



April 1, 2024

Consolidated Financial Results for the Three Months Ended February 29, 2024

(Japanese Accounting Standards)

Name of listed company: **NEXTAGE Co., Ltd.**
Stock Exchange Listings: Tokyo, Nagoya
Stock code: 3186
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Scheduled date to file Quarterly Securities Report: April 1, 2024
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 29, 2024 (From December 1, 2023 to February 29, 2024)

(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 29, 2024	119,457	1.3	2,215	25.2	2,114	21.4	1,458	17.5
February 28, 2023	117,937	44.7	1,769	(59.6)	1,741	(59.7)	1,241	(59.0)

Note: Comprehensive income

For the three months ended February 29, 2024: ¥1,472 million, [17.2%]

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

	Basic earnings per share	Diluted earnings per share
Three months ended February 29, 2024	Yen 18.23	Yen —
February 28, 2023	Yen 15.60	Yen —

Note: Diluted earnings per share is not stated because dilutive shares do not exist.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of February 29, 2024	Millions of yen 206,129	Millions of yen 65,543	% 31.8
November 30, 2023	Millions of yen 177,497	Millions of yen 66,504	% 37.5

Reference: NEXTAGE shareholders' equity

As of February 29, 2024: ¥65,543 million

As of November 30, 2023: ¥66,504 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, 2023	—	0.00	—	32.00	32.00
Fiscal year ending November 30, 2024	—				
Fiscal year ending November 30, 2024 (forecasts)		0.00	—	33.00	33.00

Note: Revision to the latest forecast of dividends: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending November 30, 2024 (From December 1, 2023 to November 30, 2024)

(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, 2024	262,000	14.0	8,000	0.4	7,900	1.4	5,600	(1.4)	70.08
Fiscal year ending November 30, 2024	545,000	17.6	20,000	24.3	19,700	24.9	14,000	21.1	175.20

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: None
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 29, 2024 80,766,200 shares
As of November 30, 2023 80,766,200 shares
b. Number of shares of treasury stock at the end of the period
As of February 29, 2024 755,863 shares
As of November 30, 2023 855,736 shares
c. Average number of shares
For the three months ended February 29, 2024 79,959,425 shares
For the three months ended February 28, 2023 79,573,504 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 29, 2024 570,300 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 29, 2024 620,975 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.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended February 29, 2024, the Japanese economy has been gradually recovering thanks to the effects of various government policies such as improvement in the employment and income environment. However, it is necessary to mind commodity prices rise, fluctuations in financial and capital markets, and other factors.

Besides above, in the Japanese used car sales industry, domestic used car registrations from December 2023 through February 2024 were 1,424,524 vehicles (up 6.8% year on year). By vehicle type, used car registrations were 748,439 vehicles (up 10.0% year on year) for ordinary passenger cars and 676,085 vehicles (up 3.5% 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.)

NEXTAGE Group has changed the management philosophy to “The Car Dealer Loved by Everyone,” to enhance our corporate value by enhanced business management with the perspective of our stakeholders.

In dealership openings in terms of the three months ended February 29, 2024, the Group opened Minami-Saga Store as a general store. The Group also opened 2 SUV LAND stores, SUV LAND Funabashi-Narashino store and SUV LAND Chiba-Kashiwa store. Nishi-Akashi store was opened as a vehicle purchasing stores in a standalone format, although 4 vehicle purchasing specialist stores were established with new store openings in total.

As a result, for the three months ended February 29, 2024, the Group posted net sales of ¥119,457 million (up 1.3% year on year), operating profit of ¥2,215 million (up 25.2% year on year), ordinary profit of ¥2,114 million (up 21.4% year on year), and profit attributable to owners of parent of ¥1,458 million (up 17.5% year on year).

Used car dealership business

In the used car dealership business, the store count as of February 29, 2024 was 173 dealership bases (comprising 274 storefronts). New store openings consisted of 2 dealership bases (2 storefronts) in the Kanto-Koshinetsu region, 1 dealership base (1 storefront) in the Kansai region, and 1 dealership base (1 storefront) in the Kyushu-Okinawa region. In addition, the Group opened 3 vehicle purchasing specialist stores within new storefronts. On the other hand, 1 dealership base (1 storefront) and 1 storefront were integrated into the other existing store in the Tokai-Hokuriku region and the Kansai region respectively.

New car dealership business

In terms of the new car dealership business, 2 dealership bases have left our group by making business transfers in the Kyushu-Okinawa region. The fact of Nextage group acquiring the shares of the subsidiary increased the store numbers we have in the Kanto-Koshinetsu region by 9 dealership bases (9 storefronts) and by 16 dealership bases (16 storefronts) in the Tokai-Hokuriku region leading the store count as of February 29, 2024, up to 46 dealership bases (comprising 49 storefronts). The fiscal result of the three months ended February 29, 2024 only includes the balance sheet of acquired subsidiary. This means that the quarterly consolidated statement of income does not include the business results of the company.

As a result, the store count as of February 29, 2024 was 219 dealership bases (comprising 323 storefronts).

Regional breakdowns of net sales were as follows.

