and higher housing acquisition costs due to rises in mortgage interest rates, creating an ever-challenging environment for the condominium business. Conversely, in the custom construction business, demand for corporate capital investment and rebuilding remains strong, primarily in the Tokyo metropolitan area.

Amid these conditions, as competition for land acquisition intensifies, the Group is working to secure properties that can be sold quickly by diversifying channels, engaging in direct negotiations, and pursuing joint development projects. In addition, to secure construction workers and reduce costs, it is focusing on improving the working environment for young employees and engineers, in-sourcing design and construction, and promoting the utilization of foreign human resources.

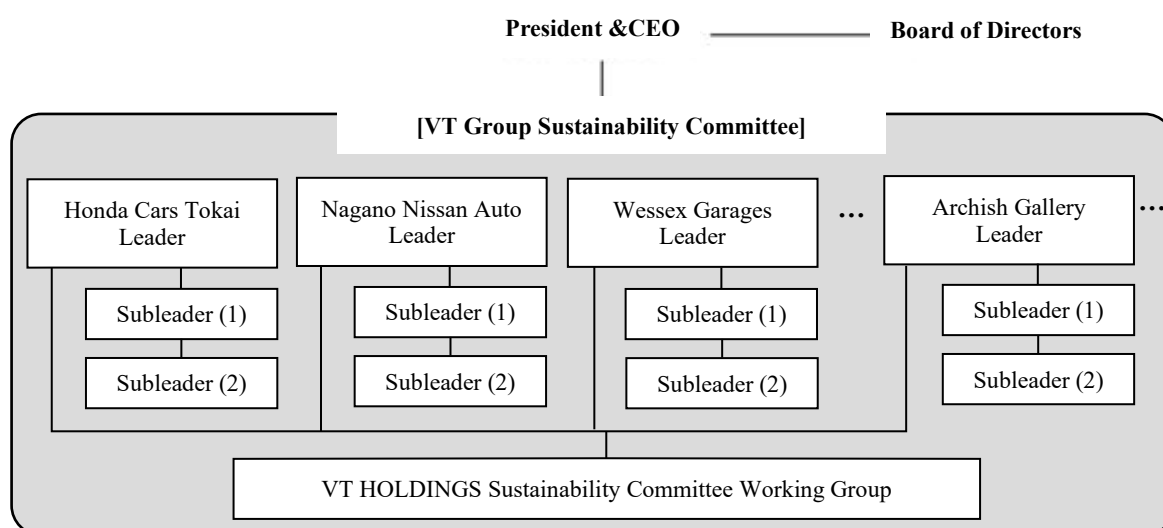
2 Sustainability Approach and Initiatives

Social interest in sustainability is growing globally. To achieve sustainability and deliver a bright future to all stakeholders, the Group provides high-quality, safe, reliable, and socially and environmentally-conscious services, and is continuing to work toward realizing its SDGs while improving medium- to long-term corporate value. Guided by its creed, “Through youth, ideas, and ceaseless efforts, we shall provide safe and reliable services to our customers, contribute to the local community, and endeavor to develop our businesses,” the Group fulfills its responsibility as a public institution of society, playing an active role in contributing to achieving a sustainable society across the daily company activities, thereby remaining a company with value for all stakeholders. With this aim, the Group is engaged in a variety of initiatives.

Forward-looking statements in this document are based on the judgments made by the Group as of March 31, 2026.

(1) Governance

From a governance perspective, the Company recognizes that SDGs initiatives within the Group are one of the management priorities for the entire Group. To advance sustainability initiatives as a Group-wide effort across companies, including Group companies in Japan and overseas in the automobile, housing, and other businesses, the Sustainability Committee, chaired by the President & CEO, has been established as a sustainability promotion structure. It provides direction for the Group’s overall sustainability activities, monitors their progress, and promotes a variety of initiatives.



Specifically, the committee, participated by members from Group companies, is pursuing a range of ideas at the grassroots level based on a shared awareness of the issues. Such SDGs efforts are contributing to the Group’s enduring and strengthened unity.

(2) Risk management

Under the Company’s risk management standards, risks related to sustainability are managed in the same manner as other risks. Upon assessing the impact of the risks on businesses, the Group Risk Management Committee established in 2022 determines how to respond to the risks based on their level of impact. Once the response is determined, the Risk Management Committee Working Group, comprised of the heads of the Company’s major departments, requests organizations affiliated with each Group company to take the necessary measures, and monitors the progress of their implementation.

(3) Strategy

The Group recognizes that various risks and opportunities associated with sustainability are key elements to its business strategy, and that they will further increase in importance in the years ahead. Sustainability is considered when implementing the management strategy and engaging in discussions at the Board of Directors and other fora. The Group also conducts scenario analyses according to the TCFD framework to identify risks and opportunities associated with climate change, assess their financial impact, formulate countermeasures, and promote corresponding initiatives.

The Group has also launched various initiatives related to M&As, one of its core strategies. Specifically, with a focus on sustainability, the Group has begun selling BYD electric vehicles in Japan and ORA electric vehicles in the UK, while flexibly pursuing opportunities to expand its business scale.

*Please refer to the “Sustainability” website for more information on the scenario analysis based on TCFD recommendations.

URL: <https://sdgs.vt-holdings.co.jp/eng/environment/>

(4) Metrics and targets

In accordance with the Greenhouse Gas (GHG) Protocol, the Group calculates the Group's greenhouse gas emissions using FY2020 as the baseline year and categorizing emissions into Scope 1, 2, and 3 as indicators for managing climate-related risks and opportunities. The Group will promote reductions in emissions to achieve the goal of 42% reduction in Scope 1 and 2 greenhouse gas emissions by FY2030 compared to FY2020 levels.

In addition, while maintaining alignment with the sustainability policies and targets of each new car brand in the Group's lineup, it will aim for EV sales to account for 40% of the Group's new car sales by FY2030.

Greenhouse gas emissions across the Group

Item	FY2020	FY2021	FY2022	FY2023
Number of companies	40	41	43	46
Scope 1, 2	19,110 t-CO ₂	18,393 t-CO ₂	19,225 t-CO ₂	18,532 t-CO ₂
Scope 3	1,372,448 t-CO ₂	1,387,272 t-CO ₂	1,342,909 t-CO ₂	1,422,112 t-CO ₂

(Notes) 1. Market standards are used to calculate Scope 2.

2. Scope 3 greenhouse gas emissions are calculated by limiting the scope to the Company and car dealers in Japan.

(5) Human capital approach and initiatives (including diversity)

The Group's human capital approach and initiatives rest on the belief that respecting each other's differences in character and values and understanding social changes and needs accurately will help to create new products and services. As such, it actively recruits outstanding talent regardless of gender, nationality, or other attributes.

The percentage of women in management positions was 6.2% as of March 2026, and the goal is to increase it to 10%. With respect to foreign national hires and mid-career hires, as nationality or time of hire is not found to cause particular disparities in promotion to management positions, targets for their promotion to management positions are not set or disclosed at this time.

In addition, the Group has established the Human Resource Training Policy and the Internal Environment Development Policy as a means of ensuring diversity among core human resources. The Group implements programs based on these policies, such as a stipends program for acquiring certifications, a telework system, and a flextime system, in an effort to create an environment in which employees can thrive.

Please refer to the Company's website for more information. URL: <https://sdgs.vt-holdings.co.jp/eng/social/>

3 Business Risks

In regard to matters relating to the overview of business, financial information, etc., described in this Securities Report, the following are the major risks that management recognizes as having the potential to significantly affect the financial position, operating results, and cash flow status of consolidated companies. The likelihood or timing of the risks materializing, as well as the impact on the Group's operating results, etc., should the risks materialize, are not presented as it is difficult to make a reasonable prediction. Once the Company recognizes that these risks may arise, it will make efforts to prevent them from occurring wherever possible and to respond appropriately should they occur.

Forward-looking statements concerning the following items are based on judgments made as of March 31, 2026.

(1) The Group's business

The Group consists of the Company, 59 subsidiaries, and 3 affiliated companies. Its core business is the Automobile Sales-Related Business comprised of the new cars, used cars, services, and car rentals segments. In addition, it is engaged in the Housing-Related Business.

The Group employs the holding company system. The Company specializes in operating holding company functions (performing administrative services on behalf of subsidiaries, conducting group financing, and leasing real estate properties) and pure holding company functions (investing in subsidiaries, planning and formulating the Group's business strategies, auditing, public relations and investor relations activities, and other functions of the Group's business management). The Automobile Sales-Related Business and the Housing-Related Business are conducted entirely by subsidiaries.

Therefore, the Company's standalone revenue depends on administrative service fees collected from subsidiaries, dividends, lease income from leased real estate, etc., and may be significantly affected by the business performance and revenue fluctuations of subsidiaries.

(2) Retailer contracts of the Automobile Sales-Related Business

The Group's Automobile Sales-Related Business sells new cars as the authorized retailers of automakers. Accordingly, if for any reason a retailer contract cannot be continued, or if material changes are made to an automaker's retailer policy, the Group's financial results may be affected.

The used cars and services segments account for a large share of the revenue of the Group's Automobile Sales-Related Business. The Group has thus developed a stock-type business model in which, if car ownership by its customers increases, the Group can secure stable revenue without excessive dependence on new car sales. As a result, even if material changes are made to retailer contracts that significantly affect new car sales, the Group's financial results will not be susceptible to large fluctuations.

(3) Corporate acquisitions and strategic partnerships

As part of its business strategy, the Group may make investments, such as corporate acquisitions and strategic partnerships, including capital partnerships, in order to expand and strengthen the existing business foundation, or to enter new business fields.

When making investments, including corporate acquisitions and strategic partnerships, the Group makes decisions after conducting the necessary examination of the business operations, profitability, financial position, investment scheme, risks, legality, and other factors of the target, taking into account whether it is aligned with the Group's business objectives and management strategies.

Although the above examination is conducted for corporate acquisitions and strategic partnerships, if investments in acquisition and partnership fail to progress as initially planned, the Group's financial results may be affected.

(4) Dependence on interest-bearing liabilities

The Group has obtained funds necessary for corporate acquisitions and strategic partnerships, including capital partnerships, primarily through borrowings from financial institutions.

While the Group is working to diversify its financing methods and improve its financial base, as it has a certain level of interest-bearing liabilities, its financial results may be affected if financing costs increase due to future rises in market interest rates, a decline in the Group's creditworthiness, or other factors, or if the Group becomes unable to secure necessary funds.

One of the Group's themes is increasing cash generated from business revenue. Under this theme, the Group is promoting balanced cash flow strategies, such as focusing on expanding operating cash flow from existing businesses while also reducing liabilities, and is making efforts toward strengthening the financial base, including obtaining financing from capital markets.

(5) Legal regulations

Under the Secondhand Goods Business Act, the Group sells and purchases used cars as secondhand goods dealers licensed by the public safety commission of each prefecture. In addition, the car maintenance shops attached to the Group's stores are certified and designated under the Road Transport Vehicle Act. Various regulations also apply to non-car sales businesses, such as the insurance solicitation and agency business and the construction business. Furthermore, the execution of business is subject to tax, labor, environmental, and other legal regulations. Accordingly, if these laws, regulations, rules, etc. are revised or abolished, or new legal regulations are established, the Group's financial results may be affected.

The Group is working to strengthen corporate governance. In addition to the responsible departments regularly reviewing information about relevant legal and regulatory revisions, a system has been developed to obtain such information in a timely manner through lawyers and external organizations.

(6) Risks related to a high level of dependence on certain business partners

The Group's core business, the Automobile Sales-Related Business, is mainly comprised of Honda-affiliated dealerships, Nissan-affiliated dealerships, imported car dealerships, importers of foreign cars, overseas new car dealerships, a used car export company, and a car rental company. Honda-affiliated and Nissan-affiliated dealerships account for a large share of the consolidated revenue.

Honda-affiliated dealerships purchase new cars on a long-term, stable basis from Honda Motor Co., Ltd., while Nissan-affiliated dealerships do so from Nissan Motor Co., Ltd. The cars are sold as the main products of the Group. However, new cars are manufactured by automakers, and the launch of new models, model changes, and other decisions are made based on the automakers' policies over which the Group has no involvement.

Through strengthening the used cars, services, and car rentals segments, etc., the Group has built a corporate structure less susceptible to new car sales trends compared with industry peers. Nevertheless, the Group's financial results may be affected by automaker policies, new car sales trends, and product supply disruptions caused by natural disasters and other events.

(7) Overseas expansion

The Group acquires not only Japanese companies but also foreign companies in order to expand revenue. The Group recognizes that scaling the business overseas comes with new risks, or risks different from those inherent in domestic business activities, including complying with laws, regulations, and systems unique to each country, adapting to local social conditions, dealing with exchange rates, and tailoring to customs that differ from those in Japan. If these risks materialize, or if potential risks are not addressed appropriately, the Group's financial results may be affected.

(8) Applying impairment accounting

The Group applies IFRS Reporting Standards to consolidated financial statements. Unlike Japanese Generally Accepted Accounting Principles (GAAP), IFRS Reporting Standards do not require straight-line amortization of goodwill. However, if there are indications of impairment, such as deterioration in the operating results of the company to which the goodwill relates, and the recoverable amount falls below the carrying amount of the goodwill, it is necessary to recognize an impairment loss on goodwill.

In the case that the Group is unable to secure profits as planned after acquiring any businesses or companies through a corporate acquisition or strategic partnership mentioned above, and it is deemed that recovery of the goodwill that arose from the acquisition is difficult, an impairment loss of goodwill will be recognized, which may affect the Group's financial results.

(9) Impact of exchange rate fluctuations

The Group sells cars through subsidiaries in the U.K., Europe, Australia, and South Africa, as well as imports and exports cars through subsidiaries in Japan. Therefore, efforts are made to mitigate exchange rate fluctuation risks, such as by diversifying overseas businesses and improving the balance of imports and exports. However, as it is difficult to completely eliminate such risks from business activities, the Group is affected by exchange rate fluctuations in the regions where it conducts business. In addition, subsidiaries' foreign currency-denominated revenues, expenses, profits, and valuations of assets and liabilities are affected by exchange rate fluctuations.

Accordingly, if there are significant exchange rate fluctuations in the future, they may affect the Group's financial results.

(10) Protection of personal information

The Group handles a large volume of personal information. To handle personal information, the Group has established rules that stipulate the purpose of using personal information and its collection method. In addition to ensuring that all directors and employees are aware of strict information control, the Group conducts training as necessary to reinforce compliance, thereby establishing a robust framework to prevent leaks and unauthorized use of information. However, should personal information

be leaked or disclosed for any reason, it may affect the Group's financial results.

(11) Large-scale natural disasters, global geopolitical risks, etc.

If a large-scale natural disaster, accident, pandemic, international conflict, etc., occurs in the regions where the Group operates, it could make it difficult to carry out business operations.

The Group is enhancing its risk management framework and taking measures to cope with unforeseen circumstances. Nevertheless, situations such as significant constraints on operating activities due to infectious diseases, etc., and disruptions to supply chains caused by various prolonged international conflicts, could limit sales activities in the Automobile Sales-Related Business and Housing-Related Business and affect the Group's financial results.

To counter infectious diseases and other risks, stringent measures will continue to be taken to prevent the infection of customers and employees at retailer stores and the companies.

(12) Climate change risks

As global interest in climate change measures increases and the movement toward a decarbonized society accelerates, the Group recognizes the risks and opportunities posed by climate change in line with the TCFD recommendations and is reflecting them in the business strategy.

In the case that the Group's response to climate change is inadequate, its financial results may be affected by various factors, such as declining net sales and increasing costs due to the introduction of systems and regulations in Japan and overseas that mandate the reduction of greenhouse gas emissions, or by a deteriorating company reputation due to inability to provide products and services that meet changing societal and customer needs.

Considering the risks and opportunities related to climate change, the Company has set a goal of reducing the Group's total greenhouse gas emissions (Scope 1*¹ and Scope 2*²) by 42% by FY2030 compared to FY2020 levels, and efforts are underway to achieve this goal.

For more information, please see "Information Disclosures Based on TCFD Recommendations" (Japanese only) on the Company's website (<https://sdgs.vt-holdings.co.jp/eng/environment/>).

*1 Direct emissions of greenhouse gases by the Company

*2 Indirect emissions resulting from the use of electricity, heat, or steam supplied by other companies

4 Management's Analysis of the Financial Position, Operating Results, and Cash Flow Status

(1) Overview of operating results, etc.

1) Financial position and operating results

Forward-looking statements in this document are based on the judgments made by the Group (the Company and its consolidated subsidiaries) as of March 31, 2026.

New car sales in the Japanese car market during the fiscal year ended March 31, 2026 were 99.1% year on year.

In this environment, regarding sales in Japan for the fiscal year ended March 31, 2026 in the Automobile Sales-Related Business, which is the core business of the Group, new car sales decreased slightly due to relatively few new model launches for both Honda and Nissan vehicles. On the other hand, used car sales increased as the supply shortages have eased. Regarding sales outside Japan, both new car sales and used car sales increased due to strong performance mainly in Spain. As a result, the Group's total car sales, both new and used, increased by 2,033 vehicles to 100,187 vehicles (102.1% YoY).

In the Housing-Related Business, despite the impact of persistently high land and construction material prices as well as rising construction labor costs, efforts were made to enhance added value, and the overall business performed solidly.

In addition, as part of the closing process, a total of ¥2,693 million was recorded under selling, general and administrative expenses and other expenses due to impairment losses on non-current assets related to some unprofitable stores and goodwill impairment.

i. Financial position

Total assets as of March 31, 2026 increased by ¥25,166 million year on year to ¥303,067 million. Total liabilities as of March 31, 2026 increased by ¥27,632 million year on year to ¥225,126 million. Total equity as of March 31, 2026 decreased by ¥2,466 million year on year to ¥77,941 million.

ii. Operating results

Consolidated results for the fiscal year ended March 31, 2026 include revenue of ¥388,733 million (110.6% YoY), operating profit of ¥11,003 million (101.3% YoY), profit before tax of ¥10,129 million (104.1% YoY), and profit attributable to owners of parent of ¥4,898 million (92.4% YoY).

2) Business overview by segment

[Automobile Sales-Related Business]

In the new cars segment, sales of Honda vehicles declined to 7,593 vehicles (96.0% YoY) and sales of Nissan vehicles remained weak at 12,479 vehicles (86.2% YoY) in Japan. However, as sales outside Japan reached 26,039 vehicles (108.1% YoY), the entire Group's new car sales came to 51,078 vehicles (100.4% YoY), slightly exceeding the level of the fiscal year ended March 31, 2025. The segment posted year-on-year increases in revenue and profit.

In the used cars segment, export volume was sluggish at 5,870 vehicles (70.3% YoY). However, non-export used car sales performed well in both the Japanese and overseas markets. As a result, the entire Group's used car sales reached 49,109 vehicles (103.8% YoY), exceeding the level of the fiscal year ended March 31, 2025. The segment posted year-on-year increases in revenue and profit.

In the services segment, the Group focused on expanding sales of JCI and other inspection services, repairs, and fee-generating services. The segment posted year-on-year increases in revenue and profit.

In the car rentals segment, the store network steadily expanded for both company-operated and franchised shops. The segment posted year-on-year increases in revenue and profit.

As a result, the Automobile Sales-Related Business recorded revenue of ¥357,041 million (110.3% YoY) and operating profit of ¥8,005 million (91.8% YoY).

[Housing-Related Business]

In the condominium segment, a total of 187 new and existing units were sold (176 units in the fiscal year ended March 31, 2025). 156 units were delivered (144 units in the fiscal year ended March 31, 2025).

In the detached housing segment, as the Group was able to constantly secure land for properties in good locations, both orders and deliveries were solid. The Group sold 342 units (335 units in the fiscal year ended March 31, 2025) and delivered 333 units (333 units in the fiscal year ended March 31, 2025).

In the custom construction segment, the Group continued to receive stable orders for projects for automotive dealerships, used car retailers, and other commercial facilities, as well as condominiums.

As a result, the Housing-related Business recorded revenue of ¥31,493 million (114.1% YoY) and operating profit of ¥2,061 million (125.4% YoY).

3) Cash flow status

As of March 31, 2026, cash and cash equivalents ("cash") were ¥13,565 million, a decrease of ¥1,078 million from March 31, 2025. The cash flow status and the factors affecting each cash flow for the fiscal year under review are as follows:

i. Cash flows from operating activities

Net cash provided by operating activities was ¥18,791 million, a decrease of ¥9,166 million from March 31, 2025. The main factors increasing cash were changes in trade payables and depreciation and amortization, while the main factors decreasing cash were changes in inventories and accrued consumption taxes.

ii. Cash flows from investing activities

Net cash used in investing activities was ¥10,814 million, a decrease of ¥197 million from March 31, 2025. The main factors increasing cash outflows were proceeds from sale of property, plant and equipment and purchase of intangible assets, while the main factors decreasing outflows were purchase of property, plant and equipment and payments for acquisition of business.

iii. Cash flows from financing activities

Net cash used in financing activities was ¥9,471 million, a decrease of ¥6,338 million from March 31, 2025. The main factors increasing cash outflows were repayments of lease liabilities and purchase of treasury shares, while the main factors decreasing outflows were net increase (decrease) in short-term borrowings and purchase of treasury shares of subsidiaries.

4) Production, orders, and sales

i. Purchases

Purchases by segment in the fiscal year ended March 31, 2026 were as follows:

Segment		Amount (Millions of yen)	Amount (Thousands of U.S. dollars)	Year-on-year (%)
Automobile Sales-Related Business	New cars	218,819	1,368,217	120.9
	Used cars	60,531	378,484	113.1
	Services	29,653	185,412	134.5
	Subtotal	309,003	1,932,114	120.4
Housing-Related Business		28,228	176,502	115.7
Total		337,231	2,108,616	120.0

(Note) Intersegment transactions are offset and eliminated.

ii. Orders

Orders by segment in the fiscal year ended March 31, 2026 were as follows:

Segment	Orders received (Millions of yen)	Orders received (Thousands of U.S. dollars)	Year-on-year (%)	Order backlog (Millions of yen)	Order backlog (Thousands of U.S. dollars)	Year-on-year (%)
Housing-Related Business	8,491	53,092	123.7	5,223	32,658	97.2
Total	8,491	53,092	123.7	5,223	32,658	97.2

(Notes) 1. Intersegment transactions are offset and eliminated.

2. The Automobile Sales-Related Business is omitted due to the few number of days required from order to sale.

iii. Sales

Sales by segment in the fiscal year ended March 31, 2026 were as follows:

Segment		Amount (Millions of yen)	Amount (Thousands of U.S. dollars)	Year-on-year (%)
Automobile Sales-Related Business	New cars	186,740	1,167,636	106.8
	Used cars	89,372	558,819	115.3
	Services	59,007	368,955	114.0
	Car rentals	21,095	131,901	110.8
	Other	827	5,171	137.1
	Subtotal	357,041	2,232,483	110.3
Housing-Related Business		31,493	196,917	114.1
Other		200	1,251	104.8
Total		388,733	2,430,645	110.6

(Note) Intersegment transactions are offset and eliminated.

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

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

Forward-looking statements in this document are based on the judgments made as of March 31, 2026.

1) Recognition, discussion, and analysis of financial position and operating results

(Financial position)

i. Current assets

The balance of current assets as of March 31, 2026 was ¥147,541 million, an increase of ¥21,534 million from ¥126,007 million as of March 31, 2025. This was mainly due to increases in trade and other receivables (¥5,190 million) and inventories (¥15,816 million).

ii. Non-current assets

The balance of non-current assets as of March 31, 2026 was ¥155,525 million, an increase of ¥3,632 million from ¥151,893 million as of March 31, 2025. This was mainly due to an increase in property, plant and equipment (¥6,132 million), and a decrease in other financial assets (¥3,047 million).

iii. Current liabilities

The balance of current liabilities as of March 31, 2026 was ¥158,049 million, an increase of ¥24,542 million from ¥133,507 million as of March 31, 2025. This was mainly due to increases in bonds and borrowings (¥12,548 million) and trade and other payables (¥9,618 million).

iv. Non-current liabilities

The balance of non-current liabilities as of March 31, 2026 was ¥67,077 million, an increase of ¥3,090 million from ¥63,987 million as of March 31, 2025. This was mainly due to an increase in bonds and borrowings (¥3,490 million), and a decrease in deferred tax liabilities (¥1,185 million).

v. Equity

The balance of equity as of March 31, 2026 was ¥77,941 million, a decrease of ¥2,466 million from ¥80,407 million as of March 31, 2025. This was mainly due to an increase in other components of equity (¥1,815 million), and decreases in treasury shares (¥2,302 million) and non-controlling interests (¥1,906 million).

(Operating results)

In the fiscal year ended March 31, 2026, revenue was ¥388,733 million. Operating profit was ¥11,003 million, and profit attributable to owners of parent was ¥4,898 million.

The revenue and operating profit of the Automobile Sales-Related Business and Housing-Related Business were as follows:

[Automobile Sales-Related Business]

Revenue was ¥357,041 million (110.3% YoY), and operating profit was ¥8,005 million (91.8% YoY).

[Housing-Related Business]

Revenue was ¥31,493 million (114.1% YoY), and operating profit was ¥2,061 million (125.4% YoY).

For an analysis of the main items, please refer to “(1) Overview of operating results, etc., 1) Financial position and operating results” and “(2) Business overview by segment.”

2) Discussion and analysis of the cash flow status and information on capital sources and liquidity

i. Cash flows

For an analysis of the cash flow in the fiscal year ended March 31, 2026, please refer to “(1) Overview of operating results, etc., 3) Cash flow status.”

ii. Contract liabilities

For an overview of contract liabilities as of March 31, 2026, please refer to “V Financial Information, 1 Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 19. Bonds and Borrowings.”

iii. Financial policy

With regard to cash management, the Group has a high level of short-term liquidity to maintain readiness to respond to changes in economic conditions, while also working to maintain and expand overdraft agreements with financial institutions to secure funding in emergencies, thereby preparing for future risks.

In addition, to carry out proactive and planned capital investments and flexibly promote M&A, the Group will secure stable financing, primarily through long-term borrowings from financial institutions. As of March 31, 2026, the bonds and borrowings balance was ¥86,921 million.

3) Factors significantly affecting operating results

Risks that may significantly affect the operating results of the Group are as stated in “3 Business Risks.”

4) Management’s awareness of issues and policy for the future

The Group’s principal management strategy has been to build a business model for a new type of automobile dealership operations in Japan and, through proactive M&A, achieve business expansion and profit growth. Going forward, the Group will continue to drive business expansion in Japan and overseas, mainly in its core Automobile Sales-Related Business. To enhance the management foundation for such business expansion, the Group is addressing the following as stated in “1 Management Policy, Business Environment, Issues to Address, etc., (4) Business and financial issues to address with priority”: 1) Increasing basic earnings, 2) Strengthening the financial base, 3) Reinforcing the risk management framework, 4) Tackling social issues, etc., 5) Strengthening corporate governance, and 6) Issues facing the Housing-Related Business.

5) Objective indicators for judging the achievement of management policy, management strategy, and management targets

The Group’s financial results for the fiscal year ended March 31, 2026 are as stated in “(1) Overview of operating results, etc., 1) Financial position and operating results.”

As a result, the ratio of operating profit to revenue, which the Group identifies as a key financial indicator, decreased by 0.3%pt year on year to 2.8%. In addition, return on equity attributable to owners of parent decreased 0.4%pt year on year to 6.9%.

6) Significant accounting estimates and assumptions used in the estimates

The consolidated financial statements of the Group are prepared in accordance with IFRS Reporting Standards pursuant to the provisions of Article 312 of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976). In preparing these consolidated financial statements, the estimates deemed necessary are made in accordance with reasonable standards.

The significant accounting policies adopted for the consolidated financial statements of the Group are stated in “V Financial Information, 1 Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 3. Material Accounting Policy Information” and “4. Significant Accounting Estimates and Judgments Involving Estimates.”

5 Critical Contracts

(1) Basic agreements

Contracting company	Contract party	Description	Contract period
Honda Cars Tokai Co., Ltd.	Honda Motor Co., Ltd.	Basic Honda Retailer Agreement Sale and purchase of cars made by Honda Motor Co., Ltd., and other accessories and parts, as well as associated services	From April 1, 2026 to March 31, 2027
Nagano Nissan Auto Co., Ltd. Shizuoka Nissan Auto Sales Co., Ltd. Mikawa Nissan Motor Co., Ltd. Nissan Satio Saitama Co., Ltd. Nissan Satio Nara Co., Ltd.	Nissan Motor Co., Ltd.	Exclusive Sales Agreement Receipt of Nissan brand cars and Nissan parts, their sale to customers in Japan, and associated services	From April 1, 2024 to March 31, 2027
Motoren Shizuoka Co., Ltd. Motoren Mikawa Co., Ltd. Motoren Sapporo Co., Ltd. Fuji Motoren Co., Ltd.	BMW Japan Corp.	BMW Dealer Agreement Sale and purchase of BMW brand cars, and other accessories and parts, as well as associated services	From January 1, 2024 to December 31, 2026
Wessex Garages Holdings Limited	Nissan Motor (GB) Limited	Dealer Agreement Sale of Nissan brand cars and Nissan parts, provision of services, and retailer operations	Unspecified contract period
Wessex Garages Holdings Limited	Kia Motors (UK) Limited	Kia Dealer Agreement Sale of Kia brand cars and Kia products, and provision of services including after-sale services	Unspecified contract period
Wessex Garages Holdings Limited	Hyundai Motor UK Limited	Authorised Dealer Agreement Sale of Hyundai brand cars and Hyundai products, and provision of services including after-sale services	Unspecified contract period
Mastertrac de Automoción, S.A	Toyota Espana, S.L.U.	Contrato de Distribuidor Minorista Autorizado de Toyota Espana, S.L.U. Sale of Toyota brand vehicles, parts, and accessories, and provision of repair and maintenance services	Unspecified contract period
Masterclas de Automocion, S.A	Hyundai Motor Espana, S.L.U.	Contrato de Concesión y Taller Autorizado Handling of Hyundai brand vehicles, parts, accessories, and after-sale services	Unspecified contract period

Contracting company	Contract party	Description	Contract period
Master Dealer de Automocion 2017 S.L.	EBRO SUV, S.L.	Dealership Agreement Official After-sales Service Contract Handling of EBRO brand vehicles, parts, accessories, and after-sale services	Unspecified contract period
Mogacar de Automocion SL	Mazda Automoviles Espana, S.A.	Contrato de Concesionario Autorizado Contrato de Servicio Autorizado Handling of Mazda brand vehicles, parts, accessories, and after-sale services	Unspecified contract period
Trust Absolut Auto (Pty) Ltd.	Suzuki Auto South Africa (Pty) Ltd.	Dealer Agreement Handling of Suzuki brand vehicles, parts, accessories, and after-sale services	Unspecified contract period

(2) Other critical contracts

Not applicable.

6 Research and Development Activities

During the fiscal year ended March 31, 2026, the Group promoted the development of new EVs by Caterham in the U.K. for the purpose of expanding its business domain in mobility. Primary activities included vehicle design and development, performance and safety testing, and the development of related technologies.

As a result, total research and development expenses for the fiscal year ended March 31, 2026 were ¥1,125 million.

IV Information about Reporting Company

1 Company's Shares, etc.

(1) Total number of shares

1) Authorized shares

Class	Total number of authorized shares (Shares)
Ordinary shares	169,800,000
Total	169,800,000

2) Issued shares

Class	Number of issued shares as of fiscal year end (Shares) (March 31, 2026)	Number of issued shares as of filing date (Shares) (June 22, 2026)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Ordinary shares	122,581,034	122,581,034	Tokyo Stock Exchange Prime Market Nagoya Stock Exchange Premier Market	The number of shares per unit is 100 shares.
Total	122,581,034	122,581,034	—	—

(2) Share acquisition rights

1) Employee share option plans

Not applicable.

2) Rights plans

Not applicable.

3) Share acquisition rights for other uses

Not applicable.

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

Not applicable.

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

Date	Changes in total number of issued shares (Shares)	Balance of total number of issued shares (Shares)	Changes in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Changes in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
April 1, 2023 to March 31, 2024 (Note)	2,250,000	121,631,034	564	4,861	564	2,489
April 1, 2024 to March 31, 2025 (Note)	950,000	122,581,034	238	5,099	238	2,728

(Note) This increase is due to the exercise of share acquisition rights.

(5) Shareholding by shareholder category

As of March 31, 2026

Category	Shareholding status (Number of shares constituting one unit: 100 shares)								Shares less than one unit (Shares)
	National and local governments	Financial institutions	Financial service providers	Other corporations	Foreign investors		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders (People)	–	18	26	258	128	253	49,798	50,481	–
Number of shares owned (Number of units)	–	309,221	26,393	194,691	219,853	760	473,400	1,224,318	149,234
Percentage of shareholdings (%)	–	25.25	2.15	15.90	17.95	0.06	38.66	100	–

(Note) 6,325,865 treasury shares are listed in “Individuals and others” (63,258 units) and “Shares less than one unit” (65 shares).

