



Annual Report 2025

Year Ended March 31, 2025



Profile

SEINO HOLDINGS CO., LTD. (“the Company”) began business as a trucking company in 1930 and was incorporated in 1946. Based in the city of Ogaki, Gifu Prefecture, we are a leading trucking company, expanding in step with the growth of the Japanese economy and the development of the nation’s extensive expressway network.

On October 1, 2005, the Company transferred its transportation business and other operations to a new company—which has taken the original name Seino Transportation Co., Ltd.—and was renamed SEINO HOLDINGS CO., LTD. adopting a pure holding company structure.

The Seino Group currently consists of the pure holding company SEINO HOLDINGS, 91 consolidated subsidiaries and 25 affiliates engaged in transportation services, vehicle sales, merchandise sales, real estate leasing services and other services.

In its mainstay Transportation Services Business, the Company has taken steps to build even more convenient logistics systems, all the while adhering to its “customer-first” principle.

In recent years, in order to accelerate our evaluation from serving as a special group cargo motor trucking company to serving as “the logistics company Seino,” we have been working on fully utilizing our logistics facilities, as well as boosting our space efficiency and operational efficiency and achieving semi-automation with assistive robots. Furthermore, we have been working on resolving the issues of our customers based on customized proposals making use of the functions of our entire group, and have been striving to expand our revenues through enhancing our logistics infrastructure.

The Seino Group is committed to providing rapid services

that deliver total customer satisfaction and will proceed down the “Road to Success” to become a highly profitable company through initiatives to develop a progressive business model that will become the standard for next-generation transportation business.



Forward-looking Statements:

In this annual report, statements other than historical facts are forward-looking statements that reflect the plans and expectations of the Company. These forward-looking statements involve risks, uncertainties and other factors that may cause the Company’s actual results and achievements to differ materially from those anticipated in these statements.

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Board of Directors

(As of June 26, 2025)

<i>President</i>	Yoshitaka Taguchi
<i>Representative Director</i>	Takao Taguchi
<i>Directors</i>	Hidemi Maruta Nobuyuki Nozu Satoshi Takahashi
<i>Outside Directors</i>	Takahiko Ijichi Makiko Sato
<i>Audit and Supervisory Committee Member (Standing Director)</i>	Nobuhiko Ito
<i>Audit and Supervisory Committee Member (Outside Director)</i>	Hiroyuki Masuda Keiko Komatsu

SEINO HOLDINGS CO., LTD.
Financial Highlights

For the Years Ended March 31, 2025, 2024 and 2023

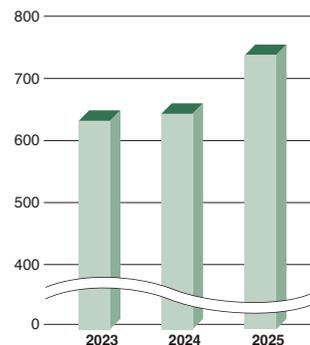
	Millions of Yen			Thousands of U.S. Dollars ^(Note)
	2025	2024	2023	2025
CONSOLIDATED BASIS:				
Operating revenue	¥ 737,378	¥ 642,812	¥ 631,508	\$ 4,915,853
Operating profit	29,883	23,403	28,502	199,220
Profit before income taxes	32,501	25,617	31,352	216,673
Net income	19,254	14,562	19,013	128,360
Net income per share(yen)	115.41	83.72	104.87	0.77

	Millions of Yen			Thousands of U.S. Dollars ^(Note)
	2025	2024	2023	2025
CONSOLIDATED BASIS:				
Cash and cash equivalents, and short-term investments	¥ 85,122	¥ 83,469	¥ 109,752	\$ 567,480
Property and equipment, net of accumulated depreciation	424,887	345,655	343,227	2,832,580
Total assets	770,841	689,525	703,894	5,138,940
Long-term debt and other long-term liabilities	42,803	43,594	45,392	285,353
Net assets	423,572	435,578	449,728	2,823,813
Net assets per share (yen)	2,663.23	2,560.24	2,449.98	17.75

(Note) U.S. dollar amounts are translated at ¥150 = U.S. \$1, only for the convenience of readers.

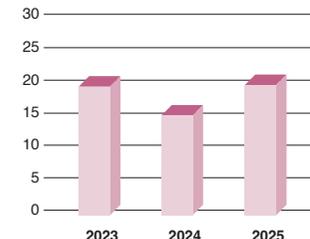
Operating revenue

(Billions of Yen)



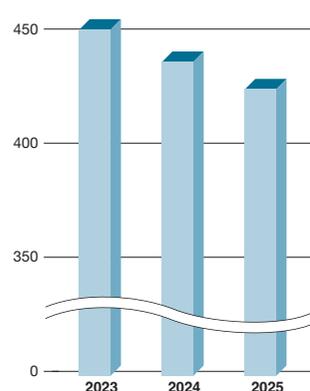
Net income

(Billions of Yen)



Net assets

(Billions of Yen)



Corporate Data

(As of March 31, 2025)

Company Name

Head Office

Date of Establishment

Paid-in Capital

Number of Shares Issued

Stock Listings

Transfer Agent

Independent Auditors

SEINO HOLDINGS CO., LTD.

1, Taguchi-cho, Ogaki, Gifu 503-8501, Japan

Tel: 81-584-82-3881 Fax: 81-584-82-5043

November 1, 1946

¥42,482 million

187,679,783

Tokyo Stock Exchange, Prime Market (code 9076)

Nagoya Stock Exchange, Premier Market (code 9076)

Mitsubishi UFJ Trust and Banking Corporation

KPMG AZSA LLC

Message from the Management

To Our Shareholders, Customers and Friends

We would like to take this opportunity to express our appreciation to our stakeholders, including shareholders and other investors, for the consistent support you have shown us over the years. The results for the fiscal year ending March, 2025 (April 1, 2024 to March 31, 2025) are presented herein.

🌟 Medium- and Long-Term Management Direction — Vision and Roadmap 2028

The following is a brief report on the performance of SEINO HOLDINGS CO., LTD. for the fiscal year ended March 31, 2025, our 104th term (from April 1, 2024 to March 31, 2025).

During the fiscal year ended March 31, 2025 (“the fiscal year under review”), amid continuing geopolitical risk overseas associated with the situations in the Middle East and between Russia and Ukraine, the Japanese economy showed a moderate recovery driven by growth in inbound tourism demand and increased capital investment by companies. However, the outlook remained unclear as consumer spending and investment in housing remain sluggish due to the impact of rising prices.

In the transportation industry, which is the mainstay business of the Seino Group, as the volume of freight transportation in Japan shrank year on year, the conditions surrounding corporate activities continued to be severe mainly due to soaring energy prices and measures taken in response to the “2024 problem.”

Operating under such conditions, in the second year of “Medium- and Long-Term Management Direction — Vision and Roadmap 2028,” the Group aimed for an ROE (return on equity) of 8.0% or higher in order to quickly realize a PBR (price book-value ratio) of at least 1.0 times through growth and appropriate capital measures. Under the plan, we worked to maintain our competitive edge in our core LTL (Less-than-Truckload) transportation business, while positioning the logistics and FTL (Full-Truckload) transportation business, which are our key initiatives, as growth engines and deploying measures that struck the right balance of growth, profitability, and capital efficiency with the aim of making higher-profit margins integral to our operations.

Additionally, on October 1, 2024, Mitsubishi Electric Logistics Corporation was made a consolidated subsidiary of the Group and its name was changed to MD LOGIS

CORPORATION on said date. We are integrating the advanced logistics knowhow of this company into the Group’s logistics networks and systems to pursue further added value not only in Japan, but also from a global perspective. This new consolidation has made a considerable contribution to earnings in the Transportation Services Business.

As a result, operating revenue for the fiscal year under review was ¥737,378 million (up 14.7% year on year), operating profit was ¥29,883 million (up 27.7% year on year), ordinary profit was ¥28,124 million (up 14.8% year on year), and profit attributable to owners of parent was ¥19,254 million (up 32.2% year on year).

🌟 Future Outlook

For the future outlook for Japan’s economy, business conditions are expected to recover at a moderate pace due to improvements in the employment and income environment and the effects of various government policies. On the other hand, the risk of an economic downturn is rising due to inflation driven by U.S. trade policy (tariffs), and fears of negative movement in consumer sentiment.

In the transportation industry, which is the mainstay business of the Seino Group, the environment continues to be marked by factors such as yen depreciation, unstable crude oil supply volumes, driver shortages, and a decline in the working population.

In our initiatives in this third year of “Roadmap 2028,” we will use such circumstances as a tailwind. In our LTL (Less-than-Truckload) transportation business, which is the core of the Transportation Services Business, we will address the “2024 problem” by advancing our O.P.P. in order to realize a sustainable society and make the entire logistics industry more efficient. We will aim to achieve the “Team Green Logistics” by creating the future together with a variety of partners that transcends boundaries between industries. Furthermore, we will continuously work to secure reasonable transport fees to ensure sustainable transportation capabilities, while providing customers with added value.



In the logistics business, a growth area, we will create value by practicing consulting-based sales that leverage our logistics diagnostics services to address customers' labor shortages by acting on their behalf to make logistics improvements and enhance operational efficiency. We will also further expand our business through proposals that meet customer needs by developing logistics that are tailored to each of the electronics, healthcare, and automotive battery industries.

In the FTL (Full-Truckload) transportation business, which is also a growth area, we have concentrated customer communication channels at the FTL dispatch centers with the aim of enhancing customer satisfaction through swift responses, and we will also strive to enhance convenience through efforts including using HACOBELL functions to expand the area in which FTL arrangement is 100% guaranteed.

In passenger vehicle sales in the Vehicle Sales Business, we will enhance customer satisfaction by optimizing our branch network, including renewing branches and service workshops, consolidating branches based on analysis of commercial area reach, and advancing plans for new branches. Also, in order to recruit, develop, and retain mechanics to undertake our highly profitable services, we will continue to improve workplace environments, build career plans for all employees, including sales staff, and enhance and expand training programs, with the aim of creating branches that will be chosen by customers.

In truck sales, although the supply of some new vehicle types is still limited, we will accelerate new vehicle sales as we have a prospect for resuming orders for large trucks. Additionally, we will seek to increase sales of leases and financial instruments such as insurance. We will also create work for our highly profitable maintenance business by offering tailored sales solutions, such as preventive maintenance proposals that reduce the risk of costly breakdowns on the road for the customer.

In the Merchandise Sales Business, Real Estate Leasing Services Business, and Other Business, we will take steps to expand each business domain and strengthen our existing businesses.

To all shareholders, we sincerely ask for your ongoing encouragement and support into the future.

June 2025



Yoshitaka Taguchi,
President and Chief Executive Officer

Special Feature

Expanding the Scope of Operations and Creating New Value

Major 2025 Topics

New Group Company Launched in Relation to Last-Mile Delivery

On April 1, SEINO HOLDINGS launched a new company called Seino Last One Mile Co., Ltd (headquarters: Chuo City, Tokyo) with the goal of enabling swift decision-making and strengthening group collaboration.

In the Japanese e-commerce industry, volumes are on an upward trend, and this movement accelerated further during the COVID-19 pandemic. However, the rate of e-commerce adoption in Japan has been relatively low compared to other countries, and further acceleration in this upward trend is anticipated. As the rate of e-commerce adoption increases, delivery needs are also becoming increasingly diverse. This increase in volume has caused more frequent issues related to last-mile logistics. Realizing that solving these issues will require swifter decision-making and stronger group collaboration, we have launched Seino Last One Mile Co., Ltd. to centralize those management functions.



Notice Regarding the Addition of NICHYU Co., Ltd. to the Group



SEINO HOLDINGS agreed to acquire a 100 percent stake in NICHYU Co., Ltd. (headquarters: Kohoku Ward, Yokohama, Kanagawa Prefecture; president: Kazuki Okada) and incorporated the company into the Seino Group on April 1, 2024.

NICHYU is a mail delivery company that serves the Kanagawa Prefecture area. As part of its operations related to that purpose, NICHYU has established an integrated in-house system capable of handling catalog production, desktop publishing, printing, data processing, mail preparations, delivery, and call center operations. The company has achieved growth by providing support for corporate advertising and promotional activities in print media.

SEINO HOLDINGS is also actively pushing for the development of the Open Last One Mile Delivery Platform (OLP) in order to provide diverse delivery options that can contribute to resolving societal issues, such as assisting shopping-disadvantaged individuals and the second “home delivery crisis,” as well as improving industry efficiency and environmental sustainability in the last-mile delivery sector.

Tikutakubin, a Group company, provides mail delivery and posting services within a distribution area that consists of Tokyo, Saitama Prefecture, and Chiba Prefecture. This addition of NICHYU, whose strength lies in its delivery operations in Kanagawa Prefecture, to our Group will further strengthen our delivery network within Greater Tokyo.

Establishing a Joint Venture Company Between SEINO HOLDINGS and Mahindra Logistics Limited

SEINO HOLDINGS has also established a joint venture company together with Mahindra Logistics Limited (MLL), a logistics company belonging to the Mahindra Group, an Indian conglomerate. This company, called Seino MLL Logistics Private Limited, will allow us to expand our logistics operations within India.

The decision to establish this company was motivated by the increase in freight volumes in India. India, which has surpassed China as the world’s most populous nation, is now undertaking efforts to strengthen its manufacturing sector. This has captured the attention of companies worldwide as a potential successor to China as the “world’s factory.” Furthermore, as India’s major metropolitan regions develop, Indian retailers expect to see stronger demand for freight transportation services and warehousing services in the future.

Because the Mahindra Group’s core company is a major automobile manufacturer, we aim to serve as a point of contact that can provide support and assistance to Japanese companies, including automotive companies, when they expand into India.



A Business Partnership with aidiot, Inc. to Strengthen Our Consulting Services

Seino Transportation has launched a business partnership with aidiot, Inc. (headquarters: Shibuya City, Tokyo; CEO: Tomoki Inoue), which utilizes its data platform to assist companies with digital transformation efforts.

The logistics industry has been facing major challenges, including the “2024 problem” and carbon neutrality initiatives. Proactive efforts at logistics reform are needed by freight owners as well as transport operators to ensure that logistics can continue uninterrupted. Amidst these circumstances, Seino Transportation provides logistics consulting services to help freight owners with logistic reforms, assisting them with visualization, analysis, upgrades, and implementation of solutions related to their logistics problems.

At this time, we are forming a business partnership with aidiot that will include utilizing ADT, a logistics optimization tool developed by aidiot, in order to perform data-driven logistics network diagnostics and evaluate logistics network redevelopment with the aim of creating a system that will enable us to provide more advanced and optimized logistics solutions.



Conducting a Logistics Demonstration Experiment for Advanced Air Mobility (AAM) in Chiba Prefecture

Sumitomo Corporation (headquarters: Chiyoda City, Tokyo; Representative Director, President and CEO: Shingo Ueno) and SEINO HOLDINGS conducted a logistics demonstration experiment involving the use of helicopters in Chiba Prefecture on February 20, 2025 with the aim of implementing Advanced Air Mobility (hereinafter, “AAM”) at the societal level under both normal and emergency conditions. This demonstration confirms the potential for improving logistics efficiency, addressing labor shortages, and providing a means of emergency transport during disasters. We will pursue efforts to clarify technical and business-related challenges in the societal implementation of AAM-based logistics and to achieve practical implementation.

The Japanese logistics industry is facing challenges that include driver shortages and cost increases due to the “2024 problem,” and the situation demands efficiency improvements in low-population areas and long-distance transport in particular. Furthermore, it is vital to ensure rapid delivery of supplies during disasters like earthquakes and torrential rains. Sumitomo Corporation and SEINO HOLDINGS have been promoting initiatives to achieve logistics operations that combine transportation via AAM—which includes electric VTOLs/flying cars and large drones—with truck-based transportation in order to address those challenges. For this demonstration, we conducted verification experiments to identify operational issues that wouldn’t have been detectable through desk simulations.

