



## Summary of Consolidated Financial Results for the Three-month Period Ended June 30, 2024 (Japanese accounting standards)

Released: July 31, 2024

Name of listed firm: Nojima Corporation

Listed on the Tokyo Stock Exchange

Code No.: 7419

URL: <https://www.nojima.co.jp>

Representative: Hiroshi Nojima, President & Representative Executive Officer

Tel.: +81-50-3116-1234

Contact: Hiroaki Hatano, Executive Officer/General Manager, Finance and Accounting Division

Scheduled start date of dividend payments: -

Supplemental materials on quarterly financial results: No

Briefing session on quarterly financial results for analysts: No

(Amounts are rounded down to the nearest million yen.)

### 1. Consolidated financial results for the fiscal year ended June 30, 2024 (April 1, 2024 - June 30, 2024)

#### (1) Consolidated results of operations

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		EBITDA		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three-month period ended June 30, 2024	189,064	10.1	7,779	49.8	8,635	50.2	15,410	33.2	5,595	68.7
Three-month period ended June 30, 2023	171,710	26.6	5,191	-36.7	5,747	-37.6	11,570	-15.4	3,316	-45.9

Note: Comprehensive income: Three-month period ended June 30, 2024: 6,538 million yen ( 62.1%)  
Three-month period ended June 30, 2023: 4,033 million yen ( -43.6%)

· For detailed information, including definitions and methods used to calculate indicators, see p. 2, "1. Qualitative Information on Quarterly Consolidated Financial Performance: (1) Explanation of operating results."

	Net income per share	Diluted net income per share
	Yen	Yen
Three-month period ended June 30, 2024	57.33	55.77
Three-month period ended June 30, 2023	33.79	33.37

Note: During the second quarter of the fiscal year ended March 31, 2024, preliminary accounting treatment for business combinations was finalized, and the figures for the first quarter of the fiscal year ended March 31, 2023 reflect the details of the preliminary accounting treatment.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2024	556,803	182,923	31.9	1,827.68
As of March 31, 2024	547,142	178,920	31.8	1,779.53

Reference: Equity: As of June 30, 2024: 177,677 million yen As of March 31, 2024: 174,190 million yen

#### 2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 2024	-	15.00	-	18.00	33.00
FY ended March 2025	-	-	-	-	-
FY ending March 2025 (planned)	-	18.00	-	18.00	36.00

Note: Revisions to the most recently announced dividend forecast: No

#### 3. Forecasts of consolidated financial results for the fiscal year ending March 2025 (April 1, 2024 - March 31, 2025)

(Percentages indicate changes from the previous year for full-year forecasts and changes from the same quarter of the previous fiscal year for quarterly forecasts)

	Net sales		Operating income		Ordinary income		EBITDA		Net income attributable to shareholders of the parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Q2 (Cumulative)	374,000	4.5	15,000	11.0	16,000	9.0	29,000	9.5	10,000	8.7	102.86
Full-year	765,000	0.5	31,000	1.4	34,000	3.2	60,000	4.3	27,000	5.1	216.02

Note: Revisions to the most recently announced consolidated earnings forecast: No

\* Notes

- (1) Significant changes in subsidiaries during this period (changes in designated subsidiaries resulting in changes in the scope of consolidation): No  
 Added: \_\_company(ies) (name(s): \_\_\_\_\_)  
 Removed: \_\_ company(ies) (name(s): \_\_\_\_\_)
- (2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- i. Changes in accounting policies due to revisions in accounting standards and other regulations: No
  - ii. Changes in accounting policies for reasons other than i.: No
  - iii. Changes in accounting estimates: No
  - iv. Restatement of prior period financial statements: No

(4) Number of shares issued and outstanding (common stock)

i. Number of shares issued and outstanding at the end of the period (including treasury stock)	As of June 30, 2024	102,579,232 shares	FY ended March 2024	102,579,232 shares
ii. Number of shares of treasury stock at the end of the period	As of June 30, 2024	5,364,263 shares	FY ended March 2024	4,693,363 shares
iii. Average number of shares during the period	As of June 30, 2024	97,590,584 shares	Three-month period ended June 30, 2023	98,150,102 shares

Note: Shares of the Company's own stock held in ESOP trust accounts are included in treasury stock subtracted from the calculation of the average number of shares during the period (0 shares for the three-month period ended June 30, 2024 and 421,320 shares for the three-month period ended June 30, 2023).

