

Summary of Consolidated Financial Results for the Third Quarter Ending of the Fiscal Year June 30, 2025 [Based on IFRS]

May 15, 2025

Company name: ZERO CO., LTD.
 Stock code: 9028
 Representative: President & CEO
 Inquiries: General Manager of Corporate Planning Department
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

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(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the third quarter ending of the fiscal year June 30, 2025 (From July 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Sales revenue		Operating income		Profit before tax		Quarterly income		Profit attributable to equity shareholders of the company		Total comprehensive income of the quarter	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FY2024/2025	113,023	7.1	7,717	71.4	7,705	70.8	5,471	82.0	5,452	84.2	5,291	55.7
3Q FY2023/2024	105,570	4.5	4,501	20.0	4,512	20.3	3,005	20.0	2,959	18.4	3,399	31.0

	Basic quarterly earnings per share		Diluted quarterly earnings per share	
	Yen		Yen	
3Q FY2024/2025	322.03		322.00	
3Q FY2023/2024	175.19		175.18	

(2) Consolidated financial position

	Total assets	Total capital	Equity attributable to equity shareholders of the company	Equity ratio attributable to equity shareholders of the company
	Millions of yen	Millions of yen	Millions of yen	%
3Q FY2024/2025	74,380	41,719	41,079	55.2
FY2023/2024	70,733	37,873	37,209	52.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023/2024	---	15.00	---	46.40	61.40
FY2024/2025	---	43.00	---		
FY2024/2025 (forecast)				95.40	138.40

(Note) Amendment from the most recently announced dividend forecast: Yes

3. Forecast of consolidated financial results for the year ending June 30, 2025 (From July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes)

	Sales revenue		Operating income		Profit before tax		Profit attributable to equity shareholders of the company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	145,000	3.0	10,200	63.9	10,200	63.8	7,100	71.1	419.32

(Note) Revisions from the most recently released business forecast: Yes

※(Note)

(1) Changes in significant subsidiary companies during the current quarter (Changes in the specific subsidiary companies following changes in the scope of consolidation): No

New — Co. (Company name),

Exclusions — Co. (Company name)

(2) Changes in accounting policies, changes in accounting estimates

- ① Changes in the accounting policies required by IFRS : No
② Changes in the accounting policies due to other reasons : No
③ Changes in the accounting estimates : No

(3) Number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury shares)

3Q FY2024/2025	17,560,242 shares	FY2023/2024	17,560,242 shares
3Q FY2024/2025	791,921 shares	FY2023/2024	920,782 shares
3Q FY2024/2025	16,932,062 shares	3Q FY2023/2024	16,894,109 shares

② Number of treasury shares at the end of the period

③ Average number of shares during the period (total up to this quarter)

※ Review of the attached consolidated quarterly financial statements by a certified public accountant or audit firm : No

※Explanation of the proper use of financial results forecast and other notes

The earnings forecast, and other forward-looking statements herein are based on the information currently available to the Company and certain assumptions that the Company considers reasonable. The actual results may differ significantly from these forecasts due to a wide range of factors such as economic status of the major domestic and international markets or exchange rates fluctuation.

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1. Overview of business results

(1) Overview of Operating Results for the Consolidated Cumulative Period of the Quarter

During the third quarter of the consolidated cumulative period, while some regions of Japan's economy showed signs of weakness, the overall trend has been one of gradual recovery or improvement.

In the domestic automobile market, the total number of new vehicles sales increased to 103.5% (statistical data of the Japan Automobile Manufacturers Association) as compared to the consolidated cumulative period of the same quarter from the previous year (hereinafter referred to as the same quarter from the previous year). This increase was driven by the resumption of production for certain vehicle models that had been suspended due to misconduct issues by some automobile manufacturers in the first half of last year, leading to progress in clearing backorders. As a result, the overall domestic sales volume increased. Furthermore, the number of used car registrations and sales also increased to 100.2% compared to the same period of the previous year, as demand for used car exports remained strong.