These tests involved helicopter (virtual AAM) freight transport under normal conditions as well as the transport of relief supplies under emergency conditions.



Entering into a Business Partnership with ART GROUP HOLDINGS



SEINO HOLDINGS and its subsidiary Group companies that are responsible for its transportation network have entered into a basic agreement on forming a business partnership with ART GROUP HOLDINGS Co., Ltd. (address: Chuo Ward, Osaka, Osaka Prefecture) and its subsidiary Group companies that operate its moving services, namely ART MOVING COMPANY Co., Ltd. (address: Chuo Ward, Osaka, Osaka Prefecture) and ART SETTING DELIVERY Co., Ltd. (address: Chuo City, Tokyo). This agreement will broaden the scope of cooperation related to moving operations that were agreed upon between Seino Transportation and ART MOVING COMPANY in 2001, facilitating solutions to the labor shortage problem that is faced by the entire industry and the provision of more high-quality services.

Under this agreement, there will be new collaboration between the Seino Group company Seino Super Express and Art Moving Company.

Additionally, Art Setting Delivery, which utilizes two-person teams to carry out the delivery and installation of large items shipped by Seino Transportation to individual customers, will supplement our last-mile delivery services (delivery from the final logistics hub to the end user) in a mutually collaborative manner. We expect this partnership to improve transport efficiency and reduce our environmental impact.

By collaborating on moving services and the delivery of large items to individual customers, both of our Groups will continue efforts to increase customer satisfaction and contribute to the development of the industry as a whole.

Six Seino Group Companies Certified as 2025 Outstanding Organizations of KENKO Investment for Health

SEINO HOLDINGS announces that our company and five other Seino Group companies have been certified as a 2025 Outstanding Organization of KENKO Investment for Health.

This certification is administered jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. It is a program that provides recognition for companies that conduct outstanding efforts to promote employee health. This year, six companies within the Seino Group were selected in recognition of their efforts to maintain and improve employee health.

2025 Outstanding Organizations of KENKO Investment for Health—Large Enterprise Category

- SEINO HOLDINGS CO., LTD.
- Seino Transportation Co., Ltd.
- TOYOTA COROLLA NETZ GIFU CO., LTD.
- Gifu Hino Motor Co., Ltd.

2025 Outstanding Organizations of KENKO Investment for Health—SME Category—Next Bright 1000

- Saitama Seino Transportation Co., Ltd.

2025 Outstanding Organizations of KENKO Investment for Health—SME Category

- Seino Family Co., Ltd.

Opening of the Sendai-Minami Branch Watari Logistics Warehouse

Seino Transportation has opened the Sendai-Minami Branch Watari Logistics Warehouse in the town of Watari, Watari District, Miyagi Prefecture.

The warehouse is being utilized as a dedicated warehouse for SUMIKASEKISUI FILM CO.,LTD., a freight owner served by the Sendai-Minami Branch, to help that company optimize its overall supply chain.

Seino Transportation has received acclaim for its comprehensive coordination services that take advantage of our Group’s strengths, offering proposals that integrate buildings, material handling, systems, and operations. This is achieved through collaboration with the Logistics Division of SEINO HOLDINGS, which offers and develops logistics optimization solutions for complete supply chains, and the CRE Strategy Department, which handles real estate utilization.

Segment Information

Transportation Services Business

Regarding the Transportation Services Business, in our mainstay LTL (Less-than-Truckload) transportation business, we have leveraged our nationwide route network to make progress in receiving reasonable transport fees, focusing on the long-distance and heavy-load categories, which we consider our strengths. We also implemented various measures to align expenses with appropriate levels by revising transportation structures to correlate with the volumes of cargo handled, among other efforts.

On the other hand, there was a slight year-on-year decline in the volume of cargo handled as consumer spending remained sluggish due to the impact of rising prices. Additionally, there was an increase in chartering and outsourcing expenses due to a shortage of drivers caused by the number of new recruits failing to grow in proportion to the number of drivers leaving due to retirement and other reasons, as well as limits on the maximum number of hours that drivers can work overtime resulting from the “2024 problem.”

Seeing this “2024 problem” as an opportunity for change, in May 2024, we concluded a business alliance with JAPAN POST Co., Ltd. and started carrying out collaborative transportation on trunk routes. This alliance is focusing on accelerating initiatives to make the entire industry more efficient and to continuously maintain transportation quality

over the long term through measures such as supplementing each other's operations in low-efficiency regions through an O.P.P.* that transcends boundaries between companies.

In terms of expansion efforts, Seino Transportation Co., Ltd. rebuilt the distribution warehouse at its Toyokawa branch (Toyokawa City, Aichi Prefecture), and Seino Super Express Co., Ltd. relocated its Fukuoka cargo center (Higashi Ward, Fukuoka City). In this way, we worked to expand our earnings by strengthening our logistics infrastructure.

As a result of the above, as well as an increase in earnings associated with the consolidation of MD LOGIS CORPORATION, operating revenue for this segment was ¥554,126 million (up 17.8% year on year) and operating profit was ¥20,744 million (up 35.8% year on year).

* O.P.P.: An acronym for open public platform. We are building an open logistics platform that enables collaboration and can be used by anyone internal or external to the company and in any business domain. This platform will create efficiencies and value of each user and contribute to industry, the environment, and daily life as social infrastructure.

Vehicle Sales Business

In passenger vehicle sales of the Vehicle Sales Business, the new vehicle sales volume declined year on year due to the effects on the orders environment of factors such as delays in the announcement of new vehicles caused by the impact of the issue regarding the misconduct of manufacturers concerning certification in past fiscal years, as well as delays to production and shipment at manufacturers. However, operating profit grew considerably due to strong sales of vehicles in higher price ranges and measures to strengthen sales centered on direct sales.

In used vehicle sales, the overall volume of vehicles sold, including wholesale sales, fell year on year, despite retail sales growing as each dealer was able to secure display models due to revisions to the used car productification process.

In truck sales, amid the continued suspension of production of some vehicle types as a result of the issue regarding the misconduct of manufacturers concerning certification in past fiscal years, new vehicle sales recorded a considerable year-on-year increase due to a rebound effect from sluggish sales in the

previous fiscal year, as well as measures to tap into substitute demand.

In terms of office expansion efforts, TOYOTA COROLLA NETZ GIFU CO., LTD. relocated the service workshop of its Gifu branch (Gifu City, Gifu Prefecture) into a new building and renewed the service workshop of the Corolla Hashima branch (Hashima City, Gifu Prefecture), improving customer satisfaction and the efficiency of the store network.

As a result of the above, operating revenue for this segment was ¥115,329 million (up 6.1% year on year) and operating profit was ¥7,161 million (up 23.3% year on year).

Merchandise Sales Business

The Merchandise Sales Business engages in the sale of fuel, paper and paper products, and other products. There was a rise in sales unit prices for fuel sales and sales of nursing care goods were firm, particularly domestic tissue papers for

nursing care. As a result, operating revenue for this segment was ¥38,781 million (up 8.5% year on year) and operating profit was ¥1,170 million (up 23.4% year on year).

Real Estate Leasing Services Business

In the Real Estate Leasing Services Business, we worked to utilize our holdings of land and former sites to maximize their potential and transform this business into one that provides more valuable leasing services for each region. As a result,

operating revenue for this segment was ¥2,355 million (up 4.9% year on year), and operating profit was ¥1,732 million (up 5.1% year on year).

Other Business

The Other Business segment includes the information services business, the personnel services business, the construction contract business, the housing sales business, and

the taxi business. Operating revenue for this segment was ¥26,787 million (up 3.4% year on year), and operating profit was ¥1,829 million (up 31.1% year on year).

Operating Revenue by Business Segment

(Millions of yen)

	FY Ended March 31, 2025		FY Ended March 31, 2024		Year-on-Year
	Results	Composition	Results	Composition	
Transportation services	554,126	75.1%	470,237	73.2%	17.8%
Vehicle sales	115,329	15.6%	108,664	16.9%	6.1%
Merchandise sales	38,781	5.3%	35,747	5.6%	8.5%
Real estate leasing services	2,355	0.3%	2,246	0.3%	4.9%
Others	26,787	3.6%	25,918	4.0%	3.4%
Total	737,378	100.0%	642,812	100.0%	14.7%

Operating Income by Business Segment

(Millions of yen)

	FY Ended March 31, 2025		FY Ended March 31, 2024		Year-on-Year
	Results	Composition	Results	Composition	
Transportation services	20,744	69.4%	15,274	65.3%	35.8%
Vehicle sales	7,161	24.0%	5,809	24.8%	23.3%
Merchandise sales	1,170	3.9%	948	4.1%	23.4%
Real estate leasing services	1,732	5.8%	1,648	7.0%	5.1%
Others	1,829	6.1%	1,395	6.0%	31.1%
Total	32,636	109.2%	25,074	107.1%	30.2%
Elimination	(2,753)	(9.2%)	(1,671)	(7.1%)	—
Consolidated	29,883	100.0%	23,403	100.0%	27.7%

Financial Review

Operating Result

The consolidated sales of SEINO HOLDINGS for the fiscal year ended March 31, 2025 amounted to ¥737,378 million (a 14.7% increase from the previous fiscal year). The main factors appear to be the progress we made in collecting adequate freight charges in our transportation business and the consolidation of Mitsubishi Electric Logistics Corporation (renamed MD Logis Corporation) as a subsidiary in October 2024.

Meanwhile, due to an increase in commodity costs due to rising energy prices caused by Mid-East tensions and the Russia-Ukraine situation as well as the weak yen, sales costs rose to ¥650,764 million, a 14.3% increase from the previous fiscal year, and the ratio of operating costs to sales stood at 88.3%, a 0.3% decrease from the previous fiscal year.

Selling, general and administrative expenses came to ¥56,731 million (a 13.0% increase from the previous fiscal year) due to an increase in salaries that include higher base pay as well as an increase in rental and leasing costs. Operating profit came to ¥29,883 million.

Current net income before taxes and other adjustments increased by 26.9% from the previous fiscal year to ¥32,501 million, and current net income increased by 32.2% from the previous fiscal year to ¥19,254 million.

Current net income per share stood at ¥115.41, and return on equity was 4.5%. The annual cash dividend per share rose to ¥102.00, which marked a 2.0% increase from the previous fiscal year.

Financial Position

Total assets at the end of the current consolidated fiscal year amounted to ¥770,841 million, which marked an increase of ¥81,316 million from the end of the previous consolidated fiscal year. The main factors included the acquisition of tangible and intangible fixed assets. Liabilities totaled ¥347,269 million, which marked a ¥93,322 million increase from the end of the previous consolidated fiscal year. Furthermore, net assets decreased by ¥12,006 million from the end of the previous consolidated fiscal year to reach ¥423,572 million due to the acquisition of treasury stock through a tender offer.

Cash Flows

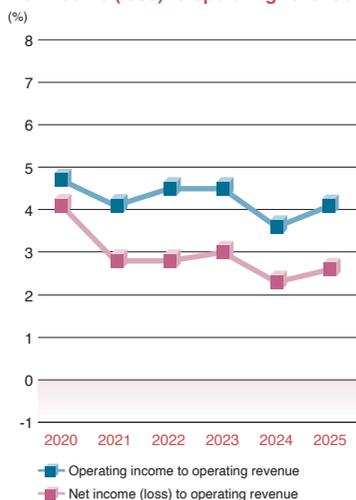
Cash flow from operating activities amounted to ¥52,746 million, marking an increase of ¥4,305 million from the previous consolidated fiscal year, due to factors such as lower company tax payments.

Cash flow from investment activities came to -¥70,875 million, which was a ¥45,366 million increase from the previous consolidated fiscal year. This was the result of factors such as expenditures for acquiring shares of subsidiaries in conjunction with changes to consolidation scope, and the acquisition of tangible and intangible fixed assets.

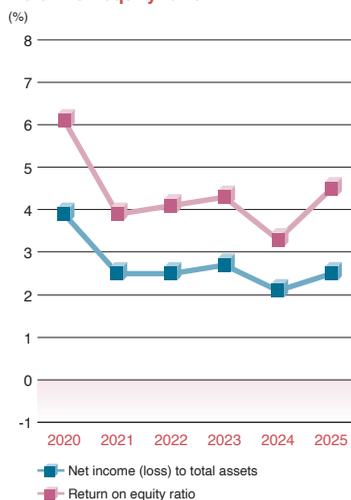
Cash flow from financial activities rose by ¥68,598 million from the previous consolidated fiscal year to ¥19,952 million. This was the result of factors such as a net increase in short-term borrowing.

As a result of the above, cash and cash equivalents in the current consolidated fiscal year increased by ¥1,977 million from the previous consolidated fiscal year to ¥77,355 million.

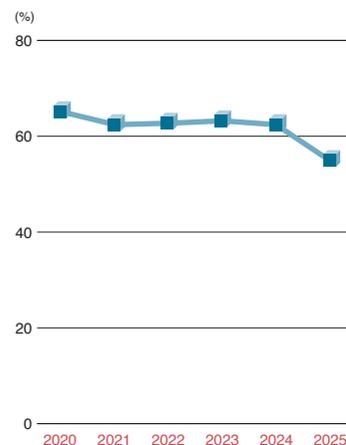
Operating income to operating revenue
Net income (loss) to operating revenue



Net income (loss) to total assets
Return on equity ratio



Shareholders' equity ratio



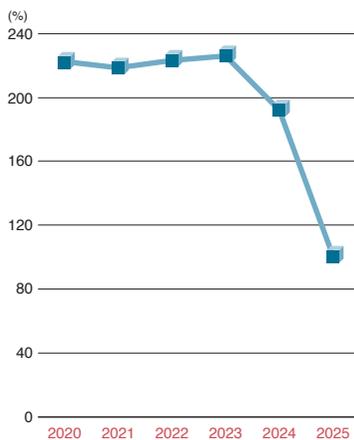


Six-year Summary

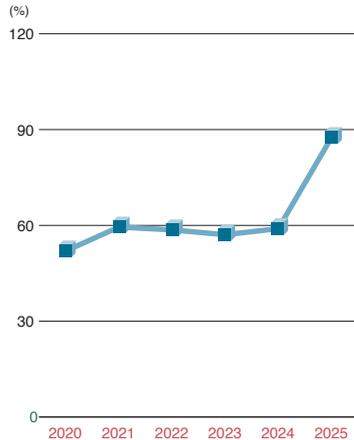
For the Years Ended March 31, 2025, 2024, 2023, 2022, 2021 and 2020