(6) Major shareholders

As of March 31, 2026

Name	Address	Number of shares owned (Thousand shares)	Shareholding ratio (excluding treasury shares) (%)
S&I Co., Ltd	4-8-2 Takemicho, Mizuho-ku, Nagoya-shi, Aichi	16,863	14.50
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	12,202	10.49
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	7,980	6.86
The Bank of New York GCM Client Account JPRD ISG FE-AC (Standing proxy: MUFG Bank, Ltd.)	Peterborough Court 133 Fleet Street London EC4A 2BB United Kingdom (1-4-5, Marunouchi, Chiyoda-ku, Tokyo)	4,495	3.86
Kazuho Takahashi	Mizuho-ku, Nagoya-shi, Aichi	3,577	3.07
Junko Takahashi	Mizuho-ku, Nagoya-shi, Aichi	3,248	2.79
Sompo Japan Insurance Inc.	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	3,000	2.58
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2-6-4 Otemachi, Chiyoda-ku, Tokyo	2,776	2.38
Tomoji Takahashi	Shibuya-ku, Tokyo	1,962	1.68
VT Holdings Employee Shareholding Association	3-10-32 Nishiki, Naka-ku, Nagoya-shi, Aichi	1,868	1.60
Total	—	57,974	49.86

(Note) Of the above-disclosed number of shares owned, those owned by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank of Japan, Ltd. (trust account) are related to the trust business.

(7) Voting rights

1) Issued shares

As of March 31, 2026

Category	Number of shares (Shares)	Number of voting rights (Votes)	Description
Shares with no voting rights	—	—	—
Shares with restricted voting rights (Treasury shares, etc.)	—	—	—
Shares with restricted voting rights (Other)	—	—	—
Shares with full voting rights (Treasury shares, etc.)	Ordinary shares 6,325,800	—	—
Shares with full voting rights (Other)	Ordinary shares 116,106,000	1,161,060	—
Shares less than one unit	Ordinary shares 149,234	—	—
Total number of issued shares	122,581,034	—	—
Number of voting rights held by all shareholders	—	1,161,060	—

(Note) Ordinary shares in the “Shares less than one unit” row include 65 treasury shares held by the Company.

2) Treasury shares, etc.

As of March 31, 2026

Name of shareholder	Address of shareholder	Number of shares owned in own name (Shares)	Number of shares owned in others' names (Shares)	Total number of shares owned (Shares)	Shareholding ratio (%)
VT HOLDINGS CO., LTD.	3-10-32 Nishiki, Naka-ku, Nagoya-shi, Aichi	6,325,800	—	6,325,800	5.16
Total	—	6,325,800	—	6,325,800	5.16

2 Acquisition and Disposal of Treasury Shares

Class of shares, etc. Acquisition of ordinary shares falling under Article 155, item (iii) of the Companies Act

(1) Acquisition by resolution of shareholders meeting

Not applicable.

(2) Acquisition by resolution of board of directors meeting

Category	Number of shares (Shares)	Total amount (Yen)	Total amount (U.S. dollars)
Status of resolution of the Board of Directors meeting (August 12, 2025) (Date of acquisition: August 13, 2025)	5,000,000 (Maximum)	2,500,000,000 (Maximum)	15,631,839 (Maximum)
Treasury shares acquired prior to the fiscal year ended March 31, 2026	—	—	—
Treasury shares acquired during the fiscal year ended March 31, 2026	4,766,500	2,302,219,500	14,395,170
Total number and total amount of remaining resolution shares	233,500	197,780,500	1,236,669
Percentage of unexercised shares as of the end of the fiscal year ended March 31, 2026 (%)	4.6	7.9	7.9
Treasury shares acquired during the period from April 1, 2026 to the filing date of this Securities Report	—	—	—
Percentage of unexercised shares as of the filing date (%)	4.6	7.9	7.9

(Notes) 1. Treasury shares were acquired through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) on the Tokyo Stock Exchange.

2. With the acquisition on the above acquisition date, the acquisition of treasury shares based on the resolution of the Board of Directors meeting held on August 12, 2025 has been completed.

(3) Acquisition not based on resolution of shareholders meeting or board of directors meeting

Not applicable.

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

Category	Fiscal year ended March 31, 2026			From April 1, 2026 to the filing date of this Securities Report		
	Number of shares (Shares)	Total amount of disposal (Millions of yen)	Total amount of disposal (Thousands of U.S. dollars)	Number of shares (Shares)	Total amount of disposal (Millions of yen)	Total amount of disposal (Thousands of U.S. dollars)
Acquired treasury shares for which subscribers were solicited	—	—	—	—	—	—
Acquired treasury shares that were cancelled	—	—	—	—	—	—
Acquired treasury shares that were transferred due to merger, share exchange, share delivery, or corporate split	—	—	—	—	—	—
Other (Exercise of share acquisition rights)	—	—	—	—	—	—
Number of treasury shares held	6,325,865	—	—	6,325,865	—	—

(Note) Disposal of acquired treasury shares and number of treasury shares held from April 1, 2026 to the filing date of this Securities Report does not include disposal of acquired treasury shares from June 1, 2026, to the filing date of this Securities Report; accordingly, the number of treasury shares held is stated as of May 31, 2026.

3 Dividend Policy

The Company recognizes the return of profits to shareholders as a key management issue. While strengthening the corporate structure and enhancing internal reserves for future business development, our basic policy is to continue paying dividends based on performance.

Internal reserves will strengthen the financial base for business expansion and fund M&A activities while striving to maintain and increase the level of dividends to shareholders over the long term.

We have also adopted a basic policy of dividends of surplus twice a year—interim and year-end—with the Board of Directors as the deciding body for these dividends of surplus.

Our dividend policy takes into comprehensive consideration the expansion of profit scale and the average dividend payout ratio of companies listed on the Tokyo Stock Exchange, with a target consolidated dividend payout ratio of 40%.

Furthermore, in light of earnings outlook and financial conditions, we aim to avoid significant short-term fluctuations in dividends caused by one-time extraordinary gains or losses and to achieve a stable, long-term dividend policy with consistent annual increases. In principle, we aim to maintain or increase ordinary dividends without reducing them.

Based on this policy and overall conditions, the year-end dividend for the fiscal year ended March 31, 2026 was set at ¥12 per share.

As a result, the annual dividend for the fiscal year ended March 31, 2026 amounted to ¥24.00 per share, with a consolidated dividend payout ratio of 57.8%.

Dividends from surplus for the fiscal year ended March 31, 2026, are as follows:

Date of resolution	Total amount of dividends (Millions of yen)	Total amount of dividends (Thousands of U.S. dollars)	Dividend per share (Yen)	Dividend per share (U.S. dollars)
November 14, 2025 Resolution of the Board of Directors	1,395	8,723	12.0	0.08
May 15, 2026 Resolution of the Board of Directors	1,395	8,723	12.0	0.08

4 Corporate Governance

(1) Overview of corporate governance

1) Basic views on corporate governance

Based on the recognition that continuously building and maintaining an organizational structure that is able to swiftly respond to changes in the business environment is one of the key business issues for the Group, the Company has adopted a holding company system delegating authority and placing the responsibility for managerial execution with each Group company so that each company may manage its business with speed and autonomy in pursuit of maximum business results. As a holding company, we also supervise each company's business planning from the perspective of the Group's overall optimization and determine the efficient allocation of management resources such as capital and human resources through continued monitoring and evaluation of the state of business execution.

The Company has established the Basic Policy on Corporate Governance with respect to adherence with the principles of the Corporate Governance Code.

For more information, please see our website (<https://sdgs.vt-holdings.co.jp/eng/governance/>).

2) Overview of corporate governance system and reason for adopting the current system

The Company transitioned to a company with an Audit and Supervisory Committee pursuant to the resolution at the 42nd Ordinary General Meeting of Shareholders held on June 27, 2024, aiming to further strengthen the supervisory function of the Board of Directors by means of granting the Audit and Supervisory Committee the right to state its opinions at a General Meeting of Shareholders concerning the election and remuneration, etc. of Directors (excluding Directors who are Audit and Supervisory Committee Members), while the Audit and Supervisory Committee members, who are responsible for auditing and supervising the business execution of Directors, exercise their voting rights at meetings of the Board of Directors.

(Board of Directors)

As of the filing date, the Board of Directors is comprised of 14 Directors (of whom six are Independent Outside Directors) chaired by the President & CEO. The Board ensures diversity in its composition by appointing individuals with the skills and attributes necessary to oversee our Group companies engaged in an array of businesses. In addition, the Company ensures that at least one-third of its Directors are Independent Outside Directors to strengthen the supervisory function of the Board of Directors and maintain fairness and transparency.

The composition of the Board of Directors is as stated in “(2) Directors.” The Company has submitted the proposals (items to be resolved) for the 44th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026, entitled “Election of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members)” and “Election of three (3) Directors who are Audit and Supervisory Committee Members.” If these proposals are approved as originally proposed, the composition of the Board of Directors will be as follows:

<Breakdown of composition>

- Six Independent Outside Directors out of 12 (50%)
- Nine Directors (excluding Directors who are Audit and Supervisory Committee Members) (of whom three are Independent Outside Directors) and three Directors who are Audit and Supervisory Committee Members (of whom three are Independent Outside Directors)
- Two female Directors out of 12 (16.7%)

During the fiscal year ended March 31, 2026, the Company held monthly Board of Directors meetings (12 meetings in total) and conducted eight written resolutions in accordance with Article 370 of the Companies Act. In addition to deliberating on important matters related to management, such as the formulation of management strategies and budgets, the Board of Directors also worked on activities such as reporting on the monthly operating results of the Company and its Group companies and verifying the status of achievement of management goals and identified issues.

Attendance of individual Directors is as follows:

Category	Name	Attendance
Representative Director	Kazuho Takahashi	11/12 times
Senior Managing Director	Masahide Ito	12/12 times
Managing Director	Ichiro Yamauchi	12/12 times
Inside Director	Naoki Hori	11/12 times
Inside Director	Tsutomu Nakashima	12/12 times
Inside Director	Kazushige Ito	12/12 times
Inside Director	Takuya Yamazaki	12/12 times
Outside Director	Hisatake Yamada	12/12 times
Outside Director	Miki Shinjo	2/2 times (Note 1)
Outside Director	Mari Fujitani	12/12 times
Outside Director	Yoko Kurono	10/10 times (Note 2)
Full-time Audit and Supervisory Committee Member	Hirokazu Ando	12/12 times
Full-time Outside Audit and Supervisory Committee Member	Shinichiro Tsuchida	10/10 times (Note 3)
Outside Audit and Supervisory Committee Member	Kazunori Shibata	12/12 times
Outside Audit and Supervisory Committee Member	Yuichi Kakura	12/12 times

- (Notes) 1. Outside Director Miki Shinjo retired from office at the conclusion of the 43rd Ordinary General Meeting of Shareholders held on June 26, 2025, due to the expiration of her term of office. Two Board of Directors meetings were held prior to her retirement from office.
2. Outside Director Yoko Kurono was appointed at the 43rd Ordinary General Meeting of Shareholders held on June 26, 2025, and 10 Board of Directors meetings were held since her appointment.
3. Full-time Outside Audit and Supervisory Committee Member Shinichiro Tsuchida was appointed at the 43rd Ordinary General Meeting of Shareholders held on June 26, 2025, and 10 Board of Directors meetings were held since his appointment.

(Audit and Supervisory Committee)

As of the filing date, the Company's Audit and Supervisory Committee comprises four Directors who are Audit and Supervisory Committee Members (of whom three are Outside Directors). Two Full-time Audit and Supervisory Committee Members have been appointed as a way of strengthening the effectiveness of the audit and supervisory functions of the Audit and Supervisory Committee.

The Audit and Supervisory Committee audits and supervises the execution of duties by Directors and monitors overall business execution by attending key meetings, receiving business reports from Directors, auditing the operations of subsidiaries, discussing the appropriateness of audit methods of the Accounting Auditor, and exchanging information with the Internal Audit and Supervisory Office in accordance with established audit policies and the division of duties, etc. The Committee reports on the results of audits at meetings of the Board of Directors and provides advice or recommendations for corrective action.

Furthermore, the Audit and Supervisory Committee appropriately exercises its right to state its opinions concerning the election and remuneration, etc. of Directors (excluding Directors who are Audit and Supervisory Committee Members).

The composition of the Audit and Supervisory Committee is as stated in "(2) Directors."

(Nomination and Remuneration Committee)

The Company has established the Nomination and Remuneration Committee as an advisory body to the Board of Directors. The purpose of the Committee is to ensure the objectivity, transparency, and fairness of procedures concerning the nomination and remuneration, etc. of Directors, thereby further enhancing the corporate governance system. The Nomination and Remuneration Committee comprises at least three Independent Outside Directors, and Inside Directors can be added as necessary.

The Nomination and Remuneration Committee receives consultations from the Board of Directors on matters related to the nomination and remuneration, etc. of Directors, deliberates on said matters, and provides a report to the Board of Directors, which then makes decisions based on the report. Through the involvement and advice of the Nomination and Remuneration Committee, we strive to ensure the objectivity and fairness of decisions by the Board of Directors concerning the nomination and remuneration, etc. of Directors.

The status of activities by the Nomination and Remuneration Committee is as follows. Independent Outside Directors comprise the majority of Committee members.

Category	Name	Attendance
Chairperson Outside Director	Hisatake Yamada	6/6 times
Member Outside Director	Miki Shinjo	2/2 times (Note 1)
Member Outside Director	Yoko Kurono	4/4 times (Note 2)
Member Outside Director	Mari Fujitani	6/6 times
Member Outside Director (Audit and Supervisory Committee Member)	Shinichiro Tsuchida	4/4 times (Note 3)
Member Outside Director (Audit and Supervisory Committee Member)	Kazunori Shibata	5/5 times (Note 4)
Member Inside Director	Ichiro Yamauchi	6/6 times

- (Notes) 1. Outside Director Miki Shinjo retired from office at the conclusion of the 43rd Ordinary General Meeting of Shareholders held on June 26, 2025. The above covers her activities for the fiscal year ended March 31, 2026, until her retirement from office.
2. Outside Director Yoko Kurono assumed office as Director at the 43rd Ordinary General Meeting of Shareholders held on June 26, 2025. The above covers her activities for the fiscal year ended March 31, 2026 following her assumption of office.
3. Outside Director Shinichiro Tsuchida assumed office as Director at the 43rd Ordinary General Meeting of Shareholders held on June 26, 2025. The above covers his activities for the fiscal year ended March 31, 2026 following his assumption of office.
4. Outside Director Kazunori Shibata assumed office as Nomination and Remuneration Committee Member at the Board of Directors meeting held on May 23, 2025. The above covers his activities for the fiscal year ended March 31, 2026 following his assumption of office.

During the fiscal year ended March 31, 2026, the Nomination and Remuneration Committee engaged in activities such as discussions on the shape of the remuneration system for Directors and other officers, details of remuneration, etc. for individual Directors, and succession plans, in addition to reviewing the reasons for the appointment of Directors.

(Other committees, etc.)

○ Group Strategy Committee

The Group Strategy Committee, which consists of the Company's and each Group company's management, meets quarterly to examine projects important in managing the Group from a multifaceted approach and carefully discuss them to ensure that the entire Group is unified in its decisions.

○ Investment Committee

The Investment Committee, which serves as an advisory body to the Company's Board of Directors, is chaired by an Outside Director and is comprised of other Outside Directors as well as outside experts including lawyers and Certified Public Accountants as external members. Committee meetings are attended by the Company's Representative Director, Senior Managing Directors, Managing Directors, and Full-time Audit and Supervisory Committee Members as requested. Meetings are held from time to time as necessary, during which deliberations are made ahead of meetings of the Board of Directors to determine whether the Company's corporate acquisitions and strategic partnerships are appropriate, reasonable, and consistent with the Basic Policy of the Group from an independent standpoint based on the multifaceted expert viewpoints of each Committee member.

○ Group Risk Management Committee

The Company has established the Group Risk Management Committee chaired by and partly composed of the Company's Directors to properly manage risk throughout the entire Group and enhance corporate value. In principle, the Committee meets twice a year to decide how to respond to material risks to the Group management and monitor the status of said response.

○ Group Compliance Committee

To enable oversight of the Group compliance framework, the Group Compliance Committee has been established. The Committee meets twice a year in principle to share information on compliance within the Group as well as discuss important matters and form policies for each company, thereby promoting compliance across the entire Group.

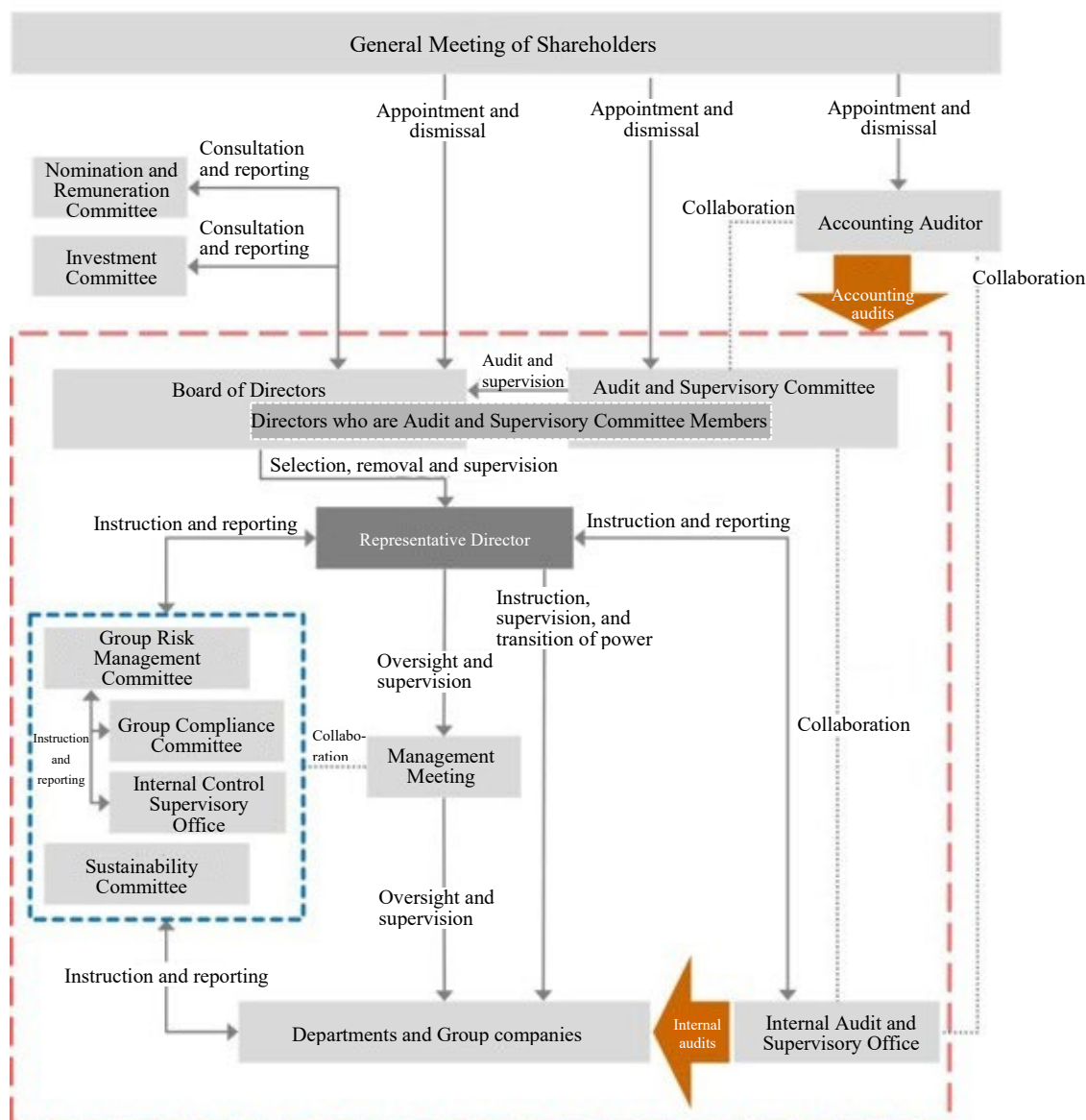
○ Sustainability Committee

The Sustainability Committee has been established to actively and aggressively address issues surrounding sustainability and make efforts to achieve the SDGs from the perspective of improving our medium- to long-term corporate value.

*Chart illustrating the corporate governance system in an easy-to-understand manner

■ Corporate governance structure overview (diagram)

June 2026



3) Other matters concerning corporate governance

- i. Development of an internal control system, risk management system, and systems to ensure the appropriateness of operations by subsidiaries

The Company has adopted the Basic Policy on the Internal Control System by resolution at a Board of Directors meeting. The Basic Policy is a framework for ensuring the appropriateness of Group operations based on the Companies Act and the Regulations for Enforcement of the Companies Act.

- a. System to ensure that Directors and employees are in compliance with laws and regulations and the Articles of Incorporation in executing their duties

We have established the Group Code of Conduct and Compliance Rules, which are thoroughly communicated to ensure that Directors and employees comply with laws and regulations and the Articles of Incorporation.

In order to promote compliance, we have established the Compliance Promotion Office to conduct training and other educational activities for Directors and employees, in addition to preparing related regulations. The Group Compliance Committee, chaired by the Officer in charge of compliance, has been established to oversee and manage compliance efforts across the entire company.

The Company has established a third-party whistleblower framework to allow for the early detection and correction of improper and illegal activity.

- b. System for storing and managing information related to the execution of duties by Directors

Information and documents related to the execution of duties by Directors (“information on the execution of duties”) shall be properly stored and managed in accordance with laws and regulations as well as the Company’s internal regulations under the responsibility of the Director and General Manager of the Administration Division.

The Director and General Manager of the Administration Division shall create a database of information on the execution of duties related to important matters within the Company and establish a system that enables users to immediately confirm whether relevant documents, etc. exist and their storage status.

- c. Regulations and other systems for managing risk of loss

The Company shall respond to risks that could have material impact on management by eliminating potential risks and preventing their occurrence or recurrence in accordance with the VT Risk Management Regulations.

The Group Risk Management Committee, chaired by the Officer in charge of risk management, has been established to manage risk across the entire Group, including subsidiaries, via the committees and working groups established for each type of risk.

The Internal Audit and Supervisory Office, an organization that reports directly to the President & CEO, shall formulate audit plans and conduct internal audits in accordance with the Internal Audit Regulations, and shall report immediately to the President & CEO in the event that business execution and other activities that pose the risk of loss are discovered through internal audits.

- d. System to ensure that Directors execute their duties efficiently

In respect of business plan management, the Company shall use each line of business to achieve the goals of the annual plan and medium-term business plan formulated based on the Company’s business principles. Business reports shall be made to periodically review whether these business plans are progressing according to their original schedule.

Applicable matters with regard to business execution management shall be brought to the Board of Directors in accordance with the Regulations on the Board of Directors, and sufficient materials on agenda items shall be distributed to all Directors at meetings of the Board of Directors based on the Company’s management decision-making principles.

Authority over day-to-day business execution shall be delegated according to the Regulations on Administrative Authority, the Regulations on Division of Duties, and other rules. The persons in charge at each level shall execute their duties in accordance with these regulations.

- e. System to ensure the appropriateness of operations in the corporate group comprised of the Company and its subsidiaries

The Company has established a system to have its subsidiaries report to it on matters pertaining to their management and which requires the Company’s approval on important matters according to the Regulations for the Management of VT Holdings Affiliates. The Company has also established a system for the early detection and correction of improper and illegal activity as a corporate group by administering a whistleblower framework.

The Company manages the risk of loss at each of its subsidiaries through the Group Risk Management Committee as well as the committees and working groups that have been established for each type of risk.

When necessary, Directors and/or employees of the Company shall assume the role of officer at subsidiaries to enable the efficient execution of duties in a coordinated manner as a corporate group and to provide guidance and supervision to ensure the appropriateness of business operations.

The Company has thoroughly communicated the Group Code of Conduct and Compliance Rules it has stipulated to the Group, and by establishing the Group Compliance Committee as a Group-wide organization, has developed a system to ensure compliance with laws and regulations, the Articles of Incorporation, and other various rules and regulations.

The Internal Audit and Supervisory Office, in collaboration with the Group’s internal audit departments, shall ascertain the status of subsidiaries’ compliance with laws and regulations, the articles of incorporation, and other various rules and regulations.

- f. Matters related to employees in cases where the Audit and Supervisory Committee requests the assignment of said employees to assist the Committee in its duties, the independence of said employees from Directors, and ensuring the effectiveness of instructions given to said employees by the Audit and Supervisory Committee
Should the Audit and Supervisory Committee request the assignment of an employee to assist the Committee in its duties, the Company shall assign the necessary personnel to do so.

Authority to direct the employee shall be deemed to be delegated to the Audit and Supervisory Committee, and the appointment, transfer, and HR evaluation of the employee shall require prior consent from the Audit and Supervisory Committee.

- g. System for filing a report with the Audit and Supervisory Committee and system to ensure that persons who have filed such a report are not subject to disadvantageous treatment for filing said report

The Company's Directors and employees shall promptly report the occurrence or possible occurrence of any matter that may cause the Company material loss or the discovery of any illegal or improper conduct by a Director or employee to the Audit and Supervisory Committee. In addition, should any director, audit & supervisory board member, or employee of a subsidiary, or any person who has received a report from them, become aware of such fact, he/she shall promptly report said fact to the Company's Audit and Supervisory Committee.

The Company's Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee may request reports, explanations, or the submission of materials regarding the status of business execution from Directors and employees of the Company and directors, audit & supervisory board members, and employees of subsidiaries.

Audit and Supervisory Committee Members shall receive reports on important matters of the Company in a timely manner by attending key meetings such as the Management Meeting, and also regularly exchange information with audit & supervisory board members and audit and supervisory committee members of subsidiaries to receive reports on important matters of Group companies.

The Company shall prohibit the disadvantageous treatment of any person who has filed a report as described in the preceding paragraphs on the grounds of having filed said report.

- h. Policy regarding the treatment of expenses and liabilities incurred by Audit and Supervisory Committee Members in the course of executing their duties

In order to ensure the effectiveness of audits, the Company shall allocate an annual budget for expenses incurred by Audit and Supervisory Committee Members in the course of executing their duties and prepay or reimburse expenses paid outside the budget in accordance with laws and regulations. Audit and Supervisory Committee Members shall take due care to ensure efficiency and appropriateness when incurring such expenses.

- i. Other systems to ensure that Audit and Supervisory Committee Members perform audits effectively

The Board of Directors has established a system whereby Audit and Supervisory Committee Members attend meetings of the Board of Directors and other key meetings and shall provide regular opportunities for them to exchange opinions with the President & CEO, the Internal Audit and Supervisory Office, and the Accounting Auditor.

- j. Basic views on measures for eliminating antisocial forces and status of development

In order to prevent damage caused by antisocial forces and eliminate said antisocial forces, the Company's Group Code of Conduct stipulates that the Company is "fully aware that giving in to the demands of antisocial forces such as organized crime groups, corporate racketeers, and terrorist groups will ultimately encourage antisocial acts, and will take a firm stand against these antisocial forces to the best of its ability avoiding any and all involvement." The Company shall thoroughly communicate this stance to all Directors and employees.

Should unreasonable demands be made by antisocial forces, the Company shall organize a system necessary to address the situation with the Compliance Promotion Office as the supervising department and respond in collaboration with external specialist organizations such as legal counsel and the police.

- ii. Overview of details on limited liability agreements

In accordance with Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with each Outside Director to limit his/her liability for damages under Article 423, paragraph (1) of the same Act.

The maximum amount of liability for damages based on such agreement is the greater of ¥1 million or the minimum limited liability amount specified by laws and regulations.

- iii. Overview of details of directors and officers liability insurance

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with directors and audit & supervisory board members of the Company and its subsidiaries named as the insured persons. The Company bears the full cost of insurance premiums.

To summarize the policy, the insurance company compensates for any damages arising from the insured persons being held liable with regards to the execution of their duties, or from claims received in relation to pursuit of said liability, under said insurance policy. The policy is renewed annually.

Moreover, measures have been put in place to ensure that the appropriateness of the execution of duties by such directors and officers is not compromised, including said insurance policy having a maximum limit on the amount to be compensated and excluding damages below a certain threshold from coverage.

iv. Quorum of Directors

The Articles of Incorporation stipulate that the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company be 12 or less and the number of Directors who are Audit and Supervisory Committee Members of the Company be six or less.

v. Requirements for resolutions on the appointment and dismissal of Directors

The Company's Articles of Incorporation stipulate that resolutions on the appointment of Directors be adopted by a majority of the voting rights of the shareholders present at the general meeting of shareholders where the shareholders holding one-third or more of the voting rights of all shareholders who are entitled to exercise their voting rights are present. The Articles of Incorporation also stipulate that resolutions on the appointment of Directors not be based on cumulative voting.

In respect of requirements for resolutions on the dismissal of Directors, no provisions have been put in place that deviate from the Companies Act.

vi. General meeting of shareholders' resolutions that can be delegated to the Board of Directors

a. Exemption from liability of Directors

As provided for in Article 426, paragraph (1) of the Companies Act, the Company's Articles of Incorporation stipulate that Directors (including former Directors) may be exempted from liability for acts falling under Article 423, paragraph (1) of the same Act to the extent permitted by laws and regulations, by resolution of the Board of Directors. The aim of this is to establish an environment where Directors can fully utilize their capabilities in fulfilling the roles expected of them when executing their duties.

b. Deciding body for dividends of surplus, etc.

The Company's Articles of Incorporation stipulate that matters defined in items of Article 459, paragraph (1) of the Companies Act, such as dividends of surplus, be determined by resolution of the Board of Directors and not based on a resolution at general meetings of shareholders, unless otherwise provided for by laws and regulations. The aim of this is to flexibly return profits to shareholders by granting the Board of Directors authority in respect of dividends of surplus, etc.

vii. Requirements for special resolutions of general meetings of shareholders

The Company's Articles of Incorporation stipulate that special resolutions of general meetings of shareholders, as provided for in Article 309, paragraph (2) of the Companies Act, be adopted by two-thirds or more of the voting rights of the shareholders present at the general meeting of shareholders where the shareholders holding one-third or more of the voting rights of all shareholders who are entitled to exercise their voting rights are present. The aim of this is to relax the quorum requirements for special resolutions at general meetings of shareholders, thereby facilitating the smooth operation of such meetings.