\* Financial statements are not subject to audits by certified public accountants or auditing firms

\* Explanation concerning the appropriate use of forecasts of business performance and other notes

Note on forward-looking statements:

Forecasts of business performance and other forward-looking statements in this release are based on information currently available and certain assumptions the Company deems reasonable at the time of preparation. They do not constitute a guarantee of future results. Actual results may differ materially from those of any forward-looking statements for various reasons.

○ Contents of attached documents

1.	Qualitative Information on Quarterly Consolidated Financial Performance.....	2
	(1) Explanation of operating results.....	2
	(2) Explanation of financial position .....	4
	(3) Information on forward-looking statements such as forecasts of consolidated financial results .....	4
2.	Quarterly Consolidated Financial Statements and Main Notes .....	5
	(1) Consolidated balance sheet .....	5
	(2) Consolidated income statement and consolidated statement of comprehensive income .....	7
	Consolidated income statement	
	(For the three-month period) .....	7
	Consolidated statement of comprehensive income	
	(For the three-month period) .....	8
	(3) Notes on consolidated financial statements.....	9
	(Notes on going concern assumption) .....	9
	(Significant changes in shareholders' equity) .....	9
	(Segment information, etc.) .....	9
	(Notes on the cash flow statement) .....	10
	(Important subsequent events).....	11

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

Regarding the business combination with MONEY SQUARE, INC. which took place on January 16, 2023, we applied preliminary accounting treatment during the first quarter of the fiscal year ended March 31, 2024. However, the preliminary accounting treatment for business combination was finalized during the second quarter of the fiscal year ended March 31, 2024, so we are using the revised figure after the finalization of the preliminary accounting treatment for year-on-year comparison and analysis for the consolidated cumulative period.

v

### (1) Explanation of operating results

During the three-month period ended June 30, 2024, Japan's economy as a whole showed gradual signs of recovery. On the other hand, consumer prices have continued to rise gradually, and with the ongoing high interest rates in Europe and the United States, as well as the continuing concern about the outlook for the Chinese economy, careful attention must be paid to these trends when considering future prospects.

Under these circumstances, the Nojima Group has pursued being the leader in the digital field and achieving customer satisfaction. To achieve these goals, we are undertaking initiatives to create stores that customers find easy to select and continuously provide "customer-oriented service". We have also worked to improve consulting-based sales and improve services that satisfy the needs of our customers.

As a result, for the three-month period ended June 30, 2024, we recorded net sales of 189,064 million yen (110.1% of the figure for the three-month period ended June 30, 2023), operating income of 7,779 million yen (149.8% of the figure for the three-month period ended June 30, 2023), ordinary income of 8,635 million yen (150.2% of the figure for the three-month period ended June 30, 2023), and net income attributable to shareholders of the parent company of 5,595 million yen (168.7% of the figure for the three-month period ended June 30, 2023).

Further, for EBITDA (\*), a measure the Group considers to be an important indicator of business performance, we achieved a record high of 15,410 million yen (133.2% of the figure for the three-month period ended June 30, 2023).

(\*) EBITDA = ordinary income + interest expenses + interest on bonds + depreciation + amortization of goodwill - gain or loss on equity method investment

#### (Operation of digital home electronics retail stores)

Regarding electronics retail trends, while washing machine sales stagnated due to price increases resulting from the rise in consumer prices, overall sales remained steady. This was mainly driven by strong demand for seasonal products such as air conditioners during the extreme heat.

Under these circumstances, we continued to invest in human resources, stores and digital transformation (DX). By using our service "DX project", we focused on enhancing the workforce to ensure that each customer who visits our stores is treated kindly and courteously. Regarding store investment, we opened five new stores, primarily in Chiba Prefecture, where store presence has been limited, aiming to generate new customer acquisitions. Moving forward, we will keep to our fundamental "scrap-and-build" policy, striving to develop stores that attract and satisfy customers. In terms of product, sales of air conditioners and refrigerators continued to perform strongly.

As a result, net sales in this segment totaled 68,143 million yen (110.0% of the figure for the three-month period ended June 30, 2023) and ordinary income was 3,981 million yen (103.1% of the figure for the three-month period ended June 30, 2023).

#### (Operation of mobile carrier stores)

Amid the expansion of online services for mobile devices, the rising prices of mobile devices have led to longer replacement cycles, while the demand for used devices has grown. Therefore, the mobile carrier stores are required to provide higher quality services.