	Millions of Yen					
	2025	2024	2023	2022	2021	2020
For the year:						
Operating revenue:	¥ 737,378	¥ 642,812	¥ 631,508	¥ 607,658	¥ 592,046	¥ 625,627
Transportation services	554,126	470,237	474,702	453,253	441,091	466,473
Vehicle sales	115,329	108,664	94,209	98,221	98,334	103,165
Merchandise sales	38,781	35,747	33,518	30,754	31,034	32,868
Real estate leasing services	2,355	2,246	2,192	2,013	1,865	1,732
Other	26,787	25,918	26,887	23,417	19,722	21,389
Operating costs	650,764	569,214	554,998	536,079	525,852	553,541
Selling, general and administrative expenses	56,731	50,195	48,008	44,033	41,633	42,389
Operating income	29,883	23,403	28,502	27,546	24,561	29,697
Net income (loss)	19,254	14,562	19,013	17,256	16,661	25,848
At year end:						
Current assets	233,580	230,369	255,432	245,578	242,711	248,332
Total assets	770,841	689,525	703,894	685,267	672,248	654,533
Current liabilities	232,252	119,838	112,967	109,980	110,993	111,582
Short-term borrowings	83,153	3,749	4,760	3,241	4,471	4,130
Long-term debt, including current maturities	42,803	43,594	45,392	46,927	44,478	17,999
Net assets	423,572	435,578	449,728	433,521	422,635	432,813
Yen						
Per share data:						
Net (loss) income:						
-Basic	¥ 115.41	¥ 83.72	¥ 104.87	¥ 94.59	¥ 89.31	¥ 128.41
Cash dividends	102.00	100.00	56.00	29.00	27.00	39.00
Thousands						
Number of shares issued	187,679	187,679	207,679	207,679	207,679	207,679
Percent						
Ratios:						
Operating income to operating revenue	4.1	3.6	4.5	4.5	4.1	4.7
Net income (loss) to operating revenue	2.6	2.3	3.0	2.8	2.8	4.1
Net income (loss) to total assets	2.5	2.1	2.7	2.5	2.5	3.9
Return on equity ratio	4.5	3.3	4.3	4.1	3.9	6.1
Shareholders' equity ratio	51.5	62.4	63.2	62.7	62.4	65.1
Current ratio	100.6	192.2	226.1	223.3	218.7	222.6
Debt Equity ratio	87.5	59.0	57.1	58.6	59.5	52.0
Payout ratio	88.4	119.4	53.4	30.7	30.2	30.4

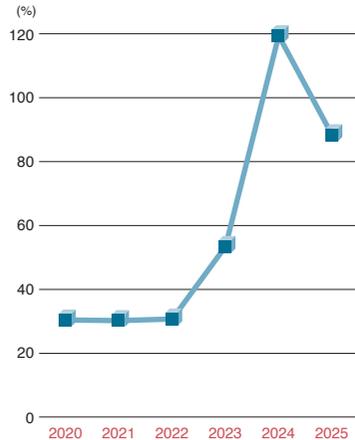
Current ratio



Debt Equity ratio



Payout ratio



SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Balance Sheets

March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Assets:			
Current assets:			
Cash and cash equivalents (Note 3)	¥ 77,355	¥ 75,378	\$ 515,700
Short-term investments (Notes 3 and 5)	7,767	8,091	51,780
Trade receivables (Note 3)	118,473	114,446	789,820
Contract assets	921	1,131	6,140
Inventories (Note 4)	19,490	20,615	129,933
Other current assets	10,064	11,056	67,093
Allowance for doubtful accounts	(490)	(348)	(3,266)
Total current assets	<u>233,580</u>	<u>230,369</u>	<u>1,557,200</u>
Property and equipment (Notes 6, 7 and 9):			
At cost	824,109	702,625	5,494,060
Accumulated depreciation	(399,222)	(356,970)	(2,661,480)
Net property and equipment	<u>424,887</u>	<u>345,655</u>	<u>2,832,580</u>
Investments and other assets:			
Investment securities (Notes 3 and 5)	44,005	52,412	293,367
Investments in and long-term loans to affiliates and nonconsolidated subsidiaries (Note 5)	27,138	29,119	180,920
Goodwill	8,950	9,468	59,667
Deferred tax assets (Note 18)	8,189	9,002	54,593
Employee retirement benefit asset (Note 12)	6,217	215	41,447
Other assets	17,875	13,285	119,166
Total investments and other assets	<u>112,374</u>	<u>113,501</u>	<u>749,160</u>
Total assets	<u>¥ 770,841</u>	<u>¥ 689,525</u>	<u>\$ 5,138,940</u>
Current liabilities:			
Short-term borrowings (Notes 3, 9, 10 and 11)	¥ 83,153	¥ 3,749	\$ 554,353
Current portion of long-term debt (Notes 3, 9 and 11)	28,142	3,093	187,613
Trade payables (Note 3)	58,679	58,963	391,193
Accrued expenses	18,371	16,446	122,474
Income taxes payable	7,843	4,970	52,287
Contract liabilities	4,391	3,647	29,273
Other current liabilities	31,673	28,970	211,154
Total current liabilities	<u>232,252</u>	<u>119,838</u>	<u>1,548,347</u>
Long-term debt (Notes 3, 9 and 11)	14,661	40,501	97,740
Employee retirement benefit liability (Note 12)	72,026	77,392	480,173
Asset retirement obligations (Note 8)	4,704	3,984	31,360
Accrued severance indemnities for directors and corporate auditors	1,608	1,561	10,720
Provision for share-based remuneration	4,507	4,806	30,047
Provision for directors' stock payments	243	219	1,620
Deferred tax liabilities (Note 18)	13,400	2,652	89,333
Other long-term liabilities	3,868	2,994	25,787
Total liabilities	<u>347,269</u>	<u>253,947</u>	<u>2,315,127</u>
Commitments and contingent liabilities (Notes 13 and 14)			
Net assets:			
Shareholders' equity (Note 15):			
Common stock: 794,524,668 shares authorized and 187,679,783 shares issued	42,482	42,482	283,213
Capital surplus	77,513	77,175	516,753
Retained earnings	323,261	321,349	2,155,073
Less treasury stock at cost: 38,614,901 shares in 2025 and 19,578,573 shares in 2024	(77,740)	(37,586)	(518,266)
Total shareholders' equity	<u>365,516</u>	<u>403,420</u>	<u>2,436,773</u>
Accumulated other comprehensive income			
Net unrealized gains on available-for-sale securities	18,777	23,851	125,180
Land revaluation decrement	(102)	(101)	(680)
Retirement benefit adjustment	10,158	1,670	67,720
Foreign currency translation adjustments	2,647	1,540	17,647
Total accumulated other comprehensive income	<u>31,480</u>	<u>26,960</u>	<u>209,867</u>
Share acquisition rights	3	3	20
Noncontrolling interests	26,573	5,195	177,153
Total net assets	<u>423,572</u>	<u>435,578</u>	<u>2,823,813</u>
Total liabilities and net assets	<u>¥ 770,841</u>	<u>¥ 689,525</u>	<u>\$ 5,138,940</u>

See accompanying Notes to Consolidated Financial Statements.



SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2025, 2024 and 2023

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Operating revenue (Note 23)	¥ 737,378	¥ 642,812	¥ 631,508	\$ 4,915,853
Operating costs and expenses (Note 12):				
Operating costs	650,764	569,214	554,998	4,338,427
Selling, general and administrative expenses	56,731	50,195	48,008	378,206
	<u>707,495</u>	<u>619,409</u>	<u>603,006</u>	<u>4,716,633</u>
Operating income	29,883	23,403	28,502	199,220
Other income (expenses):				
Interest and dividend income	1,246	974	978	8,307
Interest expense	(609)	(412)	(424)	(4,060)
Loss on investments in partnerships	(454)	(303)	(348)	(3,027)
Commission for purchase of treasury shares	(193)	(125)	—	(1,287)
Loss on sale or disposal of property and equipment	(2,249)	(410)	(1,088)	(14,993)
Gain on sale of investment securities	5,306	548	147	35,373
Share of (loss) profit of entities accounted for using equity method	(3,126)	(229)	2,446	(20,840)
Impairment loss on fixed assets (Notes 2(i) and 23)	(110)	(493)	(787)	(733)
Loss on valuation of shares of subsidiaries and associates	—	—	(18)	—
Compensation income	346	1,640	—	2,307
Compensation received for the exercise of eminent domain	—	—	584	—
Gain on negative goodwill (Note 21)	1,175	—	—	7,833
Miscellaneous, net	1,286	1,024	1,360	8,573
	<u>2,618</u>	<u>2,214</u>	<u>2,850</u>	<u>17,453</u>
Profit before income taxes	32,501	25,617	31,352	216,673
Income taxes (Note 18):				
Current	13,133	10,943	12,628	87,553
Deferred	(1,009)	206	(736)	(6,727)
Total income taxes	<u>12,124</u>	<u>11,149</u>	<u>11,892</u>	<u>80,826</u>
Profit	20,377	14,468	19,460	135,847
(Loss) profit attributable to noncontrolling interests	<u>1,123</u>	<u>(94)</u>	<u>447</u>	<u>7,487</u>
Profit attributable to owners of parent	¥ 19,254	¥ 14,562	¥ 19,013	\$ 128,360
		Yen		U.S. dollars
Per share:				
Profit attributable to owners of parent				
-Basic	¥ 115.41	¥ 83.72	¥ 104.87	\$ 0.77
-Diluted	107.26	78.16	98.40	0.72
Cash dividends	102.00	100.00	56.00	0.68

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended March 31, 2025, 2024 and 2023

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Profit	¥ 20,377	¥ 14,468	¥ 19,460	\$ 135,847
Other comprehensive income (Note 19):				
Net unrealized gains on available-for-sale securities	(4,980)	10,062	(859)	(33,200)
Land revaluation decrement	1	(4)	—	7
Remeasurements of defined benefit plans, net of tax	8,047	4,358	744	53,646
Foreign currency translation adjustments	274	105	124	1,827
Share of other comprehensive income of affiliates accounted for using equity method	1,268	1,002	756	8,453
Total other comprehensive income	4,610	15,523	765	30,733
Comprehensive income	¥ 24,987	¥ 29,991	¥ 20,225	\$ 166,580
Comprehensive income attributable to:				
Owners of the parent	¥ 23,774	¥ 30,028	¥ 19,734	\$ 158,493
Noncontrolling interests	1,213	(37)	491	8,087

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Net Assets

For the Years Ended March 31, 2025, 2024 and 2023

	Shareholders' equity						Accumulated other comprehensive income						Share acquisition rights	Noncontrolling interests	Total net assets
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Retirement benefit adjustment	Foreign currency translation adjustments	Total accumulated other comprehensive income				
	Millions of yen														
Balance at March 31, 2022	207,679,783	¥ 42,482	¥ 80,940	¥ 332,861	¥ (37,139)	¥ 419,144	¥ 14,620	¥ (122)	¥ (3,542)	¥ (208)	¥ 10,748	—	¥ 3,629	¥ 433,521	
Profit attributable to owners of parent	—	—	—	19,013	—	19,013	—	—	—	—	—	—	—	19,013	
Cash dividends	—	—	—	(5,432)	—	(5,432)	—	—	—	—	—	—	—	(5,432)	
Reversal of land revaluation decrement	—	—	—	(26)	—	(26)	—	—	—	—	—	—	—	(26)	
Purchases of treasury stock and fractional shares, net	—	—	(58)	—	717	659	—	—	—	—	—	—	—	659	
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	—	(8)	—	—	(8)	—	—	—	—	—	—	—	(8)	
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(857)	25	693	885	746	3	1,252	2,001	
Balance at March 31, 2023	207,679,783	42,482	80,874	346,416	(36,422)	433,350	13,763	(97)	(2,849)	677	11,494	3	4,881	449,728	
Profit attributable to owners of parent	—	—	—	14,562	—	14,562	—	—	—	—	—	—	—	14,562	
Cash dividends	—	—	—	(16,083)	—	(16,083)	—	—	—	—	—	—	—	(16,083)	
Purchases of treasury stock and fractional shares, net	—	—	188	—	(29,122)	(28,934)	—	—	—	—	—	—	—	(28,934)	
Cancellation of treasury shares	(20,000,000)	—	(4,412)	(23,546)	27,958	—	—	—	—	—	—	—	—	—	
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	—	525	—	—	525	—	—	—	—	—	—	—	525	
Net changes in items other than shareholders' equity	—	—	—	—	—	—	10,088	(4)	4,519	863	15,466	—	314	15,780	
Balance at March 31, 2024	187,679,783	42,482	77,175	321,349	(37,586)	403,420	23,851	(101)	1,670	1,540	26,960	3	5,195	435,578	
Profit attributable to owners of parent	—	—	—	19,254	—	19,254	—	—	—	—	—	—	—	19,254	
Cash dividends	—	—	—	(17,342)	—	(17,342)	—	—	—	—	—	—	—	(17,342)	
Purchases of treasury stock and fractional shares, net	—	—	147	—	(40,154)	(40,007)	—	—	—	—	—	—	—	(40,007)	
Change in treasury shares of parent arising from transactions with noncontrolling shareholders	—	—	191	—	—	191	—	—	—	—	—	—	—	191	
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(5,074)	(1)	8,488	1,107	4,520	—	21,378	25,898	
Balance at March 31, 2025	187,679,783	¥ 42,482	¥ 77,513	¥ 323,261	¥ (77,740)	¥ 365,516	¥ 18,777	¥ (102)	¥ 10,158	¥ 2,647	¥ 31,480	¥ 3	¥ 26,573	¥ 423,572	
	Thousands of U.S. dollars														
Balance at March 31, 2024		\$ 283,213	\$ 514,500	\$ 2,142,327	\$ (250,573)	\$ 2,689,467	\$ 159,007	\$ (673)	\$ 11,133	\$ 10,267	\$ 179,734	\$ 20	\$ 34,633	\$ 2,903,854	
Profit attributable to owners of parent		—	—	128,360	—	128,360	—	—	—	—	—	—	—	128,360	
Cash dividends		—	—	(115,614)	—	(115,614)	—	—	—	—	—	—	—	(115,614)	
Purchases of treasury stock and fractional shares, net		—	980	—	(267,693)	(266,713)	—	—	—	—	—	—	—	(266,713)	
Change in treasury shares of parent arising from transactions with noncontrolling shareholders		—	1,273	—	—	1,273	—	—	—	—	—	—	—	1,273	
Net changes in items other than shareholders' equity		—	—	—	—	—	(33,827)	(7)	56,587	7,380	30,133	—	142,520	172,653	
Balance at March 31, 2025		\$ 283,213	\$ 516,753	\$ 2,155,073	\$ (518,266)	\$ 2,436,773	\$ 125,180	\$ (680)	\$ 67,720	\$ 17,647	\$ 209,867	\$ 20	\$ 177,153	\$ 2,823,813	

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Cash Flows

For the Years Ended March 31, 2025, 2024 and 2023

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Cash flows from operating activities:				
Profit before income taxes	¥ 32,501	¥ 25,617	¥ 31,352	\$ 216,673
Adjustments for:				
Depreciation	24,134	21,691	21,555	160,893
Impairment loss on fixed assets	110	493	787	733
Amortization of goodwill	2,159	2,135	2,193	14,393
Gain on negative goodwill	(1,175)	—	—	(7,833)
Net increase in employee retirement benefit liability	153	517	1,809	1,020
Loss on sale or disposal of property and equipment	2,249	410	1,088	14,993
Share of loss (profit) of entities accounted for using equity method	3,126	229	(2,446)	20,840
Loss on investments in partnerships	454	303	348	3,027
Gain on sale of investment securities	(5,306)	(548)	(147)	(35,373)
Loss on valuation of shares of subsidiaries and associates	—	—	18	—
Net provision for accrued severance indemnities for directors and corporate auditors	(254)	(272)	149	(1,693)
Decrease in provision for share-based remuneration	(299)	(248)	(188)	(1,993)
Net provision for directors' stock payments	24	39	(18)	160
Decrease in trade receivables	12,513	4,939	1,447	83,420
Decrease (increase) in inventories	1,656	(3,888)	(5,030)	11,040
(Decrease) increase in trade payables	(8,937)	9,032	(134)	(59,580)
Other, net	(2,620)	161	(1,015)	(17,467)
Subtotal	60,488	60,610	51,768	403,253
Interest and dividends received	1,792	1,456	1,414	11,947
Interest paid	(626)	(430)	(446)	(4,173)
Income taxes paid	(8,908)	(13,195)	(13,462)	(59,387)
Net cash provided by operating activities	52,746	48,441	39,274	351,640
Cash flows from investing activities:				
Increase in property and equipment	(38,127)	(23,401)	(24,931)	(254,180)
Increase in long-term investments and loans	(4,177)	(4,072)	(4,781)	(27,847)
Decrease in property and long-term investments	8,633	1,234	60	57,553
Decrease in short-term investments	442	730	272	2,947
Purchase of shares of subsidiaries resulting in change in scope of consolidation (Note 16 and 20)	(37,646)	—	(685)	(250,973)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	—	476	—
Net cash used in investing activities	(70,875)	(25,509)	(29,589)	(472,500)
Cash flows from financing activities:				
Increase in long-term debt	425	—	630	2,833
Repayment of long-term debt	(2,385)	(2,071)	(2,031)	(15,900)
Net increase (decrease) in short-term borrowings	79,402	(1,011)	(482)	529,347
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	—	(15)	—
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	157	—	—
Proceeds from share issuance to noncontrolling shareholders	1,361	1,001	—	9,073
Dividends paid to shareholders	(16,804)	(15,571)	(5,252)	(112,027)
Dividends paid to noncontrolling interests	(119)	(282)	(144)	(793)
Purchases of treasury stock, net of disposals	(40,113)	(29,382)	527	(267,420)
Other, net	(1,815)	(1,487)	(1,405)	(12,100)
Net cash provided by (used in) financing activities	19,952	(48,646)	(8,172)	133,013
Effect of exchange rate changes on cash and cash equivalents	154	27	27	1,027
Net increase (decrease) in cash and cash equivalents	1,977	(25,687)	1,540	13,180
Cash and cash equivalents at beginning of year	75,378	101,065	99,525	502,520
Cash and cash equivalents at end of year	¥ 77,355	¥ 75,378	¥ 101,065	\$ 515,700

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Notes to Consolidated Financial Statements

1. Basis of Consolidated Financial Statements

The accompanying consolidated financial statements of SEINO HOLDINGS CO., LTD. (the “Company”) and its subsidiaries (together with the Company, the “Seino Group”) have been prepared in accordance with the provisions set forth in the Financial Instrument and Exchange Law of Japan and its related accounting regulations and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards (“IFRS”).