(2) Directors

1) List of Directors

a. Directors of the Company as of June 22, 2026 (the filing date of this Securities Report) are as follows:

12 men and 2 women (percentage of women to all Directors: 14.3%)

Title	Name	Date of birth	Career summary	Term of office	Number of shares owned (Thousand shares) (Note 5)
President & CEO	Kazuho Takahashi	January 18, 1953	Mar. 1983 Established the Company President & CEO of the Company (present position) Apr. 2003 President and Representative Director of Honda Verno Tokai Co., Ltd. (now Honda Cars Tokai Co., Ltd.) Apr. 2006 President and Representative Director of LCI Co., Ltd. (present position) Jun. 2015 President and Representative Director of Honda Cars Tokai Co., Ltd. (present position) May 2017 President and Representative Director of PCI Co., Ltd. (present position) May 2017 President and Representative Director of Motoren Shizuoka Co., Ltd. Aug. 2019 President and Representative Director of Motoren Mikawa Co., Ltd.	(Note 3)	3,577
Senior Managing Director General Manager, Corporate-Strategy Headquarters	Masahide Ito	September 27, 1960	Oct. 1996 Joined the Company Apr. 1997 General Manager, General Affairs Department of the Company Jun. 1998 Director and General Manager, General Affairs Department of the Company Jun. 1999 Managing Director responsible for Affiliate Companies and General Manager, General Affairs Department of the Company Apr. 2003 Managing Director and General Manager, Corporate-Strategy Headquarters of the Company Jul. 2005 President and Representative Director of E-ESCO Co., Ltd. (now MIRAIZ Co., Ltd.) (present position) Apr. 2007 President and Representative Director of Trust Co., Ltd. Jun. 2008 Senior Managing Director and General Manager, Corporate-Strategy Headquarters of the Company Jun. 2011 President and Representative Director of Archish Gallery Co., Ltd. (present position) Aug. 2013 President and Representative Director of SCI Co., Ltd. Jun. 2014 Senior Managing Director and General Manager, Corporate-Strategy Headquarters, and General Manager, Compliance Promotion Department of the Company Oct. 2014 Senior Managing Director and General Manager, Corporate-Strategy Headquarters of the Company (present position) Jun. 2015 President and Representative Director of PCI Co., Ltd. Jun. 2016 Chairman and Representative Director of J-net Rental & Lease Co., Ltd. Aug. 2019 President and Representative Director of Koyo Auto Co., Ltd. Jan. 2024 President and Representative Director of Fuji Motoren Co., Ltd.	(Note 3)	1,426
Managing Director General Manager, Administration Headquarters	Ichiro Yamauchi	June 27, 1959	Jan. 1999 Joined the Company General Manager, Accounting Department of the Company Apr. 2003 General Manager, Management Department of the Company Jun. 2003 Director and General Manager, Management Department of the Company Jun. 2006 President and Representative Director of J-net Rental & Lease Co., Ltd. Jun. 2007 Director and General Manager, Management Department of the Company Jun. 2008 Managing Director and General Manager, Administration Headquarters of the Company Oct. 2014 Managing Director and General Manager, Management Department of the Company Jul. 2022 Managing Director and General Manager, Administration Headquarters of the Company (present position)	(Note 3)	447

Title	Name	Date of birth	Career summary	Term of office	Number of shares owned (Thousand shares) (Note 5)
Director	Naoki Hori	March 30, 1964	Jul. 1996 Joined the Company Oct. 2000 General Manager, Housing Business Department of the Company Apr. 2003 General Manager, New Business Department of the Company Aug. 2004 President and Representative Director of Honda Verno Tokai Co., Ltd. (now Honda Cars Tokai Co., Ltd.) Jun. 2006 Director and General Manager, Management Department of the Company Aug. 2006 Vice President and Representative Director of Honda Cars Tokai Co., Ltd. Oct. 2006 Director and General Manager, Compliance Promotion Department of the Company Jun. 2007 President and Representative Director of YAMASHINA CORPORATION (now WISE HOLDINGS CO., LTD.) Jun. 2014 Director of the Company (present position) Jun. 2026 Chairman and Director of WISE HOLDINGS CO., LTD. (present position) (Significant concurrent positions outside the Company) Chairman and Director of WISE HOLDINGS CO., LTD.	(Note 3)	199
Director	Tsutomu Nakashima	December 8, 1965	Dec. 1989 Joined Honda Verno Tokai Co., Ltd. (now Honda Cars Tokai Co., Ltd.) Apr. 2014 Joined the Company Apr. 2014 President and Representative Director of Nissan Satio Nara Co., Ltd. Jun. 2015 Vice President and Director of Honda Cars Tokai Co., Ltd. (present position) Jun. 2021 Director of the Company (present position) (Significant concurrent positions outside the Company) Vice President and Director of Honda Cars Tokai Co., Ltd.	(Note 3)	43
Director	Kazushige Ito	March 6, 1965	Jul. 2004 Joined the Company Dec. 2007 General Manager, Sales Department of Trust Co., Ltd. Jun. 2008 Director of Trust Co., Ltd. Apr. 2011 Transferred to Trust Absolut Auto (Pty) Ltd./Sky Absolut Auto (Pty) Ltd. (in South Africa) Dec. 2016 Transferred to Master Automocion, S.L. (in Spain) Nov. 2020 General Manager, Overseas Development Department, Corporate-Strategy Headquarters of the Company (present position) Jul. 2022 General Manager, Management Department of the Company (present position) Jun. 2024 Director of the Company (present position) Jun. 2025 Director of Shizuoka Nissan Auto Sales Co., Ltd. (present position) Jun. 2025 Director of Mikawa Nissan Motor Co., Ltd. (present position) Jun. 2025 Director of Nissan Satio Nara Co., Ltd. (present position) Sep. 2025 President and Representative Director of Trust Co., Ltd. (present position)	(Note 3)	9
Director	Takuya Yamazaki	July 12, 1968	Apr. 1991 Joined Toyota Motor Corporation Jan. 2017 Transferred to Toyota Motor North America (in the U.S.) Group Vice President, Sales, Corporate Strategy & Planning Jan. 2020 General Manager, MS Management Div of Toyota Motor Corporation Sep. 2021 Joined the Company General Manager, Corporate Strategy and Planning, Corporate-Strategy Headquarters of the Company Jun. 2024 Director of LCI Co., Ltd. (present position) Jun. 2024 Director of PCI Co., Ltd. (present position) Jun. 2024 Director of Mikawa Nissan Motor Co., Ltd. (present position) Jun. 2024 Director of Honda Cars Tokai Co., Ltd. (present position) Jun. 2024 Director and General Manager, Corporate Strategy and Planning, Corporate-Strategy Headquarters of the Company (present position) Jul. 2024 General Manager, Dealer Support Group of the Company (present position) Apr. 2025 President and Representative Director of Motoren Mikawa Co., Ltd. (present position)	(Note 3)	5

Title	Name	Date of birth	Career summary	Term of office	Number of shares owned (Thousand shares) (Note 5)
Director	Hisatake Yamada	August 1, 1964	Apr. 1992 Registered as Attorney, Nagoya Bar Association (now Aichi Bar Association) Apr. 2008 Professor of Shizuoka University Graduate School of Law Sep. 2009 Auditor of Japan Association of Chief Executives of Voluntary Organizations (present position) Apr. 2012 Vice President of Aichi Bar Association Oct. 2013 Established Shobu LPC Representative of Shobu LPC (present position) Jun. 2015 Outside Director of the Company (present position) Sep. 2017 Representative Director of Legal AI Co., Ltd. (present position) Jun. 2020 Outside Director of Maruhachi Securities CO., LTD. (present position) Sep. 2021 Member of Subcommittee on Formulation of Small and Medium-Sized PMI Guidelines, The Small and Medium Enterprise Agency Sep. 2022 Practitioners' Meeting Committee member of the Council for Accompanied Support for Management Capability Restructuring, The Small and Medium Enterprise Agency (present position) (Significant concurrent positions outside the Company) Representative of Shobu LPC	(Note 3)	-
Director	Mari Fujitani	April 30, 1972	Oct. 1997 Joined Audit Corporation Ito Kaikei Jimusho (now PricewaterhouseCoopers Japan LLC and KPMG AZSA LLC) May 2001 Registered as Certified Public Accountant Sep. 2002 Deregistered as Certified Public Accountant Jul. 2007 Re-registered as Certified Public Accountant Sep. 2007 Joined Nagoya Office, Crowe Toyo & Co. Aug. 2013 Joined Tajimi Office, ION Corp. Jun. 2024 Outside Director of the Company (present position) Jan. 2026 Registered as Certified Public Tax Accountant Jan. 2026 Opened Fujitani Accounting Office Representative of Fujitani Accounting Office (present position) (Significant concurrent positions outside the Company) Representative of Fujitani Accounting Office	(Note 3)	-
Director	Yoko Kurono	June 29, 1974	Apr. 2004 Lecturer of Faculty of Law, Tohoku Gakuin University Apr. 2009 Associate Professor of Faculty of Law, Tohoku Gakuin University Apr. 2017 Associate Professor of Faculty of Law, Aichi Gakuin University Feb. 2025 Professor of Faculty of Law, Aichi Gakuin University (present position) Jun. 2025 Outside Director of the Company (present position) (Significant concurrent positions outside the Company) Professor of Faculty of Law, Aichi Gakuin University	(Note 3)	-
Director (Full-time Audit and Supervisory Committee Member)	Hirokazu Ando	December 4, 1962	Dec. 2006 Joined the Company General Manager, Legal Affairs Office, Compliance Promotion Department of the Company Dec. 2007 General Manager, Legal Affairs Office, Compliance Promotion Department, Administration Headquarters of the Company Oct. 2014 General Manager, Compliance Promotion Office of the Company Jan. 2020 General Manager, Compliance Promotion Office, and General Manager, M&A Group, Management Department of the Company Jun. 2020 Audit & Supervisory Board Member of the Company Jun. 2024 Director (Audit and Supervisory Committee Member) of the Company (present position)	(Note 4)	3

Title	Name	Date of birth	Career summary	Term of office	Number of shares owned (Thousand shares) (Note 5)
Director (Full-time Audit and Supervisory Committee Member)	Shinichiro Tsuchida	December 12, 1958	Feb. 2010 Executive Officer, General Manager of Corporate Planning Office, and General Manager of Shop Development Office of SUZUTAN CO., LTD. (now PALEMO HOLDINGS Co., Ltd.) May 2013 Executive Officer, General Manager of Shop Development Management Department of PALEMO HOLDINGS Co., Ltd. May 2017 Audit & Supervisory Board Member (full-time) of PALEMO HOLDINGS Co., Ltd. Aug. 2017 Audit & Supervisory Board Member of PALEMO HOLDINGS Co., Ltd. Mar. 2018 Audit & Supervisory Board Member of JAVA HOLDINGS CO., LTD. Mar. 2018 Audit & Supervisory Board Member of BEBE CO., LTD. Jun. 2025 Director (Audit and Supervisory Committee Member) of the Company (present position)	(Note 4)	0
Director (Audit and Supervisory Committee Member)	Kazunori Shibata	June 22, 1956	Mar. 1983 Registered as Certified Public Accountant Apr. 1986 Opened Certified Public Accountant Kazunori Shibata CPA Office Representative of Certified Public Accountant Kazunori Shibata CPA Office Jun. 1992 Established Shibata CPA Office Co., Ltd. President and Representative Director of Shibata CPA Office Co., Ltd. Jun. 2002 Audit & Supervisory Board Member of the Company Jun. 2020 Outside Director (Member of the Audit & Supervisory Committee) of SUNCORPORATION Apr. 2021 Representative of Hokushin Tax Accountants' Corporation (present position) Apr. 2023 Outside Director (Audit and Supervisory Committee Member) of Sasatoku Printing Co., Ltd. (present position) Jun. 2024 Director (Audit and Supervisory Committee Member) of the Company (present position) (Significant concurrent positions outside the Company) Representative of Hokushin Tax Accountants' Corporation	(Note 4)	-
Director (Audit and Supervisory Committee Member)	Yuichi Kakura	May 28, 1967	Apr. 1998 Registered as Attorney, Nagoya Bar Association (now Aichi Bar Association) Oct. 2002 Opened Kakura Law Office Representative of Kakura Law Office (present position) Jun. 2007 Audit & Supervisory Board Member of the Company Jun. 2024 Director (Audit and Supervisory Committee Member) of the Company (present position) (Significant concurrent positions outside the Company) Representative of Kakura Law Office	(Note 4)	-
Total					5,713

- (Notes) 1. Directors Hisatake Yamada, Mari Fujitani, and Yoko Kurono are outside directors (defined in Article 2, item (xv) of the Companies Act) corresponding to outside officers (defined in Article 2, paragraph (3), item (v) of the Regulations for Enforcement of the Companies Act).
2. Directors who are Audit and Supervisory Committee Members Shinichiro Tsuchida, Kazunori Shibata, and Yuichi Kakura are outside directors (defined in Article 2, item (xv) of the Companies Act) corresponding to outside officers (defined in Article 2, paragraph (3), item (v) of the Regulations for Enforcement of the Companies Act).
3. The term of office for Directors who are not Audit and Supervisory Committee Members is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025, until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026.
4. The term of office for Directors who are Audit and Supervisory Committee Members is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2024, until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026.
5. The number of shares owned is as of March 31, 2026. This also includes shares held through the VT Holdings Officer Shareholding Association. (Rounded down to the nearest 1,000 shares)

- b. The Company has submitted the proposals (items to be resolved) for the 44th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026, entitled “Election of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members),” “Election of three (3) Directors who are Audit and Supervisory Committee Members” and “Election of one (1) substitute Director who is an Audit and Supervisory Committee Member.” If these proposals are approved as originally proposed, the status of the Company’s Directors will be as follows: It also includes the details of matters to be resolved (titles, etc.) at the Board of Directors meeting scheduled to be held immediately following the said Ordinary General Meeting of Shareholders.

10 men and 2 women (percentage of women to all Directors: 16.7%)

Title	Name	Date of birth	Career summary	Term of office	Number of shares owned (Thousand shares)
President & CEO	Takuya Yamazaki	July 12, 1968	Apr. 1991 Joined Toyota Motor Corporation Jan. 2017 Transferred to Toyota Motor North America (in the U.S.) Group Vice President, Sales, Corporate Strategy & Planning Jan. 2020 General Manager, MS Management Div of Toyota Motor Corporation Sep. 2021 Joined the Company General Manager, Corporate Strategy and Planning, Corporate-Strategy Headquarters of the Company Jun. 2024 Director of LCI Co., Ltd. (present position) Jun. 2024 Director of PCI Co., Ltd. (present position) Jun. 2024 Director of Mikawa Nissan Motor Co., Ltd. (present position) Jun. 2024 Director of Honda Cars Tokai Co., Ltd. (present position) Jun. 2024 Director and General Manager, Corporate Strategy and Planning, Corporate-Strategy Headquarters of the Company (present position) Jul. 2024 General Manager, Dealer Support Group of the Company (present position) Apr. 2025 President and Representative Director of Motoren Mikawa Co., Ltd. Jun. 2026 Director of J-net Rental & Lease Co., Ltd. (present position) Jun. 2026 Director of Nagano Nissan Auto Co., Ltd. (present position) Jun. 2026 Director of Shizuoka Nissan Auto Sales Co., Ltd. (present position) Jun. 2026 Director of Motoren Mikawa Co., Ltd. (present position) Jun. 2026 President & CEO of the Company (present position)	(Note 2)	5
Director Vice President	Naoki Hori	March 30, 1964	Jul. 1996 Joined the Company Oct. 2000 General Manager, Housing Business Department of the Company Apr. 2003 General Manager, New Business Department of the Company Aug. 2004 President and Representative Director of Honda Verno Tokai Co., Ltd. (now Honda Cars Tokai Co., Ltd.) Jun. 2006 Director and General Manager, Management Department of the Company Aug. 2006 Vice President and Representative Director of Honda Cars Tokai Co., Ltd. Oct. 2006 Director and General Manager, Compliance Promotion Department of the Company Jun. 2007 President and Representative Director of YAMASHINA CORPORATION (now WISE HOLDINGS CO., LTD.) Jun. 2014 Director of the Company Jun. 2026 Chairman and Director of WISE HOLDINGS CO., LTD. (present position) Jun. 2026 Director of Nagano Nissan Auto Co., Ltd. (present position) Jun. 2026 Director of Shizuoka Nissan Auto Sales Co., Ltd. (present position) Jun. 2026 Director and Vice President of the Company (present position) (Significant concurrent positions outside the Company) Chairman and Director of WISE HOLDINGS CO., LTD. (present position)	(Note 2)	199
Managing Director	Kazushige Ito	March 6, 1965	Jul. 2004 Joined the Company Dec. 2007 General Manager, Sales Department of Trust Co., Ltd. Jun. 2008 Director of Trust Co., Ltd. Apr. 2011 Transferred to Trust Absolut Auto (Pty) Ltd./Sky Absolut Auto (Pty) Ltd. (in South Africa) Dec. 2016 Transferred to Master Automocion, S.L. (in Spain) Nov. 2020 General Manager, Overseas Development Department, Corporate-Strategy Headquarters of the Company (present position) Jul. 2022 General Manager, Management Department of the Company (present position) Jun. 2024 Director of the Company (present position) Jun. 2025 Director of Shizuoka Nissan Auto Sales Co., Ltd. (present position) Jun. 2025 Director of Mikawa Nissan Motor Co., Ltd. Jun. 2025 Director of Nissan Satio Nara Co., Ltd. (present position) Sep. 2025 President and Representative Director of Trust Co., Ltd. (present position) Jun. 2026 Director of J-net Rental & Lease Co., Ltd. (present position) Jun. 2026 Managing Director of the Company (present position)	(Note 2)	9

Title	Name	Date of birth	Career summary	Term of office	Number of shares owned (Thousand shares)
Director	Tsutomu Nakashima	December 8, 1965	Dec. 1989 Joined Honda Verno Tokai Co., Ltd. (now Honda Cars Tokai Co., Ltd.) Apr. 2014 Joined the Company Apr. 2014 President and Representative Director of Nissan Satio Nara Co., Ltd. Jun. 2015 Vice President and Director of Honda Cars Tokai Co., Ltd. Jun. 2021 Director of the Company (present position) Jun. 2026 President and Representative Director of Honda Cars Tokai Co., Ltd. (present position) (Significant concurrent positions outside the Company) President and Representative Director of Honda Cars Tokai Co., Ltd. (present position)	(Note 2)	43
Director	Niimi Kazuyuki	April 22, 1969	Jun. 2000 Joined the Company General Manager, Accounting Group of the Company Jun. 2018 Audit & Supervisory Board Member of PCI Co., Ltd. (present position) Jul. 2022 Deputy General Manager, Management Department of the Company Jun. 2024 Audit & Supervisory Board Member of LCI Co., Ltd. (present position) Apr. 2026 Deputy General Manager, Management Department and General Manager, Insurance Management Group of the Company (present position) Apr. 2026 Director of Nissan Prince Yamanashi Co., Ltd. (present position) Jun. 2026 Audit & Supervisory Board Member of Honda Cars Tokai Co., Ltd. (present position) Jun. 2026 Director of Koyo Auto Co., Ltd. (present position) Jun. 2026 Director of the Company (present position)	(Note 2)	23
Director Senior Advisor	Kazuho Takahashi	January 18, 1953	Mar. 1983 Established the Company President & CEO of the Company Apr. 2003 President and Representative Director of Honda Verno Tokai Co., Ltd. (now Honda Cars Tokai Co., Ltd.) Apr. 2006 President and Representative Director of LCI Co., Ltd. (present position) Jun. 2015 President and Representative Director of Honda Cars Tokai Co., Ltd. May 2017 President and Representative Director of PCI Co., Ltd. (present position) May 2017 President and Representative Director of Motoren Shizuoka Co., Ltd. Aug. 2019 President and Representative Director of Motoren Mikawa Co., Ltd. Jun. 2026 Director and Senior Advisor of Honda Cars Tokai Co., Ltd. (present position) Jun. 2026 Director and Senior Advisor of the Company (present position)	(Note 2)	3,577
Director	Hisatake Yamada	August 1, 1964	Apr. 1992 Registered as Attorney, Nagoya Bar Association (now Aichi Bar Association) Apr. 2008 Professor of Shizuoka University Graduate School of Law Sep. 2009 Auditor of Japan Association of Chief Executives of Voluntary Organizations (present position) Apr. 2012 Vice President of Aichi Bar Association Oct. 2013 Established Shobu LPC Representative of Shobu LPC (present position) Jun. 2015 Outside Director of the Company (present position) Sep. 2017 Representative Director of Legal AI Co., Ltd. (present position) Jun. 2020 Outside Director of Maruhachi Securities CO., LTD. (present position) Sep. 2021 Member of Subcommittee on Formulation of Small and Medium-Sized PMI Guidelines, The Small and Medium Enterprise Agency Sep. 2022 Practitioners' Meeting Committee member of the Council for Accompanied Support for Management Capability Restructuring, The Small and Medium Enterprise Agency (present position) (Significant concurrent positions outside the Company) Representative of Shobu LPC	(Note 2)	-
Director	Mari Fujitani	April 30, 1972	Oct. 1997 Joined Audit Corporation Ito Kaikei Jimusho (now PricewaterhouseCoopers Japan LLC and KPMG AZSA LLC) May 2001 Registered as Certified Public Accountant Sep. 2002 Deregistered as Certified Public Accountant Jul. 2007 Re-registered as Certified Public Accountant Sep. 2007 Joined Nagoya Office, Crowe Toyo & Co. Aug. 2013 Joined Tajimi Office, ION Corp. (present position) Jun. 2024 Outside Director of the Company (present position) Jan. 2026 Registered as Certified Public Tax Accountant Jan. 2026 Opened Fujitani Accounting Office Representative of Fujitani Accounting Office (present position) (Significant concurrent positions outside the Company) Representative of Fujitani Accounting Office	(Note 2)	-

Title	Name	Date of birth	Career summary	Term of office	Number of shares owned (Thousand shares)
Director	Yoko Kurono	June 29, 1974	Apr. 2004 Lecturer of Faculty of Law, Tohoku Gakuin University Apr. 2009 Associate Professor of Faculty of Law, Tohoku Gakuin University Apr. 2017 Associate Professor of Faculty of Law, Aichi Gakuin University Feb. 2025 Professor of Faculty of Law, Aichi Gakuin University (present position) Jun. 2025 Outside Director of the Company (present position) (Significant concurrent positions outside the Company) Professor of Faculty of Law, Aichi Gakuin University	(Note 2)	-
Director (Full-time Audit and Supervisory Committee Member)	Shinichiro Tsuchida	December 12, 1958	Feb. 2010 Executive Officer, General Manager of Corporate Planning Office, and General Manager of Shop Development Office of SUZUTAN CO., LTD. (now PALEMO HOLDINGS Co., Ltd.) May 2013 Executive Officer, General Manager of Shop Development Management Department of PALEMO HOLDINGS Co., Ltd. May 2017 Audit & Supervisory Board Member (full-time) of PALEMO HOLDINGS Co., Ltd. Aug. 2017 Audit & Supervisory Board Member of PALEMO HOLDINGS Co., Ltd. Mar. 2018 Audit & Supervisory Board Member of JAVA HOLDINGS CO., LTD. Mar. 2018 Audit & Supervisory Board Member of BEBE CO., LTD. Jun. 2025 Director (Audit and Supervisory Committee Member) of the Company (present position)	(Note 3)	0
Director (Audit and Supervisory Committee Member)	Yuichi Kakura	May 28, 1967	Apr. 1998 Registered as Attorney, Nagoya Bar Association (now Aichi Bar Association) Oct. 2002 Opened Kakura Law Office Representative of Kakura Law Office (present position) Jun. 2005 Audit & Supervisory Board Member of Trust Co., Ltd. Jun. 2007 Audit & Supervisory Board Member of the Company Jun. 2024 Director (Audit and Supervisory Committee Member) of the Company (present position) (Significant concurrent positions outside the Company) Representative of Kakura Law Office	(Note 3)	-
Director (Audit and Supervisory Committee Member)	Shubun Ogasawara	October 28, 1972	Oct. 1998 Joined Audit Corporation Ito Kaikei Jimusho (now PricewaterhouseCoopers Japan LLC and KPMG AZSA LLC) Jan. 2001 Joined ChuoAoyama Audit Corporation May 2002 Registered as Certified Public Accountant Jul. 2006 Joined PricewaterhouseCoopers Aarata (now PricewaterhouseCoopers Japan LLC) Jul. 2022 Director of Nagoya Office, PricewaterhouseCoopers Aarata LLC (now PricewaterhouseCoopers Japan LLC) Aug. 2024 Opened Ogasawara Shubun Certified Public Accountant Office Representative of Ogasawara Shubun Certified Public Accountant Office (present position) Sep. 2024 Established SAKURA CPA Network Co., Ltd. Representative Director and President of SAKURA CPA Network Co., Ltd. (present position) Jun. 2025 Outside Director (Audit and Supervisory Committee Member) of Maruhachi Securities CO., LTD. (present position) Jun. 2026 Director (Audit and Supervisory Committee Member) of the Company (present position) (Significant concurrent positions outside the Company) Representative of Ogasawara Shubun Certified Public Accountant Office Representative Director and President of SAKURA CPA Network Co., Ltd.	(Note 3)	-
Total					3,859

(Notes) 1. Directors Hisatake Yamada, Mari Fujitani, and Yoko Kurono are outside directors (defined in Article 2, item (xv) of the Companies Act) corresponding to outside officers (defined in Article 2, paragraph (3), item (v) of the Regulations for Enforcement of the Companies Act).

2. Directors who are Audit and Supervisory Committee Members Shinichiro Tsuchida, Shubun Ogasawara, and Yuichi Kakura are outside directors (defined in Article 2, item (xv) of the Companies Act) corresponding to outside officers (defined in Article 2, paragraph (3), item (v) of the Regulations for Enforcement of the Companies Act).

3. The term of office for Directors who are Audit and Supervisory Committee Members is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026, until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2028.

4. The number of shares owned is as of March 31, 2026. This also includes shares held through the VT Holdings Officer Shareholding Association. (Rounded down to the nearest 1,000 shares)
5. In order to prepare for a case where the number of Directors who are Audit and Supervisory Committee Members falls below the number required by laws and regulations, the Company has appointed one substitute Director who is an Audit and Supervisory Committee Member as stipulated in Article 329, paragraph (3) of the Companies Act. The career summary of the substitute Director who is an Audit and Supervisory Committee Member is as follows:

Title	Name	Date of birth	Career summary	Number of shares owned (Thousand shares)
Substitute Audit and Supervisory Committee Member	Yukinori Toyoda	September 2, 1963	Dec. 1999 Joined Dulton World Co., Ltd. Jul. 2007 Joined the Company Dec. 2007 Section Chief, Internal Audit Office of the Company Jun. 2023 Audit & Supervisory Board Member of FLC Co., Ltd. (present position) Jun 2023 Audit & Supervisory Board Member of Motoren Shizuoka Co., Ltd. (present position) Jun. 2025 Audit & Supervisory Board Member of Nissan Satio Nara Co., Ltd. (present position) Jun. 2025 Audit & Supervisory Board Member of TAKAGAKI Gumi, Inc. (present position) Jun. 2026 Substitute Audit and Supervisory Committee Member of the Company (present position)	21

2) Outside Directors

The Company has appointed six Outside Directors. Of these, three are Outside Directors who are Audit and Supervisory Committee Members.

(Personal, capital, or business relationships or other interests with Outside Directors)

Name	Personal relationship	Capital relationship	Business relationship or other interests
Hisatake Yamada	—	—	—
Mari Fujitani	—	—	—
Yoko Kurono	—	—	—
Shinichiro Tsuchida	—	—	—
Kazunori Shibata (Note 3)	Audit & supervisory board member of a subsidiary (Note 1)	—	—
Yuichi Kakura	—	—	Advisory contracts with subsidiaries (Note 2)

(Notes) 1. Kazunori Shibata concurrently serves as an audit & supervisory board member of Archish Gallery Co., Ltd.

2. Yuichi Kakura has entered into advisory contracts with Honda Cars Tokai Co., Ltd., Shizuoka Nissan Auto Sales Co., Ltd., Motoren Shizuoka Co., Ltd., MG Home Co., Ltd., J-net Rental & Lease Co., Ltd., and Koyo Auto Co., Ltd.

3. Kazunori Shibata is scheduled to retire from office at the conclusion of the 44th Ordinary General Meeting of Shareholders to be held on June 25, 2026. In addition, the Company plans to submit a proposal for the election of Shubun Ogasawara as a candidate for Outside Director who is an Audit and Supervisory Committee Member at the said General Meeting of Shareholders. There are no personal, capital, or business relationships, or other interests between Shubun Ogasawara and the Company.

(Functions and roles of Outside Directors in corporate governance)

Outside Director Hisatake Yamada has extensive experience and expertise as an attorney, as well as a strong commitment to legal compliance. Accordingly, we have determined that he is qualified to serve as an Outside Director of the Company. Hisatake Yamada is the representative of Shobu LPC. There is no special relationship between the Company and Shobu LPC.

Outside Director Mari Fujitani has extensive experience and broad knowledge as a Certified Public Accountant, and in addition to strengthening corporate governance at the Company and Group companies, she is expected to contribute to enhancing the monitoring function and ensuring the transparency of the Board of Directors. Accordingly, we have determined that she is qualified to serve as an Outside Director of the Company. Mari Fujitani is the representative of Fujitani Accounting Office. There is no special relationship between the Company and Fujitani Accounting Office.

Outside Director Yoko Kurono has extensive experience and expertise as a professor at law faculties of universities, specializing in the Commercial Code (especially the Companies Act), and she is expected to contribute to an objective perspective on decision-making and strengthening corporate governance at the Company and Group companies. Accordingly, we have determined that she is qualified to serve as an Outside Director of the Company.

Outside Director Shinichiro Tsuchida has successively served as an audit & supervisory board member at other listed companies, and he is expected to contribute to strengthening corporate governance in terms of decision-making of the Company due to his extensive experience and objective perspective. Accordingly, we have determined that he is qualified to serve as an Outside Director of the Company.

Outside Director Kazunori Shibata has a high level of expertise as a Certified Public Accountant. Accordingly, we have determined that he is qualified to serve as an Outside Director of the Company. Kazunori Shibata is the representative of Hokushin Tax Accountants' Corporation. There is no special relationship between the Company and Hokushin Tax Accountants' Corporation.

Outside Director Yuichi Kakura has extensive experience and expertise as an attorney, as well as a strong commitment to legal compliance. Accordingly, we have determined that he is qualified to serve as an Outside Director of the Company. Yuichi Kakura is the representative of Kakura Law Office. There is no special relationship between the Company and Kakura Law Office.

(Independence criteria or policy concerning the appointment of Outside Directors)

There are no other personal, capital, or business relationships, or other interests between the Outside Directors and the Company. Therefore, we have determined that they meet all the requirements of the criteria for determining independence of Outside Directors established by the Company, and have registered them with Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. as Independent Officers with no risk of conflict of interest with general shareholders.

<Reference> Criteria for determining the independence of Outside Directors

An Outside Director who meets all the following criteria is judged to possess sufficient independence to the Company by the Board of Directors.

1. The individual is not a business executor or a former employee of the Company or a subsidiary, and close relatives, etc. of the individual are not a business executor of the Company or a subsidiary at present or at any time in the past five years.

“Close relatives, etc.” here denotes a spouse or family member within the second degree of kinship, or a family member living with the individual (blood relatives within six degrees of kinship, a spouse [including a common law partner] or a relative by marriage within three degrees of kinship living in the same household).

2. The individual does not fit any of the following descriptions at present or at any time in the past five years:

- (1) A business executor who is a major shareholder with 10% or more of voting shares in the Company as of the end of the business year
- (2) A business executor for a person or firm who is a major business partner of the Company whose annual payments to the Company exceed 2% of the Company's consolidated revenue and over ¥10 million annually, or a business executor for a person or firm who received annual payments from the Company which accounted for over 2% of that person or firm's consolidated revenue and more than ¥10 million annually
- (3) A business executor of a major lender for the Company or a subsidiary (a financial institution that makes loans to the Company and Group companies, with the total outstanding loan balance exceeding 2% of the consolidated total assets of the Company or the financial institution at the end of the business year)
- (4) A person who is employed by the auditing firm that performs the Company's statutory audit
- (5) A person who has received money, etc. other than director compensation from the Company in excess of ¥10 million annually or a corporation, association, or other organization providing specialist services that has received money, etc. from the Company equivalent to more than 2% of that group's annual total revenue and in excess of ¥10 million
- (6) A person who is a business executor at a firm for which the Company's Director acts as a director
- (7) A person who is a business executor at a group that has received donations or aid exceeding ¥10 million a year from the Company

3. Close relatives, etc. of the individual do not meet any of the criteria in 2. (1) through (7) at present.

(Approach to the appointment of Outside Directors)

The Company appoints multiple Outside Directors to ensure the objectivity and neutrality of its management oversight functions and to leverage their extensive experience and specialized knowledge in providing opinions and insights on overall management from a position independent from the Company.

- 3) Mutual collaboration in supervision or audits by Outside Directors and internal audits, Audit and Supervisory Committee audits, and accounting audits, and relationships with internal control departments

The Audit and Supervisory Committee comprises four members, of which three are Outside Directors. The Committee will work diligently with Outside Directors who are not Audit and Supervisory Committee Members, the Internal Audit and Supervisory Office, and the Accounting Auditor to ensure the legality and appropriateness of the execution of duties by Directors.

Outside Directors (including Directors who are not Audit and Supervisory Committee Members) exchange information as necessary with the Accounting Auditor and personnel in charge of internal audits and internal control. They also attend meetings of the Audit and Supervisory Committee, Group audit & supervisory board liaison committees, and Internal Audit and Supervisory Office personnel liaison committees as necessary to ensure coordination among them.

(3) Audits

1) Audit and Supervisory Committee audits

- a. In respect of Audit and Supervisory Committee audits of the Company as of June 22, 2026 (the filing date of this Securities Report), each Audit and Supervisory Committee Member carries out audits on the legality and appropriateness of business execution based on the audit plan established by the Audit and Supervisory Committee. The Committee comprises two Full-time Audit and Supervisory Committee Members and two Part-time Audit and Supervisory Committee Members for a total of four members (of which three are Outside Audit and Supervisory Committee Members). Outside Audit and Supervisory Committee Member Kazunori Shibata has considerable knowledge of finance and accounting from his experience as a Certified Public Accountant and Certified Public Tax Accountant. Outside Audit and Supervisory Committee Member Yuichi Kakura has considerable knowledge of the law from his experience as an attorney. Outside Audit and Supervisory Committee Member Shinichiro Tsuchida has wide-ranging experience and knowledge in corporate governance from his many years in leadership roles at listed companies. Inside Audit and Supervisory Committee Member Hirokazu Ando has wide-ranging experience and knowledge from his many years promoting compliance across the Company and the Group.

During the fiscal year ended March 31, 2026, the Company held monthly Audit and Supervisory Committee meetings. Attendance of individual Audit and Supervisory Committee Members is as follows:

Category	Name	Number of meetings held	Attendance (Percentage)
Full-time Audit and Supervisory Committee Member	Hirokazu Ando	12 times	12 times (100%)
Full-time Independent Outside Audit and Supervisory Committee Member	Shinichiro Tsuchida	10 times	10 times (100%) (Note)
Independent Outside Audit and Supervisory Committee Member	Kazunori Shibata	12 times	11 times (92%)
Independent Outside Audit and Supervisory Committee Member	Yuichi Kakura	12 times	12 times (100%)

(Note) Full-time Independent Outside Audit and Supervisory Committee Member Shinichiro Tsuchida was appointed at the 43rd Ordinary General Meeting of Shareholders held on June 26, 2025, and 10 Audit and Supervisory Committee meetings were held since his appointment.