Number of units related to domestic distribution of automobiles

Units: vehicles

Domestic	July of 2023 to March of 2024	July of 2024 to March of 2025	Compared to the previous year
Number of new vehicles sold			
Domestic manufacturer *1	3,274,024	3,403,072	103.9%
(out of this, Nissan Motor) *1	(377,816)	(363,001)	(96.1%)
Foreign manufacturer *2	185,602	176,283	95.0%
Total of new vehicle sales	3,459,626	3,579,355	103.5%
Number of registered used vehicles and sales			
Registered vehicles *3	2,732,945	2,741,593	100.3%
Light vehicles *4	2,154,974	2,153,951	100.0%
Total number of registered used vehicles and sales	4,887,919	4,895,544	100.2%

Export	July of 2023 to March of 2024	July of 2024 to March of 2025	Compared to the previous year
New vehicles of domestic manufacturers *1	3,393,095	3,220,538	94.9%
Used vehicles (registered vehicles) *5	1,190,723	1,233,776	103.6%

*1 Calculated from Japan Automobile Industry Association Statistics *2 Calculated from Japan Automobile Importers' Association statistics *3 Calculated from Japan Automobile Dealers Association statistics

*4 Calculated from Japan Mini Vehicles Association statistics *5 Trial calculated from the number of export deleted registered vehicles in the Japan Automobile Dealers Association statistics

Against this market backdrop, the performance of our group resulted in revenue of 113,023 million yen (107.1% compared to the same period of the previous year) and operating profit of 7,717 million yen (171.4% compared to the same period of the previous year). Also, profit before tax was 7,705 million yen (170.8% compared to the same quarter from the previous year), and the quarterly profit attributable to shareholders of the parent company was 5,452 million yen (184.2% compared to the same quarter from the previous year).

The segment business results are as follows.

① Domestic automotive related businesses

In our core vehicle transportation business, despite the enforcement of crew working hour regulations under the 2024 Logistics Issue, we were able to ensure our transportation capacity by promoting a division-of-labor system for crew members, strengthening crew recruitment, and increasing payment rates to partner companies. As a result, we increased the number of units for transportation contracts. However, we also faced cost increases due to compliance with the 2024 regulations, rising recruitment and labor costs driven by the Consumer Price Index and minimum wage hikes, as well as higher vehicle and maintenance costs for carrier trucks. Under these circumstances, (1) we focused on gross profit-oriented sales activities, such as acquiring return loads to reduce empty return trips and make effective use of limited transportation capacity; (2) the strong performance of Zero Plus BHS Co., Ltd. and Zero Plus IKEDA Co., Ltd., along with the consolidation of SO-ING Co., Ltd. as a subsidiary, contributed positively; and (3) we gradually raised transportation fees for new and used vehicles starting in January 2024. As a result of these efforts, both revenue and segment profit in the domestic automobile-related business increased year over year.

As a result, the domestic automobile-related business reported revenue of 51,784 million yen (111.1% compared to the same quarter from the previous year) and segment profit of 7,195 million yen (162.5% compared to the same quarter from the previous year).

In the vehicle transportation business, under the medium-term management plan through the fiscal year ending June 2027, we are focusing on the theme of "Returning to the Fundamentals of Quality" We are advancing initiatives such as "Further Responses to the '2024 Logistics Problem'—Reviewing the Role and Operations of Logistics Centers, Securing Transport Capacity," "Reducing and Addressing Accidents and Complaints," and "Promoting Digitalization."

② Human resource businesses

In the shuttle service business, revenue increased as a result of implementing fare revisions at low-profitability locations and improving driver recruitment methods, which enabled successful hiring. This allowed us to secure new contracts and expand vehicle fleets for our Mobility as a Service (MaaS) business. In the human resources services business, revenue also increased due to a rise in the number of dispatched drivers.

As a result of the increased revenue in each business, segment profit also increased.

As a result, the Human Resources business recorded revenue of 17,227 million yen (106.8% compared to the same quarter from the previous year) and segment profit of 691 million yen (112.1% compared to the same quarter from the previous year).