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instrument and Exchange Law of Japan. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the approximate exchange rate prevailing at March 31, 2025, which was ¥150 to U.S. \$1.00. The translation should not be construed as a representation that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies**(a) Principles of consolidation**

The accompanying consolidated financial statements include the accounts of the Company and all of its subsidiaries. Investments in significant affiliates are accounted for by the equity method. Investments in affiliates not accounted for by the equity method are stated at cost. Differences between the acquisition cost of investments in subsidiaries and the underlying equity in their net assets, adjusted based on the fair value at the time of the acquisition, are deferred as goodwill and amortized over the estimated useful life, 5-15 years, on a straight-line basis. All intercompany transactions and accounts have been eliminated on consolidation.

Under accounting standards for consolidation, a subsidiary is defined as an enterprise which is controlled by another enterprise and is a majority (more than 50%) owned enterprise or a 40% to 50% owned enterprise that meets certain criteria. An affiliated company is defined as an enterprise in which the investor has significant influence and is an enterprise other than a subsidiary that is a 20% or more owned enterprise or a 15% to less than 20% owned enterprise that meets certain criteria. For each of the years ended March 31, 2025, 2024 and 2023, there were six companies that were not a more than 50% owned enterprise but were nevertheless classified as subsidiaries based on the judgment of the Company in accordance with the applicable accounting standards.

The number of subsidiaries and affiliates for the years ended March 31, 2025, 2024 and 2023 was as follows:

	2025	2024	2023
Subsidiaries:			
Domestic	77	74	76
Overseas	14	6	6
Affiliates accounted for by the equity method	7	7	6
Nonconsolidated subsidiaries	4	2	1
Affiliates stated at cost	14	12	13

The Company and most of its subsidiaries have a fiscal year that ends on March 31. The overseas subsidiary closes its books on December 31. In addition, a domestic subsidiary closes its books on January 31. Significant transactions for the period between the subsidiaries’ year-end and the Company’s year-end are adjusted for on consolidation.

Nonconsolidated subsidiaries are excluded from the scope of consolidation because they are all small in scale, and any total amount in terms of their total assets, operating revenue and profit or loss (amount corresponding to the Company’s ownership interest) as well as retained earnings (amount corresponding to the Company’s ownership interest) and others does not significantly affect the consolidated financial statements.

The consolidated financial statements include the accounts of the overseas subsidiary prepared under IFRS in accordance with Practical Issues Task Force (“PITF”) No. 18, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements,” issued by the Accounting Standards Board of Japan (“ASBJ”).

(b) Cash and cash equivalents

The Seino Group considers highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

(c) Investments and marketable securities

The Seino Group classifies certain investments in debt and equity securities as “held-to-maturity,” “trading” or “available-for-sale.” The classification determines the respective accounting method applied as stipulated by the accounting standard for financial instruments. Held-to-maturity securities are stated at amortized cost. Marketable securities with market quotations for available-for-sale securities are stated at fair value, and net unrealized gains and losses on these securities are reported as accumulated other comprehensive income in net assets, net of applicable income taxes. Gains and losses on the disposition of available-for-sale securities are computed based on the moving average method. Nonmarketable securities without available market quotations for available-for-sale securities are carried at cost determined by the moving average method. Adjustments in carrying values of individual securities are charged to income through write-downs when a decline in value is deemed other than temporary. Investments in partnerships are stated at the amount of net assets attributed to the ownership percentage of the Company.

(d) Accounting for derivatives

Derivative transactions are omitted due to their insignificance to the operation of the Seino Group’s business.

(e) Allowance for doubtful accounts

Allowance for doubtful accounts is provided for at the aggregate amount of estimated credit loss based on an individual financial review of certain doubtful or troubled receivables and a general reserve for other receivables based on the historical loss experience for a certain past period.

(f) Inventories

Inventories for merchandise, products, raw materials and supplies are stated principally at the lower of moving average cost or net realizable value, and inventories for vehicles and work-in-process are stated principally at the lower of specific identification cost or net realizable value.

(g) Property and equipment and depreciation

Property and equipment, including significant renewals and additions, are stated at cost. Property and equipment of the Company and certain subsidiaries are depreciated by the straight-line method for buildings and vehicles and by the declining balance method for other property.

Property and equipment of other subsidiaries have been depreciated principally by the declining balance method, except for buildings acquired on and after April 1, 1998, property held for lease and facilities attached to buildings and structures acquired on and after April 1, 2016. Buildings acquired on and after April 1, 1998 and facilities attached to buildings and structures acquired on and after April 1, 2016 by the domestic subsidiaries are depreciated by the straight-line method. Some of the subsidiaries capitalize property for which the cost was not less than ¥100,000 but below ¥200,000 and depreciate it over three years on a straight-line basis.

The Seino Group, as lessee, capitalizes assets used under finance leases, except for certain immaterial or short-term finance leases accounted for as operating leases. Depreciation of leased assets capitalized in finance lease transactions as lessee is computed by the straight-line method over the lease term as the useful life with the assumption of no residual value. The leased property of a certain subsidiary engaged in leasing operations as lessor is recorded at cost in property and equipment in the accompanying consolidated balance sheets under operating lease accounting and is depreciated over the term of the lease contract by the straight-line method to the amount equal to the estimated disposal value at the lease termination date.

Expenditures on maintenance and repairs are charged to operating income as incurred. Upon the disposal of the property, the cost and accumulated depreciation are removed from the accounts and any gain or loss is recorded as income or expense.

(h) Intangible assets

Intangible assets are amortized on a straight-line basis. Software, which is included in intangible assets, is amortized using the straight-line method over the estimated useful life of five years.

(i) Accounting standard for impairment of fixed assets

The Company and its domestic subsidiaries have adopted the “Accounting Standard for Impairment of Fixed Assets” issued by the Business Accounting Council of Japan and the related practical guidance issued by ASBJ. The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is to be recognized in the income statement by reducing the carrying amount of the impaired asset or group of assets to the recoverable amount, to be measured as the higher of the asset’s net selling price or value in use. Fixed assets include intangible assets as well as land, buildings and other forms of property and are to be grouped at the lowest level for which there are identifiable cash flows distinguishable from other groups of assets. For the purpose of recognition and measurement of impairment loss, fixed assets are grouped into cash-generating units, such as operating business branches other than idle or unused property. The method used to group assets to measure impairment of fixed assets in the transportation services

segment, excluding some consolidated subsidiaries, is a method that groups assets by the entire segment. At March 31, 2025, 2024 and 2023, recoverable amounts of assets were measured based on value in use using discounted future cash flows at interest rates principally of 4.3%, 7.9% and 4.7%, respectively, or net selling prices using primarily appraisal valuations. As a result, the Seino Group recognized impairment loss as follows:

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Property subject to impairment:	2 business branches	10 business branches and 1 idle property	10 business branches and 2 idle properties	
Impairment loss recorded for:				
land	¥ 109	¥ 392	¥ 275	\$ 727
buildings and structures	—	97	505	—
other property	1	4	7	6
	¥ 110	¥ 493	¥ 787	\$ 733

Accumulated impairment loss has been directly deducted from the applicable assets.

(j) Employee retirement benefits

Employees who terminate their service with the Seino Group are entitled to retirement benefits determined generally by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs.

The Seino Group has recognized retirement benefits for employees, including pension cost and related liability, based on the actuarial present value of retirement benefit obligation using the actuarial appraisal approach and the fair value of pension plan assets available for benefits at the fiscal year-end. In the calculation of the retirement benefit obligation, the expected retirement benefits are attributed to the period up to the end of the respective fiscal year based on the straight-line method. Actuarial differences arising from changes in the retirement benefit obligation or the value of pension plan assets resulting from actual outcomes different from that which were assumed and from changes in the assumptions themselves are amortized on a straight-line basis over principally ten years, a period within the average remaining service years of employees, from the year following the year in which they arise. Past service cost is amortized using the straight-line method over principally ten years, a period within the average remaining service years of employees, from the year in which it occurs.

(k) Severance indemnities for directors and corporate auditors

The Seino Group pays severance indemnities to directors and corporate auditors subject to the approval of the shareholders. Certain subsidiaries provide for accrued severance indemnities for directors and corporate auditors at the amount that would have been payable if the directors and corporate auditors had retired at the end of the fiscal year based on internal rules, in accordance with the Japanese Institute of Certified Public Accountants (“JICPA”) Audit and Assurance Committee Report No. 42, “Treatment for Auditing of Reserve Under Special Taxation Measures Law, Reserve Under Special Laws and Reserve for Retirement Benefits to Directors and Corporate Auditors.”

(l) Provision for share-based remuneration

To provide for the delivery of the Company’s shares to employees in accordance with the regulations on the delivery of shares, the estimated amount of share-based remuneration to be paid at the end of the fiscal year is recorded.

(m) Provision for directors' stock payments

Provision for directors' stock payments has been provided for stock award debt based on regulations for awarding stock, which is prepared for future awards of the company shares to its directors, excluding directors who are audit and supervisory committee members and outside directors.

(n) Accounting for revenue and expenses recognition

The Seino Group has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 30, 2020) and the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 26, 2021). In relation to recognition of revenue from contracts with customers, the nature of principal performance obligations for major businesses of the Seino Group and the typical timing of the satisfaction of those performance obligations (i.e., typical timing of revenue recognition) are as follows:

The Seino Group divides the business segment by products and services based on the main businesses of each subsidiary into "Transportation Services Business," "Vehicle Sales Business," "Merchandise Sales Business" and "Leasing for Real Estate Services Business".

The Transportation Services Business is the motor truck transportation business, home delivery service, house moving service and charter service mainly for small-lot commercial cargo. In addition, this business includes the consigned freight forwarding business, and delivery to cargo by using the various mode of transportation such as airlines, railways, ocean freight, etc. The Seino Group provides mainly domestic transportation services. Transportation revenue is recognized as the related performance obligations are satisfied, as the control of the promised services is continuously transferred to the customer.

The Vehicle Sales Business focuses mainly on sales and repair services for passenger cars and trucks. The performance obligations are satisfied at the time the related vehicles are registered and owned by the customers. Regarding new and used vehicles sales, the performance obligations are satisfied at the time the car is registered, and revenue is recognized as the performance obligations are satisfied. For installment sales, transaction prices are based on the contract with the customer that distinguishes between financial components and other. Interest equivalent, a financial component method, is recognized as revenue based on the contract period with the customer, and other transaction prices are recognized as revenue at the time of inspection. In regard to repair services, the performance obligations are satisfied at the time of completion of the repair work.

The Merchandise Sales Business sells fuel and paper products. With the sales of products, the time from dispatching the goods until the inspection process at the customer side is not long. Therefore, the revenue will be recognized at the time the goods are shipped. In fuel sales, transactions of light oil and delivery tax as agent, the transaction price is calculated based on the net amount after deducting the amount to be paid to the other party from the amount of consideration received from the customer.

The Leasing for Real Estate Services Business focuses mainly on leasing car parking, mansions and land used as truck terminals and branches in the past. We recognize revenue according to the agreement with the customers.

Generally, payment is received within approximately one month from the time the performance obligation is satisfied. In the installment sales in the Vehicle Sales Business, however, payment is generally received within a range of three to five years depending on the agreement.

(o) Income taxes

Income taxes are accounted for by the asset-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

(p) Enterprise taxes

The Seino Group records local corporate enterprise taxes based on the "added value" and "capital" amounts when levied as size-based corporate taxes for local government enterprise taxes, which are included in selling, general and administrative expenses.

(q) Appropriation of retained earnings

Cash dividends are recorded in the fiscal year during which a proposed appropriation of retained earnings is approved by the Board of Directors and/or shareholders.

(r) Translation of foreign currency accounts

Receivables, payables and securities, other than stocks of subsidiaries, are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end. Transactions in foreign currencies are recorded based on the prevailing exchange rates on the transaction dates. Resulting translation gains and losses are included in current earnings.

In respect to the financial statement items of overseas subsidiaries, all asset, liability, income and expense accounts are translated into yen by applying the exchange rates in effect at the fiscal year-end. Translation differences, after allocations of portions attributable to noncontrolling interests, are reported as foreign currency translation adjustments in a component of net assets on the accompanying consolidated balance sheets.

(s) Per share data

Basic net income per share is computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the respective year, retroactively adjusted for stock splits. Unless there is an anti-dilutive effect, diluted net income per share is calculated to reflect the potential dilution assuming that all convertible bonds are converted at the time of issue.

Cash dividends per share shown for each fiscal year in the accompanying consolidated statements of income represent dividends declared as applicable to the respective years.

(t) Accounting policies issued but not yet adopted

Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024, ASBJ)

Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No.33, September 13, 2024, ASBJ)

(1) Overview

Similar to international accounting standards, the new standard requires lessees to record all leases as assets and liabilities.

(2) Effective date

The standards and guidance will be effective from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of application of the standards and guidance

The Company is evaluating the effects of the above standard and guidance on the consolidated fiscal statements.

(u) Additional information

(i) Stock Compensation for Directors

The Company has introduced a Board Benefit Trust (“BBT”) for the Company’s directors, excluding directors who are audit and supervisory committee members and outside directors, (the “Eligible Directors”). The objective of the plan is to focus the Eligible Directors’ mindset towards enhancing the medium-to long-term corporate value of the Company by clarifying the link between the compensation of the Eligible Directors and the Company’s share value so that Eligible Directors share with the shareholders not only the benefits of rising share prices, but also the risks associated with falling shares. The Plan is a stock compensation plan whereby the Company’s shares are acquired through a trust (the trust set up based on the Plan is hereinafter referred to as the “Trust”) using funds contributed by the Company as capital, and the acquired shares and money in the amount equivalent to the value of the Company’s shares converted at market value (the “Company’s Shares, Etc.”) are granted to Eligible Directors through the Trust according to their positions or the like, pursuant to the predetermined Rules on Stock Benefits for Directors. In principle, the Company’s Shares, etc. are provided to Eligible Directors at the time of retirement from a position of Eligible Director of the Company.