The Audit and Supervisory Committee mainly reviews matters such as audit policies, audit implementation plans, division of duties, establishing and operating the internal control system, and the appropriateness of auditing methods used by the Accounting Auditor and the results of audits.

Moreover, the activities of Full-time Audit and Supervisory Committee Members include conducting regular meetings for exchanging opinions with the Representative Director, ensuring communication with Directors, Part-time Audit and Supervisory Committee Members, and internal audit departments, attending Board of Directors and other important meetings, reviewing important written approvals and other documents, investigating the status of operations and assets, ensuring communication and exchanging information with directors, audit and supervisory committee members, and audit & supervisory board members of subsidiaries, confirming business reports from subsidiaries, and verifying the implementation status and results of accounting audits.

- b. The Company has submitted the proposal (items to be resolved) for the 44th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026, entitled “Election of three (3) Directors who are Audit and Supervisory Committee Members.” If this proposal is approved as originally proposed, the status of Audit and Supervisory Committee audits will be as follows: There are no changes to the descriptions regarding the holding of Audit and Supervisory Committee meetings during the fiscal year ended March 31, 2026, the attendance status of individual Audit and Supervisory Committee Members, main topics discussed by the Audit and Supervisory Committee, and the activities of full-time Audit and Supervisory Committee Members.

In respect of Audit and Supervisory Committee audits of the Company, each Audit and Supervisory Committee Member carries out audits on the legality and appropriateness of business execution based on the audit plan established by the Audit and Supervisory Committee. The Committee comprises one Full-time Audit and Supervisory Committee Member and two Part-time Audit and Supervisory Committee Members for a total of three members (of which three are Outside Audit and Supervisory Committee Members). Outside Audit and Supervisory Committee Member Shubun Ogasawara has considerable knowledge of finance and accounting from his experience as a Certified Public Accountant. Outside Audit and Supervisory Committee Member Yuichi Kakura has considerable knowledge of the law from his experience as an attorney. Outside Audit and Supervisory Committee Member Shinichiro Tsuchida has wide-ranging experience and knowledge in corporate governance from his many years in leadership roles at listed companies.

2) Internal audits

The Company's internal audits are conducted by the Internal Audit and Supervisory Office (comprising three members), an organization that reports directly to the President & CEO. The Office regularly audits the status of the Company's and Group companies' business execution from the perspective of efficiency and compliance with laws and regulations, the Articles of Incorporation, and internal regulations, as well as provides evaluations and recommendations based on these audits. By reporting these results directly to the Board of Directors and the Audit and Supervisory Committee, we ensure the effectiveness of internal audits.

Regarding mutual collaboration in its internal audits, Audit and Supervisory Committee audits, and accounting audits, the Company holds quarterly three-way audit meetings conducted by the Internal Audit and Supervisory Office, the Audit and Supervisory Committee, and the Accounting Auditor. Additionally, Audit and Supervisory Committee Members receive reports from the Internal Audit and Supervisory Office and the Accounting Auditor on their plans, details on the implementation thereof, and related results, along with striving to foster mutual understanding by providing both other parties with explanations on its audit policies and audit plans and providing and exchanging information as appropriate. In addition, Full-time Audit and Supervisory Committee Members and Internal Audit and Supervisory Office personnel attend meetings of internal control departments and provide the Accounting Auditor with necessary information on internal control.

3) Accounting audits

i. Name, etc. of auditing firm

Name of auditing firm	Tokai Audit Corporation
Names of Certified Public Accountants who performed services	Hisataka Goto
	Mitsuhiro Okuni
	Chihiro Achiwa
Composition of personnel assisting in the audits	12 Certified Public Accountants One junior accountant Two other staff members

ii. Continuous auditing period

19 years

iii. Auditing firm selection policy and reasons for selection

The Company determines the appointment and reappointment of the Accounting Auditor by a comprehensive evaluation of candidates proposed by executive officers based on factors such as whether a screening system is in place, whether the number of days for audits, audit period, specific audit implementation procedures, and audit fees are reasonable and appropriate, and the track record of audits. Evaluations are made in reference to the "Practical Guidelines for Audit & Supervisory Board Members regarding Accounting Auditor Evaluation and Selection Criteria" published by the Japan Audit & Supervisory Board Members Association, along with other materials.

The policy for determining dismissal or non-reappointment requires that the Audit and Supervisory Committee decide on the details of proposals for the dismissal or non-reappointment of the Accounting Auditor to be submitted at general meetings of shareholders should this be deemed necessary, such as when there is an impediment to the execution of duties by the Accounting Auditor.

In addition, if any of the items provided for in Article 340, paragraph (1) of the Companies Act is deemed to apply to the Accounting Auditor, the Audit and Supervisory Committee will dismiss the Accounting Auditor subject to the agreement of all Audit and Supervisory Committee Members. In such case, the Audit and Supervisory Committee Member appointed by the Audit and Supervisory Committee will report at the first general meeting of shareholders convened after the dismissal on the fact that the Accounting Auditor was dismissed and the reason for the dismissal.

iv. Evaluation of the auditing firm by Audit and Supervisory Committee Members and the Audit and Supervisory Committee

The Company's Audit and Supervisory Committee evaluates the auditing firm each fiscal period based on the "Practical Guidelines for Audit & Supervisory Board Members regarding Accounting Auditor Evaluation and Selection Criteria" published by the Japan Audit & Supervisory Board Members Association. Audit and Supervisory Committee Members and the Audit and Supervisory Committee maintain close communication with the auditing firm, along with exchanging opinions in a timely and appropriate manner and monitoring the status of audits. A comprehensive evaluation is made after receiving reports on the audit plan, implementation status of audits, systems for ensuring the appropriateness of audits, and audit quality control criteria, and other matters.

4) Details of audit fees, etc.

i. Fees to primary auditor

Category	Fiscal year ended March 31, 2026				Fiscal year ended March 31, 2025	
	Audit fees (Millions of yen)	Audit fees (Thousands of U.S. dollars)	Non-audit fees (Millions of yen)	Non-audit fees (Thousands of U.S. dollars)	Audit fees (Millions of yen)	Non-audit fees (Millions of yen)
Reporting company	51	319	—	—	44	—
Consolidated subsidiaries	19	119	—	—	17	—
Total	70	438	—	—	60	—

ii. Fees to entities that belong to the same network as the primary auditor (excluding i.)

Not applicable.

iii. Other significant audit fees

Not applicable.

iv. Policy for determining audit fees

While a specific policy for determining audit fees has not been established, the fee amount is finalized after first verifying the appropriateness of the submitted audit plan, then determining whether the fee is appropriate based on audit hours and other factors outlined in the plan, before finally receiving consent from the Audit and Supervisory Committee.

v. Reasons for approval of the audit fees, etc. for the Accounting Auditor by the Audit and Supervisory Committee

The Audit and Supervisory Committee approves the amount of audit fees, etc. for the Accounting Auditor after performing the necessary verifications to confirm the appropriateness of the details of the audit plan by the Accounting Auditor, the performance of accounting audit duties, and the basis for calculating estimates for the fees.

(4) Remuneration for Directors

1) Policy on determining remuneration amounts for Directors and calculation methods (as of June 22, 2026 (the filing date of this Securities Report))

a. Details on policy on determining remuneration amounts for Directors and calculation methods, and the method of determining such policy

The Company resolved at a Board of Directors meeting held on June 27, 2024, to partially revise the policy for determining details of remuneration, etc. for individual Directors, and that Director remuneration for July 2024 onward is to be based on the revised policy, in accordance with the reports, etc. of the voluntary Nomination and Remuneration Committee.

The Company resolved at a Board of Directors meeting held on May 27, 2024, to abolish the Retirement Benefit Plan for Officers at the conclusion of the 42nd Ordinary General Meeting of Shareholders held on June 27, 2024, and resolved at the same General Meeting to provide final retirement benefits. Stock options are not currently granted, therefore the revised policy for determining details of remuneration, etc. for individual Directors is as follows:

i. Basic policy

Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company consists solely of fixed remuneration in the form of basic remuneration, and the Company's basic policy is to determine an appropriate level of remuneration for each individual Director (excluding Directors who are Audit and Supervisory Committee Members) based on his/her responsibilities.

The whole amount of remuneration for Outside Directors and Directors who are Audit and Supervisory Committee Members also consists solely of fixed remuneration in the form of basic remuneration in light of their responsibilities.

ii. Policies for determining the amount of basic remuneration or the method of calculation (including policies for determining the timing or conditions for providing remuneration, etc., and matters concerning determining the details of remuneration, etc. for individual Directors)

Basic remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company shall consist of fixed monthly remuneration, and shall be determined according to the Director's position, responsibilities, and tenure in comprehensive consideration of market standards, the Company's performance, evaluation of the Director's execution of his/her duties, medium- to long-term economic conditions, and other factors.

The amount of remuneration, etc. for individual Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the President & CEO, who has been entrusted by resolution of the Board of Directors with the authority to do so. To ensure that the President & CEO exercises this authority in a proper fashion, the Board of Directors shall consult with the Nomination and Remuneration Committee on the proposed remuneration and seek its report, based on which the President & CEO, entrusted with this authority, shall make the determination.

In addition, the amount of remuneration, etc. for individual Directors who are Audit and Supervisory Committee Members shall be determined through consultation among Directors who are Audit and Supervisory Committee Members.

b. Reasons why the Board of Directors has determined that the details of remuneration, etc. for individual Directors for the fiscal year under review are in line with these policies

The Board of Directors has delegated authority for determining the amount of remuneration, etc. for individual Directors for the fiscal year ended March 31, 2026, to President & CEO Kazuho Takahashi. However, the Board has confirmed that prior consultation with the Nomination and Remuneration Committee on the proposed remuneration took place, and that the amount of remuneration, etc. for individual Directors was determined based on the Committee's subsequent report. Consequently, we have confirmed that the method for determining the details of remuneration, etc. for individual Directors for the fiscal year ended March 31, 2026, as well as the details themselves, are consistent with the relevant policy, and have therefore determined that the amount of remuneration, etc. is in line with the relevant policy.

c. Overview of procedures in cases where there is a committee or similar body involved in determining policies on the amount of remuneration, etc. for Directors or the method of calculation

The Company established the voluntary Nomination and Remuneration Committee in March 2022 in order to further strengthen governance of the process for determining remuneration. The Nomination and Remuneration Committee receives consultations on determining the amount of remuneration, etc. for individual Directors and provides reports on the proposed remuneration.

d. Details of activities of the Board of Directors, committees, and other bodies in the process of determining the amount of

remuneration, etc. for Directors for the fiscal year under review

Remuneration for Directors for the fiscal year ended March 31, 2026, was entrusted to the Representative Director and determined by resolution of the Board of Directors. Furthermore, in determining the amount of remuneration, etc. for individual Directors for the fiscal year ended March 31, 2026, the amount of remuneration, etc. for each individual Director was determined following prior consultation with the Nomination and Remuneration Committee on the proposed remuneration and after having taken the Committee's subsequent reports into account.

e. Resolutions of the general meeting of shareholders on remuneration, etc. for Directors

It was resolved at the 42nd Ordinary General Meeting of Shareholders held on June 27, 2024, that the amount of monetary remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be not more than ¥450 million annually (of this, not more than ¥50 million for Outside Directors) (excluding employee salaries of Directors who concurrently serve as employees). The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) as of the conclusion of the General Meeting is 10 (of these, three are Outside Directors).

It was resolved at the 42nd Ordinary General Meeting of Shareholders held on June 27, 2024, that the amount of monetary remuneration for Directors who are Audit and Supervisory Committee Members shall be not more than ¥50 million annually. The number of Directors who are Audit and Supervisory Committee Members as of the conclusion of the General Meeting is four.

2) Policy on determining remuneration amounts for Directors and calculation methods (scheduled to become effective on July 1, 2026)

At the Board of Directors meeting held on May 25, 2026, the Company resolved to introduce a restricted stock remuneration plan as part of a review of its executive remuneration system, and plans to submit a proposal concerning the plan to the Company's 44th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026. If the Company's proposal is approved as originally proposed, the details will be as follows: The descriptions of b. and d. are omitted as there are no changes to the descriptions in 1).

a. Details on policy on determining remuneration amounts for Directors and calculation methods, and the method of determining such policy

The Company resolved at a Board of Directors meeting held on May 25, 2026, to partially revise the policy for determining details of remuneration, etc. for individual Directors, and that Director remuneration for July 2026 onward is to be based on the revised policy, in accordance with the reports, etc. of the voluntary Nomination and Remuneration Committee.

i. Basic policy

The remuneration for Directors of the Company is aimed at contributing to the sustainable growth of the Company and the enhancement of corporate value over the medium to long term, and is structured to function as a sound incentive by ensuring alignment with shareholder interests as well as sharing interests with shareholders. In designing the remuneration system and determining individual remuneration amounts, the Company operates based on highly objective, transparent, and fair procedures, taking into account the perspective of securing and retaining outstanding talent.

The remuneration of Executive Directors (referring to Directors designated by the Board of Directors to execute business) consists of basic remuneration, which is fixed remuneration, and restricted stock remuneration, and is determined at an appropriate level according to the responsibilities and roles of each Director.

The remuneration of Non-executive Directors consists solely of basic remuneration, which is fixed remuneration, from the perspective of ensuring independence and other factors.

ii. Policy on the description and calculation method of remuneration

● Basic remuneration

• Basic remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

Basic remuneration shall be fixed monthly remuneration, determined by comprehensively taking into account factors such as the Director's position, responsibilities, tenure, market standards, the Company's performance, evaluation of the Director's execution of his/her duties, and economic conditions. The upper limit of total annual remuneration shall be ¥450 million annually, of which the portion for Outside Directors shall not exceed ¥50 million annually.

• Basic remuneration for Directors who are Audit and Supervisory Committee Members

Basic remuneration shall be fixed monthly remuneration, determined through consultation among all Directors who are Audit and Supervisory Committee Members, taking into account their responsibilities, economic conditions, and

other factors. The upper limit of total annual remuneration shall be ¥50 million annually.

- Non-monetary remuneration (restricted stock remuneration)

Restricted stock (RS) with transfer restrictions applicable until retirement shall be granted to Executive Directors, for the purpose of enhancing corporate value over the medium to long term and promoting value sharing with shareholders.

The number of shares to be allocated as restricted stock remuneration is structured to vary according to the level of achievement of indicators such as ROE and relative TSR, based on the amount of fixed remuneration, with specific details to be determined based on the reports of the Nomination and Remuneration Committee.

The upper limit of total remuneration shall be ¥90 million annually, and the total number of ordinary shares of the Company to be granted to Eligible Directors shall not exceed 180,000 shares annually. Furthermore, restricted stock remuneration shall, in principle, be granted each fiscal year, and if there is a material violation of laws and regulations or breach of duties by an Eligible Director, the Company will acquire the granted shares without consideration.

- Policy on determination of remuneration composition ratio

The ratio between basic remuneration and restricted stock remuneration for Executive Directors shall be determined by the Board of Directors based on the reports of the Nomination and Remuneration Committee, taking into account the Company's business environment, the scope of responsibility for each position, levels at peer companies, and other factors, so that linkage to performance and the functions as medium- to long-term incentives are appropriately exercised.

- iii. Policy on determination of individual remuneration, etc.

The amount of basic remuneration for each Director (excluding Directors who are Audit and Supervisory Committee Members) and the number of shares to be allocated as restricted stock remuneration for each Executive Director shall be determined by resolution of the Board of Directors after consulting with the Nomination and Remuneration Committee, giving maximum consideration to its recommendations.

In addition, the amount of basic remuneration for each Director who is an Audit and Supervisory Committee Member shall be determined through consultation among all Directors who are Audit and Supervisory Committee Members.

In order to ensure the transparency and objectivity of resolutions, a majority of the members of the Nomination and Remuneration Committee shall be Independent Outside Directors, and an Independent Outside Director shall serve as the chairperson.

- c. Overview of procedures in cases where there is a committee or similar body involved in determining policies on the amount of remuneration, etc. for Directors or the method of calculation

The Company established the voluntary Nomination and Remuneration Committee in March 2022 in order to further strengthen governance of the process for determining remuneration. The Nomination and Remuneration Committee receives consultations on the determination of the amount of remuneration, etc. for individual Directors, revisions to the executive remuneration system, and the details of the performance-linked restricted stock remuneration system, and provides reports on the original proposals.

- e. Resolutions of the general meeting of shareholders on remuneration, etc. for Directors

It was resolved at the 42nd Ordinary General Meeting of Shareholders held on June 27, 2024, that the amount of monetary remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be not more than ¥450 million annually (of this, not more than ¥50 million for Outside Directors) (excluding employee salaries of Directors who concurrently serve as employees). The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) as of the conclusion of the General Meeting is 10 (of these, three are Outside Directors).

It was resolved at the 42nd Ordinary General Meeting of Shareholders held on June 27, 2024, that the amount of monetary remuneration for Directors who are Audit and Supervisory Committee Members shall be not more than ¥50 million annually. The number of Directors who are Audit and Supervisory Committee Members as of the conclusion of the General Meeting is four.

Separately from the above remuneration amount, the Company plans to propose at the 44th Ordinary General Meeting of Shareholders to be held on June 25, 2026, that the total amount of monetary remuneration claims to be provided to Eligible Directors as remuneration, etc. related to restricted stock shall be not more than ¥90 million annually. If the proposal for the election of Directors is approved and adopted as originally proposed at the said General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be

nine (of these, three will be Outside Directors), and the number of Eligible Directors will be six.

3) Total amount of remuneration, etc. by Director category, total amount of remuneration, etc. by type, and number of eligible Directors

Director category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)		Number of eligible Directors (People)
		Basic remuneration	Non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	340	340	—	7
Audit and Supervisory Committee Members (excluding Outside Directors)	11	11	—	1
Outside Directors	22	22	—	7

Director category	Total amount of remuneration, etc. (Thousands of U.S. dollars)	Total amount of remuneration, etc. by type (Thousands of U.S. dollars)		Number of eligible Directors (People)
		Basic remuneration	Non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	2,126	2,126	—	7
Audit and Supervisory Committee Members (excluding Outside Directors)	69	69	—	1
Outside Directors	138	138	—	7

- (Notes) 1. The amount of remuneration, etc. for Directors does not include employee salaries of Directors who concurrently serve as employees.
2. The total amount of remuneration paid by consolidated subsidiaries to the Company's Directors is ¥0 million (\$0 thousand) for two Outside Directors.
3. The performance-linked restricted stock remuneration system is scheduled to be introduced on condition that the proposal is approved and adopted at the 44th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026, and no remuneration based on the said system has been provided during the fiscal year ended March 31, 2026.

4) Total remuneration, etc. of persons whose total remuneration, etc. is ¥100 million or higher

Name (Director category)	Total amount of remuneration, etc. (Millions of yen)	Company category	Total amount of remuneration, etc. by type (Millions of yen)	
			Basic remuneration	Non-monetary remuneration, etc.
Kazuho Takahashi (Director)	202	Reporting company	202	—

Name (Director category)	Total amount of remuneration, etc. (Thousands of U.S. dollars)	Company category	Total amount of remuneration, etc. by type (Thousands of U.S. dollars)	
			Basic remuneration	Non-monetary remuneration, etc.
Kazuho Takahashi (Director)	1,263	Reporting company	1,263	—

(5) Shareholdings

1) Criteria for and approach to investment shares

The Company classifies issues whose sole purpose is to generate profits due to fluctuations in the value of shares or share dividends as being for pure investment purposes, and issues held for other purposes as being for purposes other than pure investment.

2) Shareholdings of reporting company

i. Investment shares held for purposes other than pure investment

a. Method for verifying shareholding policies and the rationality of shareholdings, and details of verifying the appropriateness of holding individual issues by the Board of Directors, etc.

The Board of Directors periodically verifies the appropriateness of continued shareholdings in light of earnings targets on the basis of cost of capital (cost of equity and weighted average cost of capital [WACC]), actual returns, trading conditions, and other factors.

The Company will also consider how to respond should the shareholdings be considered inappropriate in light of future changes in circumstances, such as reducing the shareholdings.

b. Number of issues and balance sheet amount

	Number of issues (Issues)	Total balance sheet amount (Millions of yen)	Total balance sheet amount (Thousands of U.S. dollars)
Unlisted shares	4	115	719
Shares other than unlisted shares	11	14,949	93,472

(Issues whose number of shares increased in the fiscal year ended March 31, 2026)

	Number of issues (Issues)	Total acquisition cost related to the increase in the number of shares (Millions of yen)	Total acquisition cost related to the increase in the number of shares (Thousands of U.S. dollars)	Reason for increase in number of shares
Unlisted shares	—	—	—	—
Shares other than unlisted shares	—	—	—	—

(Issues whose number of shares decreased in the fiscal year ended March 31, 2026)

	Number of issues (Issues)	Total selling price related to the decrease in the number of shares (Millions of yen)	Total selling price related to the decrease in the number of shares (Thousands of U.S. dollars)
Unlisted shares	—	—	—
Shares other than unlisted shares	1	241	1,507

c. Number of shares and balance sheet amount per issue of specified investment shares and deemed holdings of shares

Specified investment shares

Issue name	Fiscal year ended March 31, 2026		Fiscal year ended March 31, 2025	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Thousands of U.S. dollars)	Balance sheet amount (Millions of yen)		
KeePer Technical Laboratory Co., Ltd.	4,657,600	4,657,600	4,657,600	(Purpose of shareholding) This company is a supplier of products and services for the Group's Automobile Sales-Related Business. Shares are held to maintain and strengthen business relationships. (Quantitative effects of shareholding) (Note 1)	No
	13,907	86,957	17,582		
HouseFreedom Co., Ltd.	556,300	556,300	556,300	(Purpose of shareholding) Shares are held to monitor industry trends in the Group's Housing-Related Business and strengthen business relationships, such as information collection. (Quantitative effects of shareholding) (Note 1)	Yes
	556	3,477	452		
Sakai Holdings Co., Ltd.	—	—	629,100	(Purpose of shareholding) Shares are held to maintain and strengthen business relationships of the Group. (Quantitative effects of shareholding) (Note 1)	No
	—	—	280		
YAGAMI Inc.	25,000	25,000	25,000	(Purpose of shareholding) Shares are held to maintain and strengthen business relationships of the Group. (Quantitative effects of shareholding) (Note 1)	No
	149	932	79		
Resorttrust, Inc.	36,064	36,064	18,032	(Purpose of shareholding) Shares are held to maintain and strengthen business relationships of the Group. (Quantitative effects of shareholding) (Note 1) (Reason for increase in shares) (Note 3)	No
	62	388	52		
Apple International Co., Ltd.	85,500	85,500	85,500	(Purpose of shareholding) Shares are held to monitor used car industry trends in the Group's Automobile Sales-Related Business, and maintain and strengthen business relationships, such as information collection. (Quantitative effects of shareholding) (Note 1)	No
	29	181	34		

Issue name	Fiscal year ended March 31, 2026		Fiscal year ended March 31, 2025	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares (Shares)	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Thousands of U.S. dollars)	Balance sheet amount (Millions of yen)		
Sanyo Industries, Ltd.	11,600	11,600	11,600	(Purpose of shareholding) Shares are held to monitor industry trends in the Group's Housing-Related Business and strengthen business relationships. (Quantitative effects of shareholding) (Note 1)	Yes
	51	319	35		
Mitsubishi UFJ Financial Group, Inc.	22,000	22,000	22,000	(Purpose of shareholding) Shares are held for the purpose of strengthening stable and ongoing relationships in financial and capital transactions and business operations. (Quantitative effects of shareholding) (Note 1)	No
	57	356	44		
Sumitomo Mitsui Financial Group, Inc.	8,100	8,100	8,100	(Purpose of shareholding) Shares are held for the purpose of strengthening stable and ongoing relationships in financial and capital transactions and business operations. (Quantitative effects of shareholding) (Note 1)	No
	40	250	30		
Resona Holdings, Inc.	21,500	21,500	21,500	(Purpose of shareholding) Shares are held for the purpose of strengthening stable and ongoing relationships in financial and capital transactions and business operations. (Quantitative effects of shareholding) (Note 1)	No
	37	231	27		
Sumitomo Mitsui Trust Group, Inc.	4,800	4,800	4,800	(Purpose of shareholding) Shares are held for the purpose of strengthening stable and ongoing relationships in financial and capital transactions and business operations. (Quantitative effects of shareholding) (Note 1)	Yes (Note 2)
	23	144	17		
Aichi Financial Group, Inc.	4,995	4,995	4,995	(Purpose of shareholding) Shares are held for the purpose of strengthening stable and ongoing relationships in financial and capital transactions and business operations. (Quantitative effects of shareholding) (Note 1)	Yes (Note 2)
	34	213	14		

(Notes) 1. While the Company does not disclose the quantitative effects of shareholding due to considerations such as maintaining business confidentiality with its business partners, it verifies the economic rationality of shareholdings in light of earnings targets on the basis of cost of capital (cost of equity and weighted average cost of capital [WACC]), actual returns, trading conditions, and other factors.

2. For holding of the Company's shares, when the issue is a holding company, this is listed with the shareholdings of its major subsidiaries having been taken into account.

3. The increase in shares of Resorttrust, Inc. was due to a 2-for-1 stock split on April 1, 2025.

ii. Investment shares held for pure investment purposes

Category	Fiscal year ended March 31, 2026			Fiscal year ended March 31, 2025	
	Number of issues (Issues)	Total balance sheet amount (Millions of yen)	Total balance sheet amount (Thousands of U.S. dollars)	Number of issues (Issues)	Total balance sheet amount (Millions of yen)
Unlisted shares	4	0	0	4	0
Shares other than unlisted shares	1	3	19	1	2

Category	Fiscal year ended March 31, 2026					
	Total amount of dividend income (Millions of yen)	Total amount of dividend income (Thousands of U.S. dollars)	Total amount of gain or loss on sales (Millions of yen)	Total amount of gain or loss on sales (Thousands of U.S. dollars)	Total amount of valuation gain or loss (Millions of yen)	Total amount of valuation gain or loss (Thousands of U.S. dollars)
Unlisted shares	—	—	—	—	—	—
Shares other than unlisted shares	0	0	—	—	2	13

3) Shareholdings of Shizuoka Nissan Auto Sales Co., Ltd.

Of the Company and its consolidated subsidiaries, Shizuoka Nissan Auto Sales Co., Ltd. is the company holding second largest balance sheet amount of investment shares. The details of the company are as follows:

i. Investment shares held for purposes other than pure investment

	Number of issues (Issues)	Total balance sheet amount (Millions of yen)	Total balance sheet amount (Thousands of U.S. dollars)
Unlisted shares	3	663	4,146
Shares other than unlisted shares	—	—	—

ii. Investment shares held for pure investment purposes

Not applicable.

5 Employees, etc.

(1) Basic policy on human resource strategy, etc.

(Human resource strategy)

With the car dealership business as its core, the Group engages in Automobile Sales-Related Business, Car Rentals Business, and Housing-Related Business. Furthermore, the Group operates businesses not only in Japan but also in the United Kingdom, Spain, Australia, and South Africa, and is advancing continuous business expansion with M&A positioned as an important pillar of its growth strategy.

In order to achieve these business strategies, the Group recognizes that, in addition to securing and developing employees with expertise in automobile sales and maintenance, it is important to address the electrification and SDV transition of automobiles, adapt to DX and AI, foster management talent responsible for group management, and utilize human resources across the Group.

The Group positions its human resource strategy as an important management foundation that supports the medium- to long-term enhancement of corporate value, and is particularly working on the following five key policies:

- 1) Securing and developing sales and maintenance personnel to support the car dealership business
- 2) Developing specialized human resources to prepare for the electrification and SDV transition of automobiles and for adapting to DX and AI
- 3) Developing shop management personnel on a planned basis to support future growth
- 4) Strengthening recruitment and improving retention rates to address talent shortages
- 5) Enhancing organizational capabilities through group-wide human resource utilization

1) Securing and developing sales and maintenance personnel to support the car dealership business

The source of the Group's competitiveness lies in its sales personnel who serve as the customer contact point and its maintenance personnel who provide high-quality after-sales services. Therefore, in addition to continuously recruiting new graduates and mid-career professionals, the Group works to enhance their expertise through manufacturer training, job-specific training, and qualification support systems.

Furthermore, while the shortage of mechanics poses an industry-wide challenge, the Group aims to build a stable service delivery system for the future by promoting the development and utilization of foreign maintenance personnel, alongside strengthening the recruitment of Japanese talent.

2) Developing specialized human resources to prepare for the electrification and SDV transition of automobiles and for adapting to DX and AI

The automobile industry is undergoing a major period of transformation, driven by transitions to electrification, SDVs, and connectivity, as well as advances in digital technology.

The Group projects a new EV sales ratio of 40% in FY2030 as one scenario, and is promoting the development of personnel with specialized knowledge and technical skills in EV sales and maintenance toward achieving this target.

Furthermore, in order to promote sales activities, customer management, and operational efficiency through the use of digital technology, the Group is working to improve digital literacy and foster human resources who drive DX and AI, thereby striving to enhance organizational capabilities capable of adapting to changes in the business environment.

3) Developing shop management personnel on a planned basis to support future growth

As the Group promotes continuous M&A and business expansion, developing the human resources responsible for shop operations and business management has become an important business issue.

Therefore, by offering stratified training and opportunities for practical management experience to shop managers and candidates for management positions, the Group is advancing the planned development of talent with sales skills, organizational management skills, human resource development skills, and profitability management skills.

4) Strengthening recruitment and improving retention rates to address talent shortages

As the working population declines due to the falling birthrate and aging population, the Group recognizes that securing and retaining talented human resources is an important business issue.

The Group is working to enhance employee engagement by developing a workplace environment where diverse talent can thrive, as well as promoting flexible work styles, enriching various employee benefit programs, and supporting career development.

Furthermore, the Group is advancing the creation of an organization where diverse individuals can demonstrate their capabilities,

through measures such as promoting women's empowerment and utilizing foreign human resources.

5) Enhancing organizational capabilities through group-wide human resource utilization

The Group places high importance on sharing the knowledge and know-how cultivated at its operating companies in Japan and overseas, and on utilizing human resources as management resources for the entire Group.

By strengthening collaboration and promoting human resource exchanges and best-practice sharing among its Group companies including companies joined through M&A, the Group is striving to enhance the operational efficiency and competitiveness of the Group as a whole. In addition, by developing next-generation management talent through diverse business experiences, including overseas business, the Group is working to strengthen its human resource base that supports the sustainable enhancement of corporate value.

(Policy for determining salaries and other benefits)

1) Scope of disclosure

Since the primary business of the Company is the management of its subsidiaries, the policy regarding the determination of the amount and content of salaries and other benefits for employees mainly describes the policies applicable to the reporting company and, among the Group's consolidated subsidiaries in Japan, the company with the largest number of employees and the company with the second largest number of employees.

2) Basic approach

The Group's basic approach to salaries and other benefits is to encourage employees to demonstrate their capabilities and promote employee retention, thereby contributing to the sustainable enhancement of corporate value. Salaries and other benefits are determined based on the employment regulations, salary regulations, and other internal rules of each company.

3) Determination policy at the reporting company and major consolidated subsidiaries in Japan

At the reporting company and major consolidated subsidiaries in Japan, salaries and bonuses are determined based on the employment regulations, salary regulations, and other internal rules of each company, taking into account job content, roles, capabilities, experience, work status, business results, and company performance. In addition, salary increases are determined based on personnel evaluations and other evaluation systems, taking into consideration each individual's capability, experience, performance, and work status. Bonuses are paid based on personnel evaluations, performance appraisals, and other factors, taking into account each individual's capability, achievements, work status, and other factors.

In particular, for specialized personnel such as automobile mechanics, the Group promotes the enhancement of their expertise and their retention by treating them in a manner commensurate with their qualifications, skills, experience, and job execution capabilities. In addition, for shop managers and candidates for management positions, the Group reflects factors such as degree of performance target achievement, organizational management, and contribution to human resource development in their evaluations, thereby striving to foster management talent that will support future growth.

Regarding other benefits, the Group has established various allowances, post-employment benefits, support for obtaining qualifications, leave systems, and other employee benefit programs, thereby striving to create a working environment where employees can work with peace of mind and demonstrate their capabilities.

(2) Employees

(1) Consolidated companies

As of March 31, 2026

Segment	Number of employees (People)
Automobile Sales-Related Business	4,246 [1,002]
Housing-Related Business	249 [44]
Other	32 [1]
Total	4,527 [1,047]

(Notes) 1. The number of employees represents the number of regular employees (excluding those seconded from the Group to outside organizations, and including those seconded from outside organizations to the Group).

