



April 3, 2023

# Consolidated Financial Results for the Three Months Ended February 28, 2023

(Japanese Accounting Standards)

Name of listed company: **NEXTAGE Co., Ltd.**  
Stock Exchange Listings: Tokyo, Nagoya  
Stock code: 3186  
URL: <https://www.nextage.jp/>  
Representative: Koji Hamawaki, President and Representative Director, Executive Officer  
Contact person: Masashi Nomura, Director and Executive Officer  
Tel: +81-52-228-6914

Scheduled date to file Quarterly Securities Report: April 3, 2023  
Scheduled date to commence dividend payments: —  
Supplementary explanatory materials prepared: Yes  
Explanatory meeting: No

(Millions of yen with fractional amounts discarded, unless otherwise noted.)

## 1. Consolidated Financial Results for the Three Months Ended February 28, 2023 (From December 1, 2022 to February 28, 2023)

### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

|                                      | Net sales       |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|--------------------------------------|-----------------|------|------------------|--------|-----------------|--------|---|--------|
|                                      | Millions of yen | %    | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      |
| Three months ended February 28, 2023 | 117,937         | 44.7 | 1,769            | (59.6) | 1,741           | (59.7) | 1,241                                   | (59.0) |
| February 28, 2022                    | 81,507          | 29.1 | 4,382            | 56.4   | 4,325           | 58.2   | 3,029                                   | 54.6   |

Note: Comprehensive income

For the three months ended February 28, 2023: ¥1,256 million, [(58.5)%]

For the three months ended February 28, 2022: ¥3,027 million, [52.9%]

|                                      | Basic earnings per share | Diluted earnings per share |
|--------------------------------------|--------------------------|----------------------------|
| Three months ended February 28, 2023 | Yen<br>15.60             | Yen<br>—                   |
| February 28, 2022                    | 39.24                    | 39.04                      |

Note: Diluted earnings per share for the three months ended February 28, 2023 is not stated because dilutive shares do not exist.

### (2) Consolidated Financial Position

|                         | Total assets               | Net assets                | Equity ratio |
|-------------------------|----------------------------|---------------------------|--------------|
| As of February 28, 2023 | Millions of yen<br>148,302 | Millions of yen<br>55,737 | %<br>37.6    |
| November 30, 2022       | 161,259                    | 56,301                    | 34.9         |

Reference: NEXTAGE shareholders' equity

As of February 28, 2023: ¥55,737 million

As of November 30, 2022: ¥56,301 million

## 2. Cash Dividends

|  | Annual dividends per share |                |               |                 |        |
|--|----------------------------|----------------|---------------|-----------------|--------|
|  | First quarter              | Second quarter | Third quarter | Fiscal year-end | Annual |
|  | Yen                        | Yen            | Yen           | Yen             | Yen    |
| Fiscal year ended November 30, 2022              | —                          | 0.00           | —             | 24.00           | 24.00  |
| Fiscal year ending November 30, 2023             | —                          |                |               |                 |        |
| Fiscal year ending November 30, 2023 (forecasts) |                            | 0.00           | —             | 32.00           | 32.00  |

Note: Revision to the latest forecast of dividends: None

## 3. Consolidated Financial Forecasts for the Fiscal Year Ending November 30, 2023 (From December 1, 2022 to November 30, 2023)

(Percentages indicate year-on-year changes.)

|                                      | Net sales       |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      | Basic earnings per share |
|--------------------------------------|-----------------|------|------------------|------|-----------------|------|---|------|--------------------------|
|                                      | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    | Yen                      |
| Six months ending May 31, 2023       | 234,000         | 28.3 | 11,200           | 22.4 | 11,000          | 23.2 | 7,700                                   | 23.6 | 96.72                    |
| Fiscal year ending November 30, 2023 | 500,000         | 19.6 | 25,000           | 28.5 | 24,500          | 28.4 | 17,200                                  | 23.9 | 216.05                   |

Note: Revision to the latest forecast of financial results: None

Notes:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None  
New: None  
Excluded: None
- (2) Adoption of accounting method specific to preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions  
a. Changes in accounting policies due to revisions to accounting standards and other guidelines: Yes  
b. Changes in accounting policies due to reasons other than a. above: None  
c. Changes in accounting estimates: None  
d. Restatement of revisions: None
- (4) Number of common shares issued  
a. Total number of issued shares at the end of the period (including treasury stock)  
As of February 28, 2023 80,735,200 shares  
As of November 30, 2022 80,735,200 shares  
b. Number of shares of treasury stock at the end of the period  
As of February 28, 2023 1,124,764 shares  
As of November 30, 2022 1,202,522 shares  
c. Average number of shares  
For the three months ended February 28, 2023 79,573,504 shares  
For the three months ended February 28, 2022 77,201,929 shares