③ General cargo business

In the transportation and warehousing business, revenue decreased due to a decline in cargo volume from major customers and a reduction in subcontracted carriers as a result of the "2024 logistics problem." However, in the port cargo handling business, revenue increased due to a rise in cargo handling volume for certain customers. As a result, overall revenue in the general cargo business saw a slight increase.

Segment profit rose in the port cargo handling business due to the revenue increase. In the transportation and warehousing business, profit also increased due to factors such as identifying and withdrawing from unprofitable transportation operations, launching new warehouse handling projects, and acquiring new customers, which led to higher warehouse space utilization. Additionally, in the same period of the previous year, we recorded a loss related to a fire at our Kawasaki Complex Logistics Center. As such, overall segment profit in the general cargo business increased.

As a result, the general cargo business reported revenue of 4,854 million yen (100.7% compared to the same quarter from the previous year) and segment profit of 1,098 million yen (228.5% compared to the same quarter of the previous year).

④ Overseas Related Businesses

In the used car export business, revenue increased due to the issuance of used car import permits in Malaysia, which enabled the shipment of vehicles that had been held up in Japan. On the other hand, in China, the vehicle transportation

business saw a decline in revenue due to reduced transport volume of new cars, stemming from the poor performance of Japanese automobile manufacturers.

Segment profit increased, supported by higher revenue in the used car export business, leading to overall profit growth in the overseas-related business.

As a result, the overseas-related business recorded revenue of 39,156 million yen (103.1% compared to the same quarter from the previous year) and segment profit of 751 million yen (111.1% compared to the same quarter of the previous year).

Additionally, corporate expenses not included in the above-reported segments (expenses related to the company's administrative departments), are recorded under "adjustment amount" as stated in "2. Summary of Quarterly Consolidated Financial Statements and Major Notes (Segment Information)," totaling 2,020 million yen.

(2) Overview of Financial Position for the Consolidated Cumulative Period of the Quarter

Assets, Liabilities, and Equity

(Assets)

Current assets increased by 5,297 million yen (16.1%) compared to the end of the previous consolidated fiscal year to 38,292 million yen.

This was mainly due to an increase of 6,005 million yen in trade and other receivables, despite a decrease of 815 million yen in inventories.

Non-current assets decreased by 1,650 million yen (4.4%) compared to the end of the previous consolidated fiscal year, totaling 36,088 million yen.

This was mainly due to a 2,095 million yen decrease in property, plant, and equipment, despite an increase of 573 million yen in goodwill and intangible assets.

As a result, total assets increased by 3,646 million yen (5.2%) compared to the previous consolidated fiscal year to 74,380 million yen.

(Liabilities)

Current liabilities increased by 1,826 million yen (7.6%) compared to the end of the previous consolidated fiscal year to 25,972 million yen.

This was mainly due to a 3,000 million yen increase in bonds and borrowings, despite a decrease of 854 million yen in income taxes payable.

Non-current liabilities decreased by 2,026 million yen (23.3%) compared to the end of the previous consolidated fiscal year, totaling 6,688 million yen.

This was mainly due to a decrease in lease liabilities by 2,039 million yen.

As a result, total liabilities decreased by 199 million yen (0.6%) compared to the end of the previous consolidated fiscal year, amounting to 32,660 million yen.

(Equity)

Total equity increased by 3,846 million yen (10.2%) compared to the end of the previous consolidated fiscal year to 41,719 million yen.

This was mainly due to an increase in retained earnings by 3,851 million yen.

(3) Overview of Cash Flows for the Consolidated Cumulative Period of the Quarter

Cash and cash equivalents (hereafter referred to as "funds") at the end of the third quarter of the consolidated fiscal period increased by 308 million yen compared to the end of the previous consolidated fiscal year, amounting to 11,625 million yen.

Each cash flow status category during the consolidated cumulative period of the third quarter and their causes are as follows.

(Cash flow from operating activities)

Funds provided by operating activities was 3,724 million yen (2,468 million yen in the same period of the previous year).

The main cause of the increase in funds were quarterly profit of 5,471 million and non-fund expenses such as depreciation and amortization totaling 3,819 million yen; the main cause of the decrease in funds was an increase in trade receivables amounting to 5,577 million yen.