2. The average number of temporary staff during the year is shown separately inside brackets.

(2) Reporting company

As of March 31, 2026

Number of employees (People)	Average age	Average years of service (Years)	Average annual salary (Thousands of yen)	Average annual salary (U.S. dollars)	Rate of increase/decrease in average annual salary compared to the fiscal year ended March 31, 2025
32 [1]	38.3	6.2	6,484	40,543	0.7

(Notes) 1. The number of employees represents the number of regular employees (excluding those seconded from the Company to outside organizations, and including those seconded from outside organizations to the Company).

2. The average number of temporary staff during the year is shown separately inside brackets.

3. The average annual salary includes bonuses and extra wages. It has been calculated by excluding the employee salaries of those who concurrently serve as Directors.

4. Since all employees of the reporting company belong to the "Other" segment, only the total number of employees is shown.

(3) Status of the company with the largest number of employees

A. The company with the largest number of employees in the fiscal year ended March 31, 2026

Honda Cars Tokai Co., Ltd.

As of March 31, 2026

Number of employees (People)	Average age	Average years of service (Years)	Average annual salary (Thousands of yen)	Average annual salary (U.S. dollars)	Rate of increase/decrease in average annual salary compared to the fiscal year ended March 31, 2025
432 [30]	42.1	12.3	6,883	43,038	(2.0)

(Notes) 1. The number of employees represents the number of regular employees (excluding those seconded from the Company to outside organizations, and including those seconded from outside organizations to the Company).

2. The average number of temporary staff during the year is shown separately inside brackets.

3. The average annual salary includes bonuses and extra wages. It has been calculated by excluding the employee salaries of those who concurrently serve as Directors.

B. The company with the second largest number of employees after A above

Nagano Nissan Auto Co., Ltd.

As of March 31, 2026

Number of employees (People)	Average age	Average years of service (Years)	Average annual salary (Thousands of yen)	Average annual salary (U.S. dollars)	Rate of increase/decrease in average annual salary compared to the fiscal year ended March 31, 2025
426 [26]	40.9	18.6	6,113	38,223	3.0

- (Notes) 1. The number of employees represents the number of regular employees (excluding those seconded from the Company to outside organizations, and including those seconded from outside organizations to the Company).
2. The average number of temporary staff during the year is shown separately inside brackets.
3. The average annual salary includes bonuses and extra wages. It has been calculated by excluding the employee salaries of those who concurrently serve as Directors.

(4) Labor unions

While the Company does not have a labor union, it maintains positive labor-management relations.

Some consolidated subsidiaries have labor unions, and the number of union members was 977 as of March 31, 2026. The Group has positive relations with the labor unions, and there are no noteworthy matters.

(5) Percentage of women employees in management positions, percentage of male employees who took childcare leave, and differences in wages between male and female employees

Consolidated subsidiaries

Fiscal year ended March 31, 2026					
Name	Percentage of women employees in management positions (%) (Note 1)	Percentage of male employees who took childcare leave (%) (Note 2)	Differences in wages between male and female employees (%) (Note 3)		
			All employees	Regular employees	Part-time and fixed-term employees
Honda Cars Tokai Co., Ltd.	—	28.6	59.6	60.9	70.3
Nagano Nissan Auto Co., Ltd.	—	25.0	74.5	74.3	63.2
Shizuoka Nissan Auto Sales Co., Ltd.	—	0.0	73.0	70.3	90.3
J-net Rental & Lease Co., Ltd.	—	87.5	77.6	76.7	95.4

- (Notes) 1. The companies are not obligated to disclose the percentage of women employees in management positions pursuant to the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015), and therefore, the percentages are not listed.
2. 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), the percentage of employees who took childcare leave, etc. in Article 71-6, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) was calculated.
3. Differences in wages between male and female employees were calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015). The number of part-time and fixed-term employees was determined based on the prescribed working hours of regular employees.

V Financial Information

1 Preparation of the Consolidated Financial Statements and Non-consolidated Financial Statements

- (1) The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”) pursuant to the provisions of Article 312 of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).

Figures presented in the consolidated financial statements, etc. have been rounded off to the nearest million yen.

- (2) The non-consolidated financial statements of the Company are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963; the “Regulation on Financial Statements”).

The Company falls under a special company submitting financial statements and prepares the non-consolidated financial statements pursuant to the provisions of Article 127 of the Regulation on Financial Statements.

Figures presented in the non-consolidated financial statements, etc. have been rounded down to the nearest million yen.

2 Audit Certification

In accordance with the provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, the consolidated financial statements and the non-consolidated financial statements of the Company for the fiscal year ended March 31, 2026 were audited by Tokai Audit Corporation.

3 Special Efforts to Ensure the Appropriateness of Consolidated Financial Statements, etc. and Development of a System for Appropriate Preparation of Consolidated Financial Statements, etc. in Accordance with IFRS

The Company makes special efforts to ensure the appropriateness of consolidated financial statements, etc. and develops a system for the appropriate preparation of consolidated financial statements, etc. in accordance with IFRS. The content thereof is as follows:

- (1) To develop a system for ensuring correct understanding of accounting standards, etc. or appropriate responses to any changes in accounting standards, etc., the Company has joined the Financial Accounting Standards Foundation and attends seminars, etc. held by the foundation, audit corporations, and others.

- (2) For the adoption of IFRS, the Company keeps up with the latest accounting standards by obtaining press releases and standards published by the International Accounting Standards Board as needed. To prepare appropriate consolidated financial statements, etc. based on IFRS, the Company has developed accounting policies and accounting principles of the Group, which are in accordance with IFRS, and performs accounting procedures based on them.

1 Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

1) Consolidated Statement of Financial Position

	Notes	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Assets				
Current assets				
Cash and cash equivalents	8	13,565	14,643	84,818
Trade and other receivables	9, 34	36,770	31,580	229,913
Other financial assets	10, 34	240	224	1,501
Inventories	11, 19	87,643	71,827	548,009
Other current assets	12, 20	9,324	7,734	58,301
Total current assets		147,541	126,007	922,535
Non-current assets				
Property, plant and equipment	13, 19, 20	103,843	97,711	649,303
Goodwill	14, 16	13,522	13,106	84,549
Intangible assets	14, 20	978	1,363	6,115
Investment property	15, 19	7,079	7,004	44,263
Investments accounted for using equity method	6, 17	5,043	4,790	31,533
Other financial assets	10, 34	23,072	26,119	144,263
Deferred tax assets	18	1,824	1,698	11,405
Other non-current assets	12	164	101	1,025
Total non-current assets		155,525	151,893	972,457
Total assets		303,067	277,900	1,894,998

	Notes	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Liabilities and equity				
Liabilities				
Current liabilities				
Bonds and borrowings	19, 34	58,134	45,586	363,497
Trade and other payables	21, 34	68,728	59,110	429,738
Other financial liabilities	19, 34	10,878	9,752	68,017
Income taxes payable		2,573	1,695	16,088
Contract liabilities	27	13,521	13,256	84,543
Other current liabilities	24	4,214	4,107	26,349
Total current liabilities		158,049	133,507	988,239
Non-current liabilities				
Bonds and borrowings	19, 34	28,787	25,298	179,997
Other financial liabilities	19, 34	30,894	30,586	193,172
Provisions	23	1,198	818	7,491
Deferred tax liabilities	18	5,021	6,206	31,395
Other non-current liabilities	24	1,177	1,079	7,359
Total non-current liabilities		67,077	63,987	419,415
Total liabilities		225,126	197,493	1,407,653
Equity				
Share capital	25	5,100	5,100	31,889
Capital surplus	25	3,995	4,029	24,980
Treasury shares	25	(2,970)	(667)	(18,571)
Other components of equity		5,397	3,582	33,746
Retained earnings	25	59,161	59,200	369,918
Total equity attributable to owners of parent		70,684	71,244	441,968
Non-controlling interests		7,257	9,163	45,376
Total equity		77,941	80,407	487,344
Total liabilities and equity		303,067	277,900	1,894,998

2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income
Consolidated Statement of Profit or Loss

	Notes	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Revenue	6, 27	388,733	351,630	2,430,645
Cost of sales		328,741	298,252	2,055,531
Gross profit		59,992	53,378	375,114
Selling, general and administrative expenses	28	48,714	42,292	304,596
Other income	29	1,591	1,170	9,948
Other expenses	29	1,866	1,397	11,668
Operating profit		11,003	10,859	68,799
Finance income	30	979	482	6,121
Finance costs	30	2,073	1,760	12,962
Share of profit of investments accounted for using equity method	17	220	151	1,376
Profit before tax		10,129	9,732	63,334
Income tax expense	18	4,178	3,611	26,124
Profit		5,950	6,121	37,204
Profit attributable to				
Owners of parent		4,898	5,302	30,626
Non-controlling interests		1,052	819	6,578
Profit		5,950	6,121	37,204
		Yen	Yen	U.S. dollars
Earnings per share				
Basic earnings per share	32	41.50	43.83	0.26
Diluted earnings per share	32	—	—	—

Consolidated Statement of Comprehensive Income

	Notes	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Profit		5,950	6,121	37,204
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Financial assets measured at fair value through other comprehensive income	31	(2,113)	(3,967)	(13,212)
Share of other comprehensive income of investments accounted for using equity method	17, 31	38	(7)	238
Total of items that will not be reclassified to profit or loss		(2,075)	(3,974)	(12,974)
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	31	1,867	10	11,674
Share of other comprehensive income of investments accounted for using equity method	17, 31	45	30	281
Total of items that may be reclassified to profit or loss		1,912	40	11,955
Other comprehensive income, net of tax		(163)	(3,934)	(1,019)
Comprehensive income		5,787	2,187	36,185
Comprehensive income attributable to				
Owners of parent		4,610	1,349	28,825
Non-controlling interests		1,177	838	7,359
Comprehensive income		5,787	2,187	36,185

3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2026

Equity attributable to owners of parent					
Notes	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Share acquisition rights
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2025	5,100	4,029	(667)	3,582	—
Profit					
Other comprehensive income	31			1,802	
Total comprehensive income		—	—	1,802	—
Changes in ownership interest in subsidiaries		(34)		13	
Purchase of treasury shares	25	(0)	(2,302)		
Purchase of treasury shares of subsidiaries		0			
Transfer to retained earnings	34				
Dividends	26				
Total transactions with owners		—	(2,302)	13	—
Balance as of March 31, 2026	5,100	3,995	(2,970)	5,397	—

Equity attributable to owners of parent						
Notes	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Financial assets measured at fair value through other comprehensive income	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2025	—	3,582	59,200	71,244	9,163	80,407
Profit		—	4,898	4,898	1,052	5,950
Other comprehensive income	31	(2,089)	(288)	(288)	125	(163)
Total comprehensive income		(2,089)	4,898	4,610	1,177	5,787
Changes in ownership interest in subsidiaries		13		(21)	(2,900)	(2,921)
Purchase of treasury shares	25	—		(2,302)		(2,302)
Purchase of treasury shares of subsidiaries		—		0	(0)	(0)
Transfer to retained earnings	34	2,089	(2,089)	—		—
Dividends	26	—	(2,847)	(2,847)	(182)	(3,030)
Total transactions with owners		2,089	(4,937)	(5,171)	(3,083)	(8,254)
Balance as of March 31, 2026	—	5,397	59,161	70,684	7,257	77,941

Fiscal year ended March 31, 2025

		Equity attributable to owners of parent				
Notes		Share capital	Capital surplus	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Share acquisition rights
		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
		4,862	4,406	(667)	3,480	1
Balance as of April 1, 2024						
Profit						
Other comprehensive income	31				25	
Total comprehensive income		—	—	—	25	—
Issuance of new shares	25	238	234			
Changes in ownership interest in subsidiaries			(639)		77	
Purchase of treasury shares	25			(0)		
Purchase of treasury shares of subsidiaries			28			
Exercise of share acquisition rights	25		(0)			(1)
Transfer to retained earnings	34					
Dividends	26					
Total transactions with owners		238	(377)	(0)	77	(1)
Balance as of March 31, 2025		5,100	4,029	(667)	3,582	—

		Equity attributable to owners of parent					
		Other components of equity					
	Notes	Financial assets measured at fair value through other comprehensive income	Total	Retained earnings	Total	Non-controlling interests	Total
		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2024		–	3,481	60,770	72,851	9,151	82,002
Profit			–	5,302	5,302	819	6,121
Other comprehensive income	31	(3,979)	(3,953)		(3,953)	19	(3,934)
Total comprehensive income		(3,979)	(3,953)	5,302	1,349	838	2,187
Issuance of new shares	25		–		473		473
Changes in ownership interest in subsidiaries			77		(562)	(440)	(1,002)
Purchase of treasury shares	25		–		(0)		(0)
Purchase of treasury shares of subsidiaries			–		28	(166)	(138)
Exercise of share acquisition rights	25		(1)		(2)		(2)
Transfer to retained earnings	34	3,979	3,979	(3,979)	–		–
Dividends	26		–	(2,893)	(2,893)	(220)	(3,113)
Total transactions with owners		3,979	4,054	(6,872)	(2,956)	(826)	(3,782)
Balance as of March 31, 2025		–	3,582	59,200	71,244	9,163	80,407

Fiscal year ended March 31, 2026

Equity attributable to owners of parent					
Notes	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Share acquisition rights
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Balance as of April 1, 2025	31,889	25,192	(4,171)	22,397	–
Profit					
Other comprehensive income	31			11,267	
Total comprehensive income	–	–	–	11,267	–
Changes in ownership interest in subsidiaries		(213)		81	
Purchase of treasury shares	25	(0)	(14,394)		
Purchase of treasury shares of subsidiaries		0			
Transfer to retained earnings	34				
Dividends	26				
Total transactions with owners	–	(219)	(14,394)	81	–
Balance as of March 31, 2026	31,889	24,980	(18,571)	33,746	–

Equity attributable to owners of parent						
Notes	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Financial assets measured at fair value through other comprehensive income	Total				
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Balance as of April 1, 2025	–	22,397	370,162	445,470	57,294	502,764
Profit		–	30,626	30,626	6,578	37,204
Other comprehensive income	31	(13,062)	(1,801)	(1,801)	782	(1,019)
Total comprehensive income		(13,062)	30,626	28,825	7,359	36,185
Changes in ownership interest in subsidiaries		81		(131)	(18,133)	(18,264)
Purchase of treasury shares	25	–		(14,394)		(14,394)
Purchase of treasury shares of subsidiaries		–		0	(0)	(0)
Transfer to retained earnings	34	13,062	(13,062)	–		–
Dividends	26	–	(17,802)	(17,802)	(1,138)	(18,946)
Total transactions with owners		13,062	(30,870)	(32,333)	(19,277)	(51,610)
Balance as of March 31, 2026	–	33,746	369,918	441,968	45,376	487,344

4) Consolidated Statement of Cash Flows

	Notes	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Cash flows from operating activities				
Profit before tax		10,129	9,732	63,334
Depreciation and amortization		16,675	14,967	104,264
Impairment losses		1,083	797	6,772
Interest and dividend income		(453)	(466)	(2,832)
Interest expenses		2,044	1,696	12,781
Foreign exchange loss (gain)		(441)	29	(2,757)
Share of loss (profit) of investments accounted for using equity method		(220)	(151)	(1,376)
Loss (gain) on sale of non-current assets		(55)	(84)	(344)
Loss on retirement of non-current assets		53	150	331
Decrease (increase) in trade receivables		(62)	548	(388)
Decrease (increase) in inventories		(8,956)	2,725	(55,999)
Increase (decrease) in trade payables		2,557	(2,410)	15,988
Increase (decrease) in contract liabilities		(272)	1,599	(1,701)
Increase (decrease) in accrued consumption taxes		647	2,649	4,046
Other		1,369	1,445	8,560
Subtotal		24,098	33,225	150,678
Interest and dividends received		500	518	3,126
Interest paid		(2,064)	(1,711)	(12,906)
Income taxes refund (paid)		(3,743)	(4,075)	(23,404)
Net cash provided by (used in) operating activities		18,791	27,956	117,495
Cash flows from investing activities				
Payments into time deposits		(208)	(169)	(1,301)
Proceeds from withdrawal of time deposits		190	367	1,188
Purchase of property, plant and equipment		(13,598)	(15,719)	(85,025)
Proceeds from sale of property, plant and equipment		3,941	5,088	24,642
Purchase of intangible assets		(964)	(376)	(6,028)
Purchase of investment securities		(1)	(1)	(6)
Proceeds from sale of investment securities		242	219	1,513
Proceeds from (payments for) acquisition of subsidiaries	7	(327)	—	(2,045)
Payments for loans receivable		(37)	(18)	(231)
Collection of loans receivable		102	103	638
Payments of leasehold deposits and guarantee deposits		(237)	(172)	(1,482)
Proceeds from collection of leasehold deposits and guarantee deposits		109	125	682
Payments for acquisition of business		(16)	(470)	(100)
Other		(9)	12	(56)
Net cash provided by (used in) investing activities		(10,814)	(11,011)	(67,617)

	Notes	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings	33	11,324	(4,768)	70,806
Proceeds from long-term borrowings	33	15,606	15,681	97,580
Repayments of long-term borrowings	33	(12,915)	(11,075)	(80,754)
Redemption of bonds	33	(217)	(208)	(1,357)
Proceeds from issuance of shares	25	—	469	—
Purchase of treasury shares	25	(2,302)	(0)	(14,394)
Capital contribution from non-controlling interests		28	—	175
Purchase of treasury shares of subsidiaries		(0)	(138)	(0)
Dividends paid	26	(2,847)	(2,893)	(17,802)
Dividends paid to non-controlling interests		(182)	(220)	(1,138)
Purchase of interests in subsidiaries from non-controlling interests		(2,949)	(1,002)	(18,439)
Repayments of lease liabilities	33	(14,960)	(11,653)	(93,541)
Other		(54)	(1)	(338)
Net cash provided by (used in) financing activities		(9,471)	(15,809)	(59,220)
Effect of exchange rate changes on cash and cash equivalents		417	23	2,607
Net increase (decrease) in cash and cash equivalents		(1,078)	1,160	(6,740)
Cash and cash equivalents at beginning of period	8	14,643	13,483	91,559
Cash and cash equivalents at end of period	8	13,565	14,643	84,818

Notes to Consolidated Financial Statements

1. Reporting Entity

VT HOLDINGS CO., LTD. (the “Company”) is a company located in Japan. The addresses of the Company’s registered head office and principal offices are presented on the Company’s website (<https://www.vt-holdings.co.jp>). The Company’s consolidated financial statements, whose reporting period ended on March 31, 2026, present the financial condition and operating results of the Company and its subsidiaries (the “Group”) as well as the Company’s interests in its associates.

The Group’s business consists of the Automobile Sales-Related Business and the Housing-Related Business. The details of each business are stated in Note “6. Operating Segments.”

2. Basis of Preparation

(1) Statement of compliance with IFRS

The Company satisfies all requirements to be a specified company complying with any designated international accounting standards as prescribed in Article 1-2 of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976). The consolidated financial statements of the Group are thus prepared in accordance with IFRS pursuant to the provisions of Article 312 of the aforementioned Regulation.

The consolidated financial statements were approved on June 22, 2026 by Kazuho Takahashi, President & CEO.

(2) Basis of measurement

The consolidated financial statements of the Group are prepared on an acquisition cost basis, except for certain items, such as financial instruments that are measured at fair value, as stated in the Note “3. Material Accounting Policy Information.”

(3) Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company, and figures have been rounded off to the nearest million yen.

3. Material Accounting Policy Information

(1) Basis for consolidation

1) Subsidiaries

Subsidiaries refer to the companies under the control of the Group. The Group considers that it controls a company when it is exposed to or has rights to variable returns arising from its involvement in the company and has an ability to affect those returns through its power over the company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group gains control until the date that control is lost.

If any accounting policies adopted by a subsidiary differ from those adopted by the Group, adjustments are made to the subsidiary’s financial statements where needed. The balances of payables and receivables and internal transactions within the Group as well as unrealized gains or losses arising from internal transactions within the Group are eliminated in preparing the consolidated financial statements.

Comprehensive income of subsidiaries is attributed to owners of parent and non-controlling interests, even if this results in a negative balance in non-controlling interests.

When the ownership interest in a subsidiary is partially disposed of, the transaction is accounted for as an equity transaction if the Group retains control over the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration is directly recognized in equity and attributed to the owners of the parent.

If the Group loses control over the subsidiary, gains or losses derived from such loss are recognized in profit or loss.

2) Associates

The Group calls a company its associate when the Group does not control or jointly control it, but exerts significant influence on its financial affairs and operating policies. When the Group holds 20% or more and 50% or less of another company’s voting rights, it is considered that the Group exerts significant influence on that other company.

Investments in associates are initially recognized at acquisition cost, and subsequently accounted for using the equity method. Investments in associates include goodwill recognized upon acquisition (net of accumulated impairment losses).

If any accounting policies adopted by an associate differ from those adopted by the Group, adjustments are made to the associate’s financial statements where needed.

When a company no longer falls under an affiliate and the equity method is no longer applied, gains or losses derived from no longer applying the equity method are recognized in profit or loss.

(2) Business combinations

Business combinations are accounted for by the acquisition method. Consideration for acquisition is measured as the sum of the fair value on the acquisition date of the assets transferred, liabilities assumed, and equity instruments issued by the Company in exchange for the control over the acquired company. If consideration for acquisition exceeds the fair value of identifiable assets and liabilities, such excess is recorded as goodwill in the consolidated statement of financial position. If, conversely, the consideration is smaller than the fair value, the difference is immediately recorded in profit or loss in the consolidated statement of profit or loss.

Transaction costs that are directly attributable to a business combination, such as agent, legal, and due diligence fees, are expensed as incurred.

If the initial accounting for a business combination is not finalized by the end of the fiscal year in which the business combination took place, the Group reports provisional values for items not yet finalized. The provisional values recognized at the acquisition date are retrospectively adjusted to reflect new information obtained during a certain designated period (the “measurement period”) on facts and circumstances that existed at the acquisition date and, if known at the acquisition date, would have affected the measurement of the amounts recognized. Additional assets or liabilities are recognized if newly obtained information results in new recognition of those assets and liabilities. The measurement period may not exceed one year.

Once control over the acquiree is obtained, acquisition of additional non-controlling interests is accounted for as an equity transaction. Accordingly, the Group does not recognize goodwill attributable to such transaction.

Identifiable assets and liabilities of the acquiree are measured at fair value as of the acquisition date, except for the following:

- Deferred tax assets and liabilities, and assets and liabilities arising from employee benefit contracts
- Share-based payment agreements of the acquiree
- Assets or disposal groups that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations.”

(3) Foreign currency translation

1) Foreign currency denominated transactions

Foreign currency denominated transactions are translated into the functional currency of each company of the Group by using the exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into the functional currency by using the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency by using the exchange rate on the date when the fair value is measured.

Exchange differences arising from such translation or settlement are recognized in profit or loss. However, exchange differences arising from the translation of financial instruments designated as hedging instruments for net investment in foreign operations, financial assets measured at fair value through other comprehensive income, and cash flow hedges are recognized as other comprehensive income.

2) Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into Japanese yen by using the exchange rate at the end of the reporting period, while income and expenses are translated into Japanese yen by using the average exchange rates. Translation differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income. Translation differences of foreign operations are recognized in profit or loss for the period in which the foreign operations concerned are disposed of.

(4) Financial instruments

1) Financial assets

(i) Initial recognition and measurement

The Group initially recognizes trade and other receivables on the date of accrual. All other financial assets are initially recognized on the date of the transaction when the Group becomes a party to the contractual provisions of the financial instruments.

Financial assets are classified at initial recognition as follows: (a) financial assets measured at amortized cost, (b) financial assets measured at fair value through other comprehensive income (FVTOCI financial assets), and (c) financial assets measured at fair value through profit or loss (FVTPL financial assets).

(a) Financial assets measured at amortized cost

Financial assets that meet both of the following conditions are classified as financial assets measured at amortized cost.

- The assets are held based on the business model whose objective is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets measured at fair value through other comprehensive income (FVTOCI financial assets)

Equity instruments, such as shares, held mainly for the purpose of maintaining or strengthening business relationships with investees are designated at initial recognition as financial assets measured at fair value through other comprehensive income.

(c) Financial assets measured at fair value through profit or loss (FVTPL financial assets)

Financial assets designated as financial assets measured at fair value through profit or loss or those other than (a) and (b) are classified into financial assets measured at fair value through profit or loss.

Financial assets are initially recognized at fair value plus any transaction costs, except for those classified as financial assets measured at fair value through profit or loss.

(ii) Subsequent measurement

Subsequent to the initial recognition, financial assets are measured as follows, depending on their classifications.

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost by using the effective interest method.

(b) Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are measured at fair value, and changes in fair value are recognized as other comprehensive income.

However, dividends from the equity instruments that are designated as financial assets measured at fair value through other comprehensive income are recognized in profit or loss as part of finance income when the Group's right to receive payment of the dividend is established. Changes in fair value and gains or losses from derecognition of such financial assets are recognized as other comprehensive income with the accumulated amounts thereof being immediately transferred to retained earnings after being recognized as other components of equity.

(c) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are measured at fair value, and changes in fair value are recognized as profit or loss.

(iii) Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or substantially all the risks and rewards incidental to the ownership of the financial asset are transferred through the transfer of the financial asset.

(iv) Impairment

The Group recognizes allowance for doubtful accounts for expected credit losses on financial assets measured at amortized cost.

The Group assesses whether or not the credit risk of each financial asset has increased significantly from initial recognition at the end of every reporting period. If the credit risk of a financial asset has not increased significantly from initial recognition, the expected credit losses of the financial asset are measured at an amount equal to the 12-month expected credit losses. On the other hand, if the credit risk of a financial asset has increased significantly from initial recognition, the expected credit losses of the financial asset are measured at an amount equal to the full lifetime expected credit losses.

In principle, it is presumed that the credit risk of financial assets has increased significantly when contractual payments are more than 30 days past due. In assessing whether or not the credit risk has increased significantly, the Group considers reasonably available and supportable information (including internal and external credit rating) in addition to past-due information.

When the credit risk of a financial asset is considered low at the end of the reporting period, the Group assesses that the credit risk of the financial asset has not increased significantly since initial recognition.

However, for trade receivables that do not contain a significant financing component, an allowance for doubtful accounts is always recognized at an amount equal to the full lifetime expected credit losses regardless of whether or not the credit risk has increased significantly from the initial recognition.

Expected credit losses of financial assets are estimated in a way that reflect the following items:

- Unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- Time value of money
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

The amounts of these measurements are recognized in profit or loss. The amount of expected credit losses (or reversal) required to adjust allowance for doubtful accounts to the amount that is required to be recognized at the closing date is recognized in profit or loss, as impairment gains or impairment losses.

2) Financial liabilities

(i) Initial recognition and measurement

Debt securities issued by the Group are initially recognized on the date of issue. All other financial liabilities are initially recognized on the transaction date when the Group becomes a party to the contract on such financial instruments.

At the initial recognition, financial liabilities are classified as (a) financial liabilities measured at amortized cost and (b) financial liabilities measured at fair value through profit or loss.

At the initial recognition, financial liabilities measured at amortized cost are measured at fair value net of transaction costs that are directly attributable to the financial liabilities. Financial liabilities measured through profit or loss are measured at fair value.

(ii) Subsequent measurement

Subsequent to the initial recognition, financial liabilities are measured as follows, depending on their classifications.

(a) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured at amortized cost by using the effective interest method subsequent to the initial recognition.

Amortization by using the effective interest method, as well as gains and losses associated with derecognition, are recognized in profit or loss for the period as part of finance costs.

(b) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss are measured at fair value, and the changes in fair value are recognized as profit or loss for the period.

(iii) Derecognition

The Group derecognizes financial liabilities when they are extinguished, namely when the obligation specified in the contract is discharged, is canceled or expires.

3) Presentation of financial assets and financial liabilities

Financial assets and financial liabilities are offset against each other and the net amount is presented in the consolidated statement of financial position only if the Group has a legal right to offset those balances and the intention to either settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4) Derivatives and hedge accounting

The Group uses derivatives, including forward foreign exchange contracts and interest rate swap contracts, for the purpose of hedging foreign currency risk and interest rate risk. The Group does not hold any derivatives for trading purposes.

Derivative transactions are initially recognized at fair value, and the transaction costs are recognized in profit or loss when they are incurred. Subsequent to the initial recognition, the derivative instruments are measured at fair value and changes in fair value are recognized in profit or loss for the period in principle. However, the Group may apply the hedge accounting when a hedge is deemed to be effective based on an objective assessment of the degree to which changes in cash flows of the hedged item are offset by changes in cash flows of the hedging instrument.

When a derivative is initially designated as a hedging instrument, all the following are documented: the hedge relationship between the hedging instrument and the hedged item, the risk management objective, the strategy for implementation of the hedge transaction, the method for assessing effectiveness of the hedge relationship, and the method of measuring effectiveness and ineffectiveness. Specifically, the Group determines that a hedge is effective when all of the following requirements are met:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not significantly dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the company actually hedges and the quantity of the hedging instrument that the company actually uses to hedge that quantity of the hedged item.

The Group assesses whether the derivative used for the hedge transaction is effective in offsetting changes in cash flows of the hedged item, at the inception of the hedge and throughout the term of the hedge. The Group discontinues to apply the hedge accounting prospectively when the hedge is determined to be or have been no longer effective.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with maturities not exceeding three months from the acquisition date that are readily convertible into cash and subject to an insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of acquisition cost or net realizable value. Net realizable value is determined at the estimated selling price in the ordinary course of business, less estimated selling expenses and other expenses. The acquisition cost is calculated mainly using the identified cost method, and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

(7) Property, plant and equipment

Property, plant and equipment are measured by using cost model, and presented at the value calculated by subtracting accumulated depreciation and accumulated impairment losses from acquisition cost.

The acquisition cost includes costs directly attributable to the acquisition of the asset, costs related to disassembly, removal and site restoration, and borrowing costs that are to be capitalized.

Depreciation of assets other than land and construction in progress is recognized mainly by the straight-line method over the estimated useful lives of the assets. The estimated useful life of each main asset item is as follows:

- Buildings and structures: 2 to 60 years
- Machinery and vehicles: 2 to 20 years
- Tools, furniture and fixtures: 2 to 20 years

The estimated useful lives, residual values, and depreciation method are reviewed at each fiscal year-end.

(8) Investment property

Investment property is real estate property held to earn rental income or capital gains, or both. Investment property is measured

by using cost model, and presented at the value calculated by subtracting accumulated depreciation and accumulated impairment losses from acquisition cost. The estimated useful lives and depreciation method are the same as those set forth in (7) Property, plant and equipment.

The estimated useful lives, residual values, and depreciation method are reviewed at each fiscal year-end.

(9) Intangible assets

1) Goodwill

The Group measures goodwill at the fair value of the considerations transferred, including the recognized amount of non-controlling interests in the acquiree measured at the acquisition date, less the net recognized amount (ordinarily fair value) of the identifiable assets acquired and the liabilities assumed at the acquisition date.

The Group does not amortize goodwill, but tests for impairment in each reporting period or each time any indication of impairment exists.

Impairment losses of goodwill are recognized in profit or loss in the consolidated statement of profit or loss and not reversed subsequently.

Goodwill is presented at the acquisition cost less accumulated impairment losses in the consolidated statement of financial position.

2) Other intangible assets

Other intangible assets are measured by using cost model, and presented at the value calculated by subtracting accumulated amortization and accumulated impairment losses from acquisition cost. Except for intangible assets with indefinite useful lives, amortization is recorded by the straight-line method over the estimated useful life of each asset. The estimated useful life of main assets is as follows:

- Software: 3 to 5 years
- Customer-related assets: 15 years

The estimated useful lives, residual values, and amortization method are reviewed at each fiscal year-end.

(10) Leases

At inception of the contract, the Group determines whether the contract is or contains a lease. The Group determines that a contract is or contains a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

When the Group determines that the contract is or contains a lease, a right-of-use asset and a lease liability are recognized at the commencement date of the lease. The lease liability is measured at an amount equal to the present value of the total lease payables, and the right-of-use asset is initially measured at the amount of the initial measurement of the lease liability adjusted for any prepaid lease payments.

Subsequent to the initial recognition, the right-of-use asset is depreciated over the shorter period of the lease term or useful life of the underlying asset by the straight-line method.

The lease liability is measured at the present value of the lease payments that have not been paid on the commencement date which is calculated using incremental borrowing rate. After the commencement of the lease, the carrying amount of the lease liability is reduced to reflect the interest expense on the lease liability and the lease payments made. If the lease terms are modified, the lease liability is remeasured to adjust the right-of-use asset.

Lease payments are allocated between finance costs and repayment on lease liability using the interest rate method. Finance costs are recognized in the consolidated statement of profit or loss.

However, for a short-term lease with a lease term of 12 months or shorter, or a lease whose underlying asset is of low value, a right-of-use asset and a lease liability are not recognized, and the lease payments are recognized as expenses by either the straight-line method or another systematic method over the lease term.

