

(Translation)

NYK Trading Corporation

Balance Sheet

(As of March 31, 2025)
(Unit: Thousands of yen)

Assets		Liabilities	
Account	Amount	Account	Amount
Current assets	18,354,674	Current liabilities	13,419,633
Cash and deposits	264,527	Electronically recorded monetary debts	649,233
Notes receivable - trade	200,169	Accounts payable - trade	11,500,779
Electronically recorded monetary claims	1,064,782	Short-term loans payable	9,584
Accounts receivable - trade	13,523,986	Income taxes payable	149,382
Merchandise	1,022,256	Contract liability	426,295
Advance payments	354,226	Deposits received	360,254
Short-term loans receivable	1,520,575	Provision for directors and Audit and Supervisory Board members' bonuses	13,098
Other	405,824	Provision for bonuses	158,841
Allowance for doubtful accounts	△ 1,674	Other	152,164
Noncurrent assets	2,169,570	Noncurrent liabilities	530,382
Property, plant, and equipment	1,426,460	Provision for retirement benefits	386,212
Buildings	228,279	Provision for directors and Audit and Supervisory Board members' retirement benefits	66,320
Structures	3,334	Other	77,849
Machinery and equipment	566,715		
Vehicles	1,749		
Tools, furniture, and fixtures	27,542		
Land	598,839		
		Total liabilities	13,950,015
		Net assets	
		Shareholders' equity	6,575,524
Intangible assets	27,839	Common stock	500,000
Software	27,839	Capital surplus	15,435
		Legal capital surplus	15,435
Investments and other assets	715,270	Retained earnings	6,060,089
Investments in securities	175,904	Legal reserve	296,095
Shares of subsidiaries and associates	186,266	Other retained earnings	5,763,993
Investments in capital of subsidiaries and associates	1,070	General reserve	2,750,000
Long-term loans receivable	672	Retained earnings brought forward	3,013,993
Deferred tax assets	209,899		
Other	197,726		
Allowance for doubtful accounts	△ 56,269	Valuation and translation adjustments	△ 1,295
		Valuation difference on available-for-sale securities	△ 1,021
		Deferred gains or losses on hedges	△ 274
		Total net assets	6,574,229
Total assets	20,524,244	Total liabilities and net assets	20,524,244

* Rounded down to the nearest 1,000 yen

(Translation)

NYK Trading Corporation

Statement of Income

From April 1, 2024,
to March 31, 2025

(Unit: Thousands of yen)

Account	Amount	
Net sales		144,918,647
Cost of sales		141,993,342
Gross profit		2,925,304
Selling, general, and administrative expenses		2,133,805
Operating income		791,498
Nonoperating income		
Interest and dividend income	404,671	
Other nonoperating income	105,424	510,095
Nonoperating expenses		
Interest expenses	66,266	
Foreign exchange losses	34,355	
Loss on derivative transactions	24,357	
Inventory removal costs	20,953	
Other nonoperating expenses	48,346	194,279
Ordinary income		1,107,315
Income before income taxes		1,107,315
Income taxes - current	251,722	
Income taxes - deferred	5,011	256,733
Net income		850,582

* Rounded down to the nearest 1,000 yen

(TRANSLATION)

NYK Trading Corporation

Statement of Changes in Equity

(From April 1, 2024,
to March 31, 2025)

(Unit: Thousands of yen)

(Unit: thousands of yen)

	Shareholders' equity						
	Capital stock	Capital surplus	Retained earnings				Total shareholders' equity
		Legal capital surplus	Legal reserve	Other retained earnings		Total retained earnings	
				General reserve	Retained earnings brought forward		
Balance at beginning of the current period	500,000	15,435	296,095	2,750,000	2,667,136	5,713,232	6,228,667
Changes in items during the period							
Dividend from surplus					△ 503,725	△ 503,725	△ 503,725
Net income					850,582	850,582	850,582
Net changes in items other than shareholders' equity						-	-
Total changes in items during the period	-	-	-	-	346,857	346,857	346,857
Balance at end of the current period	500,000	15,435	296,095	2,750,000	3,013,993	6,060,089	6,575,524

* Rounded down to the nearest 1,000 yen

(Unit: Thousands of yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustment	
Balance at beginning of the current period	△ 2,016	14	△ 2,001	6,226,666
Changes in items during the period				
Dividend from surplus			-	△ 503,725
Net income			-	850,582
Net changes in items other than shareholders' equity	994	△ 288	706	706
Total changes in items during the period	994	△ 288	706	347,563
Balance at end of the current period	△ 1,021	△ 274	△ 1,295	6,574,229