(Cash flow from investment activities)

Funds used in investing activities was 2,599 million yen (expenditures of 3,887 million yen used in the same period of the previous year).

The main itemization breakdown for expenditures were 1,612 million yen for the acquisition of property, plant and equipment and investment property, 718 million yen for the acquisition of intangible assets, and 249 million yen for the acquisition of shares of subsidiaries resulting in changes in the scope of consolidation.

(Cash flow from financing activities)

Funds used as a result of financing activities were 755 million yen (income of 3,346 million yen in the previous year).

The main itemization breakdown for expenditures were 2,261 million yen for lease liability repayments and 1,493 million yen for dividend payments, while the main itemization breakdown for income was a net increase of 3,100 million yen from short-term borrowings.

(4) Explanation on future forecast information, such as consolidated earnings forecast

We have revised our consolidated earnings forecast for the fiscal year ending June 2025 based on the performance trends and other factors during the third quarter of the current fiscal year.

For information on the revision of consolidated earnings forecast, please refer to the "Notice Concerning Revision of Earnings Forecast and Revision of Year-end Dividend Forecast" published on May 15, 2025.

2. Summary of the consolidated financial statements and major notes

(1) Summary of quarterly consolidated statement of financial position

(Units: Million yen)

	End of the previous consolidated accounting year (June 30, 2024)	End of the consolidated accounting period of the third quarter (March 31, 2025)
Assets		
Current assets		
Cash and cash equivalents	11,316	11,625
Trade and other receivables	17,326	23,332
Inventories	2,979	2,163
Other financial assets	877	684
Other current assets	494	485
Total current assets	32,994	38,292
Non-current assets		
Tangible fixed assets	24,845	22,750
Goodwill and intangible assets	5,328	5,902
Investment properties	2,949	2,894
Investment accounting processed with equity method	516	562
Other financial assets	2,106	2,124
Other non-current assets	1,426	1,360
Deferred tax assets	565	493
Total non-current assets	37,739	36,088
Total assets	70,733	74,380

(Units: Million yen)

	End of the previous consolidated accounting year (June 30, 2024)	End of the consolidated accounting period of the third quarter (March 31, 2025)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payable	9,892	9,042
Bonds and borrowings	5,100	8,100
Lease liabilities	2,872	2,722
Income taxes payable, etc.	1,867	1,013
Other financial liabilities	2	—
Other current liabilities	4,410	5,093
Total current liabilities	24,145	25,972
Non-current liabilities		
Lease liabilities	6,276	4,236
Other financial liabilities	93	104
Retirement benefits liabilities	1,008	1,027
Other non-current liabilities	356	417
Deferred tax liabilities	979	902
Total non-current liabilities	8,714	6,688
Total liabilities	32,860	32,660
Equity		
Capital	3,390	3,390
Capital surplus	3,484	3,447
Treasury stock	△614	△528
Other components of funds	841	812
Retained earnings	30,106	33,957
Total equity attributable to the equity shareholders of the company	37,209	41,079
Non-controlling interest	663	640
Total Equity	37,873	41,719
Total liabilities and equity	70,733	74,380

(2) Summary of quarterly consolidated profit and loss statement

(Units: Million yen)

	Consolidated cumulative period for the previous third quarter (July 1, 2023 to March 31, 2024)	Consolidated cumulative period of this third quarter (July 1, 2024 to March 31, 2025)
Sales	105,570	113,023
Cost of sales	Δ92,479	Δ96,606
Gross profit	13,090	16,416
Selling, general and administrative expenses	Δ8,347	Δ8,887
Other income	291	217
Other expenses	Δ532	Δ29
Operating profit	4,501	7,717
Financial profit	54	51
Financial expenses	Δ33	Δ59
Investment gain / loss through equity method (Δ is loss)	Δ10	Δ3
Profit before tax	4,512	7,705
Corporate income tax expenses	Δ1,506	Δ2,233
Profits of the quarter	3,005	5,471
Attribution of the profits of the quarter:		
Equity shareholders of the company	2,959	5,452
Non-controlling interest	46	19
Profits of the quarter	3,005	5,471
Quarterly earnings per share		
Basic quarterly earnings per share (yen)	175.19	322.03
Diluted quarterly earnings per share (yen)	175.18	322.00