(Note) The Company introduced a trust-type employee stock ownership incentive plan (E-Ship) in October 2020. The number of shares of treasury stock at the end of the period includes the following number of shares of the Company held by the NEXTAGE Employee Stock Ownership Trust Account, a dedicated account for E-Ship set up with a trust bank.

As of February 28, 2023 952,300 shares

In calculation of the average number of shares, the number of shares of treasury stock deducted from the number of common shares issued includes the following number of shares of the Company owned by the above-mentioned account.

For the three months ended February 28, 2023 990,125 shares

\* This report is not subject to quarterly review by certified public accountants or audit firms.

This report is not subject to quarterly review procedures under the Financial Instruments and Exchange Act, and at the time of disclosure of the report, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act have not been completed.

\* Proper use of financial forecasts, and other special matters

Financial forecasts and other statements about the future that are included in this material are based on information currently in the possession of the Company and certain conditions judged reasonable by the Company. Actual results may differ significantly due to various factors. For notes on the conditions for financial forecasts and the use of financial forecasts, please refer to "Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 4 of the attached documentation.

## Attachment Contents

|   |   |
|---|---|
| 1. Qualitative Information on Quarterly Financial Results.....  | 2 |
| (1) Explanation of Operating Results.....   | 2 |
| (2) Explanation of Financial Position.....  | 3 |
| (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.....               | 4 |
| 2. Matters concerning the Summary Information (Notes).....  | 4 |
| (1) Changes in Significant Subsidiaries during the Consolidated Quarter.....  | 4 |
| (2) Adoption of Specific Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements..... | 4 |
| (3) Changes in Accounting Policies, Accounting Estimates and Restatement of Revisions.....                          | 4 |
| 3. Quarterly Consolidated Financial Statements and Primary Notes.....   | 5 |
| (1) Quarterly Consolidated Balance Sheets.....  | 5 |
| (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income.....  | 7 |
| (3) Notes to the Quarterly Consolidated Financial Statements.....   | 9 |
| Uncertainties of entity's ability to continue as going concern.....   | 9 |
| Notes in case of a significant change in shareholders' equity.....  | 9 |
| Changes in accounting policies.....   | 9 |
| Segment information, etc. ....  | 9 |
| Significant events after reporting period.....  | 9 |

## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the three months ended February 28, 2023, the Japanese economy has been gradually recovering as a result of various government policies, as restrictions on actions against infectious diseases have been eased and the transition to a new phase of co-existence with COVID-19 is underway. However, uncertainty about the future remains due to factors such as surging prices of raw materials and utility costs, inflation, and downward pressure on the economy.

In this environment, in the Japanese used car sales industry, domestic used car registrations from December 2022 through February 2023 were 1,333,867 vehicles (down 2.5% year on year). By vehicle type, used car registrations were 680,481 vehicles (down 4.8% year on year) for ordinary passenger cars and 653,386 vehicles (down 0.0% year on year) for kei-cars for the same period. (Source: statistical data from the Japan Automobile Dealers Association and Japan Light Motor Vehicle and Motorcycle Association.)

In this business environment, based on the management philosophy of “Be loved by Customers,” the NEXTAGE Group has operated stores with “Lifetime value” and the number of customers under management in mind.

In dealership openings, the Group opened Fukushima-Date Store, Higashi-Shizuoka Store in December 2022, Himeji Store in January 2023, and Yonago Store, which is the first in Tottori Prefecture in February 2023, all as general stores. And the Group also opened Fukushima SUV Specialist Store, and Minoh Sedan Sports Car Specialist Store in December 2022 as specialist stores. In addition, the Group opened 4 vehicle purchasing specialist stores as storefront additions to new and existing stores, as well as Kyoto-Fushimi Store, and Kurashiki Store as vehicle purchasing stores in a standalone format.