(11) Impairment of non-financial assets

For the carrying amounts of the Group's non-financial assets, except for inventories and deferred tax assets, the Group determines whether there is any indication of impairment at the end of every reporting period. If there is an indication of impairment, the recoverable amount of the asset is estimated. The recoverable amounts of goodwill and intangible assets with indefinite useful lives or those not yet available for use are estimated at the same time every year.

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use or its fair value less costs of disposal. In calculating the value in use, the estimated future cash flows are discounted to their present value by using an after-tax discount rate that reflects the time value of money and the risks specific to the asset. Assets that are not tested individually in impairment test are integrated into the smallest cash-generating unit that generates cash inflows through continuing use that are largely independent of those from other assets or groups of assets. At the time of goodwill impairment testing, the Group integrates cash-generating units to which goodwill is allocated to enable impairment testing in a manner that reflects the smallest unit to which it relates. Goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate independent cash inflows. In the event of indications of impairment of corporate assets, the Group determines the recoverable amount of the cash-generating unit to which the corporate assets belong.

An impairment loss is recognized in profit or loss when the carrying amount of an asset or a cash-generating unit exceeds its estimated recoverable amount. The impairment loss recognized for a cash-generating unit is first allocated to reduce the carrying amount of goodwill allocated to the unit, and subsequently to reduce the carrying amount of the other assets of the unit on a pro rata basis.

Impairment losses recognized for goodwill are not reversed. For impairment losses previously recognized for other assets, the Group assesses at the end of every reporting period whether there is any indication that they may no longer exist or may have decreased. If any change has been made to the estimate used to determine the recoverable amount of an asset, an impairment loss for the asset is reversed. An impairment loss is reversed up to the carrying amount of the asset that would have been determined (net of amortization and depreciation), had no impairment loss been recognized for the asset in prior years.

(12) Employee benefits

The Group mainly adopts defined contribution plans for employees of the Company and some of its subsidiaries. Defined contribution plans are post-employment benefit plans under which an employer pays fixed contributions into an independent entity and has no legal or constructive obligation to pay further contributions. Costs for post-employment benefits for defined contribution plans are recognized as expenses at the time of employees' provision of the services for which the contributions were made.

(13) Share-based payment

The Company has adopted a stock option plan as an equity-settled share-based payment plan. Stock options are estimated at fair value at the date of grant, taking into account the estimated number of options to be vested, and recognized as expenses over the vesting periods in the consolidated statement of profit or loss while corresponding increases to equity are recognized in the consolidated statement of financial position. Fair value of stock options granted is calculated, in accordance with various terms of such options, using the Black-Scholes model and other methods. The Company regularly reviews the terms of stock options and modifies the estimate of the number of stock options vested, as necessary.

(14) Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. To determine the amount of a provision, the estimated future cash flows are discounted to their present value by using a pre-tax rate that reflects the time value of money and risks specific to the liability. Unwinding of the discounted amount arising from the passage of time is recognized as finance costs.

(15) Revenue

The Group recognizes revenue based on the following five steps, excluding interest and dividend income under IFRS 9 “Financial Instruments” and revenue under IFRS 16 “Leases,” etc.

- Step 1: Identify contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

1) Sale of goods

Revenue from sale of goods is recognized at the time when the goods are delivered to customers as the control of the goods is transferred to such customers at that time and accordingly the performance obligation is deemed satisfied. Revenue is measured at the consideration promised in a contract with a customer after discounts and other price adjustments.

2) Rendering of services

Revenue from rendering of services is recognized based on the progress of transactions as of the end of the reporting period during which such services were rendered.

3) Interest income

Interest income is recognized using the effective interest method.

4) Dividends

Dividend income is recognized when the right to receive dividends is established.

5) Revenues from leases

Leases are classified as finance leases when the contract transfers substantially all the risks and economic benefits to the lessee. Leases other than finance leases are classified as operating leases.

Revenues from finance leases are recognized according to the same accounting policies as those applied to the sale of goods. Finance income is recognized based on the effective interest method from the inception of the lease term. The interest rate used in the calculation represents the discount rate which equalizes the aggregate present value of the minimum lease payments and the unguaranteed residual value with the sum of the fair value of the lease receivables and any initial direct costs of the lessor.

Revenues from operating leases are recognized by the straight-line method over the lease term.

(16) Government grants

The Group measures and recognizes government grant income at fair value if there is reasonable assurance that the Group will meet the grant's conditions and receive the grant. Grants for expenses incurred are recorded as revenue in the same fiscal year as the fiscal year in which the expenses are incurred. Grants related to acquisition of an asset are recorded as other income on a systematic basis over the useful life of the asset, and unearned government grants are recorded in liabilities as deferred income.

(17) Income taxes

Income tax expense consists of current tax and deferred tax. These are recognized in profit or loss except for taxes arising from business combinations and from items directly recognized in equity or other comprehensive income.

Current taxes are measured at an expected amount of taxes to be paid to or of refund from the taxation authorities. Calculation of the amount of tax is based on the tax rates and tax laws enacted or substantively enacted by the end of the reporting period in countries where the Group conducts businesses and earns taxable profit.

Deferred taxes are recognized for temporary differences arising between the carrying amounts of assets or liabilities for accounting purposes and their tax bases, tax loss carryforwards, and tax credit carryforwards at the closing date.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Temporary differences arising from the initial recognition of goodwill
- Temporary differences arising from initial recognition of assets and liabilities from transactions that are not business combinations, affect neither accounting profit nor taxable profit (losses) at the time of the transaction, and do not give rise to equal amounts of taxable temporary differences and deductible temporary differences at the time of the transaction
- Taxable temporary differences associated with investments in subsidiaries and associates where the Group is able to control

the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future

A deferred tax liability is recognized for all taxable temporary differences in principle, and a deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of every reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to use all or part of the benefit of the deferred tax assets. Unrecognized deferred tax assets are reassessed every period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates and by the tax laws that are expected to apply to the period when the assets are realized or the liabilities are settled, based on the statutory tax rates and tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to set off current tax assets and current tax liabilities against each other and income taxes are levied by the same taxation authority on the same taxable entity.

The Company and some of its subsidiaries are accounted for under the group tax sharing system.

(18) Earnings per share

Basic earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders of parent entity by the weighted average number of ordinary shares outstanding adjusted for treasury shares during the period. Diluted earnings per share are calculated taking into account the effects of all dilutive potential shares.

(19) Segment information

An operating segment is a component of business activities from which an entity earns revenues and incurs expenses (including transactions with other operating segments). Operating results of each operating segment, whose financial information is separately available, are reviewed regularly by the Company's Board of Directors for the purpose of allocating management resources to individual segments and assessing financial results.

(20) Treasury shares

Treasury shares are assessed at cost and presented as a deduction from equity. No gain or loss is recognized on the purchase, sale or cancellation of treasury shares of the Company. The difference between the carrying amount and the consideration thereof at the time of sale is recognized as equity.

(21) Borrowing costs

The Group includes borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, that is, a qualifying asset, as part of the acquisition cost until the asset is substantially ready for its intended use or sale.

All borrowing costs other than those above are recognized as profit or loss in the period during which the Group incurs them.

4. Significant Accounting Estimates and Judgments Involving Estimates

In preparing the consolidated financial statements in accordance with IFRS, the management is required to make judgment, estimates and assumptions that affect the adoption of accounting policies and the amounts of assets, liabilities, revenues, and expenses. Actual results may differ from those estimates.

The estimates and their underlying assumptions are reviewed on an ongoing basis. The effects of revisions on accounting estimates are recognized in the period in which the estimate is revised and in the future periods thereafter.

Judgments and estimates made by the management that significantly affect the amounts in the consolidated financial statements are as follows.

(1) Impairment of fixed assets

For the carrying amounts of the Group's fixed assets, the Group determines whether there is any indication of impairment at the end of every reporting period. If there is an indication of impairment, the recoverable amount of the asset is estimated. The recoverable amounts of intangible assets with indefinite useful lives or those not yet available for use are estimated at the same time every year.

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use or its fair value less costs of disposal. Value in use reflects past experience and external information, and is calculated by discounting the estimated amount of cash flows based on the business plan for the next three fiscal years approved by the management and the growth rate to the present value using the before-tax discount rate of 4.8 to 15.0%, which is based on the weighted average cost of capital of the cash-generating units or the group of cash-generating units. The growth rate is determined to be 0% in view of the long-term average growth rate in the industry or country to which the cash-generating unit or the group of cash-generating units belongs, and does not exceed the long-term average growth rate of the market.

The above estimates include uncontrollable uncertainties. In the event that estimates regarding the valuation of fixed assets change due to unforeseeable changes in underlying assumptions, additional impairment losses may consequently be recognized by the Group in the future.

(2) Impairment of goodwill

The Group tests the carrying amount of goodwill for impairment in every reporting period, or whenever there is an indication of impairment. The recoverable amount in an impairment test is determined based on value in use.

Value in use reflects past experience and external information, and is calculated by discounting the estimated amount of cash flows based on the business plan for the next three fiscal years approved by the management and the growth rate to the present value using the before-tax discount rate of 4.8 to 15.0%, which is based on the weighted average cost of capital of the cash-generating units or the group of cash-generating units. The growth rate is determined to be 0% in view of the long-term average growth rate in the industry or country to which the cash-generating unit or the group of cash-generating units belongs, and does not exceed the long-term average growth rate of the market.

The above estimates include uncontrollable uncertainties. In the event that estimates regarding the valuation of goodwill change due to unforeseeable changes in underlying assumptions, additional impairment losses may consequently be recognized by the Group in the future.

(3) Recoverability of deferred tax asset

The Group recognizes deferred tax assets only for tax loss carryforwards, tax credits, and deductible temporary differences for which the deduction of future taxable profit is probable. The carrying amount of deferred tax assets is reviewed at the end of every reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to use all or part of the benefit of the deferred tax assets.

The above estimates include uncontrollable uncertainties. In the event that estimates regarding the valuation of recoverability of deferred tax assets change due to unforeseeable changes in underlying assumptions, the Group may reduce deferred tax assets in the future.

5. Standards and Interpretations Newly Issued or Amended but Not Yet Adopted

The major standards and interpretations newly issued or amended by the approval date of the consolidated financial statements are as follows. However, the Group has not opted for early application of them.

The impact of their application on the consolidated financial statements is currently being examined.

IFRS		Mandatory application date (Annual reporting periods beginning on or after)	The period in which the Group will start applying the standard	Description of the new issuance or the amendment
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Fiscal year ending March 31, 2028	A new standard that replaces IAS 1, which is the current accounting standard regarding presentation and disclosure in financial statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027	Fiscal year ending March 31, 2028	A new standard that permits the application of reduced IFRS disclosure requirements to subsidiaries that meet the required criteria

6. Operating Segments

(1) Description of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, and which are subject to regular review by the Board of Directors for the purpose of making decisions about the allocation of management resources and assessing financial results.

The Group employs the holding company system. The Company formulates business strategies of the Group and takes charge of administration in general as a holding company, while its subsidiaries perform business activities. The Company classifies its segments by goods and services they handle, and its reportable segments are the Automobile Sales-Related Business and the Housing-Related Business.

Automobile Sales-Related Business is engaged in automobile sales-related business, including new car dealership business, which is the core of the business and sells new and used cars and repairs cars, car importer business, used car export business, and car rental business.

The Housing-Related Business sells condominiums and detached houses and provides construction service and other services.

(2) Segment revenue and segment profit

Intersegment revenue is based on prevailing market prices.

The profit in the reportable segments is based on operating profit.

Revenue, profit, and other financial results by reportable segments of the Group are as follows:

Fiscal year ended March 31, 2026

	Reportable segments		Other (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Automobile Sales-Related Business	Housing-Related Business				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue						
Revenue from external customers	357,041	31,493	200	388,733	—	388,733
Intersegment revenue or transfers	62	1,206	2,288	3,556	(3,556)	—
Total	357,103	32,698	2,488	392,289	(3,556)	388,733
Segment profit	8,005	2,061	867	10,932	70	11,003
Finance income						979
Finance costs						2,073
Share of profit of investments accounted for using equity method						220
Profit before tax						10,129
Other items						
Segment assets	244,700	33,910	26,193	304,803	(1,737)	303,067
Depreciation and amortization	16,468	144	165	16,776	(101)	16,675
Impairment losses	1,061	15	56	1,132	(49)	1,083
Investments accounted for using equity method	331	—	4,712	5,043	—	5,043
Capital expenditures	27,719	316	266	28,301	(303)	27,998

(Notes) 1. “Other” consists primarily of management departments of the entire Group.

2. Adjustments are as follows.

- (1) The adjustments of segment profit of ¥70 million represent the elimination of intersegment transactions.
- (2) The adjustments of segment assets of ¥(1,737) million represent the elimination of intersegment receivables and assets.
- (3) The adjustments of depreciation and amortization of ¥(101) million represent the impact of consolidation adjustments between segments.
- (4) The adjustments of impairment losses of ¥(49) million represent the impact of consolidation adjustments between segments.
- (5) The adjustments of capital expenditures of ¥(303) million represent the impact of consolidation adjustments between segments.

Fiscal year ended March 31, 2025

	Reportable segments		Other (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Automobile Sales-Related Business	Housing-Related Business				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenue						
Revenue from external customers	323,829	27,611	191	351,630	–	351,630
Intersegment revenue or transfers	53	4,350	2,366	6,769	(6,769)	–
Total	323,882	31,960	2,557	358,399	(6,769)	351,630
Segment profit	8,725	1,643	842	11,210	(351)	10,859
Finance income						482
Finance costs						1,760
Share of profit of investments accounted for using equity method						151
Profit before tax						9,732
Other items						
Segment assets	226,065	31,257	30,416	287,738	(9,837)	277,900
Depreciation and amortization	14,748	144	162	15,055	(88)	14,967
Impairment losses	754	43	–	797	–	797
Investments accounted for using equity method	247	–	4,543	4,790	–	4,790
Capital expenditures	30,792	139	176	31,107	(434)	30,673

(Notes) 1. “Other” consists primarily of management departments of the entire Group.

2. Adjustments are as follows.

- (1) The adjustments of segment profit of ¥(351) million represent the elimination of intersegment transactions.
- (2) The adjustments of segment assets of ¥(9,837) million represent the elimination of intersegment receivables and assets.
- (3) The adjustments of depreciation and amortization of ¥(88) million represent the impact of consolidation adjustments between segments.
- (4) The adjustments of capital expenditures of ¥(434) million represent the impact of consolidation adjustments between segments.

Fiscal year ended March 31, 2026

	Reportable segments		Other (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Automobile Sales-Related Business	Housing-Related Business				
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Revenue						
Revenue from external customers	2,232,483	196,917	1,251	2,430,645	–	2,430,645
Intersegment revenue or transfers	388	7,541	14,306	22,235	(22,235)	–
Total	2,232,871	204,452	15,557	2,452,879	(22,235)	2,430,645
Segment profit	50,053	12,887	5,421	68,355	438	68,799
Finance income						6,121
Finance costs						12,962
Share of profit of investments accounted for using equity method						1,376
Profit before tax						63,334
Other items						
Segment assets	1,530,044	212,030	163,778	1,905,853	(10,861)	1,894,998
Depreciation and amortization	102,970	900	1,032	104,896	(632)	104,264
Impairment losses	6,634	94	350	7,078	(306)	6,772
Investments accounted for using equity method	2,070	–	29,463	31,533	–	31,533
Capital expenditures	173,320	1,976	1,663	176,959	(1,895)	175,064

(Notes) 1. “Other” consists primarily of management departments of the entire Group.

2. Adjustments are as follows.

- (1) The adjustments of segment profit of \$438 thousand represent the elimination of intersegment transactions.
- (2) The adjustments of segment assets of \$(10,861) thousand represent the elimination of intersegment receivables and assets.
- (3) The adjustments of depreciation and amortization of \$(632) thousand represent the impact of consolidation adjustments between segments.
- (4) The adjustments of impairment losses of \$(306) thousand represent the impact of consolidation adjustments between segments.
- (5) The adjustments of capital expenditures of \$(1,895) thousand represent the impact of consolidation adjustments between segments.

(3) Information related to products and services

Revenue from external customers by product and service is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
New cars	186,740	174,890	1,167,636
Used cars	89,372	77,512	558,819
Services	59,007	51,779	368,955
Car rentals	21,095	19,045	131,901
Housing	31,493	27,611	196,917
Other	1,026	793	6,415
Total	388,733	351,630	2,430,645

(4) Geographical information

The breakdown of revenue and non-current assets by geographical area is as follows:

Revenue from external customers

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Japan	202,714	188,047	1,267,517
Africa	14,846	14,205	92,828
North, Central and South America	521	837	3,258
Oceania	4,643	4,858	29,031
Europe	164,378	141,376	1,027,812
Asia	1,631	2,307	10,198
Total	388,733	351,630	2,430,645

(Note) Revenues are classified based on the location of the sale destination.

Non-current assets

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Japan	129,675	129,752	810,823
Africa	920	588	5,753
Oceania	2,754	2,491	17,220
Europe	22,177	19,062	138,667
Total	155,525	151,893	972,457

(Note) Non-current assets are classified based on the location of the assets.

(5) Information about major customers

Disclosures are omitted as there are no external customers that account for 10% or more of the revenue in the consolidated statement of profit or loss.

7. Business Combination

Fiscal year ended March 31, 2025

Disclosures are omitted as there were no material business combinations.

Fiscal year ended March 31, 2026

At a Board of Directors meeting held on March 26, 2025, the Company resolved to acquire 100% of the issued shares of Motoren Sapporo Co., Ltd., and made it a subsidiary as of April 1, 2025.

1) Overview of the business combination

a. Name of the acquiree and description of its business:

Name of the acquiree: Motoren Sapporo Co., Ltd.

Business description: Sale of new BMWs/Minis, sales of various used cars, general car maintenance, life and non-life insurance agency services, and other related operations

b. Acquisition date:

April 1, 2025

c. Percentage of voting equity interests acquired:

100%

d. Primary reasons for the business combination:

To expand the scale of the Group's Automobile Sales-Related Business.

e. Description of how the acquirer obtained control of the acquiree:

Acquisition of shares in exchange for cash as consideration

2) Fair value of consideration paid, assets acquired, and liabilities assumed as of the acquisition date

	Millions of yen	Thousands of U.S. dollars
Fair value of consideration paid (cash)	794	4,965
Fair value of assets acquired and liabilities assumed		
Current assets	1,846	11,543
Non-current assets	2,354	14,719
Total assets	4,200	26,261
Current liabilities	2,535	15,851
Non-current liabilities	1,398	8,741
Total liabilities	3,933	24,592
Net fair value of assets acquired and liabilities assumed	267	1,669
Goodwill	527	3,295

(Notes) • Acquisition related costs in the business combination are ¥7 million (\$44 thousand) and they are recognized in full as selling, general and administrative expenses in the consolidated statement of profit or loss.

• A primary component in goodwill is the excess earning power arising from acquisitions. No amount of goodwill is expected to be deductible for tax purposes.

3) Fair value of acquired receivables, contractual receivables, and estimated uncollectible amounts

Of the fair value of acquired trade and other receivables of ¥298 million, contractual receivables are ¥298 million, and none is expected to be uncollectible.

4) Cash flow associated with the acquisition

	Millions of yen	Thousands of U.S. dollars
Cash and cash equivalents spent on the acquisition	794	4,965
Cash and cash equivalents held by the acquiree at the time of acquisition	467	2,920
Payments for acquisition of subsidiaries	327	2,045

5) Effect of the acquisition on the financial results

Gain or loss information after the acquisition date of the business combination is not disclosed as the effect on the consolidated financial statements is not material.

8. Cash and Cash Equivalents

The breakdown of cash and cash equivalents is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Cash and deposits	13,446	14,429	84,074
Deposits paid	2	2	13
Short-term investments	352	434	2,201
Fixed deposits with maturity longer than three months	(235)	(223)	(1,469)
Total	13,565	14,643	84,818

The balances of cash and cash equivalents in the consolidated statement of financial position as of March 31, 2026, and March 31, 2025, are equal to the balances of cash and cash equivalents in the consolidated statement of cash flows for the corresponding periods.

9. Trade and Other Receivables

The breakdown of trade and other receivables is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Accounts receivable - trade	14,739	13,831	92,159
Accounts receivable - other	3,950	2,623	24,698
Lease receivables and investments in leases	17,035	14,957	106,515
Other	1,303	503	8,147
Allowance for doubtful accounts	(258)	(334)	(1,613)
Total	36,770	31,580	229,913

The above amounts include those of trade and other receivables due in more than 12 months. They amounted to ¥9,278 million (\$58,013 thousand) and ¥7,738 million as of March 31, 2026 and March 31, 2025, respectively.

Trade and other receivables are classified as financial assets measured at amortized cost.

10. Other Financial Assets

The breakdown of other financial assets is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Other financial assets			
Securities	19,030	22,373	118,990
Deposits	638	516	3,989
Loans receivable	1,030	1,088	6,440
Claims provable in bankruptcy, claims provable in rehabilitation	1,205	663	7,535
Other	2,997	2,748	18,739
Allowance for doubtful accounts	(1,587)	(1,046)	(9,923)
Total	23,312	26,343	145,764
Current assets	240	224	1,501
Non-current assets	23,072	26,119	144,263
Total	23,312	26,343	145,764

Stocks held for cross-holding purposes are classified as financial assets measured at fair value through other comprehensive income; the other stocks as financial assets measured at fair value through profit or loss; deposits, loans receivable, claims provable in bankruptcy and claims provable in rehabilitation as financial assets measured at amortized cost.

Please refer to “34. Financial Instruments” for major items of financial assets measured at fair value through other comprehensive income and fair value thereof.

11. Inventories

The breakdown of inventories is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Merchandise and finished goods	72,395	55,515	452,667
Work in process	13,481	14,684	84,293
Raw materials	1,651	1,527	10,323
Production supplies	116	101	725
Total	87,643	71,827	548,009
Inventories to be sold in greater than 12 months	2,865	2,711	17,914

The amounts of inventories recognized as expenses during the fiscal years ended March 31, 2026 and March 31, 2025 were ¥311,633 million (\$1,948,559 thousand) and ¥283,386 million, respectively.

The amounts of the write-downs of the inventories recognized as expenses during the fiscal years ended March 31, 2026 and March 31, 2025 were ¥225 million (\$1,407 thousand) and ¥262 million, respectively.

12. Other Assets

The breakdown of other assets is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Test-driving cars	4,403	3,449	27,531
Advance payments to suppliers	871	730	5,446
Consumption taxes receivable	1,308	911	8,179
Contract assets	1,326	1,494	8,291
Other	1,580	1,251	9,879
Total	9,488	7,835	59,326
Current assets	9,324	7,734	58,301
Non-current assets	164	101	1,025
Total	9,488	7,835	59,326

13. Property, Plant and Equipment

(1) Breakdown of property, plant and equipment

The breakdown of property, plant and equipment in the consolidated statement of financial position is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment	69,902	64,779	437,079
Right-of-use assets	33,941	32,932	212,224
Total	103,843	97,711	649,303

(2) Changes during period in property, plant and equipment (excluding right-of-use assets)

Changes in acquisition costs, accumulated depreciation and accumulated impairment losses, and carrying amounts of property, plant and equipment are as follows:

Acquisition costs

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of April 1, 2024	23,754	44,295	18,479	3,655	960	91,143
Acquisition	951	4,668	7,310	724	1,360	15,013
Acquisition due to business combinations	–	21	55	7	–	83
Sale or disposal	(189)	(607)	(8,264)	(240)	–	(9,300)
Transfer of accounts	76	580	1,164	21	(1,930)	(89)
Exchange differences on translation of foreign operations	(44)	(9)	(8)	6	(1)	(56)
As of March 31, 2025	24,548	48,947	18,737	4,174	388	96,794
Acquisition	361	2,060	8,423	525	1,255	12,625
Acquisition due to business combinations	346	1,410	266	189	–	2,210
Sale or disposal	(77)	(149)	(7,506)	(61)	–	(7,792)
Transfer of accounts	–	200	217	(58)	(334)	25
Exchange differences on translation of foreign operations	322	911	409	187	59	1,889
As of March 31, 2026	25,501	53,380	20,545	4,956	1,369	105,751

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of March 31, 2025	153,492	306,053	117,158	26,099	2,426	605,227
Acquisition	2,257	12,881	52,667	3,283	7,847	78,941
Acquisition due to business combinations	2,163	8,816	1,663	1,182	–	13,819
Sale or disposal	(481)	(932)	(46,933)	(381)	–	(48,721)
Transfer of accounts	–	1,251	1,357	(363)	(2,088)	156
Exchange differences on translation of foreign operations	2,013	5,696	2,557	1,169	369	11,811
As of March 31, 2026	159,451	333,771	128,462	30,989	8,560	661,233

Accumulated depreciation and accumulated impairment losses

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of April 1, 2024	367	20,010	6,982	2,579	29,937
Acquisition due to business combinations	—	—	—	—	—
Depreciation (Note)	—	1,810	3,736	364	5,910
Impairment losses	—	384	—	—	384
Sale or disposal	—	(376)	(3,613)	(236)	(4,225)
Transfer of accounts	—	13	(0)	(0)	12
Exchange differences on translation of foreign operations	—	(10)	2	5	(3)
As of March 31, 2025	367	21,830	7,107	2,711	32,015
Acquisition due to business combinations	—	512	76	122	710
Depreciation (Note)	—	2,035	3,530	464	6,029
Impairment losses	—	452	4	1	458
Sale or disposal	—	(109)	(3,697)	(58)	(3,864)
Transfer of accounts	—	(107)	(14)	(42)	(163)
Exchange differences on translation of foreign operations	—	394	147	123	664
As of March 31, 2026	367	25,007	7,154	3,320	35,848

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of March 31, 2025	2,295	136,497	44,438	16,951	200,181
Acquisition due to business combinations	—	3,201	475	763	4,439
Depreciation (Note)	—	12,724	22,072	2,901	37,698
Impairment losses	—	2,826	25	6	2,864
Sale or disposal	—	(682)	(23,116)	(363)	(24,161)
Transfer of accounts	—	(669)	(88)	(263)	(1,019)
Exchange differences on translation of foreign operations	—	2,464	919	769	4,152
As of March 31, 2026	2,295	156,362	44,732	20,759	224,148

(Notes) 1. Depreciation of property, plant and equipment is included in cost of sales and selling, general and administrative expenses in the consolidated statement of profit or loss.

2. The amounts of property, plant and equipment pledged as collateral for liabilities are stated in Note “19. BONDS AND BORROWINGS.”

Carrying amounts

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of April 1, 2024	23,388	24,285	11,497	1,076	960	61,206
As of March 31, 2025	24,181	27,117	11,630	1,463	388	64,779
As of March 31, 2026	25,134	28,373	13,391	1,636	1,369	69,902

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of March 31, 2026	157,156	177,409	83,730	10,229	8,560	437,079

(3) Right-of-use assets

The carrying amounts of right-of-use assets included in property, plant and equipment are as follows:

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2025	9,020	8,531	15,268	114	32,932
As of March 31, 2026	8,730	10,604	14,501	106	33,941

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of March 31, 2026	54,586	66,304	90,671	663	212,224

(4) Borrowing costs

There were no material borrowing costs capitalized as a component of the acquisition cost of qualifying assets during the fiscal years ended March 31, 2026 and March 31, 2025.

14. Goodwill and Intangible Assets

(1) Breakdown of intangible assets

The breakdown of intangible assets in the consolidated statement of financial position is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Intangible assets	972	1,356	6,078
Right-of-use assets	6	8	38
Total	978	1,363	6,115

(2) Changes during period in goodwill and intangible assets (excluding right-of-use assets)

Changes in acquisition costs, accumulated amortization and accumulated impairment losses, and carrying amounts of goodwill and intangible assets are as follows:

Acquisition costs

	Goodwill	Intangible assets				
		Software	Customer-related assets	Leasehold rights	Other	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of April 1, 2024	16,443	1,354	854	657	1,428	4,293
Acquisition	–	68	–	–	311	379
Acquisition due to business combinations	178	1	–	–	–	1
Sale or disposal	–	(146)	–	–	(95)	(240)
Transfer of accounts	–	34	–	–	(36)	(2)
Exchange differences on translation of foreign operations	(0)	2	–	(2)	16	16
As of March 31, 2025	16,621	1,313	854	654	1,625	4,446
Acquisition	–	71	8	–	895	973
Acquisition due to business combinations	527	–	–	–	1	1
Sale or disposal	–	(18)	–	–	(0)	(18)
Transfer of accounts	–	56	–	–	(1,149)	(1,094)
Exchange differences on translation of foreign operations	604	21	–	39	151	212
As of March 31, 2026	17,752	1,444	861	693	1,522	4,521

	Goodwill	Intangible assets				
		Software	Customer-related assets	Leasehold rights	Other	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of March 31, 2025	103,927	8,210	5,340	4,089	10,161	27,800
Acquisition	–	444	50	–	5,596	6,084
Acquisition due to business combinations	3,295	–	–	–	6	6
Sale or disposal	–	(113)	–	–	(0)	(113)
Transfer of accounts	–	350	–	–	(7,184)	(6,840)
Exchange differences on translation of foreign operations	3,777	131	–	244	944	1,326
As of March 31, 2026	110,999	9,029	5,384	4,333	9,517	28,269

Accumulated amortization and accumulated impairment losses

	Goodwill	Intangible assets				
		Software	Customer-related assets	Leasehold rights	Other	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of April 1, 2024	3,163	1,195	224	518	990	2,927
Acquisition due to business combinations	—	—	—	—	—	—
Amortization (Note)	—	73	52	31	67	224
Impairment losses	343	—	71	—	—	71
Sale or disposal	—	(143)	—	—	—	(143)
Transfer of accounts	—	—	—	—	—	—
Exchange differences on translation of foreign operations	9	2	—	(2)	13	13
As of March 31, 2025	3,515	1,127	347	547	1,070	3,091
Acquisition due to business combinations	—	—	—	—	—	—
Amortization (Note)	—	86	47	30	81	245
Impairment losses	538	—	31	—	—	31
Sale or disposal	—	(14)	—	—	—	(14)
Transfer of accounts	—	42	—	—	—	42
Exchange differences on translation of foreign operations	177	19	—	38	97	154
As of March 31, 2026	4,230	1,260	425	616	1,248	3,548

	Goodwill	Intangible assets				
		Software	Customer-related assets	Leasehold rights	Other	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of March 31, 2025	21,978	7,047	2,170	3,420	6,690	19,327
Acquisition due to business combinations	—	—	—	—	—	—
Amortization (Note)	—	538	294	188	506	1,532
Impairment losses	3,364	—	194	—	—	194
Sale or disposal	—	(88)	—	—	—	(88)
Transfer of accounts	—	263	—	—	—	263
Exchange differences on translation of foreign operations	1,107	119	—	238	607	963
As of March 31, 2026	26,449	7,878	2,657	3,852	7,803	22,185

(Note) Amortization of intangible assets is included in cost of sales and selling, general and administrative expenses in the consolidated statement of profit or loss.

Carrying amounts

	Goodwill	Intangible assets				
		Software	Customer-related assets	Leasehold rights	Other	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of April 1, 2024	13,280	159	630	139	438	1,366
As of March 31, 2025	13,106	186	507	108	555	1,356
As of March 31, 2026	13,522	184	436	78	274	972

	Goodwill	Intangible assets				
		Software	Customer-related assets	Leasehold rights	Other	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of March 31, 2026	84,549	1,151	2,726	488	1,713	6,078

(3) Right-of-use assets

The carrying amounts of right-of-use assets included in intangible assets are as follows:

Right-of-use assets	Software
	Millions of yen
As of March 31, 2025	8
As of March 31, 2026	6

Right-of-use assets	Software
	Thousands of U.S. dollars
As of March 31, 2026	38

(4) Intangible assets with indefinite useful lives

The Group had no significant intangible assets with indefinite useful lives as of March 31, 2026 and March 31, 2025.

(5) Significant intangible assets

None of the intangible assets recognized in the consolidated statement of financial position were individually significant as of March 31, 2026 and March 31, 2025.

15. Investment Property

(1) Changes during period

Changes in acquisition costs, accumulated depreciation and accumulated impairment losses of investment properties are as follows:

Acquisition costs

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Balance at beginning of period	9,875	10,126	61,746
Acquisition	335	217	2,095
Sale or disposal	(10)	—	(63)
Transfer of accounts	(40)	(467)	(250)
Exchange differences on translation of foreign operations	5	(1)	31
Balance at end of period	10,165	9,875	63,559

Accumulated depreciation and accumulated impairment losses

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Balance at beginning of period	2,871	2,724	17,952
Depreciation	166	164	1,038
Impairment losses	56	—	350
Sale or disposal	(8)	—	(50)
Transfer of accounts	—	(16)	—
Balance at end of period	3,086	2,871	19,296

The carrying amounts and fair value of the investment properties are as follows:

	As of March 31, 2026		As of March 31, 2025		As of March 31, 2026	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Thousands of U.S. dollars	Thousands of U.S. dollars
Investment property	7,079	8,156	7,004	8,206	44,263	50,997

The fair value of an investment property is mainly based on real estate appraisals by outside real estate appraisers, etc. The valuation is based on market evidence that reflects the transaction prices of similar assets in accordance with the valuation standards of the country where the property is located.