(3) Summary of the quarterly consolidated comprehensive income statement

(Units: Million yen)

	Consolidated cumulative period for the previous third quarter (July 1, 2023 to March 31, 2024)	Consolidated cumulative period of this third quarter (July 1, 2024 to March 31, 2025)
Profits of the quarter	3,005	5,471
Other comprehensive income		
Items not transferring over to profit or loss:		
Remeasurement of defined benefit system	198	△84
Financial assets measured by fair value through other comprehensive profits	93	△23
Total of the items not transferring over to profit or loss	291	△108
Items which may be transferred over to profit or loss		
Conversion difference of business activities overseas	70	△121
Other comprehensive income equity of affiliated company accounted for by the equity method	30	49
Total of the items which may be transferred over to profit or loss	101	△72
Other comprehensive income after tax deduction	393	△180
Comprehensive income of the quarter	3,399	5,291
Attribution of the comprehensive income for the quarter:		
Equity shareholders of the company	3,328	5,314
Non-controlling interest	70	△23
Comprehensive income of the quarter	3,399	5,291

(4) Summary of the quarterly consolidated statement of changes in equity

Consolidated accounting period of the third quarter (from July 1, 2023 to March 31, 2024)

(Units: Million yen)

	Equity attributable to equity shareholders of the company									Non-controlling interest	Total Equity
	Capital	Capital surplus	Treasury stock	Other components of funds				Retained earnings	Total equity attributable to the equity shareholders of the company		
				Conversion difference of business activities overseas	Financial assets measured by fair value through other comprehensive profits	Remeasurement of defined benefit system	Total other components of funds				
Balance on July 1, 2023	3,390	3,461	△638	172	472	—	644	26,426	33,285	550	33,836
Profits of the quarter							—	2,959	2,959	46	3,005
Other comprehensive income				77	93	198	368		368	24	393
Comprehensive income of the quarter	—	—	—	77	93	198	368	2,959	3,328	70	3,399
Dividends of the surplus							—	△847	△847		△847
Share-based payment transactions, etc.		10	24				—		34		34
Transfer from other capital component to Retained earnings				△1	39	△198	△160	160	—		—
Total transactions, etc. with the owners	—	10	24	△1	39	△198	△160	△686	△812	—	△812
Balance on March 31, 2024	3,390	3,472	△614	247	604	—	852	28,700	35,800	621	36,422

Consolidated cumulative period of this third quarter (from July 1, 2024 to March 31, 2025)

(Units: Million yen)

	Equity attributable to equity shareholders of the company									Non-controlling interest	Total Equity
	Capital	Capital surplus	Treasury stock	Other components of funds				Retained earnings	Total equity attributable to the equity shareholders of the company		
				Conversion difference of business activities overseas	Financial assets measured by fair value through other comprehensive profits	Remeasurement of defined benefit system	Total other components of funds				
Balance on July 1, 2024	3,390	3,484	Δ614	320	521	—	841	30,106	37,209	663	37,873
Profits of the quarter							—	5,452	5,452	19	5,471
Other comprehensive income				Δ29	Δ23	Δ84	Δ137		Δ137	Δ42	Δ180
Comprehensive income of the quarter	—	—	—	Δ29	Δ23	Δ84	Δ137	5,452	5,314	Δ23	5,291
Dividends of the surplus							—	Δ1,493	Δ1,493		Δ1,493
Share-based payment transactions, etc.		Δ37	86				—		48		48
Acquisition of treasury stock			Δ0				—		Δ0		Δ0
Transfer from other capital component to Retained earnings					23	84	108	Δ108	—		—
Total transactions, etc. with the owners	—	Δ37	85	—	23	84	108	Δ1,601	Δ1,444	—	Δ1,444
Balance on March 31, 2025	3,390	3,447	Δ528	290	521	—	812	33,957	41,079	640	41,719