As a result, for the three months ended February 28, 2023, the Group posted net sales of ¥117,937 million (up 44.7% year on year), operating profit of ¥1,769 million (down 59.6% year on year), ordinary profit of ¥1,741 million (down 59.7% year on year), and profit attributable to owners of parent of ¥1,241 million (down 59.0% year on year).

#### Used car dealership business

In the used car dealership business, the store count as of February 28, 2023 was 144 dealership bases (comprising 228 storefronts). New store openings consisted of 1 dealership base (2 storefronts) in the Hokkaido-Tohoku region, 1 storefront in the Tokai-Hokuriku region, 3 dealership bases (3 storefronts) in the Kansai region, and 2 dealership bases (2 storefronts) in the Chugoku-Shikoku region. In addition, the Group opened 4 vehicle purchasing specialist stores as storefront additions to new and existing stores.

#### New car dealership business

In the new car dealership business, the store count as of February 28, 2023 was 21 dealership bases (comprising 23 storefronts).

As a result, the store count as of February 28, 2023 was 165 dealership bases (comprising 251 storefronts).

Regional breakdowns of net sales were as follows.

| Region           | Three months ended<br>February 28, 2022<br>(From December 1, 2021 to<br>February 28, 2022) |                               |                               | Three months ended<br>February 28, 2023<br>(From December 1, 2022 to<br>February 28, 2023) |                               |                               | Change YoY             |                               |                        |
|------------------|--|-------------------------------|-------------------------------|--|-------------------------------|-------------------------------|------------------------|-------------------------------|------------------------|
|                  | Sales<br>amount<br>(Millions<br>of yen)  | Bases at first<br>quarter-end | Sales<br>volume<br>(Vehicles) | Sales<br>amount<br>(Millions<br>of yen)  | Bases at first<br>quarter-end | Sales<br>volume<br>(Vehicles) | Sales<br>amount<br>(%) | Bases at first<br>quarter-end | Sales<br>volume<br>(%) |
| Hokkaido-Tohoku  | 7,803  | 14<br>(20)                    | 5,564                         | 15,066   | 23<br>(36)                    | 11,350                        | 193.1                  | 9<br>(16)                     | 204.0                  |
| Kanto-Koshinetsu | 21,037   | 33<br>(50)                    | 13,521                        | 32,592   | 42<br>(66)                    | 20,877                        | 154.9                  | 9<br>(16)                     | 154.4                  |
| Tokai-Hokuriku   | 26,516   | 39<br>(54)                    | 15,923                        | 32,751   | 44<br>(64)                    | 21,194                        | 123.5                  | 5<br>(10)                     | 133.1                  |
| Kansai           | 12,883   | 20<br>(28)                    | 8,017                         | 17,675   | 27<br>(39)                    | 11,283                        | 137.2                  | 7<br>(11)                     | 140.7                  |
| Chugoku-Shikoku  | 2,337  | 5<br>(8)                      | 1,750                         | 4,925  | 10<br>(15)                    | 4,419                         | 210.7                  | 5<br>(7)                      | 252.5                  |
| Kyushu-Okinawa   | 10,928   | 16<br>(26)                    | 7,623                         | 14,927   | 19<br>(31)                    | 10,736                        | 136.6                  | 3<br>(5)                      | 140.8                  |
| Total            | 81,507   | 127<br>(186)                  | 52,398                        | 117,937  | 165<br>(251)                  | 79,859                        | 144.7                  | 38<br>(65)                    | 152.4                  |

- Notes: 1. Consumption and other sales taxes were not included in the amounts above.  
2. The regions were composed of the following prefectures in which the Group has bases.  
Hokkaido-Tohoku: Hokkaido, Aomori Prefecture, Akita Prefecture, Iwate Prefecture, Miyagi Prefecture, Yamagata Prefecture, Fukushima Prefecture  
Kanto-Koshinetsu: Ibaraki Prefecture, Tochigi Prefecture, Gunma Prefecture, Saitama Prefecture, Chiba Prefecture, Metropolitan Tokyo, Kanagawa Prefecture, Yamanashi Prefecture, Nagano Prefecture, Niigata Prefecture  
Tokai-Hokuriku: Gifu Prefecture, Aichi Prefecture, Mie Prefecture, Shizuoka Prefecture, Toyama Prefecture, Ishikawa Prefecture, Fukui Prefecture  
Kansai: Shiga Prefecture, Kyoto Prefecture, Osaka Prefecture, Hyogo Prefecture, Nara Prefecture, Wakayama Prefecture  
Chugoku-Shikoku: Okayama Prefecture, Hiroshima Prefecture, Tottori Prefecture, Shimane Prefecture, Yamaguchi Prefecture, Ehime Prefecture, Kochi Prefecture  
Kyushu-Okinawa: Fukuoka Prefecture, Nagasaki Prefecture, Kumamoto Prefecture, Oita Prefecture, Miyazaki Prefecture, Kagoshima Prefecture, Okinawa Prefecture  
3. Figures in parentheses under bases at first quarter-end represent the number of storefronts. The number of dealership bases varies from the number of storefronts because a dealership base may have multiple storefronts by department.