The shares of the Company held by the Trust were accounted for as treasury stock under net assets. The assets, liabilities, income and expenses of the Trust were consolidated in the accompanying consolidated financial statements. The book value and number of shares held by the Trust at March 31, 2025 and 2024 were ¥223 million (\$1,487 thousand) and 144 thousand shares and ¥234 million and 151 thousand shares, respectively.

(ii) The Stock Benefit Trust (J-ESOP)

In the Company and some of its subsidiaries, for the purpose of enhancing the motivation for rising share prices, the Employee Stock Ownership Plan (J-ESOP) for employees who meet the prescribed requirements has been introduced.

The Stock Benefit Trust (J-ESOP) is an incentive plan that grants the Company’s shares to employees of some companies in the group that satisfy the requirements of the Policy on Stock Compensation prescribed in advance by the Company. These companies will award points to Eligible Employees based on their length of service and individual degree of contribution and the like and will grant the number of Company’s shares equivalent to the awarded points when the terms and conditions are met and vested rights are granted. The shares granted to Eligible Employees, including future shares, will be acquired using cash funds contributed in advance to the trust account established Trust & Custody Services Bank, Ltd., and will be managed separately as trust assets.

The shares of the Company held by the Trust were accounted for as treasury stock under net assets. The assets, liabilities, income and expenses of the Trust were consolidated in the accompanying consolidated financial statements. The book value and number of shares held by the Trust at March 31, 2025 and 2024 were ¥5,989 million (\$39,926 thousand) and 4,153 thousand shares and ¥6,257 million and 4,339 thousand shares, respectively.

(iii) Employee Shareholding Incentive Plan (E-Ship®)

The Company has introduced an Employee Shareholding Incentive Plan (E-Ship®) for the welfare of its employees. The plan is an incentive plan that covers all employees participating in the Shareholding Association.

Under the plan, the Company, as the trustor, entered into a specified trust cash funding agreement (the “E-Ship Agreement”) with a trust bank as trustee to set up the trust (the “E-Ship Trust”). The E-Ship Trust purchases the number of shares of the Company that the Shareholding Association expects to purchase over the next four years and subsequently sells them periodically over a four-year period to the Shareholding Association in accordance with certain conditions and methods stipulated in the E-Ship Agreement. At the end of the trust period, the E-Ship Trust’s retained earnings, the accumulation of net gain on sales of its shares, are distributed to the eligible employees in accordance with the E-Ship Agreement. For its part, the Company guarantees any retained loss and the accumulation of net loss on the sales of its shares and will pay off any amount of outstanding debt at the end of the trust period as it guarantees the debt of E-Ship Trust.

The shares of the Company held by the E-Ship Trust are accounted for as treasury stock under net assets. The assets, liabilities, income and expenses of the E-Ship Trust were consolidated in the accompanying consolidated financial statements. The book value and number of shares held by the E-Ship Trust at March 31, 2025 and 2024 were ¥641 million (\$4,273 thousand) and 562 thousand shares and ¥956 million and 839 thousand shares, respectively. The book value of bank loans of the E-Ship Trust recorded in the consolidated balance sheet as of March 31, 2024 was ¥552 million.

3. Financial Instruments

(a) Qualitative information on financial instruments

(i) Policies on financial instruments

The Seino Group has implemented a Cash Management System for effective investments and funding. Pursuant to this system, the Company invests in short-term, low-risk instruments in accordance with its internal fund management rules. The Company procures funds mainly through financing such as bank loans and the issuance of convertible bonds for investments in facilities, taking immediate liquidity into consideration.

(ii) Details of financial instruments and Risks

Trade receivables are exposed to the credit risk of customers. Some of the subsidiaries have receivables in foreign currency and are exposed to foreign currency fluctuation risk.

Marketable and investment securities, which consist of held-to-maturity securities and equity securities of business entities with which the Seino Group has business relationships, are exposed to stock market fluctuation risk.

Trade payables have general terms and conditions and are mostly due within one year. However, some of the subsidiaries have trade payables denominated in foreign currency, which exposes them to foreign currency fluctuation risk.

Some bank loans and convertible bonds are used principally for capital investments and are partially exposed to interest rate fluctuation risk.

(iii) Risk Management for Financial Instruments

Monitoring of credit risk

In accordance with internal policies for credit risk management, each subsidiary monitors the creditworthiness of its customers and manages the terms and conditions of payment, due dates and remaining balances to reduce credit risk. With held-to-maturity securities, the Company invests

in bonds that have been highly rated by credit rating agencies in accordance with its internal fund management rules. As a result, the risk is insignificant.

Monitoring market risk

The Board of the Directors regularly monitors market risk using management methods which comply with internal market risk management rules. For marketable securities, the Seino Group monitors market prices every quarter and reviews the market conditions and the financial position of and business relationship with the issuers.

Monitoring liquidity risk

The Company has a Cash Management System with its subsidiaries and becomes the paying agent for the subsidiaries under the system. The subsidiaries report their cash flow projections to the Company. The Company has sufficient bank credit lines, including credit lines with overdraft facilities, enabling the Seino Group to manage liquidity risk.

(iv) Supplemental information on fair values

The fair value of financial instruments reflects variable factors and is, therefore, subject to change depending on different assumptions used.

(b) Fair values of financial instruments

The fair and carrying values of the financial instruments included in the consolidated balance sheets at March 31, 2025 and 2024 other than those for which the fair value was extremely difficult to determine, are set forth in the table below.

	Carrying value	Fair value	Difference
	Millions of yen		
At March 31, 2025: (*2)			
Short-term investments	¥ 7,767	¥ 7,767	¥ —
Investment securities	39,871	39,871	—
Total assets	¥ 47,638	¥ 47,638	¥ —
Convertible bonds	¥ 25,050	¥ 29,500	¥ 4,450
Long-term bank loans	5,875	5,663	(212)
Total liabilities	¥ 30,925	¥ 35,163	¥ 4,238
	Carrying value	Fair value	Difference
	Millions of yen		
At March 31, 2024: (*2)			
Short-term investments	¥ 8,091	¥ 8,091	¥ —
Investment securities	48,423	48,423	—
Total assets	¥ 56,514	¥ 56,514	¥ —
Convertible bonds	¥ 25,100	¥ 27,875	¥ 2,775
Long-term bank loans	6,927	6,763	(164)
Total liabilities	¥ 32,027	¥ 34,638	¥ 2,611
	Carrying value	Fair value	Difference
	Thousands of U.S. dollars		
At March 31, 2025: (*2)			
Short-term investments	\$ 51,780	\$ 51,780	\$ —
Investment securities	265,807	265,807	—
Total assets	\$ 317,587	\$ 317,587	\$ —
Convertible bonds	\$ 167,000	\$ 196,667	\$ 29,667
Long-term bank loans	39,167	37,753	(1,414)
Total liabilities	\$ 206,167	\$ 234,420	\$ 28,253

Note 1: Cash and cash equivalents, trade receivables, short-term borrowings, trade payables and the current portion of long-term bank loans are omitted because they are stated at the carrying amount as these are settled in the short term and with fair values approximately equal to the carrying amount.

Note 2: Unlisted equity securities and investments in partnerships stated at the amount of net assets attributed to the ownership percentage are not included in the table above.

(i) The following were unlisted equity securities and investments in partnerships stated at the amount of net assets attributed to the ownership percentage:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Carrying value:			
Unlisted equity securities, other than those of affiliates	¥ 2,124	¥ 1,959	\$ 14,160
Investments in partnerships	2,010	2,030	13,400
	¥ 4,134	¥ 3,989	\$ 27,560

(ii) The redemption schedule for financial assets with maturities at March 31, 2025 was as follows:

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	Millions of yen			
At March 31, 2025:				
Cash and cash equivalents	¥ 77,355	¥ —	¥ —	¥ —
Short-term investments	7,767	—	—	—
Trade receivables	102,607	15,837	29	—
	¥ 187,729	¥ 15,837	¥ 29	¥ —

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	Millions of yen			
At March 31, 2024:				
Cash and cash equivalents	¥ 75,378	¥ —	¥ —	¥ —
Short-term investments	8,099	—	—	—
Trade receivables	88,528	25,682	236	—
	¥ 172,005	¥ 25,682	¥ 236	¥ —

	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
	Thousands of U.S. dollars			
At March 31, 2025:				
Cash and cash equivalents	\$ 515,700	\$ —	\$ —	\$ —
Short-term investments	51,780	—	—	—
Trade receivables	684,047	105,580	193	—
	\$ 1,251,527	\$ 105,580	\$ 193	\$ —

(iii) For the repayment schedule for long-term bank loans at March 31, 2025, see Note 9, "Short-term Borrowings and Long-term Debt."

(c) Classification and breakdown of the fair value of financial instruments

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate the fair value.

Level 1: Fair value based on observable (unadjusted) quoted market prices in active markets for identical assets or liabilities.

Level 2: Fair value calculated using inputs other than Level 1 inputs that are directly or indirectly observable.

Level 3: Fair value calculated using significant unobservable inputs

When multiple inputs that have a significant effect on the fair value calculation are used, the fair value is classified into the lowest level from which significant inputs were used.

(i) Financial instruments recorded on the consolidated balance sheet at fair value

	Millions of yen			
	Level 1	Level 2	Level 3	Total
At March 31, 2025:				
Securities and investment securities				
Equity securities	¥ 39,861	¥ —	¥ —	¥ 39,861
Bonds	—	10	—	10
Other	—	—	—	—
Total assets	¥ 39,861	¥ 10	¥ —	¥ 39,871

	Millions of yen			
	Level 1	Level 2	Level 3	Total
At March 31, 2024:				
Securities and investment securities				
Equity securities	¥ 48,397	¥ —	¥ —	¥ 48,397
Bonds	—	3,159	—	3,159
Other	—	55	—	55
Total assets	¥ 48,397	¥ 3,214	¥ —	¥ 51,611

	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
At March 31, 2025:				
Securities and investment securities				
Equity securities	\$ 265,740	\$ —	\$ —	\$ 265,740
Bonds	—	67	—	67
Other	—	—	—	—
Total assets	\$ 265,740	\$ 67	\$ —	\$ 265,807

(ii) Financial instruments other than those recorded on the consolidated balance sheets at fair value

	Millions of yen			
	Level 1	Level 2	Level 3	Total
At March 31, 2025:				
Convertible bonds	¥ —	¥ 29,500	¥ —	¥ 29,500
Long-term bank loans	—	5,663	—	5,663
Total liabilities	¥ —	¥ 35,163	¥ —	¥ 35,163

	Millions of yen			
	Level 1	Level 2	Level 3	Total
At March 31, 2024:				
Convertible bonds	¥ —	¥ 27,875	¥ —	¥ 27,875
Long-term bank loans	—	6,763	—	6,763
Total liabilities	¥ —	¥ 34,638	¥ —	¥ 34,638

	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
At March 31, 2025:				
Convertible bonds	\$ —	\$ 196,667	\$ —	\$ 196,667
Long-term bank loans	—	37,753	—	37,753
Total liabilities	\$ —	\$ 234,420	\$ —	\$ 234,420

Note: Valuation Techniques and Inputs Used in Calculating Fair Value

Investment securities

Listed stocks are valued using quoted market prices. Since listed stocks are traded in active markets, their fair value is classified as Level 1 fair value. Bonds and other are classified as Level 2 fair value because they are traded infrequently, and there prices are not considered quoted prices in an active market.

Convertible bonds

Convertible bonds are based on prices quoted by correspondent financial institutions and are classified as Level 2 fair value because they are traded infrequently, and there prices are not considered quoted prices in an active market.

Long-term bank loans

The fair value of long-term debt is based on the present value of future cash flows discounted using the current borrowing rate for similar debt of comparable maturity and is classified as Level 2 fair value.

4. Inventories

Inventories at March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Merchandise and finished products	¥ 16,915	¥ 18,662	\$ 112,766
Work in process	1,156	1,050	7,707
Raw materials and supplies	1,419	903	9,460
	¥ 19,490	¥ 20,615	\$ 129,933

5. Investments

At March 31, 2025 and 2024, short-term investments consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Marketable securities:			
Bonds and other	¥ —	¥ 149	\$ —
Total marketable securities	—	149	—
Time deposits with an original maturity of more than three months	7,767	7,942	51,780
	¥ 7,767	¥ 8,091	\$ 51,780

At March 31, 2025 and 2024, investment securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Marketable securities:			
Equity securities	¥ 39,861	¥ 48,397	\$ 265,740
Bonds	10	10	67
Other	—	16	—
Total marketable securities	39,871	48,423	265,807
Other non-marketable securities	4,134	3,989	27,560
	¥ 44,005	¥ 52,412	\$ 293,367

Marketable securities classified as available-for-sale are stated at fair value with unrealized gains and losses excluded from current earnings and reported as a net amount within the net assets account until realized. At March 31, 2025 and 2024, gross unrealized gains and losses for marketable securities classified as available-for-sale were as follows:

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
Millions of yen				
At March 31, 2025:				
Equity securities	¥ 12,209	¥ 27,670	¥ (18)	¥ 39,861
Bonds	10	—	—	10
Other	—	—	—	—
	¥ 12,219	¥ 27,670	¥ (18)	¥ 39,871
At March 31, 2024:				
Equity securities	¥ 14,607	¥ 33,804	¥ (14)	¥ 48,397
Bonds	119	40	—	159
Other	12	4	—	16
	¥ 14,738	¥ 33,848	¥ (14)	¥ 48,572
Thousands of U.S. dollars				
At March 31, 2025:				
Equity securities	\$ 81,393	\$ 184,467	\$ (120)	\$ 265,740
Bonds	67	—	—	67
Other	—	—	—	—
	\$ 81,460	\$ 184,467	\$ (120)	\$ 265,807

At March 31, 2025 and 2024 investments in and long-term loans to affiliates and nonconsolidated subsidiaries consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Equity securities of affiliates	¥ 20,504	¥ 22,640	\$ 136,693
Investments in partnerships of nonconsolidated subsidiaries	6,630	6,479	44,200
Investments in affiliates	4	—	27
	¥ 27,138	¥ 29,119	\$ 180,920

6. Property and Equipment

At March 31, 2025 and 2024, property and equipment consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Property and equipment, at cost:			
Land	¥ 226,134	¥ 189,255	\$ 1,507,560
Buildings and structures	377,014	322,092	2,513,427
Vehicles	125,072	116,805	833,813
Machinery and equipment	64,798	54,577	431,987
Construction in progress	16,462	5,637	109,746
Other	14,629	14,259	97,527
	824,109	702,625	5,494,060
Less accumulated depreciation	(399,222)	(356,970)	(2,661,480)
Total property and equipment	¥ 424,887	¥ 345,655	\$ 2,832,580

One of the consolidated subsidiaries elected to carry out a one-time revaluation to restate the cost of land used for business operations at values reassessed on March 31, 2002, reflecting adjustments for land shape and other factors based on appraisal values issued by the Japanese National Tax Agency in accordance with the Law Concerning Revaluation of Land. According to the law, the excess of the original book value over the reassessed value, net of the tax effect and minority interest portions, is recorded in net assets as land revaluation decrement account in the

accompanying consolidated balance sheets. At March 31, 2025 and 2024, the difference between the carrying values of land used for business operations after revaluation over the current market values of the land at the fiscal year-end amounted to ¥2,094 million (\$13,960 thousand) and ¥2,096 million, respectively.

7. Real Estate for Rent

Some of the Company's subsidiaries own land and facilities for rent at locations where the business branches were closed or redeployed branches used to be. The carrying values in the consolidated balance sheets, changes during the years ended March 31, 2025 and 2024 and the fair values of the rental properties were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Carrying value at the beginning of year	¥ 20,245	¥ 20,127	\$ 134,967
Net changes during the year	28	118	186
Carrying value at the end of year	¥ 20,273	¥ 20,245	\$ 135,153
Fair value at the end of year *	¥ 33,977	¥ 32,374	\$ 226,513

Note: * Fair value was measured at the estimated value based principally on a real estate appraisal or property tax bases.