(5) Summary of the quarterly consolidated statement of cash flows

(Units: Million yen)

	Consolidated cumulative period for the previous third quarter (July 1, 2023 to March 31, 2024)	Consolidated cumulative period of this third quarter (July 1, 2024 to March 31, 2025)
Cash flow from operating activities		
Profits of the quarter	3,005	5,471
Depreciation and amortization costs	3,829	3,819
Interest income and dividend	△45	△47
Interest expense	30	54
Equity method investment gains and losses (△ indicates a gain)	10	3
Corporate income tax expenses	1,506	2,233
Increase / decrease of trade receivables (△ is an increase)	△5,670	△5,577
Increase / decrease of inventories (△ is an increase)	1,417	830
Increase / decrease of trade payables (△ is a decrease)	755	272
Increase / decrease in net defined benefit asset and liability	△7	△47
Other	△373	△199
Subtotal	4,460	6,815
Interest and dividend received	45	47
Interest paid	△30	△54
Corporate income tax paid	△2,006	△3,083
Cash flow from operating activities	2,468	3,724
Cashflow from investment activities		
Payment for acquisition of tangible fixed assets and investment properties	△1,713	△1,612
Proceed from sales of tangible fixed assets and investment properties	47	19
Payment for intangible assets	△421	△718
Expenditures from acquisition of investments in subsidiaries resulting in change in scope of consolidation	△1,655	△249
Other	△144	△38
Cashflow from investment activities	△3,887	△2,599

(Units: Million yen)

	Consolidated cumulative period for the previous third quarter (July 1, 2023 to March 31, 2024)	Consolidated cumulative period of this third quarter (July 1, 2024 to March 31, 2025)
Cash flow from financing activities		
Net increase or decrease of short-term loans (Δ is a decrease)	6,600	3,100
Repayment of long-term loans	$\Delta 63$	—
Redemption of Bonds	$\Delta 100$	$\Delta 100$
Repayment of lease debts	$\Delta 2,243$	$\Delta 2,261$
Payment for acquisition of treasury stock	—	$\Delta 0$
Dividend paid	$\Delta 847$	$\Delta 1,493$
Cash flow from financing activities	3,346	$\Delta 755$
Effect of exchange rate changes on cash and cash equivalents	38	$\Delta 61$
Increase / decrease in of cash and cash equivalents (Δ is a decrease)	1,965	308
Cash and cash equivalents at the beginning of the year	5,475	11,316
Balance of cash and cash equivalents at the end of the quarter	7,440	11,625

(6) Notes regarding summary of the quarterly consolidated financial statements

(Notes on going concern assumption)

There are no applicable matters.

(Changes in Presentation)

There are no applicable matters.

(Segment information)

The segment information of our group is as follows.

Consolidated accounting period of the third quarter (from July 1, 2023 to March 31, 2024)

(Units: Million yen)

	Domestic automotive related businesses	Human resource businesses	General cargo businesses	Overseas related businesses	Total	Adjustment amount (note)	Total amount on the quarterly consolidate d financial statements
Sales							
Sales from external customers	46,629	16,133	4,822	37,984	105,570	—	105,570
Sales between segments	102	1,299	85	—	1,487	△1,487	—
Total	46,731	17,433	4,907	37,984	107,057	△1,487	105,570
Segment profit (operating profit)	4,428	616	480	676	6,203	△1,701	4,501

(Note) The adjustment amount of △1,701 million for segment profit is due to corporate expenses of △1,701 million yen. The total company cost is an expense related to the management divisions of our company not belonging to the reporting segment.

Consolidated cumulative period of this third quarter (from July 1, 2024 to March 31, 2025)

(Units: Million yen)

	Domestic automotive related businesses	Human resource businesses	General cargo businesses	Overseas related businesses	Total	Adjustment amount (note)	Total amount on the quarterly consolidate d financial statements
Sales							
Sales from external customers	51,784	17,227	4,854	39,156	113,023	—	113,023
Sales between segments	107	1,655	91	—	1,854	△1,854	—
Total	51,891	18,883	4,945	39,156	114,877	△1,854	113,023
Segment profit (operating profit)	7,195	691	1,098	751	9,737	△2,020	7,717

(Note) The adjustment amount of △2,020 million for segment profit is due to corporate expenses of △2,020 million yen. The total company cost is an expense related to the management divisions of our company not belonging to the reporting segment.