Under these circumstances, we have continued to operate stores that delight our customers through the provision of original services, such as security-related services that lead to comfort and safety, and the provision of consultancy services tailored to customer needs. In addition, in order to satisfy customers, we have focused on in-store presentations and customer service that effectively communicate the appeal of the latest devices, ensuring that our customers are satisfied with the convenience of their devices.

As a result, net sales in this segment totaled 79,898 million yen (104.9% of the figure for the three-month period ended June 30, 2023), and ordinary income was 1,640 million yen (ordinary loss was 796 million yen for the three-month period ended June 30, 2023).

#### (Internet business)

Amid the increasing use of ultra-high-speed broadband services, indispensable infrastructure for daily life, we provided information on the mainstay FTTH service "@nifty Hikari" and email services at Group stores to maximize group synergies; as of the end of June, the number of broadband subscribers reached 1.29 million.

In addition, we provided information on the ultra-high-speed service "@nifty Hikari 10 Giga," including options for security and other services, to ensure that our customers can use the service safely and comfortably.

Although Cecile Co., Ltd. has continued to develop products and services that exceed customer expectations, sales have struggled, falling short of the previous year's results.

As a result, net sales in this segment totaled 17,519 million yen (103.1% of the figure for the three-month period ended June 30, 2023), and ordinary income totaled 1,965 million yen (122.7% of the figure for the three-month period ended June 30, 2023).

(Overseas business)

In Southeast Asian countries, personal consumption has remained strong as the rise in prices has slowed, and economic activity continues to recover. However, in Singapore, economic growth has stagnated and the impact of geopolitical events, such as those in the Middle East, are still of concern and require close monitoring.

Under these circumstances, we have focused on improving the quality of customer service through staff development, as well as investing in store renovations, including scrap-and-build, to create stores that are supported by our customers. Additionally, by passing on our know-how, we have been working to create stores that are appreciated by customers in each region.

As a result, net sales in this segment totaled 19,559 million yen (147.6% of the figure for the three-month period ended June 30, 2023) and ordinary loss was 88 million yen (ordinary loss was 18 million yen in the three-month period ended June 30, 2023).

(Financial business)

The US dollar/yen exchange rate, despite temporary movements that appeared to be yen-buying, fell to the upper 160 yen range at the end of June, reaching a level not seen in 37 years. This was driven by the view that the interest rate gap between Japan and the US will continue for the time being, as the Bank of Japan maintained its monetary policy and postponed the reduction of its government bond-buying operations. The euro/yen exchange rate also weakened continuously, reaching as low as the 172 yen range in June, marking a new low, as yen selling intensified due to the interest rate gap between Japan and the US. The yen also trended downward against other major currencies during the first quarter.

Under these circumstances, we continued our strategy from the previous fiscal year “Trap repeat if done – global strategy”, promoting diversified investments in pairs that tend to form range-bound markets, such as “Australian dollar/NZ dollar”, “Euro/British pound”, and “US dollar/Canadian dollar”, where “Trap repeat if done” excels. In May, we also launched “CFD trading”, expanding products that are highly compatible with “Trap repeat if done”. However, the yen’s downward trend was significantly impacted by the US dollar, and we continued to face challenges in both sales and profitability.

As a result, net sales in this segment totaled 1,448 million yen (81.6% of the figure for the three-month period ended June 30, 2023) and ordinary income was 394 million yen. (58.5% of the figure for the three-month period ended June 30, 2023)

(Stores in operation)

In the digital home appliance store operation business, with 5 new store openings and 2 store closures, including scrap-and-build, the number of digital home electronics retail stores stood at 224, or 241 if 17 dedicated communications device stores (following the closure of 1 store) are included.

In the operation of mobile carrier stores, following the transfer of 7 new stores and the closure and sale of 9 stores, including scrap-and-build, the number of stores, including both directly operated carrier stores and franchises, stood at 958.

In the overseas business, including scrap-and-build, 2 new stores opened and 3 stores closed, bringing the total to 115 stores.

In light of these factors, the numbers of stores as of June 30, 2024 are as shown below.

Stores in operation

Classification	Directly operated stores	Franchises	Total
Operation of digital home electronics retail stores	241	-	241
Digital home electronics retail stores	224	-	224
Dedicated communications device stores	17	-	17
Operation of mobile carrier stores	664	294	958
Carrier stores	620	290	910
Others	44	4	48
Overseas business	115	-	115
Total	1,020	294	1,314

## (2) Explanation of financial position

### Assets, liabilities and net assets

#### (Assets)

Total assets as of June 30, 2024 were 556,803 million yen, an increase of 9,661 million yen from the end of the previous fiscal year.

