



October 7, 2024

Consolidated Financial Results for the Nine Months Ended August 31, 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 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 Nine Months Ended August 31, 2024 (From December 1, 2023 to August 31, 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	%
Nine months ended August 31, 2024	401,412	14.9	10,184	(29.5)	9,707	(31.6)	6,929	(32.3)
August 31, 2023	349,223	20.7	14,439	(2.1)	14,200	(2.4)	10,236	(0.9)

Note: Comprehensive income

For the Nine months ended August 31, 2024: ¥6,958 million, [(32.2)%]

For the Nine months ended August 31, 2023: ¥10,268 million, [(0.8)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended August 31, 2024	Yen 86.53	Yen —
August 31, 2023	128.49	—

Note: Diluted earnings per share for the Nine months ended August 31, 2024 is not stated because dilutive shares do not exist.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of August 31, 2024	Millions of yen 214,355	Millions of yen 71,419	% 33.3
November 30, 2023	177,497	66,504	37.5

Reference: NEXTAGE shareholders' equity

As of August 31, 2024: ¥71,419 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	—	0.00	—		
Fiscal year ending November 30, 2024 (forecasts)				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
Fiscal year ending November 30, 2024	540,000	16.5	12,500	(22.3)	11,800	(25.2)	8,500	(26.4)	106.14

Note: Revision to the latest forecast of financial results: Yes

Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

New: ALC Co., Ltd.
ALC Motoren Co., Ltd.
ADVANCE Co., Ltd.
ALC Speciale Co., Ltd.
ALC Motoren Tokyo Co., Ltd.

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 August 31, 2024 80,809,800 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 August 31, 2024 557,941 shares

As of November 30, 2023 855,736 shares

c. Average number of shares

For the nine months ended August 31, 2024 80,083,025 shares

For the nine months ended August 31, 2023 79,673,164 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 August 31, 2024 370,100 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 nine months ended August 31, 2024 523,050 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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 nine months ended August 31, 2024, the Japanese economy has been gradually recovering thanks to the effects of various government policies such as improvement in employment and the income environment. However, there is a potential risk with downward overseas economy dragging Japanese economy also negatively. Yet, it is still necessary to mind commodity prices rise, the Middle East situation, fluctuations in financial and capital markets, and other factors.

Under these circumstances, in Japanese used car sales industry, domestic used car registrations from December 2023 through August 2024 were 4,565,036 vehicles (up 1.9% year on year). By vehicle type, used car registrations were 2,409,111 vehicles (up 4.4% year on year) for ordinary passenger cars and 2,155,925 vehicles (down 0.8% 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 third quarter of the fiscal year ending November 30, 2024, the Group opened Takamatsu store in July 2024 and Nobeoka store in August 2024, both as a general store. 2 vehicle purchasing specialist stores were opened with opening of new large stores. Toyama-Shinjo store, Tsuruoka store, and Kisarazu 16-bypass store were opened as a vehicle purchasing store in a standalone format.

As a result, for the nine months ended August 31, 2024, the Group posted net sales of ¥401,412 million (up 14.9% year on year), operating profit of ¥10,184 million (down 29.5% year on year), ordinary profit of ¥9,707 million (down 31.6% year on year), and profit attributable to owners of parent of ¥6,929 million (down 32.3% year on year).

Used car dealership business

In the used car dealership business, the store count as of August 31, 2024 was 180 dealership bases (comprising 284 storefronts). New store openings consisted of 1 dealership base (1 storefront) in the Hokkaido-Tohoku region, 1 dealership base (1 storefront) in the Kanto-Koshinetsu region, 1 dealership base (1 storefront) in the Tokai-Hokuriku region, 1 dealership base (1 storefront) in the Chugoku-Shikoku region, and 1 dealership base (1 storefront) in the Kyushu-Okinawa region. In addition, the Group opened 2 vehicle purchasing specialist stores as storefront additions to new stores. 1 store in the Chugoku-Shikoku region was integrated by its business-style changing.

New car dealership business

In the new car dealership business, the store count as of August 31, 2024 was 48 dealership bases (comprising 51 storefronts).

As a result, the store count as of August 31, 2024 was 228 dealership bases (comprising 335 storefronts).

Regional breakdowns of net sales were as follows.

Region	Nine months ended August 31, 2023 (From December 1, 2022 to August 31, 2023)			Nine months ended August 31, 2024 (From December 1, 2023 to August 31, 2024)			Change YoY		
	Sales amount (Millions of yen)	Bases at third quarter-end	Sales volume (Vehicles)	Sales amount (Millions of yen)	Bases at third quarter-end	Sales volume (Vehicles)	Sales amount (%)	Bases at third quarter-end	Sales volume (%)
Hokkaido-Tohoku	47,210	29 (47)	38,040	52,536	32 (52)	44,790	111.3	3 (5)	117.7
Kanto-Koshinetsu	93,451	46 (73)	64,891	112,221	61 (90)	78,439	120.1	15 (17)	120.9
Tokai-Hokuriku	98,718	48 (69)	66,086	114,996	68 (92)	73,422	116.5	20 (23)	111.1
Kansai	51,069	28 (40)	35,489	54,104	30 (41)	39,794	105.9	2 (1)	112.1
Chugoku-Shikoku	15,639	11 (17)	15,624	26,263	15 (24)	26,296	167.9	4 (7)	168.3
Kyushu-Okinawa	43,132	21 (33)	33,835	41,289	22 (36)	36,129	95.7	1 (3)	106.8
Total	349,223	183 (279)	253,965	401,412	228 (335)	298,870	114.9	45 (56)	117.7

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 third 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 August 31, 2024 were ¥214,355 million, an increase of ¥36,858 million from the previous fiscal year-end.