Profit and loss recorded for rental properties for the fiscal years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Operating revenue	¥ 2,355	¥ 2,246	\$ 15,700
Operating costs	630	604	4,200
Income from rental operations	1,725	1,642	11,500
(Loss) gain on disposal of rental property and other	¥ (18)	¥ 3	\$ (120)

8. Asset Retirement Obligations

Asset retirement obligations are based upon estimated future restoration obligations pursuant to real estate lease agreements and land leasehold rights agreements mainly for logistics terminals. The asset retirement obligations are calculated based upon the useful life designated by law or the estimated useful life period and are discounted by the yield rate of government bonds.

Asset retirement obligations for the years ended March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
At the beginning of year	3,987	¥ 3,839	\$ 26,580
New consolidations	665	—	4,433
New obligations	61	103	407
Changes in estimated obligations and accretion	36	42	240
Settlement payments	(21)	—	(140)
Other	6	3	40
At the end of year	¥ 4,734	¥ 3,987	\$ 31,560

9. Short-term Borrowings and Long-term Debt

At March 31, 2025 and 2024, short-term borrowings consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Unsecured bank overdrafts with interest rates ranging from 0.477% to 6.500% per annum at March 31, 2025	¥ 1,778	¥ 874	\$ 11,853
Secured bank overdrafts with interest rates ranging from 0.900% to 1.050% per annum at March 31, 2025	50	50	333
Short-term bank loans, unsecured with interest rates ranging from 0.266% to 1.150% per annum at March 31, 2025	81,325	2,825	542,167
	¥ 83,153	¥ 3,749	\$ 554,353

At March 31, 2025, the Company and certain subsidiaries had unsecured overdraft agreements with 12 banks. Under the agreements, the Company and the subsidiaries were entitled to withdraw up to ¥56,112 million (\$374,080 thousand). The Company and the subsidiaries were not obligated to pay commitment fees on the unused portions of the overdraft facilities.

At March 31, 2025 and 2024, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Zero coupon convertible bonds due March 2026, including unamortized premiums (¥50 million (\$333 thousand) at March 31, 2025)	¥ 25,050	¥ 25,100	\$ 167,000
Loans from government agencies and banks, repayable through 2047, with interest rates ranging from 0.210% to 3.750% per annum at March 31, 2025:			
Secured	497	445	3,313
Unsecured	6,688	8,048	44,587
Capitalized lease obligations	10,568	10,001	70,453
	42,803	43,594	285,353
Less current portion	(28,142)	(3,093)	(187,613)
	¥ 14,661	¥ 40,501	\$ 97,740

At March 31, 2025 and 2024, respectively, the following assets were pledged as collateral for certain long-term debt:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Land	¥ 1,494	¥ 1,227	\$ 9,960
Buildings and structures	477	371	3,180

The aggregate annual maturities of long-term debt as of March 31, 2025 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2026	¥ 28,092	\$ 187,280
2027	2,700	18,000
2028	2,255	15,033
2029	2,057	13,713
2030	1,963	13,087
Thereafter	5,686	37,907
	¥ 42,753	\$ 285,020

10. Commitment Line Agreement

Consolidated subsidiary Tikutakubin Co., Ltd. (Nerima Ward, Tokyo) had a facility agreement in the amount of ¥1,000 million (\$6,667 thousand) as of March 31, 2025 to ensure its access to financing. In addition, Tikutakubin Co., Ltd.'s outstanding balance of borrowings under the agreement was ¥1,000 million (\$6,667 thousand) on March 31, 2025. The Company also had a commitment line agreement of ¥35,000 million (\$233,333 thousand) as of March 31, 2025. Moreover, the Company's outstanding balance of borrowings under the agreement was ¥35,000 million (\$233,333 thousand) on March 31, 2025.

11. Financial Covenants

A consolidated subsidiary, Tikutakubin Co., Ltd. (Nerima Ward, Tokyo), was a party to a syndicated loan agreement that included the following financial covenants.

1. The amount of equity on the balance sheets of Tikutakubin Co., Ltd. (Nerima Ward, Tokyo) is required to be equal to or greater than 75% of equity on the balance sheet as of the fiscal year ended March 31, 2019 and the previous fiscal year ended March 31, 2020 or later.
2. An ordinary loss on the profit and loss statement of Tikutakubin Co., Ltd. (Nerima Ward, Tokyo) is not allowed for the two consecutive years ended the fiscal year ended March 31, 2020 or ending thereafter.

Remaining balances of debt were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Short-term borrowings	¥ —	¥ 1,000	\$ —
Current portion of long-term debt	—	489	—
Long-term debt	—	—	—
	¥ —	¥ 1,489	\$ —

In addition, the consolidated subsidiary, Tikutakubin Co., Ltd. (Nerima Ward, Tokyo), is a party to a syndicated loan agreement that included the following financial covenants.

1. The amount of equity on the balance sheets of Tikutakubin Co., Ltd. (Nerima Ward, Tokyo) is required to be equal to or greater than 75% of equity on the balance sheet as of the fiscal year ended March 31, 2024 and the previous fiscal year ended March 31, 2025 or later.
2. An ordinary loss on the profit and loss statement of Tikutakubin Co., Ltd. (Nerima Ward, Tokyo) is not allowed for the two consecutive years ended the fiscal year ended March 31, 2025 or ending thereafter.

Remaining balances of debt were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Short-term borrowings	¥ 1,000	¥ —	\$ 6,667
Current portion of long-term debt	85	—	567
Long-term debt	319	—	2,126
	¥ 1,404	¥ —	\$ 9,360

12. Employee Retirement Benefits

The Company and its subsidiaries have mainly unfunded defined benefit plans with rules and regulations determined by the Company and each subsidiary. In addition, some subsidiaries have Smaller Enterprise Retirement Allowance Mutual Aid or Specific Retirement Allowance Mutual Aid. Also, the Company and certain subsidiaries have defined contribution plans.

Other subsidiaries have funded defined benefit plans. One company belongs to a comprehensive employee pension fund for the defined benefit corporate pension plan. One company has established a retirement benefit payment trust. Some of the consolidated subsidiaries have joined a multi-employer welfare pension fund plan. Those for which it is impossible to calculate in a rational manner the amount of the pension assets which corresponds to the amount of the contributions are accounted for in the same way as the defined contribution pension plan. The retirement benefit obligation of certain subsidiaries was calculated using the simplified method as permitted by the accounting standard for employee retirement benefits.

As of and for the year ended March 31, 2025 and 2024, defined benefit plans, including plans applying the simplified method were as follows:

(a) Movements in retirement benefit obligation:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
At the beginning of year	¥ 85,093	¥ 87,667	\$ 567,287
Service cost	4,640	4,328	30,933
Interest cost	587	497	3,913
Actuarial differences	(8,707)	(2,499)	(58,047)
Benefits paid	(5,265)	(4,909)	(35,100)
Past service cost	(41)	—	(273)
New consolidations	13,955	—	93,033
Others	—	9	—
At the end of year	¥ 90,262	¥ 85,093	\$ 601,746

(b) Movements in plan assets:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
At the beginning of year	¥ 7,916	¥ 4,529	\$ 52,773
Expected returns	71	—	473
Actuarial differences	2,684	3,386	17,893
Contributions paid by the employer	181	2	1,207
Benefits paid	(164)	(1)	(1,093)
New consolidations	13,765	—	91,767
At the end of year	¥ 24,453	¥ 7,916	\$ 163,020

(c) Reconciliation from retirement benefit obligation and plan assets to employee retirement benefit asset or liability:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Funded retirement benefit obligation	¥ 19,189	¥ 8,017	\$ 127,926
Plan assets	(24,453)	(7,916)	(163,020)
	(5,264)	101	(35,094)
Unfunded retirement benefit obligation	71,073	77,076	473,820
Net employee retirement benefit liability	¥ 65,809	¥ 77,177	\$ 438,726
Employee retirement benefit liability	72,026	77,392	480,173
Employee retirement benefit asset	(6,217)	(215)	(41,447)
Net employee retirement benefit liability	¥ 65,809	¥ 77,177	\$ 438,726

(d) Net periodic retirement benefit expenses, including plans applying the simplified method:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Service cost	¥ 4,640	¥ 4,328	\$ 30,933
Interest cost	587	497	3,913
Expected returns	71	—	473
Amortization of actuarial differences	434	739	2,893
Amortization of past service cost	(125)	(137)	(833)
Net periodic retirement benefit expenses	¥ 5,607	¥ 5,427	\$ 37,380

(e) Retirement benefit adjustment included in other comprehensive income, before tax and tax effects:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Past service cost	¥ 83	¥ 137	\$ 553
Actual differences	(11,825)	(6,623)	(78,833)
Total balance	¥ (11,742)	¥ (6,486)	\$ (78,280)

(f) Retirement benefit adjustment in accumulated other comprehensive income, before tax and tax effects:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Past service cost yet to be recognized	¥ (693)	¥ (776)	\$ (4,620)
Actuarial differences yet to be recognized	(14,284)	(1,846)	(95,227)
Total balance	¥ (14,977)	¥ (2,622)	\$ (99,847)

(g) Plan assets

(i) Plan assets comprise:

	Percent	
	2025	2024
Bonds	16%	1%
Equity securities	60%	96%
Insurance assets (general account)	7%	—
Cash and cash equivalents	8%	4%
Others	9%	—
Total*	100%	100%

Note: * For the fiscal years ended March 31, 2025, the assets of the retirement benefit payment trust and corporate pension plans constituted 99% of total plan assets. In addition, for the fiscal years ended March 31, 2024, the assets of the retirement benefit payment trust constituted 99% of total plan assets.

(ii) Long-term expected rate of return

Current and target asset allocations, historical and expected returns on various categories of plan assets have been considered in determining the long-term expected rate of return.

(h) Actuarial assumptions

The principal actuarial assumptions (expressed as weighted averages):

	2025	2024
Discount rate	(mainly) 1.7%	(mainly) 0.7%
Long-term expected rate of return	(mainly) 1.0%	0.0%

(i) Defined contribution plan

Required contributions to the contribution plans of the Company and certain consolidated subsidiaries were ¥392 million (\$2,613 thousand) and ¥370 million for the years ended March 31, 2025 and 2024, respectively.

13. Contingent Liabilities

At March 31, 2025 and 2024, the Seino Group was contingently liable for guarantees, including substantial guarantees, principally of indebtedness of third parties in the aggregate amount of ¥57 million (\$380 thousand) and ¥60 million, respectively.

14. Lease Commitments

As lessee, the Seino Group has entered into various rental and lease agreements for land and buildings to be used for truck terminals and warehouses that are generally cancelable with a few months advance notice, except for certain operating lease agreements. The aggregate minimum future lease payments for such noncancelable operating lease agreements, including the imputed interest portion, as lessee at March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Operating leases:			
Due within one year	¥ 6,974	¥ 5,404	\$ 46,493
Due after one year	25,381	23,127	169,207
	¥ 32,355	¥ 28,531	\$ 215,700

A certain subsidiary engaged in leasing operations as lessor enters into various lease agreements with third parties principally for vehicles. The leases are categorized as operating leases. At March 31, 2025 and 2024, the aggregate future minimum lease commitments to be received for such non-cancelable lease agreements, including the imputed interest, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Operating leases:			
Due within one year	¥ 404	¥ 391	\$ 2,693
Due after one year	2,551	2,578	17,007
	¥ 2,955	¥ 2,969	\$ 19,700

15. Net Assets

Under the Japanese Corporate Law (the "Law") and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases in which a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Law, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting. Additional paid-in capital and legal earnings reserve may not be distributed as dividends. All additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

At March 31, 2025 and 2024, capital surplus consisted principally of additional paid-in capital. In addition, retained earnings included legal earnings reserve of the Company in the amount of ¥4,262 million (\$28,413 thousand) at March 31, 2025 and 2024.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

During the year ended March 31, 2025, the Company paid interim dividends of ¥43 per share, amounting to ¥7,457 million (\$49,713 thousand). In addition, at the annual shareholders' meeting held on June 26, 2025, the shareholders approved cash dividends of ¥59 per share, amounting to ¥9,082 million (\$60,547 thousand). The appropriation had not been accrued in the consolidated financial statements as of March 31, 2025 as such appropriations are recognized in the period in which they are approved by the shareholders.

16. Revenue Recognition

(a) Disaggregating revenue from contracts with customers

The disaggregation of revenue from contracts with customers is described in the segment section.

(b) Basis for understanding revenue arising from contracts with customers

The Seino Group recognizes revenue by applying the following five-step approach.

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

Basic information in understanding revenue is as stated in Note 2(n), "Accounting for revenue and expense recognition."

(c) The satisfaction of performance obligations based on the contracts with customers and cashflows arising from such contracts and the amount and timing of revenue arising from contracts with customers existing at the end of the current fiscal year expected to be recognized in and after the following fiscal year

(i) Contract asset and contract liability balances

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Receivables from contracts with customers beginning balance	¥ 114,446	¥ 119,242	\$ 762,973
Receivables from contracts with customers ending balance	118,473	114,446	789,820
Contract assets beginning balance	1,131	1,289	7,540
Contract assets ending balance	921	1,131	6,140
Contract liabilities beginning balance	3,647	3,873	24,313
Contract liabilities ending balance	4,391	3,647	29,273

The amount of revenue recognized in the current period from performance obligations that were satisfied in prior periods was ¥3,005 million (\$20,033 thousand) and ¥3,279 million for the years ended March 31, 2025 and 2024, respectively.

Contract assets consist mainly of unbilled work-in-progress receivables related to revenue recognized based on the progress in the software and construction business. In addition, Contract assets are increased by the recognition of revenue and decreased by the transfer to receivables arising from contracts with customers when the Companies' rights to the consideration become unconditional upon invoicing or delivery. Contract liabilities consist primarily of advances received from customers on car sales and repair services. Contract liabilities are increased by the receipt of advances from customers and decreased by the reversal of such advances upon the recognition of revenue.

(ii) Transaction price allocated to remaining performance obligations

Year ending March 31,	Millions of yen		Thousands of U.S. dollars
	2025	2025	2025
2026	¥ 1,743	\$ 11,620	
2027	408	2,720	
2028	156	1,040	
Thereafter	—	—	
Total	¥ 2,307	\$ 15,380	

Year ending March 31,	Millions of yen	
	2024	2024
2025	¥ 1,345	
2026	412	
2027	174	
Thereafter	—	
Total	¥ 1,931	

The total transaction price allocated to unsatisfied performance obligations was mainly for car repair service contracts in the Vehicle Sales Business, in which revenue is expected to be recognized at each six-month legally mandated inspection. The initial contract period is for three years, followed by two-year periods.

The Company and its consolidated subsidiaries apply the practical expedient to transaction prices allocated to the remaining performance obligations of one year or less and long-term contracts of the Transportation Services Business and have the right to receive amounts of consideration that correspond to the value to

the customer for the portion of performance completed to date.

Therefore, pursuant to Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue is recognized at the amount the companies are entitled to claim and is not presented. In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction prices.