## (2) Explanation of Financial Position

Total assets as of February 28, 2023 were ¥148,302 million, a decrease of ¥12,957 million from the previous fiscal year-end.

Total current assets decreased by ¥16,613 million from the previous fiscal year-end to ¥94,544 million. The main contributing factor were decrease of ¥1,021 million in cash and deposits and ¥15,053 million in merchandise.

Total non-current assets increased by ¥3,655 million from the previous fiscal year-end to ¥53,758 million. The main contributing factor was an increase of ¥3,384 million in property, plant and equipment, primarily in connection with the opening of new stores.

Total current liabilities decreased by ¥11,849 million from the previous fiscal year-end to ¥40,874 million. The main contributing factors were decreases of ¥839 million in accounts payable – trade and ¥9,302 million in short-term borrowings.

Total non-current liabilities decreased by ¥543 million from the previous fiscal year-end to ¥51,690 million.

Total net assets decreased by ¥564 million from the previous fiscal year-end to ¥55,737 million.

**(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information**

No changes have been made to the consolidated financial forecast for the fiscal year ending November 30, 2023 announced in “Consolidated Financial Results for the Fiscal Year Ended November 30, 2022” on January 5, 2023.

**2. Matters concerning the Summary Information (Notes)**

**(1) Changes in Significant Subsidiaries during the Consolidated Quarter**

None

**(2) Adoption of Specific Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements**

None

**(3) Changes in Accounting Policies, Accounting Estimates and Restatement of Revisions**

For changes in accounting policies, please refer to “(Changes in accounting policies)” under “(3) Notes to the Quarterly Consolidated Financial Statements” in “3. Quarterly Consolidated Financial Statements and Primary Notes.”

### 3. Quarterly Consolidated Financial Statements and Primary Notes

#### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

|   | Fiscal 2022<br>(As of November 30, 2022) | First three months of fiscal 2023<br>(As of February 28, 2023) |
|---|--|--|
| <b>Assets</b>                           |  |  |
| Current assets                          |  |  |
| Cash and deposits                       | 19,845                                   | 18,824   |
| Accounts receivable – trade             | 12,829                                   | 12,684   |
| Merchandise                             | 72,563                                   | 57,509   |
| Work in process                         | 160                                      | 183  |
| Supplies                                | 709                                      | 675  |
| Other                                   | 5,057                                    | 4,674  |
| Allowance for doubtful accounts         | (8)                                      | (8)  |
| Total current assets                    | 111,157                                  | 94,544   |
| Non-current assets                      |  |  |
| Property, plant and equipment           |  |  |
| Buildings and structures, net           | 31,489                                   | 33,213   |
| Other, net                              | 9,336                                    | 10,997   |
| Total property, plant and equipment     | 40,826                                   | 44,210   |
| Intangible assets                       | 668                                      | 647  |
| Investments and other assets            | 8,607                                    | 8,900  |
| Total non-current assets                | 50,102                                   | 53,758   |
| Total assets                            | 161,259                                  | 148,302  |
| <b>Liabilities</b>                      |  |  |
| Current liabilities                     |  |  |
| Accounts payable – trade                | 7,300                                    | 6,460  |
| Short-term borrowings                   | 20,923                                   | 11,621   |
| Current portion of long-term borrowings | 7,438                                    | 7,107  |
| Lease obligations                       | 33                                       | 17   |
| Income taxes payable                    | 3,595                                    | 412  |
| Provision for bonuses                   | —  | 758  |
| Asset retirement obligations            | 73                                       | 73   |
| Other                                   | 13,358                                   | 14,424   |
| Total current liabilities               | 52,723                                   | 40,874   |
| Non-current liabilities                 |  |  |
| Long-term borrowings                    | 48,015                                   | 46,585   |
| Lease obligations                       | 113                                      | 56   |
| Asset retirement obligations            | 1,830                                    | 1,911  |
| Other                                   | 2,274                                    | 3,137  |
| Total non-current liabilities           | 52,234                                   | 51,690   |
| Total liabilities                       | 104,958                                  | 92,565   |