This increase was due mainly to an increase of 8,105 million yen to 361,540 million yen in current assets and an increase of 1,555 million yen to 195,262 million yen in non-current assets.

The primary factors underlying the increase in current assets included increases of 36,345 million yen in cash and deposits, despite decreases of 15,992 million yen and 12,218 million yen in accounting receivables and segregated deposits, respectively.

The main causes of the increase in non-current assets included increases of 1,565 million yen, 634 million yen, 204 million yen and 190 million yen in goodwill, lease assets, machinery, equipment and vehicles, and investment securities, respectively, despite decreases of 1,336 million yen in contractual intangible assets.

#### (Liabilities)

Total liabilities as of June 30, 2024 were 373,879 million yen, an increase of 5,657 million yen from the end of the previous fiscal year.

This increase was due mainly to a decrease of 32,490 million yen to 262,098 million yen in current liabilities and an increase of 38,149 million yen to 111,780 million yen in non-current liabilities.

The primary factors underlying the decrease in current liabilities included decreases of 18,555 million yen, 14,984 million yen and 4,365 million yen in guarantee deposits received, notes and accounts payable-trade and accrued income taxes, despite increases of 6,594 million yen and 1,670 million yen in current portion of long-term loans payable and trading products, respectively.

The main causes of the increase in non-current liabilities included increases of 37,133 million yen and 4,152 million yen in long-term loans payable and contract liabilities, respectively, despite decreases of 299 million yen in deferred tax liabilities.

#### (Net assets)

Net assets as of June 30, 2024 totaled 182,923 million yen, up 4,003 million yen from the end of the previous fiscal year, due to factors including an increase of 3,833 million yen in retained earnings.

These factors resulted in an equity ratio of 31.9%, up 0.1 points from the end of the previous fiscal year.

## (3) Information on forward-looking statements such as forecasts of consolidated financial results

Forecasts of consolidated financial results for the 1H and the full-year have not been revised since the release of the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 2024” on May 7, 2024.

## 2. Quarterly consolidated financial statements and main notes

### (1) Consolidated balance sheet

(Million yen)

	Previous fiscal year (as of March 31, 2023)	First quarter of the current fiscal year (as of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	35,912	72,257
Accounts receivable	84,989	68,997
Merchandise and products	67,469	71,053
Programing rights	1,507	2,526
Accounts receivable-other	32,345	30,933
Segregated deposits	86,370	74,151
Trading products	33,749	30,498
Other	12,083	12,097
Allowance for doubtful accounts	-993	-975
Total current assets	353,434	361,540
Non-current assets		
Tangible non-current assets		
Buildings and structures (net)	21,158	21,060
Tools, fixtures, and facilities (net)	3,944	4,029
Machinery, equipment and vehicles (net)	346	551
Lease assets (net)	18,219	18,853
Land	14,829	14,873
Other (net)	774	843
Total tangible non-current assets	59,273	60,211
Intangible assets		
Goodwill	44,042	45,607
Software	3,438	3,362
Contractual intangible assets	48,380	47,044
Technology-related intangible assets	3,760	3,603
Other	863	882
Total intangible assets	100,484	100,500
Investments and other assets		
Investment securities	4,674	4,864
Deferred tax assets	8,208	8,067
Lease and guarantee deposits	18,546	18,657
Retirement benefit assets	241	250
Other	2,637	3,068
Allowance for doubtful accounts	-360	-357
Total investments and other assets	33,948	34,550
Total non-current assets	193,707	195,262
Total assets	547,142	556,803

(Million yen)