17. Stock Options

1. Expenses related to stock options and gain on reversal of stock acquisition rights
Not applicable

2. Details of stock options

(1) Stock options that existed in the year ended March 31, 2025 were as follows:

	Stock Option #1	Stock Option #2
Company (Subsidiaries)	Hacobell Inc.	Hacobell Inc.
Title and number of grantees (Subsidiaries)	1 director and 29 officers	1 director and 2 officers
Number of stock options	7,461 common shares	3,349 common shares
Grant date	March 28, 2023	March 28, 2023
Conditions for vesting	*1	*1
Requisite service period	No provisions	No provisions
Exercise period	From March 28, 2023 to March 27, 2033	From March 28, 2023 to March 27, 2033

*Note.*1 Conditions for vesting are as follows:*

- (a) When exercising stock acquisition rights, the person who holds the stock acquisition rights or stock acquisition rights to exercise (hereinafter referred to as the "Rights Holder") subject to the condition that the acquisition events specified in each item of conditions' have not occurred, the exercise of the stock acquisition rights for which an acquisition event has occurred shall not be permitted. However, this does not apply if Hacobell Inc. specifically approves the exercise.
- (b) The Rights Holder shall not be able to exercise the stock acquisition rights until Hacobell Inc. shares are listed on any financial instruments exchange. However, this does not apply if Hacobell Inc. specifically approves the exercise.
- (c) Stock acquisition rights shall be exercised in units of one stock acquisition right, and the partial exercise of each stock acquisition right shall not be permitted.

(2) Stock option activity during the year ended March 31, 2025 was as follows:

	Shares	
	Stock Option #1	Stock Option #2
Company (Subsidiaries)	Hacobell Inc.	Hacobell Inc.
Before vested		
As of March 31, 2024	6,679	3,349
Granted	—	—
Forfeited	(427)	—
Vested	—	—
Outstanding	6,252	3,349
After vested		
As of March 31, 2024	—	—
Granted	—	—
Forfeited	—	—
Vested	—	—
Outstanding	—	—

(3) Price information is as follows:

	Yen	
	Stock Option #1	Stock Option #2
Company (Subsidiaries)	Hacobell Inc.	Hacobell Inc.
Exercise price	35,000	35,000
Average stock price at exercise	—	—
Fair value at the grant date	—	—

3. Assumptions used to measure fair value of stock options

Because Hacobell Inc. was an unlisted company, the stock options were measured based on their intrinsic value instead of their market value. The intrinsic value of each stock option is estimated based on comparable multiple valuation methods.

4. Estimation of the number of vested stock options

Because it is difficult to reasonably estimate the number of stock options that will expire in the future, the actual number of forfeited stock options is used.

5. Total intrinsic value of stock options

- (1) The total intrinsic value of the stock options as of March 31, 2025 was zero.
- (2) The total intrinsic value of the stock options exercised during the year ended March 31, 2025 was not applicable.

18. Income Taxes

The tax effects of temporary differences that give rise to a significant portion of deferred tax assets and liabilities at March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
Deferred tax assets:			
Employee retirement benefit liability	¥ 21,219	¥ 24,828	\$ 141,460
Enterprise tax accruals	587	459	3,913
Accrued bonuses	4,663	4,061	31,087
Intercompany capital gains	1,325	1,249	8,833
Operating loss carryforwards	2,260	1,731	15,067
Loss on assets transferred	2,070	1,785	13,800
Impairment loss on fixed assets	12,083	10,992	80,553
Allowance for doubtful accounts	285	306	1,900
Other	8,703	6,984	58,020
	53,195	52,395	354,633
Less valuation allowance	(18,899)	(15,532)	(125,993)
	34,296	36,863	228,640
Deferred tax liabilities:			
Deferred capital gains	7,395	6,806	49,300
Unrealized gains on available-for-sale securities	8,101	9,779	54,007
Valuation adjustments for consolidation	20,979	10,033	139,860
Other	3,032	3,895	20,213
	39,507	30,513	263,380
Net deferred tax assets	¥ (5,211)	¥ 6,350	\$ (34,740)

In assessing the realizability of deferred tax assets, management of the Seino Group considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of the future taxable income during the periods in which those temporary

differences become deductible. At March 31, 2025 and 2024, a valuation allowance was provided to reduce deferred tax assets to the extent that the management believed that the amount of the deferred tax assets was not realizable.

The reconciliation of the statutory tax rate and the effective tax rate for the years ended March 31, 2025 and 2024 was as follows:

	Percentage of pretax income	
	2025	2024
Japanese statutory tax rate	29.9%	29.9%
Increase (decrease) due to:		
Permanently nondeductible expenses	0.3	0.4
Tax exempt income	(1.5)	(0.3)
Local minimum taxes - per capita levy	2.2	2.8
Amortization of goodwill	1.0	2.6
Equity in net income of affiliates	2.9	0.3
Changes in valuation allowance	0.4	(0.1)
Reduction of deferred tax assets due to a change in the income tax rate	0.1	4.2
Different tax rates applied to the consolidated subsidiaries	3.6	4.7
Tax credit for salary growth	(1.4)	(1.1)
Other	(0.2)	0.1
Effective income tax rate	37.3%	43.5%

The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system. In addition, corporation tax and local corporation tax, as well as their tax effects, are accounted for and disclosed in accordance with Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System (PITF No. 42, August 12, 2021).

New tax reform laws enacted on March 31, 2025 in Japan changed the statutory tax rate from approximately 29.9% to 30.8% for the fiscal year beginning of the fiscal year ending March 31, 2027.

The effect of these changes was immaterial.

19. Comprehensive Income

Amounts reclassified to net income (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and the tax and tax effects for each component of other comprehensive income for the years ended March 31, 2025, 2024 and 2023 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Net unrealized gains on available-for-sale securities:				
(Decrease) increase during the year	¥(11,818)	¥ 14,578	¥ (1,417)	\$ (78,787)
Reclassification adjustments	5,161	(511)	92	34,407
Subtotal, before tax and tax effects	(6,657)	14,067	(1,325)	(44,380)
Tax and tax effects	1,677	(4,005)	466	11,180
Subtotal, net of tax and tax effects	(4,980)	10,062	(859)	(33,200)
Land revaluation decrement:				
Increase (decrease) during the year	—	—	—	—
Reclassification adjustments	—	—	—	—
Subtotal, before tax and tax effects	—	—	—	—
Tax and tax effects	1	(4)	—	7
Subtotal, net of tax and tax effects	1	(4)	—	7
Foreign currency translation adjustments:				
Increase during the year	274	105	124	1,827
Reclassification adjustments	—	—	—	—

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Subtotal, before tax and tax effects	274	105	124	1,827
Tax and tax effects	—	—	—	—
Subtotal, net of tax and tax effects	274	105	124	1,827

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Retirement benefit adjustment:				
Increase during the year	11,433	5,884	59	76,220
Reclassification adjustments	309	602	1,073	2,060
Subtotal, before tax and tax effects	11,742	6,486	1,132	78,280
Tax and tax effects	(3,695)	(2,128)	(388)	(24,634)
Subtotal, net of tax and tax effects	8,047	4,358	744	53,646
Shares of other comprehensive income of affiliates accounted for using equity method:				
Increase during the year	1,278	1,017	754	8,520
Reclassification adjustments	(10)	(15)	2	(67)
Subtotal	1,268	1,002	756	8,453
Total other comprehensive income	¥ 4,610	¥ 15,523	¥ 765	\$ 30,733

20. Consolidated Statements of Cash Flows

The amounts of important non-financial transactions for the years ended March 31, 2025 and 2024, 2023 are as follows:

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Cancellation of treasury stock	¥ —	¥ 27,958	¥ —	\$ —

Assets and liabilities of newly consolidated subsidiaries by acquisition

The following is the summary of assets acquired and liabilities assumed through the acquisition of shares of MD LOGIS CORPORATION and its thirteen subsidiaries for the year ended March 31, 2025, related costs and net payment:

	Millions of yen	Thousands of U.S. dollars
Current assets	¥ 42,145	\$ 280,967
Noncurrent assets	69,409	462,727
Current liabilities	(36,439)	(242,927)
Noncurrent liabilities	(15,268)	(101,787)
Noncontrolling interests	(19,114)	(127,427)
Gain on negative goodwill	(1,173)	(7,820)
Acquisition cost	¥ 39,560	263,733
Cash and cash equivalents of newly consolidated subsidiaries	(2,374)	(15,826)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	¥ 37,186	\$ 247,907

Other purchase of shares of subsidiaries are omitted due to their insignificance.

21. Business Combinations

(Merger among consolidated subsidiaries)

At the meeting of the Board of Directors held on April 1, 2022, Seino Transportation Co., Ltd. resolved to conduct an absorption type merger, with Seino Transportation Co., Ltd. as the surviving company and Kanto Seino Transportation Co., Ltd., Nohi Seino

Transportation Co., Ltd. and Tokai Seino Transportation Co., Ltd., as the absorbed companies.

1. Overview of the transaction

- (1) Names and businesses of the combining Companies
Name of the surviving Company: Seino Transportation Co., Ltd.
Business: Transportation services
Names of the absorbed Companies: Kanto Seino Transportation Co., Ltd., Nohi Seino Transportation Co., Ltd. and Tokai Seino Transportation Co., Ltd.
Business: Transportation services
- (2) Schedule
April 1, 2022 resolution date of Board of Directors regarding the merger and the companies concerned in the absorption-type merger.
April 1, 2022 was the execution date of contract.
- (3) Date of Business Combination
April 1, 2023
- (4) Name of the company after Business Combination
Seino Transportation Co., Ltd.
- (5) Other matters related to the transaction
The Company owns all the shares of the surviving company and the absorbed companies. Therefore, the Company neither issued new shares nor allotted outstanding shares in this business combination.

2. Overview of accounting treatment

Pursuant to the Accounting Standard for Business Combinations Accounting Standards Board of Japan (ASBJ) Statement No. 21, issued on January 16, 2019 and the Guidance on Accounting Standard for Business Combination and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, issued on January 16, 2019), the absorption-type merger was treated as a transaction under common control.

(Business combinations through acquisition)

The Company and Mitsubishi Electric Corporation have concluded a stock purchase agreement under which the Company will acquire 66.6 percent of the common shares of Mitsubishi Electric Logistics Corporation ("Mitsubishi Electric Logistics") held by Mitsubishi Electric Corporation, and a shareholder agreement governing arrangements among shareholders regarding the business operations of Mitsubishi Electric Logistics after the transaction. In addition, this stock purchase agreement is determined at the Board of Directors meeting held June 18, 2024.

(1) Overview of accounting treatment

1. Name of the acquired company and its business
Name: Mitsubishi Electric Logistics Corporation
Business: Logistics, transportation and delivery, relocation/moving for factories, offices, etc., warehousing, logistics office operations (delivery centers, etc.), international logistics
2. Main reasons to the business combination
The importance of building a sustainable logistics supply chain is growing in Japan, where labor shortages are

weakening long-distance transportation capabilities, and emergencies such as pandemics and disasters have disrupted supply chains. Other pressures include the increasing diversity of goods being transported and the growing complexity of transportation due to the globalization of production bases and sales channels. Under such circumstances, the Company has been promoting initiatives to streamline its entire logistics operations, such as through the establishment of new domestic bases and the expansion of logistics functions in various areas, under its strategy which focus on transitioning from a “LTL trucking company” to a “logistics company”. In Seino’s “Medium to Long-term Management Direction - Desired State and Roadmap 2028” formulated in June 2023, the Company has positioned its Electronics Solutions Division, Automotive Battery Logistics Division, and Healthcare Solutions Division as the “three focus areas” in its logistics operations, supporting the optimization of global companies’ supply chains by enhancing industry-specific solutions through improved compatibility with the Company’s overseas networks.

This transaction will enable the Company to strengthen its logistics capabilities for electronics and help streamline customer supply chains through Mitsubishi Electric Logistics’ expertise in the transportation of large equipment and facilities, semiconductors and precision machinery as well as the new subsidiary’s existing logistics centers and other assets, significantly strengthening the Company’s transition to a logistics company.

3. Date of Business Combination
October 1, 2024

4. Legal form of business combination
Acquisition of shares in exchange for cash

5. Name of company after business combination
MD LOGIS CORPORATION

6. Percentage of voting rights acquired
66.6%

7. Main grounds for determining the acquirer
Due to acquisition of shares in exchange for cash

(2) Acquisition cost of acquired company and breakdown by type of consideration

Consideration for acquisition	Cash and deposits	¥39,560 million	(\$263,733 thousand)
Acquisition cost		¥39,560 million	(\$263,733 thousand)

(3) Details and amounts of major expenses related to the acquisition
Advisory fees, etc. ¥594 million (\$3,960 thousand)

(4) Amount of gain on negative goodwill accrued and the cause of the accrual
Note that the amount of gain on negative goodwill is provisionally calculated because the allocation of acquisition costs has not been completed as of the end of the fiscal year ended March 31, 2025.

1. Amount of gain on negative goodwill accrued
¥1,173 million (\$7,820 thousand)

2. Reason for accrual
Since the market value of net assets at the time of the business combination exceeded the acquisition cost, the difference is recorded as a gain on negative goodwill.

(5) Allocation of acquisition cost
At the end of the consolidated fiscal year under review, identifiable assets and liabilities as of the date of business combination have not been determined and the market value thereof has not been calculated. Since the allocation of acquisition cost is not completed, provisional accounting treatment has been applied based on reasonable information available at the time.

(6) Amount and details of the assets acquired and liabilities assumed on the date of business combination

Current assets	¥42,145 million	(\$280,967 thousand)
Noncurrent assets	¥69,409 million	(\$462,727 thousand)
Total Assets	¥111,554 million	(\$743,694 thousand)
Current liabilities	¥36,439 million	(\$242,927 thousand)
Noncurrent liabilities	¥15,268 million	(\$101,787 thousand)
Total liabilities	¥51,707 million	(\$344,714 thousand)

(7) Estimated impact on the consolidated statement of income for the fiscal year under review, with the method of its calculation, assuming that the business combination was completed on the date of commencement of the consolidated fiscal year

Operating revenue	¥58,844 million	(\$392,293 thousand)
Operating income	¥2,290 million	(\$15,267 thousand)

(Calculation method of the estimated amount)

The difference between net sales and profit and loss information, calculated on the assumption that the business combination was completed on the date of commencement of the consolidated fiscal year, and net sales and profit and loss information in the consolidated statement of income of the acquiring company is used as the estimated amount.

These notes are not subject to audit.

22. Related Party Transactions

There were no principal transactions between the Company’s consolidated subsidiaries and their related parties for the year ended March 31, 2025.

23. Segment Information

(a) General information about reportable segments

The reportable segments are constituent business units of the Seino Group for which separate financial information is obtained and examined regularly by the Board of Directors to evaluate business performance. The Seino Group has established the “Business Promotion Department” as a holding company. Each subsidiary plans and operates each business under its control. In addition, some of the subsidiaries engage in real estate leasing services to make good use of their facilities. Therefore, the Seino Group consists of business segments that are based on the business conducted by each subsidiary. The Seino Group’s reportable segments are “transportation services,” “vehicle sales,” “merchandise sales” and “real estate leasing services.”

(b) Basis of measurement about reportable segment profit or loss, segment assets and other material items

The principles of segment accounting are basically the same as those described in Note 2, “Summary of Significant Accounting Policies.” Intersegment sales and transfer amounts are based on market prices.