* Rounded down to the nearest 1,000 yen

Notes on Specific Items

Notes on significant accounting policies

1. Evaluation criteria and evaluation method for securities investments in subsidiaries and associates are stated at cost, determined by the moving-average method.
With reference to other securities, those that have a fair value are evaluated by the fair value method, which is based on the fair value or its equivalent on the closing date (in which all of the evaluation differences are reported in a separate component of equity, net of applicable taxes, and the cost of securities sold is calculated by the moving-average method), while those that do not have a fair value are stated at cost, determined by the moving-average method.
2. The evaluation criteria for derivatives are based on the fair value method.
3. Inventories are stated at the lower of cost, determined by the moving-average method, or net selling value.
4. With reference to the depreciation method for property, plant, and equipment, the items under tools, furniture, and fixtures are based on the declining-balance method, while others are based on the straight-line method (excluding leased assets).
5. The depreciation method for intangible assets is based on the straight-line method (excluding leased assets).
Software for internal use is depreciated using the straight-line method over the estimated useful lives (five years).
6. Allowances for doubtful accounts are provided for bad debt expenses. The allowances for doubtful accounts for general accounts receivable are recorded by the general loss ratio, while for the specific accounts receivable, including doubtful accounts receivable, the expected uncollectible amounts are recorded by considering their individual collectability.
7. Provision for bonuses is allocated based on bonuses paid to the employees and is recorded based on the expected payment amounts.
8. Provision for directors and Audit and Supervisory Board members' bonuses is allocated based on bonuses paid to the directors and Audit and Supervisory Board members, and is recorded based on the expected payment amounts.
9. Provision for retirement benefits for employees is recorded based on the amount required at the end of the current period for voluntary
10. For the provision for directors, Audit and Supervisory Board members, and officers' retirement benefits, the necessary payment amount at the end of the period is recorded based on internal policies governing the payment of retirement benefits to the directors, Audit and Supervisory Board members, and the officers.
11. Recognition criteria for revenue and expenses
The contents of primary obligations and the time to recognize revenue in the primary business are as follows:
Energy business
Energy business is primarily from wholesale sales of petroleum products (i.e., marine fuels, marine lubricants, industrial fuels, and chemicals). The performance obligation is to deliver the products or finished goods based on the sales contracts made with customers. The performance obligation is deemed to have been fulfilled at the time the products or finished goods are delivered to the customer and the customer acquires control of those products or finished goods. Revenue is recognized at that time of delivery.
Machinery and instrumentation business
Machinery and instrumentation business is primarily from wholesale sales of marine equipment, machinery components, marine supplies, and service of installation.
The performance obligation is to deliver the products or finished goods based on the sales contracts made with customers. The performance obligation is deemed to have been fulfilled at the time the products or finished goods are delivered to the customer and the customer acquires control of those products or finished goods. Revenue is recognized at that time of delivery.
The performance obligation related to service is to provide installation services. The performance obligation is deemed to have been fulfilled at the time of completion of the installation service. Revenue is recognized at that time of service completion.
12. For hedge accounting, NYK Trading Corporation (the "Company") utilizes the deferred hedge treatment, in principle.
For further information, with reference to the exchange contracts that meet the required conditions under the accounting standard, the Company translates hedged foreign currency assets and liabilities at the exchange rates listed in these contracts.
13. The accounting treatment for consumption tax and other taxes is based on the tax exclusion method.
14. The Japanese group relief system is adopted.

Notes Regarding Revenue Recognition

Basic information for understanding revenue is included in the "Accounting Policies and Recognition criteria for revenue and expenses."

In addition to "revenue from contracts with customers," rental revenue is included in net sales in the statement of income because the amount is immaterial.

Notes Regarding Accounting Estimates

Items for which accounting estimates were included in the financial statements for the current fiscal year under review and that may have a significant impact on the financial statements for the next fiscal years are as follows:

Deferred tax assets

209,899 thousand yen

(TRANSLATION)

Notes on the balance sheet

1. Pledged assets and collateral-related liabilities

(1) Pledged assets

Buildings	23,102 thousand yen
Structures	252 thousand yen
Land	182,090 thousand yen

(2) Collateral-related liabilities

Accounts payable - trade	1,843,944 thousand yen
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2. Accumulated depreciation of property, plant, and equipment 1,589,262 thousand yen

3. Guarantee obligations

The Company is providing guarantees (including guarantees reservation) for trade payables to business partners with reference to the following companies:

NYKT Marine Co., Ltd.	207,897 thousand yen
AMCO Engineering Corporation	8,015 thousand yen
NYK Trading (Singapore) Pte. Ltd.	74,760 thousand yen
Total	290,672 thousand yen

4. Short-term monetary claims and obligations from/to subsidiaries and associates

Short-term monetary claims	4,281,868 thousand yen
Short-term monetary obligations	13,163 thousand yen