Region	Three months ended February 28, 2023 (From December 1, 2022 to February 28, 2023)			Three months ended February 29, 2024 (From December 1, 2023 to February 29, 2024)			Change YoY		
	Sales amount (Millions of yen)	Bases at first quarter-end	Sales volume (Vehicles)	Sales amount (Millions of yen)	Bases at first quarter-end	Sales volume (Vehicles)	Sales amount (%)	Bases at first quarter-end	Sales volume (%)
Hokkaido-Tohoku	15,066	23 (36)	11,350	15,410	31 (50)	12,944	102.3	8 (14)	114.0
Kanto-Koshinetsu	32,592	42 (66)	20,877	33,518	58 (87)	24,038	102.8	16 (21)	115.1
Tokai-Hokuriku	32,751	44 (64)	21,194	33,283	66 (89)	22,807	101.6	22 (25)	107.6
Kansai	17,675	27 (39)	11,283	16,073	29 (40)	11,909	90.9	2 (1)	105.5
Chugoku-Shikoku	4,925	10 (15)	4,419	8,091	14 (23)	8,211	164.3	4 (8)	185.8
Kyushu-Okinawa	14,927	19 (31)	10,736	13,079	21 (34)	11,623	87.6	2 (3)	108.3
Total	117,937	165 (251)	79,859	119,457	219 (323)	91,532	101.3	54 (72)	114.6

Notes: 1. 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, Kagawa Prefecture, Kochi Prefecture
- Kyushu-Okinawa: Fukuoka Prefecture, Saga Prefecture, Nagasaki Prefecture, Kumamoto Prefecture, Oita Prefecture, Miyazaki Prefecture, Kagoshima Prefecture, Okinawa Prefecture

2. 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 29, 2024 were ¥206,129 million, a increase of ¥28,632 million from the previous fiscal year-end.

Total current assets increased by ¥15,100 million from the previous fiscal year-end to ¥123,690 million. The main contributing factors were increases of ¥8,311 million in cash and deposits and ¥6,306 million in merchandise.

Total non-current assets increased by ¥13,532 million from the previous fiscal year-end to ¥82,439 million. The main contributing factor was an increase of ¥9,378 million in property, plant and equipment, primarily in connection with the opening of new stores.

Total current liabilities increased by ¥11,166 million from the previous fiscal year-end to ¥69,723 million. The main contributing factors were increases of ¥5,161 million in accounts payable – trade and ¥4,613 million in short-term borrowings.

Total non-current liabilities increased by ¥18,426 million from the previous fiscal year-end to ¥70,862 million. The main contributing factor was an increase of ¥16,864 million in long-term borrowings.

Total net assets decreased by ¥961 million from the previous fiscal year-end to ¥65,543 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, 2024 announced in “Consolidated Financial Results for the Fiscal Year Ended November 30, 2023” on January 9, 2024.

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

None

3. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2023 (As of November 30, 2023)	First three months of fiscal 2024 (As of February 29, 2024)
Assets		
Current assets		
Cash and deposits	29,630	37,942
Accounts receivable – trade	11,475	13,667
Merchandise	58,586	64,893
Work in process	281	531
Supplies	722	1,203
Other	7,902	5,483
Allowance for doubtful accounts	(9)	(31)
Total current assets	108,589	123,690
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	42,532	46,616
Other, net	14,211	19,505
Total property, plant and equipment	56,744	66,122
Intangible assets		
Goodwill	4	3,671
Other	641	633
Total intangible assets	646	4,305
Investments and other assets	11,516	12,011
Total non-current assets	68,907	82,439
Total assets	177,497	206,129
Liabilities		
Current liabilities		
Accounts payable – trade	6,848	12,009
Short-term borrowings	22,129	26,742
Current portion of long-term borrowings	8,010	11,509
Lease obligations	4	94
Income taxes payable	2,487	597
Provision for bonuses	—	955
Asset retirement obligations	73	73
Other	19,002	17,740
Total current liabilities	58,556	69,723
Non-current liabilities		
Long-term borrowings	47,266	64,130
Lease obligations	11	256
Asset retirement obligations	2,182	2,481
Other	2,975	3,993
Total non-current liabilities	52,435	70,862
Total liabilities	110,992	140,586

(Millions of yen)

	Fiscal 2023 (As of November 30, 2023)	First three months of fiscal 2024 (As of February 29, 2024)
Net assets		
Shareholders' equity		
Share capital	8,084	8,084
Capital surplus	13,542	13,542
Retained earnings	46,168	45,047
Treasury shares	(1,102)	(957)
Total shareholders' equity	66,691	65,716
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	15
Remeasurements of defined benefit plans	(197)	(187)
Total accumulated other comprehensive income	(186)	(172)
Total net assets	66,504	65,543
Total liabilities and net assets	177,497	206,129

(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 2023 (From December 1, 2022 to February 28, 2023)	First three months of fiscal 2024 (From December 1, 2023 to February 29, 2024)
Net sales	117,937	119,457
Cost of sales	100,257	98,256
Gross profit	17,680	21,201
Selling, general and administrative expenses	15,911	18,986
Operating profit	1,769	2,215
Non-operating income		
Insurance claim income	8	2
Subsidy income	20	5
Gain on sales of scraps	6	14
Other	41	63
Total non-operating income	77	85
Non-operating expenses		
Interest expenses	69	70
Rent cost	0	0
Commission expenses	5	85
Other	28	29
Total non-operating expenses	104	186
Ordinary profit	1,741	2,114
Profit before income taxes	1,741	2,114
Income taxes – current	243	367
Income taxes – deferred	257	289
Total income taxes	500	656
Profit	1,241	1,458
Profit attributable to owners of parent	1,241	1,458

Quarterly Consolidated Statements of Comprehensive Income

First Three Months

(Millions of yen)

	First three months of fiscal 2023 (From December 1, 2022 to February 28, 2023)	First three months of fiscal 2024 (From December 1, 2023 to February 29, 2024)
Profit	1,241	1,458
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	4
Remeasurements of defined benefit plans, net of tax	18	10
Total other comprehensive income	15	14
Comprehensive income	1,256	1,472
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,256	1,472
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

(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