(Business Combination)

Consolidated cumulative period for the previous third quarter (from July 1, 2023 to March 31, 2024)

On November 1, 2023, our Group acquired 100% of the shares of So-ing Co., Ltd. and made it a subsidiary.

(1) Outline of the Business Combination

(1) Name and business of the acquired company

Name of acquired company: So-ing Co., Ltd.

Business Operations: Vehicle transportation, Auto Auction Site Operations, etc.

(2) Acquisition date:

November 1, 2023

(3) Percentage of voting equity interest acquired:

100%

(4) Reasons for the business combination

With the aim of becoming a comprehensive logistics company and service provider in the automobile distribution industry, our Group has been expanding its automobile-related businesses and human resource business in addition to our original vehicle transportation business, and now we welcome So-ing Co., Ltd., which operates vehicle transportation business and auto auction site operation business, to our group. In the vehicle transportation business, with the 2024 problem just around the corner, it is imperative to maintain and secure transportation capacity by reducing the total working hours of crew members and improving transportation efficiency. Taking this acquisition of shares as an opportunity, we will realize improvement in transportation efficiency through the flexible use of cargoes. In the auto auction business, by combining the operational know-how of So-ing Co., Ltd. with the infrastructure and resources of our Group, we will expand the market share of this business and uncover new needs in anticipation of the EV market, thereby maximizing the corporate value of our Group.

(5) Method of acquiring control of the acquired company:

Acquisition of equity interest in exchange for cash

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

Regarding the business combination with SO-ING Co., Ltd. conducted on November 1, 2023, the allocation of the acquisition cost had not been completed during the first half consolidated accounting period, so provisional accounting treatment was applied. However, the allocation of the acquisition cost was completed during the third-quarter consolidated accounting period.

In line with the finalization of this provisional accounting treatment, the amounts of assets and liabilities as of the acquisition date have been revised. The main revisions are an increase of 1,060 million yen in intangible assets, an increase of 360 million yen in non-current liabilities, and a decrease of 699 million yen in goodwill.

(Units: Million yen)

Fair value of acquisition consideration	2,856
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	1,200
Trade and other receivables	259
Other current assets	79
Tangible fixed assets	1,211
Intangible assets (Note)	1,060
Other non-current assets	50
Current liabilities	800
Non-current liabilities	795
Fair value (net amount) of assets acquired and liabilities assumed	2,265
Goodwill	590

(Note) Intangible assets of 1,060 million yen identified in the business combination are measured based on

assumptions such as estimated future cash flows, discount rates, and the rate of decrease in sales from existing customers, and consist primarily of customer-related assets of 1,060 million yen. The estimated useful life of the customer-related assets is 13 years.

Goodwill mainly consists of synergies with existing businesses and excess earning power expected to arise from the acquisition that do not individually qualify for recognition. None of the recognized goodwill is expected to be deductible for tax purposes.

(3) Acquisition-related expenses

Acquisition-related expenses for this business combination was 89 million yen and is included in "Selling, general and administrative expenses" in the summary of quarterly consolidated profit and loss statement.

(4) Cash flow from acquisition

(Units: Million yen)

Cash and cash equivalents used in the acquisition	Δ2,856
Cash and cash equivalents held by the acquired company at the time of acquisition	1,200
Expenditures from acquisition of investments in subsidiaries resulting in change in scope of consolidation	Δ1,655

(5) Impact of the business combination on the Group's performance

Assuming that the business combination was implemented at the beginning of the previous consolidated accounting year, profit and loss information after the acquisition date of the business combination and the impact on the Group's business performance for the previous consolidated fiscal year are immaterial and are not disclosed.

Consolidated cumulative period of this third quarter (from July 1, 2024 to March 31, 2025)

Details are omitted due to lack of material significance.