	Previous fiscal year (as of March 31, 2023)	First quarter of the current fiscal year (as of June 30, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	80,054	65,070
Electronically recorded obligations-operating	839	1,036
Short-term loans payable	8,983	7,759
Current portion of long-term loans payable	5,171	11,766
Accounts payable-other	23,051	22,016
Accrued income taxes	7,896	3,531
Accrued consumption tax	3,589	3,081
Accrued expenses	7,068	7,118
Advance received	8,156	8,546
Contract liabilities	10,392	11,911
Reserve for points	1,247	1,226
Reserve for bonuses	4,071	1,893
Lease obligations	4,561	5,140
Guarantee deposits received	119,564	101,009
Trading products	1,367	3,038
Other	8,570	7,950
Total current liabilities	294,588	262,098
Non-current liabilities		
Long-term loans payable	11,542	48,676
Contract liabilities	11,966	16,118
Reserve for directors' retirement benefits	200	188
Retirement benefit liabilities	12,493	12,635
Deferred tax liabilities	11,505	11,206
Lease obligations	15,715	16,132
Other	10,207	6,822
Total non-current liabilities	73,631	111,780
Reserves under special laws		
Reserve for financial instruments transaction liabilities	1	0
Total Reserves under special laws	1	0
Total liabilities	368,221	373,879
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	6,330	6,330
Capital surplus	7,735	7,683
Retained earnings	162,953	166,786
Treasury stock	-6,293	-7,512
Total shareholders' equity	170,725	173,288
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	724	860
Deferred gains or losses on hedges	0	6
Currency conversion adjustments	2,740	3,522
Total accumulated other comprehensive income	3,464	4,389
Stock acquisition rights	2,628	2,762
Non-controlling interests	2,101	2,483
Total net assets	178,920	182,923
Total liabilities and net assets	547,142	556,803



## (2) Consolidated income statement and consolidated statement of comprehensive income

## Consolidated income statement

(Million yen)

	Three-month period of the previous fiscal year (April 1, 2023 - June 30, 2023)	Three-month period of the current fiscal year (April 1, 2024 - June 30, 2024)
Net sales	171,710	189,064
Cost of sales	119,102	133,627
Gross profit on sales	52,607	55,437
Sales, general and administrative expenses	47,416	47,658
Operating income	5,191	7,779
Non-operating income		
Interest income	63	53
Dividend	126	167
Purchase discounts	563	700
Other	286	328
Total non-operating income	1,040	1,250
Non-operating expenses		
Interest expenses	189	248
Loss on equity method investment	1	24
Foreign exchange losses	126	22
Other	167	98
Total non-operating expenses	484	394
Ordinary income	5,747	8,635
Extraordinary income		
Gain on reversal of share acquisition rights	12	11
Gain on sales of non-current assets	13	0
Total extraordinary income	25	11
Extraordinary losses		
Impairment losses	11	2
Loss on store closings	0	57
Total extraordinary losses	11	59
Net income before taxes and other adjustments	5,761	8,587
Income taxes-current	1,752	2,963
Income taxes-deferred	641	8
Total income taxes	2,394	2,972
Net income	3,366	5,614
Net income attributable to shareholders of the non-controlling interests	50	19
Net income attributable to shareholders of the parent company	3,316	5,595

Consolidated statement of comprehensive income  
(For the three-month period)

	(Million yen)	
	Three-month period of the previous fiscal year (April 1, 2023 - June 30, 2023)	Three-month period of the current fiscal year (April 1, 2024 - June 30, 2024)
Net income	3,366	5,614
Other comprehensive income		
Valuation difference on available-for-sale securities	126	136
Deferred gains or losses on hedges	32	6
Currency conversion adjustments	524	782
Adjustments for retirement benefit obligations	-18	0
Total other comprehensive income	666	924
Comprehensive income	4,033	6,538
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	3,982	6,519
Comprehensive income attributable to non-controlling interests	50	19

### (3) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Significant changes in shareholders' equity)

Not applicable

(Segment information, etc.)

[Segment information]

#### I Three-month period of the previous fiscal year (April 1, 2023 – June 30, 2023)

##### 1. Net sales and income (loss) by reporting segment

(Million yen)

	Reporting segment						Other (*1)	Total	Adjustments (*2)	Amount on quarterly consolidated income statement (*3)
	Operation of digital home electronics retail stores	Operation of mobile carrier stores	Operation of Internet business	Overseas business	Financial business	Subtotal				
Net sales										
Net sales to external customers	61,479	75,976	16,849	13,251	1,775	169,332	2,377	171,710	-	171,710
Internal sales or transfers between segments	486	162	135	-	-	783	201	984	-984	-
Subtotal	61,965	76,138	16,985	13,251	1,775	170,116	2,578	172,695	-984	171,710
Segment income	3,863	-796	1,602	-18	673	5,324	490	5,815	-67	5,747

Notes:

- \*1. The "Other" business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the satellite broadcasting business, the sports business, the training business and the mega-solar business.
- \*2. Adjustments to segment income (loss) consist of companywide costs not distributed among reporting segments.
- \*3. Segment income (loss) is adjusted with ordinary income on the quarterly consolidated income statement.
- \*4. In the previous consolidated fiscal year, preliminary accounting treatment for business combination was finalized, and the segment income or loss reflected the finalized content of this preliminary accounting treatment.