(Millions of yen)

|   | Fiscal 2022<br>(As of November 30, 2022) | First three months of fiscal 2023<br>(As of February 28, 2023) |
|---|--|--|
| Net assets  |  |  |
| Shareholders' equity                                  |  |  |
| Share capital   | 8,036                                    | 8,036  |
| Capital surplus                                       | 13,494                                   | 13,494   |
| Retained earnings                                     | 36,544                                   | 35,852   |
| Treasury shares                                       | (1,619)                                  | (1,506)  |
| Total shareholders' equity                            | 56,456                                   | 55,876   |
| Accumulated other comprehensive income                |  |  |
| Valuation difference on available-for-sale securities | 8  | 5  |
| Remeasurements of defined benefit plans               | (162)                                    | (144)  |
| Total accumulated other comprehensive income          | (154)                                    | (139)  |
| Total net assets                                      | 56,301                                   | 55,737   |
| Total liabilities and net assets                      | 161,259                                  | 148,302  |

**(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income**

**Quarterly Consolidated Statements of Income**

**First Three Months**

(Millions of yen)

|  | First three months of fiscal 2022<br>(From December 1, 2021<br>to February 28, 2022) | First three months of fiscal 2023<br>(From December 1, 2022<br>to February 28, 2023) |
|--|--|--|
| Net sales                                    | 81,507   | 117,937  |
| Cost of sales                                | 65,813   | 100,257  |
| Gross profit                                 | 15,694   | 17,680   |
| Selling, general and administrative expenses | 11,312   | 15,911   |
| Operating profit                             | 4,382  | 1,769  |
| Non-operating income                         |  |  |
| Insurance claim income                       | 5  | 8  |
| Subsidy income                               | 14   | 20   |
| Gain on sales of scraps                      | 5  | 6  |
| Other  | 32   | 41   |
| Total non-operating income                   | 57   | 77   |
| Non-operating expenses                       |  |  |
| Interest expenses                            | 57   | 69   |
| Rent cost                                    | 2  | 0  |
| Commission expenses                          | 10   | 5  |
| Other  | 44   | 28   |
| Total non-operating expenses                 | 114  | 104  |
| Ordinary profit                              | 4,325  | 1,741  |
| Profit before income taxes                   | 4,325  | 1,741  |
| Income taxes – current                       | 669  | 243  |
| Income taxes – deferred                      | 626  | 257  |
| Total income taxes                           | 1,296  | 500  |
| Profit                                       | 3,029  | 1,241  |
| Profit attributable to owners of parent      | 3,029  | 1,241  |

## Quarterly Consolidated Statements of Comprehensive Income

### First Three Months

(Millions of yen)

|  | First three months of fiscal 2022<br>(From December 1, 2021<br>to February 28, 2022) | First three months of fiscal 2023<br>(From December 1, 2022<br>to February 28, 2023) |
|--|--|--|
| Profit   | 3,029  | 1,241  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 2  | (2)  |
| Remeasurements of defined benefit plans, net of tax            | (4)  | 18   |
| Total other comprehensive income                               | (2)  | 15   |
| Comprehensive income   | 3,027  | 1,256  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 3,027  | 1,256  |
| Comprehensive income attributable to non-controlling interests | —  | —  |

**(3) Notes to the Quarterly Consolidated Financial Statements  
(Uncertainties of entity's ability to continue as going concern)**

None

**(Notes in case of a significant change in shareholders' equity)**

None

**(Changes in accounting policies)**

**Application of the Accounting Standard for Fair Value Measurement**

The Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31; June 17, 2021; hereinafter, the "Fair Value Accounting Standards") since the beginning of the first quarter of this fiscal year. In accordance with the transitional treatment set forth in paragraph 27-2 of the Fair Value Accounting Standards, the Company has applied the new accounting policies set forth by the Fair Value Accounting Standard prospectively. There is no effect on the quarterly consolidated financial statements by applying the standard.

**(Segment information, etc.)**

Segment information is omitted as the Group has only a single segment, which is engaged in automobile sales and associated services.

**(Significant events after reporting period)**

None