The fair value of investment properties is classified as Level 3 in the fair value hierarchy as it is determined using valuation techniques that incorporate unobservable inputs. Details on the fair value hierarchy are stated in Note “34. Financial Instruments.”

(2) Income and expenses arising from investment properties

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Lease income	472	455	2,951
Direct operating expenses	214	268	1,338

The amounts of lease income from investment properties and direct operating expenses associated therewith are included in revenue and cost of sales, respectively, in the consolidated statement of profit or loss.

16. Impairment of Non-financial Assets

(1) Impairment losses

In determining impairment losses, the Group groups assets based on the smallest identifiable groups of assets that generate largely independent cash inflows.

Impairment losses are recorded as other expenses in the consolidated statement of profit or loss.

The breakdown of impairment losses by type of assets is as follows.

The breakdown of impairment losses by segment is stated in Note “6. Operating Segments.”

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment			
Buildings and structures	452	384	2,826
Machinery and vehicles	4	—	25
Tools, furniture and fixtures	1	—	6
Goodwill	538	343	3,364
Intangible assets			
Customer-related assets	31	71	194
Investment property	56	—	350
Total	1,083	797	6,772

The impairment losses on property, plant and equipment and intangible assets recognized in the fiscal year ended March 31, 2025 were attributable mainly to buildings and structures and customer-related assets of the Automobile Sales-Related Business. The carrying amount of an asset group whose investment amount was expected to be difficult to recover due to a decline in profitability or other factors was reduced to its recoverable amount.

The impairment losses on goodwill recognized in the fiscal year ended March 31, 2025 were attributable to Shizuoka Nissan Auto Sales Co., Ltd., Fuji Motoren Co., Ltd., and TAKAGAKI Gumi, Inc., consolidated subsidiaries of the Company. The carrying amounts of goodwill were reduced to their recoverable amounts and recognized as impairment losses as the subsidiaries were unlikely to generate revenue that had been expected at the time of acquiring their shares. The recoverable amount was measured at value in use.

The impairment losses on property, plant and equipment, intangible assets, and investment property recognized in the fiscal year ended March 31, 2026 were attributable mainly to buildings and structures, and customer-related assets of the Automobile Sales-Related Business. The carrying amount of an asset group whose investment amount was expected to be difficult to recover due to a decline in profitability or other factors was reduced to its recoverable amount.

The impairment loss on goodwill recognized in the fiscal year ended March 31, 2026 was attributable to Wessex Garages Holdings Limited, a consolidated subsidiary of the Company. The carrying amount of goodwill was recognized in full as an impairment loss as the subsidiary was unlikely to generate revenue that had been expected at the time of the acquisition of its shares. The recoverable amount was measured at value in use.

Value in use reflects past experience and external information, and is calculated by discounting the estimated amount of cash

flows based on the business plan for the next three fiscal years approved by the management and the growth rate to the present value using the before-tax discount rate of 4.8 to 15.0% (the fiscal year ended March 31, 2025: 7.5 to 15.2%), which is based on the weighted average cost of capital of the cash-generating units or the group of cash-generating units. The growth rate is determined to be 0% (the fiscal year ended March 31, 2025: 0%) in view of the long-term average growth rate in the industry or country to which the cash-generating unit or the group of cash-generating units belongs, and does not exceed the long-term average growth rate of the market.

There is a risk of impairment losses if the major assumptions used in impairment testing at the end of the fiscal year ended March 31, 2026 are changed. For example, a 2.1% rise in the after-tax weighted average cost of capital or a 1.0% decline in total estimated future cash flows, including terminal value, could generate impairment losses.

(2) Impairment of goodwill

Goodwill arising from a business combination is allocated to cash-generating units that benefit from the business combination on the acquisition date.

The breakdown of carrying amounts of goodwill by segment is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Automobile Sales-Related Business	12,854	12,439	80,373
Housing-Related Business	668	668	4,177
Total	13,522	13,106	84,549

Of the above, the carrying amounts of significant goodwill in the fiscal year ended March 31, 2026 were: Shizuoka Nissan Auto Sales Co., Ltd. (Automobile Sales-Related Business): ¥3,145 million (\$19,665 thousand) (the fiscal year ended March 31, 2025: ¥3,145 million), Nissan Satio Saitama Co., Ltd. (Automobile Sales-Related Business): ¥2,024 million (\$12,656 thousand) (the fiscal year ended March 31, 2025: ¥2,024 million), and Nagano Nissan Auto Co., Ltd. (Automobile Sales-Related Business): ¥1,952 million (\$12,205 thousand) (the fiscal year ended March 31, 2025: ¥1,952 million).

The Group tests goodwill for impairment in every reporting period, or whenever there is an indication of impairment. The recoverable amount in an impairment test is determined based on value in use.

Please refer to “(1) Impairment losses” for the impairment losses on goodwill.

17. Investments Accounted for Using Equity Method

(1) Investments in associates

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Total carrying amount	5,043	4,790	31,533

The Group's share of comprehensive income of associates individually immaterial to the Group is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Share of profit	220	151	1,376
Share of other comprehensive income	83	24	519
Share of comprehensive income	303	175	1,895

(2) Company not classified as an associate despite the Group's holding of 20% or more of its voting rights

Although the Group holds 20% or more of the voting rights of Nissan Parts Nagano Sales Co., Ltd., it is not classified as an associate as it is controlled by its largest shareholder as the parent and therefore the Group is unable to exercise substantial influence through the relevance of business, etc.

18. Income Taxes

(1) Deferred tax assets and liabilities

The breakdown of major factors giving rise to deferred tax assets and liabilities and the changes therein are as follows:

Fiscal year ended March 31, 2026

	As of April 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	Business combinations	Other	As of March 31, 2026
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Inventories	377	(40)	—	16	—	354
Non-current assets	(635)	234	—	(121)	—	(522)
Investment securities	(5,595)	1	1,037	(2)	—	(4,560)
Unused tax losses	112	16	—	—	—	128
Other	1,233	171	—	13	(14)	1,402
Total	(4,508)	382	1,037	(94)	(14)	(3,197)

Fiscal year ended March 31, 2025

	As of April 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Business combinations	Other	As of March 31, 2025
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Inventories	355	22	—	—	—	377
Non-current assets	(676)	41	—	—	—	(635)
Investment securities	(7,194)	26	1,573	—	—	(5,595)
Unused tax losses	80	33	—	—	—	112
Other	1,285	(26)	—	—	(26)	1,233
Total	(6,150)	96	1,573	—	(26)	(4,508)

Fiscal year ended March 31, 2026

	As of April 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	Business combinations	Other	As of March 31, 2026
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Inventories	2,357	(250)	—	100	—	2,213
Non-current assets	(3,970)	1,463	—	(757)	—	(3,264)
Investment securities	(34,984)	6	6,484	(13)	—	(28,512)
Unused tax losses	700	100	—	—	—	800
Other	7,710	1,069	—	81	(88)	8,766
Total	(28,187)	2,389	6,484	(588)	(88)	(19,990)

Tax loss carryforwards and deductible temporary differences for which deferred tax assets are not recognized are as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Unused tax losses	9,985	7,777	62,434
Deductible temporary differences	14,112	13,150	88,239
Total	24,097	20,927	150,672

Tax loss carryforwards for which deferred tax assets are not recognized will expire as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Not later than one year	—	—	—
Later than one year and not later than two years	—	—	—
Later than two years and not later than three years	—	—	—
Later than three years and not later than four years	—	—	—
Later than four years	9,985	7,777	62,434
Total	9,985	7,777	62,434

Taxable temporary differences related to investments in subsidiaries that were not recognized as deferred tax liabilities totaled ¥52,728 million (\$329,694 thousand) and ¥45,975 million as of March 31, 2026 and March 31, 2025, respectively. These taxable temporary differences were not recognized as deferred tax liabilities as the Group is able to control the timing of their reversal and it is probable that they will not reverse in the foreseeable future.

(2) Income tax expense

The breakdown of income tax expense is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Current tax expense	4,560	3,706	28,512
Deferred tax expense			
Origination and reversal of temporary differences	(387)	(86)	(2,420)
Impact of changes in tax rates	6	(10)	38
Total	4,178	3,611	26,124

Factors causing the difference between the statutory effective tax rate and the average effective tax rate are as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025
	%	%
Statutory effective tax rate	30.6	30.6
Non-tax-deductible expenses	0.6	0.6
Unrecognized deferred tax assets	3.2	2.6
Difference from applicable tax rates for subsidiaries	1.5	2.3
Utilization and recognition of tax loss carryforwards	4.0	1.4
Impairment losses on goodwill, etc.	1.6	1.1
Tax credit	(1.7)	(2.3)
Acquisition-related costs for shares of affiliated companies	0.3	0.1
Impact of changes in tax rates	0.3	(0.2)
Other	0.9	1.0
Average effective tax rate	41.3	37.1

The Group is subject primarily to the corporate tax, inhabitant tax and business tax. The Group's statutory effective tax rate calculated based on these taxes for the fiscal year ended March 31, 2026 and the fiscal year ended March 31, 2025 was 30.6%. Overseas subsidiaries, however, are subject to local corporate and other taxes.

(3) Global minimum tax regime

Of the global minimum tax rules, the Income Inclusion Rule (IIR) has been implemented in Japan, where the Company is located, since April 1, 2024. With this rule, an additional tax will be imposed on the Company located in Japan until the tax burden in countries where its subsidiaries, etc. are located reaches the minimum tax rate (15%).

The Group does not have any consolidated subsidiaries located in countries where the Pillar Two effective tax rate is below 15%, and thus, it does not recognize any current tax expense pertaining to Pillar Two income taxes for the fiscal year ended March 31, 2026.

The Group assessed the potential impact of applying the global minimum tax regime based on the latest country-by-country reports, tax returns, and financial statements of each constituent entity subject to the rules. As a result, the Group does not anticipate any material exposure to Pillar Two income taxes since transitional safe harbor relief measures apply in most jurisdictions where the Group conducts business activities, and furthermore, in jurisdictions where the relief measures do not apply, the Pillar Two effective tax rate exceeds 15%.

The Group has applied the temporary exception required by IAS 12 “Income Taxes” to deferred tax assets and liabilities pertaining to Pillar Two income taxes and does not recognize or disclose them.

19. Bonds and Borrowings

(1) Breakdown of financial liabilities

The breakdown of bonds and borrowings and other financial liabilities is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026	Average interest rate	Due date
	Millions of yen	Millions of yen	Thousands of U.S. dollars	%	
Short-term borrowings	46,742	34,188	292,265	1.50%	—
Current portion of long-term borrowings	11,297	11,230	70,637	1.09%	—
Current portion of bonds	95	167	594	0.46%	—
Long-term borrowings	28,787	25,203	179,997	1.15%	2027–2042
Bonds payable	—	95	—	—	—
Lease liabilities (short-term)	10,878	9,752	68,017	1.35%	—
Lease liabilities (long-term)	28,894	28,577	180,667	1.57%	2027–2055
Other	2,000	2,009	12,505	—	—
Total	128,694	111,221	804,690	—	—
Current liabilities	69,012	55,338	431,514	—	—
Non-current liabilities	59,681	55,884	373,170	—	—
Total	128,694	111,221	804,690	—	—

(Notes) 1. The average interest rates represent the weighted-average interest rates based on the balance at the end of the period.

2. Bonds and borrowings and other financial liabilities are classified as financial liabilities measured at amortized cost.

The terms of issue of bonds are summarized as follows:

Company name	Issue name	Issuance date	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026	Coupon rate	Collateral	Redemption date
			Millions of yen	Millions of yen	Thousands of U.S. dollars	%		
TAKAGAKI Gumi, Inc.	The 3rd unsecured straight bonds	June 25, 2020	— (—)	3 (3)	— (—)	0.30	None	June 25, 2025
Kawasaki Housing Co., Ltd.	The 7th unsecured straight bonds	August 27, 2018	— (—)	14 (14)	— (—)	0.50	None	August 27, 2025
Kawasaki Housing Co., Ltd.	The 13th unsecured straight bonds	May 25, 2020	— (—)	10 (10)	— (—)	0.35	None	May 23, 2025
Kawasaki Housing Co., Ltd.	The 14th unsecured straight bonds	June 30, 2020	— (—)	10 (10)	— (—)	0.35	None	June 30, 2025
Kawasaki Housing Co., Ltd.	The 15th unsecured straight bonds	April 25, 2021	5 (5)	15 (10)	31 (31)	1.12	None	April 25, 2026
Kawasaki Housing Co., Ltd.	The 16th unsecured straight bonds	July 12, 2021	10 (10)	30 (20)	63 (63)	0.27	None	July 10, 2026
Kawasaki Housing Co., Ltd.	The 17th unsecured straight bonds	July 30, 2021	20 (20)	60 (40)	125 (125)	0.65	None	July 30, 2026
Kawasaki Housing Co., Ltd.	The 18th unsecured straight bonds	October 25, 2021	20 (20)	40 (20)	125 (125)	0.30	None	October 23, 2026
Kawasaki Housing Co., Ltd.	The 19th unsecured straight bonds	December 24, 2021	20 (20)	40 (20)	125 (125)	0.46	None	December 24, 2026
Kawasaki Housing Co., Ltd.	The 20th unsecured straight bonds	February 25, 2022	20 (20)	40 (20)	125 (125)	0.38	None	February 25, 2027
Total			95 (95)	262 (167)	594 (594)	—	—	—

(Note) The figures in parentheses are the amounts of current portions of bonds.

(2) Assets pledged as collateral

The assets pledged as collateral for bonds and borrowings are as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment	11,515	10,652	72,000
Inventories	30,069	26,115	188,014
Investment property	1,018	879	6,365
Other	204	179	1,276
Total	42,807	37,825	267,661

20. Leases

(1) Lessee

The Group has lease contracts mainly relating to buildings, land, and vehicles.

These lease contracts are used for business operations by the Group companies as necessary.

The terms and conditions of leases in the Group are negotiated on an individual basis, and the contract terms and conditions vary significantly both in Japan and overseas.

For a contract with an extension option and a termination option, the Group determines the lease term by assessing whether it is reasonably certain to exercise the option.

Many of the vehicle lease contracts contain a residual value guarantee provision.

The breakdown of the carrying amounts and depreciation of right-of-use assets is as follows:

	Property, plant and equipment				Intangible assets	Current assets	Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Software	Other	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2024	8,085	11,249	85	8,546	—	1,085	29,051
Increase	2,512	11,347	72	2,000	9	1,550	17,490
Depreciation	(1,908)	(5,247)	(43)	(1,471)	(2)	(677)	(9,347)
Impairment losses	—	—	—	—	—	—	—
Other	(159)	(2,082)	—	(55)	—	(841)	(3,137)
Balance as of March 31, 2025	8,531	15,268	114	9,020	8	1,118	34,057
Increase	3,654	9,100	38	1,103	—	2,090	15,985
Depreciation	(2,306)	(6,277)	(46)	(1,604)	(2)	(756)	(10,991)
Impairment losses	—	—	—	—	—	—	—
Other	725	(3,589)	—	211	—	(752)	(3,406)
Balance as of March 31, 2026	10,604	14,501	106	8,730	6	1,699	35,646

	Property, plant and equipment				Intangible assets	Current assets	Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Software	Other	
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Balance as of March 31, 2025	53,342	95,467	713	56,400	50	6,991	212,949
Increase	22,847	56,900	238	6,897	—	13,068	99,950
Depreciation	(14,419)	(39,248)	(288)	(10,029)	(13)	(4,727)	(68,724)
Impairment losses	—	—	—	—	—	—	—
Other	4,533	(22,441)	—	1,319	—	(4,702)	(21,297)
Balance as of March 31, 2026	66,304	90,671	663	54,586	38	10,623	222,885

(Note) The balance of lease liabilities by due date is stated in Note “34. Financial Instruments (4) Liquidity risk management.”

The amounts recognized in the consolidated statement of profit or loss are as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Interest expenses on lease liabilities	694	576	4,339
Short-term lease expenses	575	635	3,595
Expenses of leases for which the underlying asset is of low value	314	229	1,963

The amounts recognized in the consolidated statements of cash flows are as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Total amount of cash outflows for leases	15,849	12,517	99,100

(2) Lessor

1) Finance leases

The Group leases vehicles as a lessor of finance leases.

Lease income from the finance leases is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Finance income on the net investment in the lease	1,371	1,207	8,573

The maturity analysis of lease payments receivable (undiscounted) under the finance leases is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Due within one year	8,873	8,178	55,481
Due after one year through two years	5,778	4,578	36,128
Due after two years through three years	3,230	2,754	20,196
Due after three years through four years	1,299	1,173	8,122
Due after four years through five years	248	250	1,551
Due after five years	41	33	256
Total	19,469	16,966	121,735
Unearned finance income	2,434	2,009	15,219
Unguaranteed residual value (discounted)	—	—	—
Net investment in the lease	17,035	14,957	106,515

2) Operating leases

The Group leases real estate properties as a lessor that are classified as operating leases.

For a lease of a real estate property, the Group receives the cost of restoring the property to its original condition as a leasehold deposit.

Lease income from the operating leases is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Lease income	472	455	2,951

The maturity analysis of lease payments (undiscounted) under the operating leases is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Due within one year	259	323	1,619
Due after one year through two years	84	102	525
Due after two years through three years	56	65	350
Due after three years through four years	56	56	350
Due after four years through five years	55	34	344
Due after five years	626	378	3,914
Total	1,136	957	7,103

21. Trade and Other Payables

(1) The breakdown of trade and other payables is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Accounts payable - trade	42,985	36,474	268,774
Accounts payable - other	8,342	7,430	52,160
Sublease investment liabilities	16,970	14,771	106,109
Notes payable	432	435	2,701
Total	68,728	59,110	429,738

Trade and other payables are classified as financial liabilities measured at amortized cost.

(2) Supplier finance arrangements

The Group has entered into supplier finance arrangements with third-party financial institutions and makes payments to the financial institutions based on the contracts concluded with each supplier. The financial institutions offer earlier payment for a discounted amount at the sole discretion of the supplier. The Group does not provide collateral assets or third-party guarantees under these arrangements.

The carrying amounts of financial liabilities pertaining to part of the supplier finance arrangements are as follows:

	As of March 31, 2026	As of March 31, 2025	As of April 1, 2024	As of March 31, 2026
	Millions of yen	Millions of yen	Millions of yen	Thousands of U.S. dollars
Trade and other payables	23,474	17,509	17,110	146,777
Of the above, the amount already received by suppliers	23,474	17,509	(Note)	146,777

The range of due dates for payment of supplier finance arrangements, etc. is as follows:

	As of March 31, 2026	As of March 31, 2025	As of April 1, 2024
	After 1 to 365 days from the invoice issue date	After 1 to 365 days from the invoice issue date	(Note)
Liabilities from supplier finance arrangements			
Comparable trade payables not part of supplier finance arrangements	After 30 to 60 days from the invoice issue date	After 30 to 60 days from the invoice issue date	(Note)

(Note) The Group has applied the transitional measures based on “Supplier Finance Arrangements” (amendments to IAS 7 and IFRS 7) and has not made an information disclosure as of the beginning of the fiscal year ended March 31, 2025, which is the first year of application.

The supplier finance arrangements entered into by the Group do not bring about a concentration or significant extension of payment due dates when compared to the standard payment terms agreed upon with other suppliers not participating in such arrangements. Consequently, the Group does not bear any significant liquidity risks arising from these supplier finance arrangements.

In the fiscal years ended March 31, 2026 and March 31, 2025, there were no significant non-cash changes in the carrying amounts of financial liabilities subject to supplier finance arrangements.

22. Employee Benefits

The Company and some of its subsidiaries mainly adopt defined contribution plans to cover post-employment benefits for employees.

The amounts recognized as expenses for defined contribution plans during the fiscal years ended March 31, 2026 and March 31, 2025 were ¥569 million (\$3,558 thousand) and ¥514 million, respectively.

23. Provisions

The breakdown of provisions and their changes are as follows:

	Asset retirement obligations
	Millions of yen
As of April 1, 2024	708
Unwinding of the discount	8
Increases	104
Decreases (utilized)	(2)
As of March 31, 2025	818
Unwinding of the discount	11
Increases	374
Decreases (utilized)	—
As of March 31, 2026	1,203
	Asset retirement obligations

	Thousands of U.S. dollars
As of March 31, 2025	5,115
Unwinding of the discount	69
Increases	2,339
Decreases (utilized)	—
As of March 31, 2026	7,522

The breakdown of provisions in the consolidated statement of financial position is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Current liabilities (Note)	6	—	38
Non-current liabilities	1,198	818	7,491
Total	1,203	818	7,522

(Note) Provisions in current liabilities are included in other current liabilities.

The amount to be paid in the future estimated based on past experience is recognized as asset retirement obligations to prepare for the obligation to return the land to its original condition at the termination of the real estate lease contracts for stores, etc. used by the Group. While future outflows of economic benefits are mainly expected after one year from the end of each fiscal year, they are subject to future business plans, etc.

24. Other Liabilities

The breakdown of other liabilities is as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Accrued bonuses	1,589	1,543	9,936
Deposits received	750	853	4,690
Accrued consumption taxes	1,409	1,387	8,810
Other	1,643	1,402	10,273
Total	5,391	5,186	33,708
Current liabilities	4,214	4,107	26,349
Non-current liabilities	1,177	1,079	7,359
Total	5,391	5,186	33,708

25. Equity and Other Components of Equity

(1) Number of shares authorized and shares issued

Changes in the numbers of shares authorized and shares issued are as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025
	Shares	Shares
Number of shares authorized		
Ordinary shares	169,800,000	169,800,000
Number of shares issued		
Balance at beginning of period	122,581,034	121,631,034
Increase (decrease) during the period (Note 2)	—	950,000
Balance at end of period	122,581,034	122,581,034

- (Notes) 1. The shares issued by the Company are all ordinary shares with no par value that have no restrictions on any rights. The shares issued have been fully paid for.
2. The increase in the number of shares issued of 950,000 during the fiscal year ended March 31, 2025 is attributable to exercises of part of the sixth share acquisition rights by Tokai Tokyo Securities, Co., Ltd. during the period between April 8 and 25, 2024. Payments were received, and new shares were issued.

(2) Treasury shares

Changes in the number of treasury shares are as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025
	Shares	Shares
Treasury shares		
Balance at beginning of period	1,559,365	1,559,364
Increase during the period (Notes 1, 2)	4,766,500	1
Decrease during the period	—	—
Balance at end of period	6,325,865	1,559,365

- (Notes) 1. The increase in the number of treasury shares of 4,766,500 during the fiscal year ended March 31, 2026 is attributable to a purchase of treasury shares in off-auction trading on August 13, 2025. The total acquisition price of the purchased shares is ¥2,302 million (\$14,394 thousand).
2. The increase in the number of treasury shares during the fiscal year ended March 31, 2025 is attributable to purchases of shares less than one unit.

(3) Capital surplus

The Companies Act of Japan (the “Companies Act”) provides that at least half of payment or contribution at the share issue shall be credited to share capital, and the remaining amount shall be credited to legal capital surplus included in capital surplus. The Companies Act also provides that legal capital surplus may be credited to share capital pursuant to a resolution at a general meeting of shareholders.

(4) Retained earnings

The Companies Act provides that an amount equal to 10% of the dividends paid from surplus shall be transferred to legal capital surplus or legal retained earnings until the total amount of legal capital surplus and legal retained earnings equals 25% of share capital. The amount accumulated in legal retained earnings may be used to offset deficit. Further, that legal retained earnings may be reversed pursuant to a resolution at a general meeting of shareholders.

26. Dividends

The dividends paid are as follows:

Fiscal year ended March 31, 2026					
Date of resolution	Class of shares	Total amount of dividends	Dividend per share	Record date	Effective date
		Millions of yen (Thousands of U.S. dollars)	Yen (U.S. dollars)		
Board of Directors meeting held on May 15, 2025	Ordinary shares	1,452 (9,079)	12.00 (0.08)	As of March 31, 2025	June 10, 2025
Board of Directors meeting held on November 14, 2025	Ordinary shares	1,395 (8,723)	12.00 (0.08)	September 30, 2025	December 1, 2025

Fiscal year ended March 31, 2025

Date of resolution	Class of shares	Total amount of dividends	Dividend per share	Record date	Effective date
		Millions of yen	Yen		
Board of Directors meeting held on May 15, 2024	Ordinary shares	1,441	12.00	March 31, 2024	June 11, 2024
Board of Directors meeting held on November 12, 2024	Ordinary shares	1,452	12.00	September 30, 2024	December 2, 2024

Dividends whose effective date falls in the next fiscal year are as follows:

Fiscal year ended March 31, 2026

Date of resolution	Class of shares	Total amount of dividends	Dividend per share	Record date	Effective date
		Millions of yen (Thousands of U.S. dollars)	Yen (U.S. dollars)		
Board of Directors meeting held on May 15, 2026	Ordinary shares	1,395 (8,723)	12.00 (0.08)	March 31, 2026	June 10, 2026

Fiscal year ended March 31, 2025

Date of resolution	Class of shares	Total amount of dividends	Dividend per share	Record date	Effective date
		Millions of yen	Yen		
Board of Directors meeting held on May 15, 2025	Ordinary shares	1,452	12.00	March 31, 2025	June 10, 2025

27. Revenue

(1) Disaggregation of revenue

1) Revenue recognized from contracts with customers and other sources

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Revenue recognized from contracts with customers	386,890	349,968	2,419,121
Revenue recognized from other sources	1,844	1,663	11,530
Total	388,733	351,630	2,430,645

2) Relations between disaggregated revenue and segment revenue

Fiscal year ended March 31, 2026

	Reportable segments			
	Automobile Sales-Related Business	Housing-Related Business	Other	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenues disaggregated by major service				
New cars	186,740	—	—	186,740
Used cars	89,372	—	—	89,372
Services	59,007	—	—	59,007
Car rentals	19,724	—	—	19,724
Housing	—	31,396	—	31,396
Other	651	—	—	651
	355,494	31,396	—	386,890
Timing of revenue recognition				
Goods transferred at a point in time	334,636	23,640	—	358,276
Services transferred over time	20,858	7,756	—	28,614
	355,494	31,396	—	386,890

Fiscal year ended March 31, 2025

	Reportable segments			
	Automobile Sales-Related Business	Housing-Related Business	Other	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Revenues disaggregated by major service				
New cars	174,890	—	—	174,890
Used cars	77,512	—	—	77,512
Services	51,779	—	—	51,779
Car rentals	17,838	—	—	17,838
Housing	—	27,520	—	27,520
Other	429	—	—	429
	322,448	27,520	—	349,968
Timing of revenue recognition				
Goods transferred at a point in time	303,351	22,341	—	325,692
Services transferred over time	19,097	5,179	—	24,276
	322,448	27,520	—	349,968

Fiscal year ended March 31, 2026

	Reportable segments			
	Automobile Sales- Related Business	Housing-Related Business	Other	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Revenues disaggregated by major service				
New cars	1,167,636	—	—	1,167,636
Used cars	558,819	—	—	558,819
Services	368,955	—	—	368,955
Car rentals	123,329	—	—	123,329
Housing	—	196,311	—	196,311
Other	4,071	—	—	4,071
	2,222,810	196,311	—	2,419,121
Timing of revenue recognition				
Goods transferred at a point in time	2,092,390	147,815	—	2,240,205
Services transferred over time	130,420	48,496	—	178,916
	2,222,810	196,311	—	2,419,121

(2) Information on the performance obligations

1) Automobile Sales-Related Business

In the new cars segment, the Group purchases new cars from automakers and sells them. Some companies in the Group manufacture vehicles and sell them to sales agencies. Transaction prices are calculated based on prices in contracts with customers. As for returns and obligations to make a refund, the Group may work as an agent and make a request for a refund to an automaker or a parts manufacturer. However, in most cases, no expenses are incurred by the Group.

In the used cars segment, the Group sells used cars received in exchange of new cars, used cars purchased at auction, used rental cars, etc. Transaction prices are calculated based on prices in contracts with customers. The Group may incur returns and refund obligations due to faults in assessment. However, the Group does not estimate such obligations as they are insignificant.

The Group considers that performance obligations in the new cars segment and the used cars segment are satisfied upon delivery of cars. For auction or online sales in the used cars segment, performance obligations are considered to be satisfied on the date the winning bid was placed. The Group receives considerations mostly within one month from the date of satisfaction of the performance obligation.

In the services segment, the Group provides services such as maintenance, inspection, and JCI inspection of cars. Transaction prices are based on the price list. For some subcontracted services, the Group prepares an estimate in advance based on the subcontractor's quote and determines the sales price with approval of the customer. As for returns of a part and obligations to make a refund, the Group may work as an agent and make a request for a refund to an automaker or a parts manufacturer. Expenses may be incurred by the Group due to failure to make a request. However, the Group does not estimate such expenses as the amount is insignificant. The Group considers that performance obligations are satisfied on the date of completion of work. The Group receives considerations mostly within one month from the date of satisfaction of the performance obligation.

For long-term maintenance package products for JCI and other inspections offered in the services segment, the Group receives payment at the conclusion of a contract. Transaction prices are based on the price list and reflect the impact of the time value of money. The Group makes a refund after deducting a registration fee. Revenue from a registration fee is recognized at the conclusion of a contract, and revenue from services other than a registration fee is recognized as the services are rendered.

In the car rentals segment, the Group leases or purchases cars from automobile dealerships and rents them. Transaction prices of rental cars are based on the price list. Transaction prices of leased cars are calculated based on prices in contracts with customers. There is no possibility of returns or refunds. The Group considers that performance obligations are satisfied over the term of the car rental or car lease. The Group receives considerations mostly within one month from the

date of satisfaction of the performance obligation.

2) Housing-Related Business

The Group sells condominiums and detached houses, and provides construction services for custom-built houses and commercial facilities. Transaction prices are calculated based on prices in contracts with customers. Revenue from a construction service contract whose performance obligation is satisfied over a certain period of time is recognized based on the progress toward the satisfaction of the performance obligation. The progress is measured based on the ratio of construction cost incurred by the final day of the reporting period to the total expected construction cost. For other contracts, revenue is recognized at a single point in time when the building is delivered, as the Group considers that the customer obtains control of it and the performance obligation is satisfied at the time of delivery. The Group receives considerations mostly within two months from the date of satisfaction of the performance obligation.

(3) Contract balances

Balances of receivables arising from contracts with customers, contract assets, and contract liabilities are as follows:

	As of March 31, 2026	As of March 31, 2025	As of April 1, 2024	As of March 31, 2026
	Millions of yen	Millions of yen	Millions of yen	Thousands of U.S. dollars
Receivables arising from contracts with customers	15,788	13,908	13,079	98,718
Contract assets	1,326	1,494	1,746	8,291
Contract liabilities	13,521	13,256	11,673	84,543

The contract assets primarily pertain to the Group's rights to consideration in exchange for goods or services in construction contracts in the Housing-Related Business for which the Group has satisfied all or a part of its performance obligations, but not invoiced the customers as of the end of the fiscal year. When the rights to consideration become unconditional, the contract assets will be transferred to receivables. The decreases are primarily due to the completion of performance obligations for the construction contracts.

The contract liabilities are primarily related to advances received from customers, and are mainly attributed to an increase in advances received for vehicle purchases in the Automobile Sales-Related Business.

The amount of revenue recognized in the reporting period that was included in the beginning balance of contract liabilities is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
The amount of revenue recognized in the reporting period that was included in the beginning balance of contract liabilities	11,291	9,665	70,600

(4) Transaction prices allocated to remaining performance obligations

As there were no significant transactions for which an individual estimated contract period exceeds one year, the Group has adopted a practical expedient and omitted information on the remaining performance obligations. Considerations from contracts with customers do not include any significant amount not included in the transaction prices.

(5) Contract costs

The Group adopts the practical expedient under paragraph 94 of IFRS 15 and recognizes contract costs as expenses when incurred if the amortization period of such costs is one year or less.