Total current assets increased by ¥16,320 million from the previous fiscal year-end to ¥124,910 million. The main contributing factor was an increase of ¥11,381 million in merchandise.

Total non-current assets increased by ¥20,537 million from the previous fiscal year-end to ¥89,445 million. The main contributing factor was an increase of ¥15,344 million in property, plant and equipment, primarily in connection with the opening of new stores.

Total current liabilities increased by ¥3,025 million from the previous fiscal year-end to ¥61,582 million. This is due to the increases in accounts payable -trade by ¥5,776 million and current portion of long-term borrowings by 6,521 million on the other hand that short-term borrowings decreased by 7,083 million.

Total non-current liabilities increased by ¥28,918 million from the previous fiscal year-end to ¥81,354 million. The main contributing factor was an increase of ¥20,888 million in long-term borrowings.

Total net assets increased by ¥4,914 million from the previous fiscal year-end to ¥71,419 million.

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

Consolidated financial forecasts for the fiscal year ending November 30, 2024 have been revised from the projections announced in “Consolidated Financial Results for the Fiscal Year Ended November 30, 2023” on January 9, 2024. For details, please refer to “Notice Regarding Revision of Financial Forecast” announced today (October 7, 2024).

2. Matters concerning the Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Consolidated Quarter

During the Consolidated Quarter, we have acquired ALC Co., Ltd., thus this includes that and those of 4 companies which are subsidiaries of ALC Co., Ltd.

(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 nine months of fiscal 2024 (As of August 31, 2024)
Assets		
Current assets		
Cash and deposits	29,630	29,459
Accounts receivable -trade	11,475	17,638
Merchandise	58,586	69,967
Work in process	281	826
Supplies	722	1,304
Other	7,902	5,743
Allowance for doubtful accounts	(9)	(30)
Total current assets	108,589	124,910
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	42,532	51,404
Other, net	14,211	20,684
Total property, plant and equipment	56,744	72,089
Intangible assets		
Goodwill	4	3,515
Other	641	596
Total intangible assets	646	4,111
Investments and other assets	11,516	13,244
Total non-current assets	68,907	89,445
Total assets	177,497	214,355
Liabilities		
Current liabilities		
Accounts payable -trade	6,848	12,624
Short-term borrowings	22,129	15,046
Current portion of long-term borrowings	8,010	14,532
Lease obligations	4	87
Income taxes payable	2,487	857
Provision for bonuses	—	1,210
Asset retirement obligations	73	—
Other	19,002	17,224
Total current liabilities	58,556	61,582
Non-current liabilities		
Bonds	—	5,000
Long-term borrowings	47,266	68,155
Lease obligations	11	202
Asset retirement obligations	2,182	3,029
Other	2,975	4,966
Total non-current liabilities	52,435	81,354
Total liabilities	110,992	142,936

(Millions of yen)

	Fiscal 2023 (As of November 30, 2023)	First nine months of fiscal 2024 (As of August 31, 2024)
Net assets		
Shareholders' equity		
Share capital	8,084	8,133
Capital surplus	13,542	13,592
Retained earnings	46,168	50,519
Treasury shares	(1,102)	(668)
Total shareholders' equity	66,691	71,577
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	18
Remeasurements of defined benefit plans	(197)	(175)
Total accumulated other comprehensive income	(186)	(157)
Total net assets	66,504	71,419
Total liabilities and net assets	177,497	214,355

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statements of Income
First Nine Months

(Millions of yen)

	First nine months of fiscal 2023 (From December 1, 2022 to August 31, 2023)	First nine months of fiscal 2024 (From December 1, 2023 to August 31, 2024)
Net sales	349,223	401,412
Cost of sales	282,568	328,215
Gross profit	66,654	73,196
Selling, general and administrative expenses	52,215	63,012
Operating profit	14,439	10,184
Non-operating income		
Insurance claim income	15	20
Subsidy income	62	9
Gain on sales of scraps	22	52
Other	126	216
Total non-operating income	227	298
Non-operating expenses		
Interest expenses	201	338
Commission expenses	149	125
Other	115	312
Total non-operating expenses	466	776
Ordinary profit	14,200	9,707
Extraordinary profit		
Insurance claim income	—	133
Total extraordinary profit	—	133
Extraordinary losses		
Impairment losses	—	40
Total extraordinary losses	—	40
Profit before income taxes	14,200	9,800
Income taxes -current	4,088	2,945
Income taxes -deferred	(124)	(75)
Total income taxes	3,963	2,870
Profit	10,236	6,929
Profit attributable to owners of parent	10,236	6,929

Quarterly Consolidated Statements of Comprehensive Income

First Nine Months

(Millions of yen)

	First nine months of fiscal 2023 (From December 1, 2022 to August 31, 2023)	First nine months of fiscal 2024 (From December 1, 2023 to August 31, 2024)
Profit	10,236	6,929
Other comprehensive income		
Valuation difference on available-for-sale securities	2	7
Remeasurements of defined benefit plans, net of tax	29	21
Total other comprehensive income	31	29
Comprehensive income	10,268	6,958
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,268	6,958
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.

(Notes to the Quarterly Consolidated Statements of Cash Flows)

The quarterly consolidated Statements of Cash Flows for the Nine months ended August 31, 2024 has not been prepared. Depreciation and Amortization (including the one in intangible assets except goodwill) and amortization of goodwill for the Nine months ended August 31, 2024 are as below.

	(Millions of yen)	
	First nine months of fiscal 2023 (From December 1, 2022 to August 31, 2023)	First nine months of fiscal 2024 (From December 1, 2023 to August 31, 2024)
Depreciation and Amortization	3,038	4,366
Amortization of goodwill	—	153

(Significant events after reporting period)

None