



June 14, 2024

To whom it may concern:

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Representative	Katsuhisa Kinoshita Representative Director & President Stock code: 2930 Prime Market, Tokyo Stock Exchange SAPPORO SECURITIES EXCHANGE
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### **Notice of Waiver of Claims against Consolidated Subsidiary and Transfer of Shares Involving a Change in Said Consolidated Subsidiary**

Kitanotatsujin Corporation (the “Company”) hereby announces that at a Board of Directors’ Meeting held on June 14, 2024, a resolution was passed to waive claims against FM NORTH WAVE CO., LTD. (“FM NORTH WAVE”), a consolidated subsidiary of the Company (the “Waiver of Claims”), and to transfer all shares of FM NORTH WAVE held by the Company (the “Share Transfer”), as described below. As a result of the Share Transfer, FM NORTH WAVE will be excluded from the scope of consolidation of the Company’s group.

#### 1. Reasons of the Waiver of Claims and the Share Transfer

The Company’s core business is the Health & Beauty Care business, which sells its proprietary brands of health and beauty products and beauty appliances. In March 2021, the Company acquired the shares of FM NORTH WAVE, an FM radio station with a broadcast area covering Hokkaido, which is engaged in basic radio broadcasting, advertising broadcasting, production and sales of broadcast programs, etc. The Company has been striving to attract new customers outside of its main customer base of online purchasers through production of radio programs and public relations activities by broadcasting for the purpose of fostering the corporate brand, and production of online shopping radio programs targeted at the Company’s expected customer base. As a result, the Company was able to achieve a certain level of synergy, especially in collaboration with its consolidated subsidiary SALONMOON Co., Ltd.

On the other hand, since the Company is engaged in online mail-order sales and has a nationwide commercial sphere, the Tokyo Branch Office was renamed and opened as the Tokyo Head Office in July 2022, and a number of management functions were transferred from Sapporo to Tokyo. Consequently, it has gradually become difficult for the Company to achieve further mutual development through the creation of synergy with FM NORTH WAVE, a community-based business in the Hokkaido area. Therefore, for the further development of FM NORTH WAVE, the Company has been considering the transfer of shares to a company that is more closely connected to the Hokkaido area.

Under these circumstances, the Company has decided to transfer all of its shares in FM NORTH WAVE to Yamachi United Co., Ltd., which is based in Hokkaido, operates approximately 50 businesses, and has highly evaluated the synergy of leveraging FM NORTH WAVE’s expertise in audio content production and its brand value. In addition, the Company has decided to waive all of its loans receivable and accrued interest to FM NORTH WAVE in order to proceed with the Share Transfer.

2. Overview of the subsidiary to be changed

(1) Company name	FM NORTH WAVE CO., LTD.		
(2) Location	4-3-1 Kita-7-jonishi, Kita-ku, Sapporo		
(3) Job title and name of representative	Representative Director & President Maki Iimori		
(4) Description of business	Main station broadcast and advertising broadcast via VHF radio, production and sales of broadcast programs, and sales of broadcast time, etc.		
(5) Share capital	10 million yen		
(6) Established	September 16, 1992		
(7) Principal shareholders and shareholding ratio	Kitanotatsujin Corporation 72.8% Other 25 shareholders 27.1%		
(8) Relationship between the company and the Company	Capital relationship	The Company holds 72.8% of the shares of the company.	
	Personnel relationship	Three Directors of the Company concurrently serve as Directors of the company. In addition, one employee of the Company concurrently serves as a Corporate Auditor of the company.	
	Business relationship	The Company conducts transactions with the company, such as loans of funds.	
(9) Operating results and financial position of the company for the past three years	(Thousands of yen)		
Accounting period	Fiscal year ended February 28, 2022	Fiscal Year ended February 28, 2023	Fiscal Year ended February 29, 2024
Net assets	(117,682)	(124,356)	(143,065)
Total assets	218,289	182,705	278,386
Net assets per share (Yen)	(18,478.04)	(19,525.86)	(22,463.54)
Net sales	391,389	498,184	500,278
Operating profit	(17,677)	3,056	(17,133)
Ordinary profit	(19,880)	1,234	(18,569)
Profit	(129,188)	(6,673)	(18,709)
Earnings per share (Yen)	(20,284.62)	(1,047.83)	(2,937.67)

Notes 1. Representative Director & President Maki Iimori's name on the family register is Maki Kato.

2. The fiscal year ended February 28, 2022 had an irregular closing (11 months from April 1, 2021 to February 28, 2022) due to a change in the accounting period.

### 3. Overview of the counterparty to the Share Transfer

(1) Company name	Yamachi United Co., Ltd.	
(2) Location	10-1-17 Kita-1-jonishi, Chuo-ku, Sapporo	
(3) Job title and name of representative	Representative Director and CEO Akio Yamachi	
(4) Description of business	Corporate incubation business, real estate management business, overall management of the group, etc.	
(5) Share capital	61 million yen	
(6) Established	March 1, 1958	
(7) Net assets	982,433 thousand yen (as of February 29, 2024)	
(8) Total assets	1,046,188 thousand yen (as of February 29, 2024)	
(9) Relationship between the company and the Company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Status of applicability to the related party	Not applicable

### 4. Number of shares transferred, transfer price, and status of shares held before and after transfer

(1) Number of shares held before transfer	4,642 shares (Number of voting rights: 4,642, Percentage of voting rights held: 72.8%)
(2) Number of shares transferred	4,642 shares (Number of voting rights: 4,642)
(3) Transfer price	Based on the confidentiality obligation in the share transfer agreement, the Company will refrain from disclosing this information.
(4) Number of shares held after transfer	0 shares (Number of voting rights: 0, Percentage of voting rights held: 0%)

### 5. Details of the Waiver of Claims

(1) Types of claims	Loans receivable and accrued interest
(2) Amount of claims to be waived	174,291 thousand yen
(3) Status of allowance	143,065 thousand yen (as of February 29, 2024)

### 6. Timetable

(1) Date of Board of Directors' resolution	June 14, 2024
(2) Date of agreement	June 14, 2024
(3) Execution date of the Share Transfer and the Waiver of Claims	July 31, 2024 (scheduled)

## 7. Future outlook

Of the 174,291 thousand yen in claims to be waived against FM NORTH WAVE, 143,065 thousand yen has been recorded as allowance for doubtful accounts in the non-consolidated financial statements by the fiscal year ended February 29, 2024, and therefore, the impact of the Waiver of Claims on the non-consolidated financial results for the fiscal year ending February 28, 2025 is expected to be minimal. Since it will be offset and eliminated in the consolidated financial statements, there will be no impact of the Waiver of Claims on the consolidated financial results for the fiscal year ending February 28, 2025.

Although FM NORTH WAVE will be excluded from the scope of consolidation of the Company's group as a result of the Share Transfer, the impact of the Share Transfer on the consolidated and non-consolidated financial results for the fiscal year ending February 28, 2025 is currently under careful examination. Should any matters arise that should be disclosed in the future, the Company will promptly announce them.

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