(c) Information about reportable segment profit or loss, segment assets and other material items and information about the disaggregation of revenue from contracts with customers

Information about reportable segment for the years ended March 31, 2025, 2024 and 2023 is summarized as follows:

	Transportation services	Vehicle sales	Merchandise sales	Real estate leasing services	Other (*4)	Total	Adjustments (*1)	Consolidated
For the year 2025:								
Operating revenue:								
Revenue from contracts with customers	¥ 552,907	¥ 112,469	¥ 38,781	¥ —	¥ 26,282	¥ 730,439	¥ —	¥ 730,439
Other revenue	1,219	2,860	—	2,355	505	6,939	—	6,939
External customers	554,126	115,329	38,781	2,355	26,787	737,378	—	737,378
Intersegment sales and transfers	2,306	10,153	15,219	—	10,125	37,803	(37,803)	—
Total operating revenue	556,432	125,482	54,000	2,355	36,912	775,181	(37,803)	737,378
Segment income (*2)	¥ 20,744	¥ 7,161	¥ 1,170	¥ 1,732	¥ 1,829	¥ 32,636	¥ (2,753)	¥ 29,883
Segment assets (*3)								
Depreciation	¥ 617,821	¥ 118,709	¥ 18,561	¥ 20,082	¥ 49,853	¥ 825,026	¥ (54,185)	¥ 770,841
Amortization of goodwill	21,410	2,258	69	228	645	24,610	(476)	24,134
Investments in affiliates accounted for using the equity method	2,159	—	—	—	—	2,159	—	2,159
Increase in tangible and intangible fixed assets	20,036	100	—	—	—	20,136	(4)	20,132
	103,532	4,790	64	199	470	109,055	(721)	108,334
For the year 2024:								
Operating revenue:								
Revenue from contracts with customers	¥ 468,979	¥ 106,328	¥ 35,747	¥ —	¥ 25,534	¥ 636,588	¥ —	¥ 636,588
Other revenue	1,258	2,336	—	2,246	384	6,224	—	6,224
External customers	470,237	108,664	35,747	2,246	25,918	642,812	—	642,812
Intersegment sales and transfers	2,238	8,980	15,196	—	10,076	36,490	(36,490)	—
Total operating revenue	472,475	117,644	50,943	2,246	35,994	679,302	(36,490)	642,812
Segment income (*2)	¥ 15,274	¥ 5,809	¥ 948	¥ 1,648	¥ 1,395	¥ 25,074	¥ (1,671)	¥ 23,403
Segment assets (*3)								
Depreciation	¥ 551,581	¥ 126,821	¥ 18,112	¥ 20,078	¥ 57,217	¥ 773,809	¥ (84,284)	¥ 689,525
Amortization of goodwill	18,917	2,224	60	226	648	22,075	(384)	21,691
Investments in affiliates accounted for using the equity method	2,070	—	—	—	65	2,135	—	2,135
Increase in tangible and intangible fixed assets	22,451	94	—	—	—	22,545	(3)	22,542
	21,809	3,475	91	74	762	26,211	(438)	25,773
For the year 2023:								
Operating revenue:								
Revenue from contracts with customers	¥ 473,340	¥ 92,444	¥ 33,518	¥ —	¥ 26,522	¥ 625,824	¥ —	¥ 625,824
Other revenue	1,362	1,765	—	2,192	365	5,684	—	5,684
External customers	474,702	94,209	33,518	2,192	26,887	631,508	—	631,508
Intersegment sales and transfers	2,468	6,265	14,310	—	8,664	31,707	(31,707)	—
Total operating revenue	477,170	100,474	47,828	2,192	35,551	663,215	(31,707)	631,508
Segment income (*2)	¥ 21,870	¥ 4,709	¥ 800	¥ 1,615	¥ 1,174	¥ 30,168	¥ (1,666)	¥ 28,502
Segment assets (*3)								
Depreciation	¥ 551,653	¥ 116,607	¥ 17,406	¥ 19,927	¥ 51,097	¥ 756,690	¥ (52,796)	¥ 703,894
Amortization of goodwill	18,977	2,097	61	228	625	21,988	(433)	21,555
Investments in affiliates accounted for using the equity method	1,978	—	—	—	215	2,193	—	2,193
Increase in tangible and intangible fixed assets	21,593	87	—	—	—	21,680	(2)	21,678
	23,752	3,681	41	158	670	28,302	(324)	27,978
For the year 2025:								
Operating revenue:								
Revenue from contracts with customers	\$ 3,686,047	\$ 749,793	\$ 258,540	\$ —	\$ 175,213	\$ 4,869,593	\$ —	\$ 4,869,593
Other revenue	8,126	19,067	—	15,700	3,367	46,260	—	46,260
External customers	3,694,173	768,860	258,540	15,700	178,580	4,915,853	—	4,915,853
Intersegment sales and transfers	15,373	67,687	101,460	—	67,500	252,020	(252,020)	—
Total operating revenue	3,709,546	836,547	360,000	15,700	246,080	5,167,873	(252,020)	4,915,853
Segment income (*2)	\$ 138,293	\$ 47,740	\$ 7,800	\$ 11,547	\$ 12,193	\$ 217,573	\$ (18,353)	\$ 199,220
Segment assets (*3)								
Depreciation	\$ 4,118,807	\$ 791,393	\$ 123,740	\$ 133,880	\$ 332,353	\$ 5,500,173	\$ (361,233)	\$ 5,138,940
Amortization of goodwill	142,733	15,053	460	1,520	4,300	164,066	(3,173)	160,893
Investments in affiliates accounted for using the equity method	14,393	—	—	—	—	14,393	—	14,393
Increase in tangible and intangible fixed assets	133,573	667	—	—	—	134,240	(27)	134,213
	690,213	31,933	427	1,327	3,133	727,033	(4,806)	722,227

Note: *1) The adjustments column in the table above represents principally the elimination of intersegment transactions and balances, except for (*2) and (*3).

*2) Segment income is reconciled to operating income in the accompanying consolidated statements of income. Segment income in the adjustments column represents unallocated general corporate expenses which were not assigned to specific reportable segments, net of intersegment transactions.

*3) Segment assets in the adjustments column represent unallocated general corporate items which were not assigned to specific reportable segments, including items such as cash and short-term and long-term investments in securities, net of intersegment balances.

*4) Other segment represents the business segment not included in the reportable segments and includes the information services business, the housing sales business, the passenger transportation business and other business.

(d) Related Information

(i) Information about products and services

The Company has not disclosed information about products and services here because the Company has disclosed the same information above.

(ii) Information about geographic areas

Operating revenue

The Company has omitted the disclosure of operating revenue by geographic area because operating revenue to external customers in Japan accounts for more than 90% of the amount of operating revenue reported in the consolidated statements of income.

Property and equipment

The Company has omitted the disclosure of property and equipment by geographic area because property and equipment in Japan account for more than 90% of the amount of property and equipment reported in the consolidated balance sheets.

(iii) Information about major customers

The Company has not disclosed information about major customers because no customer contributed 10% or more to operating revenue in the consolidated statements of income.

(iv) Information on impairment loss by reportable segments:

	Transportation services	Vehicle sales	Merchandise sales	Real estate leasing services	Other	Total
Impairment loss:	Millions of yen					
For the year 2025	¥ —	¥ 97	¥ —	¥ 13	¥ —	¥ 110
For the year 2024	363	105	—	25	—	493
For the year 2023	392	395	—	—	—	787
Impairment loss:	Thousands of U.S. dollars					
For the year 2025	\$ —	\$ 647	\$ —	\$ 86	\$ —	\$ 733

(v) Information on goodwill by reportable segments:

	Transportation services	Vehicle sales	Merchandise sales	Real estate leasing services	Other	Total
For the year 2025	Millions of yen					
Amortization of goodwill	¥ 2,159	¥ —	¥ —	¥ —	¥ —	¥ 2,159
As of March 31, 2025	Millions of yen					
Balance of goodwill	8,950	—	—	—	—	8,950
For the year 2024	Millions of yen					
Amortization of goodwill	¥ 2,070	¥ —	¥ —	¥ —	¥ 65	¥ 2,135
As of March 31, 2024	Millions of yen					
Balance of goodwill	9,468	—	—	—	—	9,468
For the year 2023	Millions of yen					
Amortization of goodwill	¥ 1,978	¥ —	¥ —	¥ —	¥ 215	¥ 2,193
As of March 31, 2023	Millions of yen					
Balance of goodwill	11,537	—	—	—	66	11,603
For the year 2025	Thousands of U.S. dollars					
Amortization of goodwill	\$ 14,393	\$ —	\$ —	\$ —	\$ —	\$ 14,393
As of March 31, 2025	Thousands of U.S. dollars					
Balance of goodwill	59,667	—	—	—	—	59,667

(vi) Information on gain on negative goodwill by reportable segments:

	Transportation services	Vehicle sales	Merchandise sales	Real estate leasing services	Other	Total
Gain on negative goodwill:	Millions of yen					
For the year 2025	¥ 1,175	¥ —	¥ —	¥ —	¥ —	¥ 1,175
Gain on negative goodwill:	Thousands of U.S. dollars					
For the year 2025	\$ 7,833	\$ —	\$ —	\$ —	\$ —	\$ 7,833

Report of Independent Auditors

Independent Auditor's Report

To the Board of Directors of
SEINO HOLDINGS CO., LTD.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SEINO HOLDINGS CO., LTD. (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheets as at March 31, 2025 and 2024, and the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for each of the years in the three-year period ended March 31, 2025, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Testing of the effectiveness of IT controls relevant to recognizing the motor truck transportation revenue	
The key audit matter	How the matter was addressed in our audit
<p>As described in Note 23, “Segment Information” to the financial statements, operating revenue from transportation services provided to external customers for the current fiscal year was ¥554,126 million. The motor truck transportation revenue of Seino Transportation Co., Ltd., the core company of the Transportation Services Business group, accounted for 53% of the operating revenue.</p> <p>Based on transportation contracts, the motor truck transportation revenue is recognized as the related performance obligations are satisfied.</p> <p>While each transportation transaction amount is small in the motor truck transportation business, a large volume is traded</p>	<p>For a series of data, we obtained an understanding of the information flow, data processing and automated internal controls within the IT system from the beginning of a transaction to the recognition of the motor truck transportation revenue with the assistance of IT specialists within our firm. In addition, we tested the effectiveness of certain internal controls required for stable operation of the IT system. Furthermore, we performed the procedures set forth below by involving IT specialists within our firm to test the operating effectiveness of certain significant internal controls:</p>



every day, and the motor truck transportation revenue, which is the consideration of those transactions, is recognized based on the data processed and recorded by the system. In calculating freight charges, which provided the basis for the motor truck transportation revenue, detailed conditions are determined for each customer by distance or direction, or by weight, and then complicated calculations are performed based on the conditions. As described above, recognition of the motor truck transportation revenue is highly dependent on the IT system and may have a significant effect on financial reporting if there are defects or failures in the system, or data is not processed as expected. We, therefore, determined that our testing of the effectiveness of IT controls relevant to recognizing the motor truck transportation revenue was of most significance in our audit of the financial statements for the current fiscal year, and accordingly, a key audit matter.

- We tested the operating effectiveness of certain internal controls to prevent unintended changes or falsification of programs and data within the system;
- In order to test the operating effectiveness of application controls for the automatic calculation of freight charges, we recalculated the freight charges for a sample of transactions by distance or direction, or by weight, and assessed the accuracy of data processing through the IT system; and
- In order to test the operating effectiveness of application controls relevant to the automatic calculation of the total amount of daily freight charges by store location and automatic recognition of the motor truck transportation revenue, we recalculated a sample of journal entries that were recorded automatically and assessed the accuracy of data processing through the IT system.

Other Information

The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, the financial statements, and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor’s report. Management is responsible for the other information. The audit and supervisory committee is responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and The audit and supervisory committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee is responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit and supervisory committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 240 million yen and 42 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 of the Notes to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Shigeki Kondo
Designated Engagement Partner
Certified Public Accountant

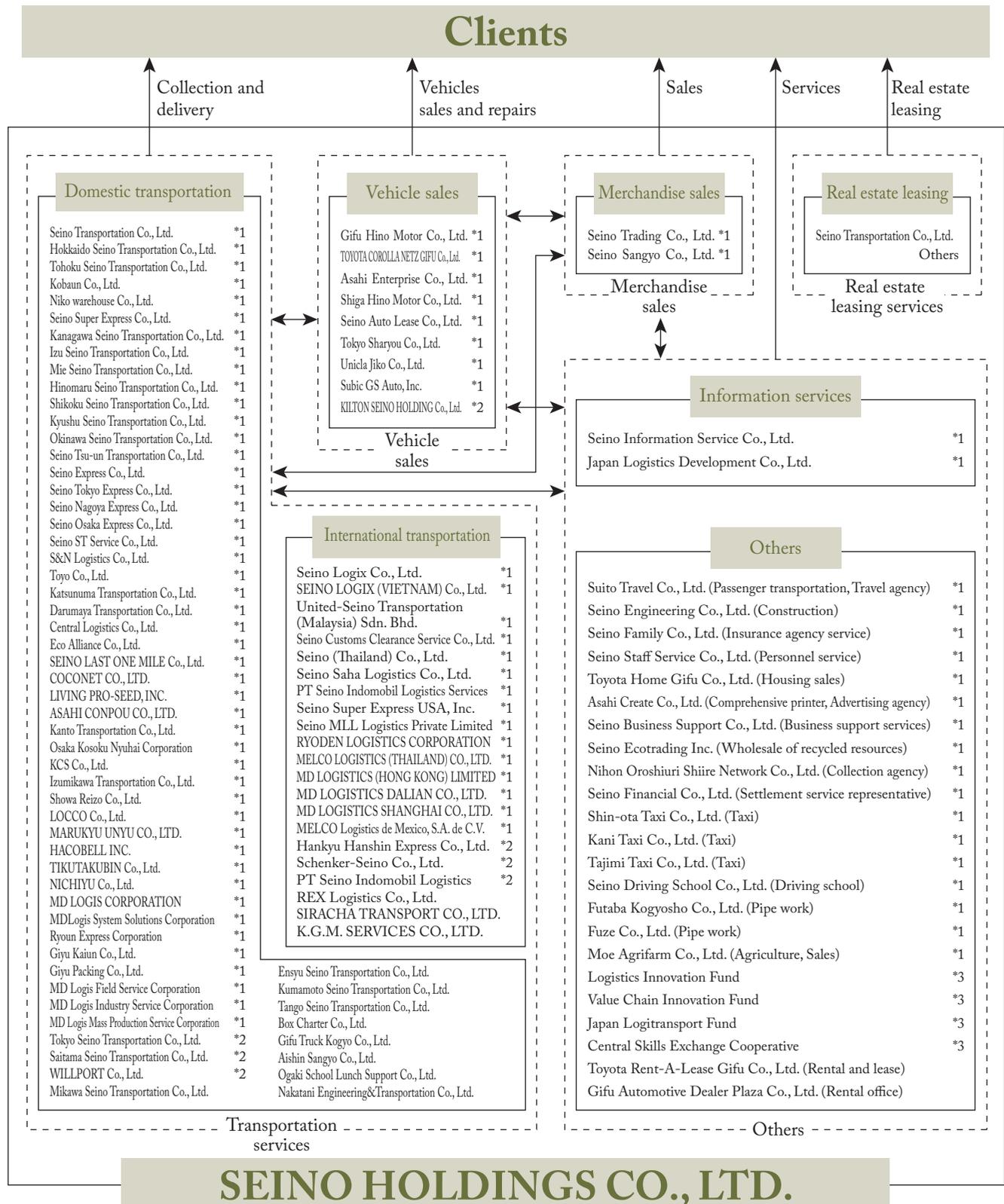
Hideki Saito
Designated Engagement Partner
Certified Public Accountant

Masaki Yamada
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Nagoya Office, Japan
September 30, 2025

Seino Group

The Seino Group consists of SEINO HOLDINGS CO., LTD. and 91 consolidated subsidiaries, 4 nonconsolidated subsidiaries, and 21 affiliates. The Seino Group operates in five business segments: transportation services, vehicle sales, merchandise sales, real estate leasing services and other services. The business relationship in the Seino Group is as follows.



Note *1: Consolidated subsidiaries
*2: Affiliates (under the equity method)

91
7

*3: Nonconsolidated subsidiaries
Companies except those mentioned above are equity method-applied affiliates.

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SEINO

Seino Holdings Co., Ltd.
1, Taguchi-cho, Ogaki, Gifu 503-8501 , Japan