Notes on the statement of income

Transactions with subsidiaries

Net sales	55,266,150 thousand yen
Amount of goods purchased	161,851 thousand yen
Selling, general, and administrative expenses	△ 9,034 thousand yen
Nonbusiness transactions	475,771 thousand yen

Notes on the statement of changes in equity

1. Number of shares outstanding at the end of March in the current fiscal year

Common shares	29 shares
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2. Matters related to the dividend from surplus distributed during the current fiscal year

(1) Dividends paid during the current fiscal year

Cash dividends

Dividend declaration at the annual meeting of shareholders on June 12, 2024

Matters related to the dividend from common shares

Total dividend amount	493,725 thousand yen
Dividend amount per share	17,025,000 yen
Basis date	March 31, 2024
Effective date	June 13, 2024

Non-monetary dividends

Dividend declaration at the extraordinary general meeting of shareholders on November 25, 2024

Matters related to the dividend from common shares

Type of dividend property	Securities (Note)
Book value of dividend property	10,000 thousand yen
Dividend amount per share	344,828 yen
Basis date	-
Effective date	November 30, 2024

Note: 20,000 shares of AMCO Engineering Co., Ltd. common stock held by the Company were distributed as dividend in kind.

(2) Dividends with record dates falling within the current fiscal year, with the effective date being after the last day of the current fiscal year

Dividend declaration to be scheduled at the annual meeting of shareholders on June 11, 2025

Matters related to the dividend from common shares

Total dividend amount	638,000 thousand yen
Dividend resource	Retained earnings
Dividend amount per share	22,000,000 yen
Basis date	March 31, 2025
Effective date	June 12, 2025

(TRANSLATION)

Notes on accounting for income taxes

1. The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:

Deferred tax assets	
Allowance for doubtful accounts	18,248 thousand yen
Provision for bonuses	48,637 thousand yen
Provision for retirement benefits	121,621 thousand yen
Loss on revaluation of inventory	17,366 thousand yen
Loss on revaluation of golf memberships	21,576 thousand yen
Deferred assets	300 thousand yen
Loss on revaluation of land and other impairment loss	41,602 thousand yen
Accrued enterprise tax	8,186 thousand yen
Provision for directors and Audit and Supervisory Board members' retirement benefits	20,904 thousand yen
Deferred losses on hedges	121 thousand yen
Valuation difference on available-for-sale securities	450 thousand yen
Others	59,762 thousand yen
Total deferred tax assets	358,778 thousand yen
Amount of valuation reserve	△ 148,878 thousand yen
Net amount of deferred tax assets	209,899 thousand yen

2. The accounting treatment for tax effects accounting related to corporate income tax and local corporate tax or related to the foregoing
The Company has adopted a Japanese group relief system. In line with this, the Company conducts accounting treatment and disclosure for tax effect accounting related to corporate tax and local corporation tax in accordance with Practical Solution on Treatment of Accounting Treatment and Disclosure Under the Japanese Group Relief System (Accounting Standards Board of Japan Practical Issues Task Force No. 42, August 12, 2021).

Notes on leased noncurrent assets

In addition to the noncurrent assets recorded in the balance sheet, the Company has six vehicles and two multifunction printers, telephone systems, etc., under lease contracts, totaling eight items.

Notes on financial instruments

1. Matters related to the status of financial instruments
The Company limits fund operations to short-term deposits and equivalents and raises funds through borrowings from banks and other financial institutions.
With reference to the credit risks related to notes receivable from its customers (especially related to portions of the accounts "notes receivable - trade, electronically recorded monetary claims, and accounts receivable - trade"), the Company manages these risks in accordance with internal credit management policies.
The purpose of the borrowings is to finance working capital and equipment, and the Company manages the risk related to interest rates by conducting interest rate swap transactions against the interest rate risk of certain borrowings.
For further information, the Company conducts derivative transactions in accordance with internal control policies.
2. Matters related to the fair value and others of financial instruments
The balance sheet amounts, the fair values, and the differences for these products as of March 31, 2025, are as follows:
Unlisted stocks (the balance sheet amount of which is 175,904 thousand yen), shares of subsidiaries and associates (the balance sheet amount of which is 186,266 thousand yen), and investments in capital of subsidiaries and associates (the balance sheet amount of which is 1,070 thousand yen) do not have a fair value. As a result, such fair values cannot be reliably determined and have not been subject to fair value disclosure.
Cash and deposits, notes receivable - trade, electronically recorded monetary claims, accounts receivable - trade, short-term loans receivable, notes payable - trade, electronically recorded monetary debts, accounts payable - trade, and short-term loans payable are not disclosed because they have short maturities and their book values approximate fair value.
Long-term loans receivable and long-term loans payable with variable interest rates are not disclosed because the interest rate on these loans reflects the market rate in the short term, and such book values approximate fair value.