28. Selling, General and Administrative Expenses

The breakdown of selling, general and administrative expenses is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Personnel expenses	27,012	23,988	168,899
Depreciation and amortization	6,520	5,695	40,768
Advertising expenses	2,390	2,115	14,944
Other	12,792	10,495	79,985
Total	48,714	42,292	304,596

29. Other Income and Expenses

The breakdown of other income is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Gain on sale of non-current assets	55	89	344
Incentive income	611	546	3,820
Other	926	535	5,790
Total	1,591	1,170	9,948

The breakdown of other expenses is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Loss on sale of non-current assets	0	5	0
Loss on retirement of non-current assets	53	150	331
Impairment losses	1,083	797	6,772
Other	730	445	4,564
Total	1,866	1,397	11,668

30. Finance Income and Finance Costs

The breakdown of finance income is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Interest income			
Financial assets measured at amortized cost	89	144	556
Dividend income			
Financial assets measured at fair value through profit or loss	6	6	38
Financial assets measured at fair value through other comprehensive income	359	316	2,245
Foreign exchange gain	513	—	3,208
Other	13	15	81
Total	979	482	6,121

The breakdown of finance costs is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Interest expenses			
Financial liabilities measured at amortized cost	2,044	1,696	12,781
Foreign exchange loss	—	25	—
Other	29	39	181
Total	2,073	1,760	12,962

31. Other Comprehensive Income

Amount earned during the period, reclassification adjustment to profit or loss, and tax effect by item of other comprehensive income are as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Financial assets measured at fair value through other comprehensive income			
Amount earned during the period	(3,150)	(5,540)	(19,696)
Tax effect	1,037	1,573	6,484
Financial assets measured at fair value through other comprehensive income	(2,113)	(3,967)	(13,212)
Exchange differences on translation of foreign operations			
Amount earned during the period	1,867	10	11,674
Reclassification adjustment	—	—	—
Before tax effect adjustments	1,867	10	11,674
Tax effect	—	—	—
Exchange differences on translation of foreign operations	1,867	10	11,674
Share of other comprehensive income of investments accounted for using equity method			
Amount earned during the period	83	24	519
Reclassification adjustment	—	—	—
Share of other comprehensive income of investments accounted for using equity method	83	24	519
Total other comprehensive income	(163)	(3,934)	(1,019)

32. Earnings per Share

Basis for calculating basic earnings per share is as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Profit attributable to owners of parent	4,898	5,302	30,626
Weighted average number of ordinary shares issued and outstanding (Shares)	118,031,180	120,974,984	118,031,180
	Yen	Yen	U.S. dollars
Basic earnings per share	41.50	43.83	0.26

(Note) Diluted earnings per share is not presented as there are no potential shares that would have a dilution effect.

33. Cash Flow Information

(1) Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities are as follows:

Fiscal year ended March 31, 2026

	Changes without cash flows						As of March 31, 2026
	As of April 1, 2025	Changes with cash flows	Changes from business combination	Changes from new leases	Exchange differences on translation of foreign operations	Other	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Short-term borrowings	34,188	11,324	619	–	610	1	46,742
Long-term borrowings	36,433	2,690	874	–	87	–	40,084
Bonds payable	262	(217)	50	–	–	–	95
Lease liabilities	37,211	(14,960)	492	14,926	969	(565)	38,073
Construction assistance fund received	8	(1)	–	–	–	0	7
Total	108,103	(1,165)	2,035	14,926	1,667	(564)	125,002

The above lease liabilities do not include lease liabilities from operating activities.

Fiscal year ended March 31, 2025

	Changes without cash flows						As of March 31, 2025
	As of April 1, 2024	Changes with cash flows	Changes from business combination	Changes from new leases	Exchange differences on translation of foreign operations	Other	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Short-term borrowings	38,977	(4,768)	—	—	(21)	—	34,188
Long-term borrowings	31,833	4,606	—	—	(5)	—	36,433
Bonds payable	471	(208)	—	—	—	—	262
Lease liabilities	32,038	(11,653)	—	17,042	(27)	(188)	37,211
Construction assistance fund received	10	(1)	—	—	—	0	8
Total	103,328	(12,025)	—	17,042	(53)	(188)	108,103

The above lease liabilities do not include lease liabilities from operating activities.

Fiscal year ended March 31, 2026

	Changes without cash flows						As of March 31, 2026
	As of April 1, 2025	Changes with cash flows	Changes from business combination	Changes from new leases	Exchange differences on translation of foreign operations	Other	
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Short-term borrowings	213,769	70,806	3,870	—	3,814	6	292,265
Long-term borrowings	227,806	16,820	5,465	—	544	—	250,635
Bonds payable	1,638	(1,357)	313	—	—	—	594
Lease liabilities	232,671	(93,541)	3,076	93,328	6,059	(3,533)	238,060
Construction assistance fund received	50	(6)	—	—	—	0	44
Total	<u>675,939</u>	<u>(7,284)</u>	<u>12,724</u>	<u>93,328</u>	<u>10,423</u>	<u>(3,527)</u>	<u>781,604</u>

The above lease liabilities do not include lease liabilities from operating activities.

(2) Non-cash transactions

The details of significant non-cash transactions are as follows:

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Right-of-use assets acquired by leases	13,978	16,012	87,401

34. Financial Instruments

(1) Capital management

The Group manages its capital with the aim of maximizing corporate value through sustainable growth.

The major indexes used by the Group to manage its capital are the net interest-bearing liabilities (interest-bearing liabilities less cash and cash equivalents), the ratio of equity attributable to owners of parent to total assets, and the return on equity attributable to owners of parent.

The Group's net interest-bearing liabilities, ratio of equity attributable to owners of the parent company and return on equity attributable to owners of the parent company are as follows:

	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Interest-bearing liabilities	143,670	123,992	898,331
Cash and cash equivalents	13,565	14,643	84,818
Net interest-bearing liabilities	130,105	109,349	813,512
Ratio of equity attributable to owners of parent to total assets (%)	23.3	25.6	23.3
Return on equity attributable to owners of parent (%)	6.9	7.4	6.9

These indexes are regularly reported to and monitored by the management.

There are no significant capital regulations that apply to the Group.

(2) Financial risk management

The Group is exposed to financial risks (credit risk, liquidity risk, currency risk, interest rate risk, and market price fluctuation risk) in the course of performing business activities. The Group manages risks in accordance with certain policies to mitigate these financial risks. The Group uses derivative transactions to avoid the risk of currency fluctuation or the risk of interest rate fluctuation. The Group does not use derivative transactions for speculative purposes.

(3) Credit risk management

Credit risk is the risk of a financial loss that the Group may incur from a default on a contractual obligation by a counterparty pertaining to the financial assets held by the Group.

The carrying amounts of the financial assets presented in the consolidated financial statements are the maximum value of credit risk exposure of the financial assets of the Group.

With regard to trade receivables and loans receivable, the Group creates a database of the credit status of each business partner with whom it has ongoing transactions pursuant to its rules on credit and receivable management and updates the database regularly to monitor the credit status constantly in an effort to identify any concerns about collection due to deterioration in their financial conditions and other factors at early stages. In addition, when starting a new transaction, the Group runs a credit check prior to the transaction, results of which will be used to determine whether or not to start the transaction and specify credit terms.

As for derivative transactions, the Group limits counterparties to financial institutions with high credit ratings and thus considers that the credit risk from such transactions is extremely low.

Furthermore, the Group considers that, if an issuer or debtor faces a significant financial difficulty or delays payment of interest or the principal, such issuer or debtor is in default.

If an issuer or debtor is in default, the Group determines that there is objective evidence of a credit impairment and classifies the relevant financial assets into credit-impaired financial assets.

Notwithstanding the foregoing, if the Group reasonably determines that it is unable to collect all or part of its financial assets, as in cases where a credit legally ceases to exist, the Group directly writes off the carrying amount of such financial assets.

a. The changes in allowance for doubtful accounts are as follows.

The Group determines the amount of allowance for doubtful accounts by assessing the collectability of its trade and other receivables as well as other financial assets (claims provable in bankruptcy and claims provable in rehabilitation) based on the credit status of the counterparties.

The breakdown of changes in allowance for doubtful accounts for trade and other receivables as well as other financial assets (claims provable in bankruptcy and claims provable in rehabilitation) is as follows. The Group classifies assets that are expected to be difficult to collect in future into credit-impaired financial assets. Such assets include those for which collection of interest has been delayed though part of payment has been made or those more than 90 days overdue for which payment has not been made regularly.

	Assets recorded at an amount equal to 12-month expected credit losses	Assets recorded at an amount equal to lifetime expected credit losses		Total
		Credit-impaired financial assets	Financial assets for which allowance for doubtful accounts is always measured at an amount equal to lifetime expected credit losses	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2024	(1)	(779)	(74)	(854)
Changes due to new acquisition and collection of financial assets	0	(526)	(17)	(543)
Write-offs	—	3	14	17
Exchange differences on translation of foreign operations	—	—	(0)	(0)
Balance as of March 31, 2025	(1)	(1,302)	(77)	(1,379)
Changes due to new acquisition and collection of financial assets	0	(395)	(82)	(477)
Write-offs	—	1	18	20
Exchange differences on translation of foreign operations	—	—	(8)	(8)
Balance as of March 31, 2026	(1)	(1,695)	(149)	(1,845)

	Assets recorded at an amount equal to 12-month expected credit losses	Assets recorded at an amount equal to lifetime expected credit losses		Total
		Credit-impaired financial assets	Financial assets for which allowance for doubtful accounts is always measured at an amount equal to lifetime expected credit losses	
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Balance as of March 31, 2025	(6)	(8,141)	(481)	(8,623)
Changes due to new acquisition and collection of financial assets	0	(2,470)	(513)	(2,983)
Write-offs	—	6	113	125
Exchange differences on translation of foreign operations	—	—	(50)	(50)
Balance as of March 31, 2026	(6)	(10,598)	(932)	(11,536)

b. Balances of total carrying amount of financial assets subject to recognition of allowance for doubtful accounts are as follows:

	Assets recorded at an amount equal to 12-month expected credit losses	Assets recorded at an amount equal to lifetime expected credit losses		Total
		Credit-impaired financial assets	Financial assets for which allowance for doubtful accounts is always measured at an amount equal to lifetime expected credit losses	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2025	1,118	1,580	32,873	35,571
As of March 31, 2026	1,049	1,804	38,136	40,990

	Assets recorded at an amount equal to 12-month expected credit losses	Assets recorded at an amount equal to lifetime expected credit losses		Total
		Credit-impaired financial assets	Financial assets for which allowance for doubtful accounts is always measured at an amount equal to lifetime expected credit losses	
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
As of March 31, 2026	6,559	11,280	238,454	256,300

c. Balances of uncollected financial instruments which have been directly written off during the period but for which collecting activities are continuing

There are no financial assets that were directly written off but for which the Group continued collecting activities in the fiscal years ended March 31, 2026 and March 31, 2025.

(4) Liquidity risk management

Liquidity risk is the risk that the Group may become unable to make payments on the due dates in fulfilling its obligations to repay financial liabilities that have become due.

The Group manages its liquidity risk by reserving adequate funds for repayment, securing readily available credit facilities extended by financial institutions, and monitoring planned and actual cash flows on an ongoing basis.

The Group manages cash flows based on a monthly cash budget, which is prepared by each of the Group companies and updated on a timely basis.

Balances of financial liabilities by due date are as follows:

As of March 31, 2026

	Carrying amount	Contractual cash flows	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Non-derivative financial liabilities								
Trade and other payables	68,728	71,290	60,895	5,823	3,232	1,226	114	1
Borrowings	86,827	87,270	58,217	12,882	7,770	4,006	1,816	2,579
Bonds payable	95	95	95	—	—	—	—	—
Lease liabilities	39,772	42,025	13,807	8,496	5,021	2,428	1,744	10,529
Other	2,000	2,000	371	14	8	1	1	1,605
Total	197,422	202,681	133,385	27,215	16,032	7,661	3,675	14,713

As of March 31, 2025

	Carrying amount	Contractual cash flows	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Non-derivative financial liabilities								
Trade and other payables	59,110	61,340	52,658	4,653	2,680	1,138	191	20
Borrowings	70,621	70,959	45,543	8,544	7,707	5,242	1,901	2,021
Bonds payable	262	262	168	94	—	—	—	—
Lease liabilities	38,329	40,583	12,086	8,193	5,714	2,447	1,569	10,574
Other	2,009	2,009	13	13	11	10	7	1,955
Total	170,331	175,152	110,468	21,497	16,112	8,838	3,667	14,571

As of March 31, 2026

	Carrying amount	Contractual cash flows	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Non-derivative financial liabilities								
Trade and other payables	429,738	445,758	380,760	36,410	20,209	7,666	713	6
Borrowings	542,906	545,676	364,016	80,548	48,584	25,048	11,355	16,126
Bonds payable	594	594	594	—	—	—	—	—
Lease liabilities	248,684	262,771	86,332	53,123	31,395	15,182	10,905	65,835
Other	12,505	12,505	2,320	88	50	6	6	10,036
Total	1,234,428	1,267,311	834,021	170,168	100,244	47,902	22,979	91,996

(5) Currency risk management

a. Risk management activities

The Group operates its business globally and is exposed to the risk of currency fluctuation arising from transactions denominated in a currency other than the functional currency. The Group may use derivatives (cross-currency interest rate swap) to avoid the risks of currency fluctuation and interest rate fluctuation arising from a part of its borrowings.

b. Foreign currency sensitivity analysis

The impact of a 1% appreciation of the Japanese yen against the British pound and the Australian dollar on the profit before tax in the consolidated statement of profit or loss in each reporting period is as follows.

However, this analysis is based on the assumption that other variable factors (such as balances, interest rates, etc.) are constant.

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Profit before tax Millions of yen	Profit before tax Millions of yen	Profit before tax Thousands of U.S. dollars
British pounds	(30)	(30)	(188)
Australian dollars	(11)	(8)	(69)

(6) Interest rate risk management

a. Risk management activities

The Group is exposed to various risks of interest rate fluctuation in the course of its business activities. Fluctuations in interest rates have a significant impact on borrowing costs, in particular.

The Group may use derivatives (interest rate swap contracts, etc.) in accordance with defined policies to mitigate the risk of interest rate fluctuation.

b. Interest rate sensitivity analysis

The impact of a 1% increase in interest rate on the profit before tax in the consolidated statement of profit or loss in each reporting period is as follows.

However, this analysis is based on the assumption that other variable factors (such as balances, exchange rates, etc.) are constant.

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Profit before tax	(728)	(580)	(4,552)

(7) Market price fluctuation risk management

a. Risk management activities

The Group is exposed to the risk of fluctuations in share prices arising from equity instruments (shares).

The Group regularly assesses and monitors fair value and financial conditions of issuers of such equity instruments.

b. Price sensitivity analysis

The impact of a 10% decline in the market prices of equity instruments held by the Group on other comprehensive income (before tax effect) in the consolidated statement of comprehensive income in each reporting period is as follows.

However, this analysis is based on the assumption that other variable factors are constant.

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Other comprehensive income (before tax effect)	(1,513)	(1,872)	(9,460)

(8) Classification and fair value of financial assets and financial liabilities

Classification, carrying amounts and fair value of financial assets and financial liabilities are as follows.

Lease liabilities are not included in the table below as disclosure of fair value is not required under IFRS 7 “Financial Instruments: Disclosures.”

	As of March 31, 2026		As of March 31, 2025		As of March 31, 2026	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Thousands of U.S. dollars	Thousands of U.S. dollars
Financial assets measured at amortized cost						
Trade and other receivables	36,770	36,496	31,580	31,409	229,913	228,200
Other financial assets	3,470	2,556	3,218	2,607	21,697	15,982
Financial assets measured at fair value through profit or loss						
Other financial assets	1,033	1,033	972	972	6,459	6,459
Financial assets measured at fair value through other comprehensive income						
Other financial assets	18,810	18,810	22,154	22,154	117,614	117,614
Total	60,082	58,896	57,923	57,141	375,677	368,261
Financial liabilities measured at amortized cost						
Trade and other payables	68,728	68,454	59,110	58,939	429,738	428,025
Bonds and borrowings	86,922	86,742	70,884	70,656	543,500	542,375
Other financial liabilities	2,000	1,755	2,009	1,835	12,505	10,974
Total	157,650	156,951	132,002	131,430	985,744	981,373

a. Classification based on fair value hierarchy

The fair value measurements of financial instruments measured at fair value are categorized into the following three levels based upon the observability and significance of inputs used to measure such financial instruments.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2: Fair value, other than Level 1, that is determined by directly or indirectly using observable prices

Level 3: Fair value determined by using valuation techniques that use unobservable inputs

b. Calculation method for fair value

The calculation method for fair value of financial instruments is as follows:

Assets:

(Trade and other receivables)

The fair value of lease receivables and investments in leases is determined based on the present value obtained by discounting the total amount of lease income at a credit risk-adjusted rate of interest. Receivables other than lease receivables and investments in leases are stated at carrying amounts since their fair value approximates the carrying amounts as they are settled in a short period of time. They are classified as Level 2 in the fair value hierarchy.

(Other financial assets)

With respect to the fair value of securities and investment securities, the fair value of listed shares is determined based on the quoted price at an exchange as of the end of the fiscal year, and the shares are classified as Level 1 in the fair value hierarchy. When there is no active market for the securities, and if there is a standard price or other information published, as with investment trusts and other instruments, the fair value is determined based on such information, and the securities are

classified as Level 2 in the fair value hierarchy. The fair value of unlisted shares, etc. is determined by the valuation technique using the market price of shares of comparable companies and the valuation technique using net asset value, and the shares, etc. are classified as Level 3 in the fair value hierarchy.

The fair value of long-term loans receivable is determined based on the present value obtained by discounting the amount of each receivable at the interest rate adjusted by taking into account the respective period to maturity and credit risk. They are classified as Level 2 in the fair value hierarchy.

Liabilities:

(Trade and other payables)

Trade and other payables that are settled in a short period of time are stated at carrying amounts as their fair value approximates the carrying amounts. Trade and other payables that are settled in a period longer than one year are determined based on the present value calculated using a discount rate that is equal to the interest rate that would be used for a new similar transaction. They are classified as Level 2 in the fair value hierarchy.

(Bonds and borrowings)

With respect to the fair value of bonds and long-term borrowings, those with variable interest rates are stated at carrying amounts as their fair value reflects the market rates in a short period of time and is therefore deemed to approximate their carrying amounts. The fair value of bonds and borrowings with fixed interest rates is determined based on the present value obtained by discounting the total amount of the principal and interest at an interest rate that would be offered for a new similar bond or borrowing. They are classified as Level 2 in the fair value hierarchy.

(Other financial liabilities)

With respect to other financial liabilities, the fair value is determined based on the present value, etc. obtained by discounting future cash flows at an interest rate equal to an appropriate index, such as the yield on a government bond. If other standard prices are published or presented, the fair value is determined based on such published and presented prices. They are classified as Level 2 in the fair value hierarchy.

c. Fair value hierarchy

The levels in the fair value hierarchy of financial instruments measured at fair value are as follows:

As of March 31, 2026

	Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets:				
Financial assets measured at fair value through profit or loss				
Other financial assets				
Securities	—	221	—	221
Other	—	—	812	812
Financial assets measured at fair value through other comprehensive income				
Other financial assets				
Securities	15,129	—	3,680	18,810
Total	15,129	221	4,493	19,843

As of March 31, 2025

	Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets:				
Financial assets measured at fair value through profit or loss				
Other financial assets				
Securities	–	220	–	220
Other	–	–	752	752
Financial assets measured at fair value through other comprehensive income				
Other financial assets				
Securities	18,716	–	3,438	22,154
Total	18,716	220	4,190	23,125

As of March 31, 2026

	Level 1	Level 2	Level 3	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Assets:				
Financial assets measured at fair value through profit or loss				
Other financial assets				
Securities	–	1,382	–	1,382
Other	–	–	5,077	5,077
Financial assets measured at fair value through other comprehensive income				
Other financial assets				
Securities	94,598	–	23,010	117,614
Total	94,598	1,382	28,094	124,073

Transfers between levels in the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. The Group did not recognize any material transfers between Levels 1, 2 and 3 in each fiscal year.

d. Valuation processes

For financial instruments classified as Level 3, an external valuation expert or an internal qualified staff performs the valuation and analyzes the result of valuation in accordance with the valuation policy and procedures approved by the responsible person of the business management division. The result of valuation is reviewed and approved by the responsible person of the business management division.

e. Quantitative information on financial instruments classified as Level 3

Fair value of unlisted shares classified as Level 3 is measured as follows:

As of March 31, 2026

Category	Valuation technique	Significant unobservable inputs	Input value
Financial assets measured at fair value through other comprehensive income	Valuation technique using the market price of the comparable companies	EV to EBIT multiple Price to book value multiple Illiquidity discount	4.80x 1.1x 30%
Financial assets measured at fair value through other comprehensive income	Valuation technique using net asset value	—	—

As of March 31, 2025

Category	Valuation technique	Significant unobservable inputs	Input value
Financial assets measured at fair value through other comprehensive income	Valuation technique using the market price of the comparable companies	EV to EBIT multiple Price to book value multiple Illiquidity discount	4.44x 1.1x 30%
Financial assets measured at fair value through other comprehensive income	Valuation technique using net asset value	—	—

Significant unobservable inputs used in the fair value measurement of unlisted shares are the EV to EBIT multiple, the price to book value multiple, and the illiquidity discount. A significant increase (decrease) in the EV to EBIT multiple will result in a significant increase (decrease) in fair value. A significant increase (decrease) in the price to book value multiple will result in a significant increase (decrease) in fair value. A significant increase (decrease) in the illiquidity discount will result in a significant decrease (increase) in fair value.

f. Reconciliation of financial instruments classified as Level 3 from the beginning to the end of the period

Changes in financial instruments classified as Level 3 from the beginning to the end of the period are as follows:

Fiscal year ended March 31, 2026

	Fair value measurements as of the closing date		
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
	Millions of yen	Millions of yen	Millions of yen
Balance at beginning of period	752	3,438	4,190
New consolidations	—	0	0
Total gains and losses	(3)	242	239
Profit or loss (Note 1)	(3)	—	(3)
Other comprehensive income (Note 2)	—	242	242
Purchases	63	0	63
Sales	—	(0)	(0)
Balance at end of period	812	3,680	4,493
Changes in unrealized gains or losses recognized in profit or loss on assets held at the end of the reporting period (Note 1)	(3)	—	(3)

(Notes) 1. Included in finance income and finance costs in the consolidated statement of profit or loss.

2. Included in financial assets measured at fair value through other comprehensive income in the consolidated statement of comprehensive income.

Fiscal year ended March 31, 2025

	Fair value measurements as of the closing date		
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
	Millions of yen	Millions of yen	Millions of yen
Balance at beginning of period	710	3,442	4,151
Total gains and losses	9	(4)	5
Profit or loss (Note 1)	9	—	9
Other comprehensive income (Note 2)	—	(4)	(4)
Purchases	55	0	55
Sales	(21)	(0)	(21)
Balance at end of period	752	3,438	4,190
Changes in unrealized gains or losses recognized in profit or loss on assets held at the end of the reporting period (Note 1)	9	—	9

(Notes) 1. Included in finance income and finance costs in the consolidated statement of profit or loss.

2. Included in financial assets measured at fair value through other comprehensive income in the consolidated statement of comprehensive income.

Fiscal year ended March 31, 2026

Fair value measurements as of the closing date			
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
	Thousands of U.S. dollars	Thousands of U.S. dollars	Thousands of U.S. dollars
Balance at beginning of period	4,702	21,497	26,199
New consolidations	–	0	0
Total gains and losses	(19)	1,513	1,494
Profit or loss (Note 1)	(19)	–	(19)
Other comprehensive income (Note 2)	–	1,513	1,513
Purchases	394	0	394
Sales	–	(0)	(0)
Balance at end of period	5,077	23,010	28,094
Changes in unrealized gains or losses recognized in profit or loss on assets held at the end of the reporting period (Note 1)	(19)	–	(19)

(Notes) 1. Included in finance income and finance costs in the consolidated statement of profit or loss.

2. Included in financial assets measured at fair value through other comprehensive income in the consolidated statement of comprehensive income.

(9) Equity instruments

Stocks are mainly held for cross-holding purposes. Accordingly, they are designated as financial assets measured at fair value through other comprehensive income.

a. Breakdown of fair value by issue

The breakdown of major issues of equity instruments and their fair value is as follows:

As of March 31, 2026

Issue name	Fair value	Fair value
	Millions of yen	Thousands of U.S. dollars
KeePer Technical Laboratory Co., Ltd.	13,908	86,963
Nissan Parts Tokai Sales Co., Ltd.	1,510	9,442
Nissan Parts Nagano Sales Co., Ltd.	709	4,433

As of March 31, 2025

Issue name	Fair value
	Millions of yen
KeePer Technical Laboratory Co., Ltd.	17,582
Nissan Parts Tokai Sales Co., Ltd.	1,418
Nissan Parts Nagano Sales Co., Ltd.	663

b. Derecognition of financial assets measured at fair value through other comprehensive income

The Group sells equity instruments, taking into account the current status of their fair value and business needs. The fair value of the issues sold during the period as of the date of derecognition of such issues and the accumulated gains or losses which had been recognized as other comprehensive income are as follows:

Fiscal year ended March 31, 2026		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
Fair value	Cumulative gains (losses)	Fair value	Cumulative gains (losses)	Fair value	Cumulative gains (losses)
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Thousands of U.S. dollars	Thousands of U.S. dollars
242	167	219	94	1,513	1,044

Any change in fair value of equity instruments recognized through other comprehensive income is immediately transferred to retained earnings. Accumulated gains or losses transferred from other comprehensive income to retained earnings during the fiscal years ended March 31, 2026 and March 31, 2025 were ¥(2,089) million (\$ (13,062) thousand) and ¥(3,979) million, respectively.

The breakdown of dividend income recognized from equity instruments is as follows:

Fiscal year ended March 31, 2026		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
Investments derecognized during the period	Investments held at the end of the period	Investments derecognized during the period	Investments held at the end of the period	Investments derecognized during the period	Investments held at the end of the period
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Thousands of U.S. dollars	Thousands of U.S. dollars
7	352	3	311	44	2,201

35. Principal Subsidiaries

(1) Subsidiaries

The status of major subsidiaries of the Group is as described in “I Overview of the Company, 4. Status of Affiliated Companies.”

(2) Parent’s ownership interests in a subsidiary that did not result in loss of control

Fiscal year ended March 31, 2026

The Group acquired additional shares of Trust Co., Ltd., a consolidated subsidiary, through a tender offer (TOB).

As a result, the Group’s effective ownership interests in the company increased from 72.2% to 100.0%, making the company a wholly owned subsidiary.

A summary of transactions with non-controlling interests related to the acquisition of shares is as follows:

	Amount	Amount
	Millions of yen	Thousands of U.S. dollars
Consideration paid	2,949	18,439
Decreases in non-controlling interests	(2,955)	(18,477)
Increases in other components of equity	13	81
Decreases in capital surplus	(7)	(44)

Fiscal year ended March 31, 2025

The Group acquired an additional portion of shares in Master Automocion, S.L., a consolidated subsidiary. As a result, the Group’s effective ownership interests in the company increased from 75.0% to 84.0%.

A summary of transactions with non-controlling interests related to the acquisition of shares is as follows:

	Amount
	Millions of yen
Consideration paid	926
Decreases in non-controlling interests	(361)
Increases in other components of equity	77
Decreases in capital surplus	(642)

36. Related Parties

(1) Transactions with related parties

Fiscal year ended March 31, 2026

Type	Name	Relationship	Description of transactions	Transaction amount	Amount outstanding
Company of which the majority of voting rights are held by a director (or other officer) or his or her close family member	Mogauto S.A.	Sale of finished goods and merchandise, etc.		Millions of yen	Millions of yen
			Purchase of parts	92	22
			Sale of parts	53	12
			Purchase of vehicles	265	328
			Sale of vehicles	13	16
			Acquisition of non-current assets	45	—
			Inspection of vehicles	163	—
			Borrowing of fund	67	70
			Repayment of fund	54	—
			Payment of interest	1	—
	Mogadealer S.L.	Sale of finished goods and merchandise, etc.	Purchase of parts	83	24
			Sale of parts	103	23
			Purchase of vehicles	4,163	508
			Borrowing of fund	63	66
			Repayment of fund	43	—
			Payment of interest	0	—
	CLAMI S.L.	Leasing of shops, etc.	Leasing of shops	791	—

(Notes) 1. The transactions with related parties are made based on transactions between independent third parties.

2. The Group does not recognize an allowance for doubtful accounts for receivables pertaining to the transactions with related parties.

Fiscal year ended March 31, 2025

Type	Name	Relationship	Description of transactions	Transaction amount	Amount outstanding
				Millions of yen	Millions of yen
Director	Masahide Ito	Sale of finished goods and merchandise, etc.	Purchase of a vehicle	11	—
Close family member of a director (or other officer)	Kazuma Tsukuda	Provision of construction service	Construction of a new house	27	—
Company of which the majority of voting rights are held by a director (or other officer) or his or her close family member	Mogauto S.A.	Sale of finished goods and merchandise, etc.	Purchase of parts	76	16
			Sale of parts	65	14
			Purchase of vehicles	57	—
			Inspection of vehicles	40	—
			Borrowing of fund	50	50
			Repayment of fund	47	—
			Payment of interest	0	—
	Mogadealer S.L.	Sale of finished goods and merchandise, etc.	Purchase of parts	66	15
			Sale of parts	68	14
			Purchase of vehicles	4,961	413
			Sale of vehicles	31	—
			Borrowing of fund	40	40
			Repayment of fund	48	—
			Payment of interest	0	—
	CLAMI S.L.	Leasing of shops, etc.	Leasing of shops	650	—
	BCN Motorbikes Now S.L.	Sale of finished goods and merchandise, etc.	Purchase of vehicles	31	—

(Notes) 1. The transactions with related parties are made based on transactions between independent third parties.

2. The Group does not recognize an allowance for doubtful accounts for receivables pertaining to the transactions with related parties.

Fiscal year ended March 31, 2026

Type	Name	Relationship	Description of transactions	Transaction amount	Amount outstanding
Company of which the majority of voting rights are held by a director (or other officer) or his or her close family member	Mogauto S.A.	Sale of finished goods and merchandise, etc.	Purchase of parts	Thousands of U.S. dollars 575	Thousands of U.S. dollars 138
			Sale of parts	331	75
			Purchase of vehicles	1,657	2,051
			Sale of vehicles	81	100
			Acquisition of non-current assets	281	—
			Inspection of vehicles	1,019	—
			Borrowing of fund	419	438
			Repayment of fund	338	—
			Payment of interest	6	—
	Mogadealer S.L.	Sale of finished goods and merchandise, etc.	Purchase of parts	519	150
			Sale of parts	644	144
			Purchase of vehicles	26,030	3,176
			Borrowing of fund	394	413
			Repayment of fund	269	—
			Payment of interest	0	—
	CLAMI S.L.	Leasing of shops, etc.	Leasing of shops	4,946	—

(Notes) 1. The transactions with related parties are made based on transactions between independent third parties.

2. The Group does not recognize an allowance for doubtful accounts for receivables pertaining to the transactions with related parties.

(2) Remuneration for key management executives

	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Basic remuneration	326	305	2,038
Retirement benefits	—	331	—
Total	326	636	2,038

37. Commitments

The amount of the unexecuted contracts to purchase property, plant and equipment was ¥971 million (\$6,071 thousand) as of March 31, 2026 (¥1,490 million as of March 31, 2025).

38. Contingent Liabilities

Not applicable.

39. Subsequent Events

(Reduction in the amount of legal capital surplus and legal retained earnings)

At the Board of Directors meeting held on May 25, 2026, the Company resolved to submit a proposal regarding the “Reduction in the amount of legal capital surplus and legal retained earnings” to the 44th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026.

1) Purpose of reduction in the amount of reserves

In order to enhance future distributable amounts and secure agility and flexibility in future capital policy, pursuant to the provisions of Article 448, paragraph (1) of the Companies Act, the Company will reduce the amount of legal capital surplus and legal retained earnings, and transfer the entire amount of the reduction in legal capital surplus to other capital surplus and the entire amount of the reduction in legal retained earnings to retained earnings carryforwards, respectively.

2) Amount of reserves to be reduced

Legal capital surplus: ¥2,728,026,765 out of ¥2,728,026,765 (entire amount)

Legal retained earnings: ¥254,955,987 out of ¥254,955,987 (entire amount)

3) Method of reduction in the amount of reserves

The entire amount of the reduction in legal capital surplus will be transferred to other capital surplus, and the entire amount of the reduction in legal retained earnings will be transferred to retained earnings carryforwards.

4) Schedule for reduction in the amount of reserves (planned)

(1) Date of resolution by the Board of Directors	May 25, 2026
(2) Date of resolution at the General Meeting of Shareholders	June 25, 2026 (planned)
(3) Date of public notice to creditors for objections	June 30, 2026 (planned)
(4) Deadline for objections by creditors	July 30, 2026 (planned)
(5) Effective date	August 4, 2026 (planned)

(2) Other

Semi-annual information, etc. for the fiscal year under review

	Six months ended September 30, 2025	Fiscal year ended March 31, 2026
Revenue (Millions of yen)	184,124	388,733
Profit before tax (Millions of yen)	6,442	10,129
Profit attributable to owners of parent (Millions of yen)	3,666	4,898
Basic earnings per share (Yen)	30.60	41.50

	Six months ended September 30, 2025	Fiscal year ended March 31, 2026
Revenue (Thousands of U.S. dollars)	1,151,279	2,430,645
Profit before tax (Thousands of U.S. dollars)	40,280	63,334
Profit attributable to owners of parent (Thousands of U.S. dollars)	22,923	30,626
Basic earnings per share (U.S. dollars)	0.19	0.26