(Unit: Thousands of yen)

	Balance sheet amount	Fair value	Amount of difference
Derivative transactions	-32,938	-32,938	-

Note: Explanation of the valuation methods and inputs used in calculating fair values
The fair values of financial instruments are categorized into the following three levels in accordance with the observability and importance of the inputs used in the fair value calculation:

Level 1 fair value: Fair value calculated using the (unadjusted) market price in an active market for an identical asset or liability.
Level 2 fair value: Fair value calculated using inputs that are directly or indirectly observable, other than the Level 1 inputs.
Level 3 fair value: Fair value calculated using important inputs that cannot be observed.

In cases where multiple inputs that have a material effect on the calculation of the fair value are used, among the levels to which the respective inputs belong, the fair value is categorized at the level with the lowest priority in the fair value calculation.

Derivative transactions

The Company conducts interest rate swap transactions against the interest rate risk of borrowings, exchange contract transactions against the foreign exchange rate risk of receivables and payables in foreign currency, and bunker fuel oil and petroleum products' futures transactions against the fluctuating market price risk of bunker fuel oil and petroleum products.
The market values of these transactions as of the settlement date, are categorized into the Level 2 fair value. Net assets/liabilities arising from derivative transactions are calculated based on the prices presented by financial institutions and are shown as net.

(TRANSLATION)

Notes on rental and other properties

The Company has office buildings for rent in Kanagawa, Shizuoka, and Nagasaki.

The profit or loss related to the real estate for rent and other purposes for the period ended March 31, 2025, is 22,804 thousand yen. (The rent revenues are recorded in sales, while the major rent expenses are recorded in cost of sales.)

In addition, the balance sheet amount and the fair value of the real estate for rent and other purposes are as follows:

(Unit: Thousands of yen)

Balance sheet amount	Fair value
568,929	601,373

Note 1: The balance sheet amount is the acquisition cost, net of accumulated depreciation and life-to-date impairment loss.

Note 2: The fair value at the end of the current period is the amount that was internally calculated, mainly based on the "property tax valuation amount" (including the adjusted amount using indexes and other criteria).

Notes on transactions with related parties

1. Parent company

(Unit: Thousands of yen)

Attribute	Company and other names	Address	Percentage of voting rights ownership (of being owned)	Relationship with the relevant party	Details of transactions	Transaction amount	Item	Balance at end of the period
Parent company	NYK Line	Chiyoda -ku	(Owned) 100.00%	Support of funding	Sales of petroleum products and others	55,119,192	Accounts receivable - trade	2,690,446
					Interest receipt from loans receivable	5,176	Short-term loans receivable	1,346,782
				Concurrent position as executive	Interest payment from loans payable	63,242	Short-term borrowings	9,584
					Debt guarantee	1,843,944		
					Payment of guarantee fee	15,206		

Notes: Transaction conditions and policies governing transactions

1. For the sales of petroleum products and others, the price is based on the market value and other factors.
2. Consumption and other taxes are not included in the transaction amounts; however, the balance at the end of the period includes such consumption and other taxes.
3. With reference to loans receivable and payable, the interest rates are decided in a rational manner and consider market interest rates.
4. The payment of guarantee fees for trade payables is set at an annual rate of 0.2% of the maximum guaranteed amount.

2. Fellow subsidiaries and others

(Unit: Thousands of yen)

Attribute	Company and other names	Address	Percentage of voting rights ownership (of being owned)	Relationship with the relevant party	Details of transactions	Transaction amount	Item	Balance at end of the period
Subsidiary of the parent company	NYK BULK & PROJECTS CARRIERS LTD.	Chiyoda -ku	Not applicable	Not applicable	Sales of petroleum products and others	9,729,213	Accounts receivable - trade	588,763
Associate of the parent company	OCEAN NETWORK EXPRESS PTE. LTD.	Singapore	Not applicable	Not applicable	Sales of petroleum products and others	9,479,813	Accounts receivable - trade	422,252
Subsidiary of the parent company	KINKAI YUSEN KAISHA LTD.	Minato-ku	Not applicable	Not applicable	Sales of petroleum products and others	1,788,072	Accounts receivable - trade	362,398
Subsidiary of the parent company	HACHIUMA STEAMSHIP CO., LTD.	Chiyoda -ku	Not applicable	Not applicable	Sales of petroleum products and others	456,351	Accounts receivable - trade	250,125

Notes: Transaction conditions and the decision-making policy of transaction conditions

1. For the sales of petroleum products and others, the price is based on the market value and other factors.
2. Consumption and other taxes are not included in the transaction amounts; however, the balance at the end of the period includes such consumption and other taxes.

Notes on per share information

- | | |
|-------------------------|--------------------|
| 1. Net assets per share | 226,697,564.34 yen |
| 2. Net income per share | 29,330,415.89 yen |