##### 2. Information on impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment losses on non-current assets)

The carrying amount of a group of assets that have recorded a continued loss from business activities is reduced to the recoverable amount and the reduced amount is recorded as an impairment loss under extraordinary loss.

The amount recorded in the reporting segment was 8 million yen for the operation of mobile carrier stores, and 2 million yen for the operation of internet business.

(Significant change in amount of goodwill)

Not applicable

II Three-month period of the current fiscal year (April 1, 2024 – June 30, 2024)

1. Net sales and income (loss) by reporting segment

(Million yen)

	Reporting segment						Other (*1)	Total	Adjustments (*2)	Amount on consolidated financial statements (*3)
	Operation of digital home electronics retail stores	Operation of mobile carrier stores	Operation of Internet business	Overseas business	Financial business	Subtotal				
Net sales										
Net sales to external customers	67,482	79,312	17,418	19,559	1,448	185,221	3,842	189,064	-	189,064
Internal sales or transfers between segments	660	586	101	-	-	1,348	198	1,546	-1,546	-
Subtotal	68,143	79,898	17,519	19,559	1,448	186,570	4,041	190,611	-1,546	189,064
Segment income (loss)	3,981	1,640	1,965	-88	394	7,893	758	8,652	-17	8,635

Notes:

- \*1. The “Other” business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the satellite broadcasting business, the sports business, the training business and the mega-solar business.
- \*2. Adjustments to segment income (loss) consist of companywide costs not distributed among reporting segments.
- \*3. Segment income (loss) is adjusted with ordinary income on the quarterly consolidated income statement.

2. Information on impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment losses on non-current assets)

The carrying amount of a group of assets that have recorded a continued loss from business activities is reduced to the recoverable amount and the reduced amount is recorded as an impairment loss under extraordinary loss.

The amount recorded in the reporting segment was 1 million yen for the operation of mobile carrier stores, and 1 million yen for the overseas business.

(Significant change in amount of goodwill)

Not applicable

(Notes on the cash flow statement)

The quarterly cash flow statement for the three-month period of the current fiscal year has not been prepared. However, depreciation expenses (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the three-month period are as follows.

(Million yen)

	Three-month period of the previous fiscal year (April 1, 2023 - June 30, 2023)	Three-month period of the current fiscal year (April 1, 2024 - June 30, 2024)
Depreciation	3,959	4,286
Amortization of goodwill	1,226	1,461

(Important subsequent events)

(Stock options)

At the Board of Directors meeting held on July 16, 2024, the Company resolved detailed terms for the issuance of stock options following the approval of the proposal on the “Issuance of Stock Acquisition Rights as Stock Options” at the 62st Ordinary General Meeting of Shareholders.

1. Reason for issuing stock acquisition rights as stock options

The objective of adopting a program of stock options is to increase corporate value by strengthening morale and motivation in order to improve Group’s business performance. To achieve this objective, stock options are issued gratis.

2. Overview of issuance of stock acquisition rights

Date of issuing stock acquisition rights	August 6, 2024
Classification and number of people to be granted	Directors of the Company: 14 Executive Officers of the Company: 4 Employees of the Company: 1,339 Directors and employees of our subsidiaries: 1,668
Number of stock acquisition rights	36,246
Type, content, and number of shares subject to stock acquisition rights	Common stock Number of shares constituting one unit: 100
Amount to be paid for exercising stock acquisition rights	TBD (Scheduled to be determined on August 6, 2024)
Period of exercise of stock acquisition rights	From July 17, 2027 to July 16, 2029
Price of issued shares and amount of capital incorporation in the case of issuing shares upon exercise of stock acquisition rights	TBD (Scheduled to be determined on August 6, 2024)

\*The content is based on the resolution for the issuance of stock acquisition rights as of July 16, 2024.

## (Introduction of Employee Stock Ownership Plan Trust-type ESOP)

On July 31, 2024, the Board of Directors resolved to reintroduce the “Employee Stock Ownership Plan Trust-type ESOP” (hereinafter referred to as “the Plan”), as an incentive plan aimed at enhancing medium- to long-term corporate value and expanding employee benefits by utilizing the employee stock ownership plan.

### 1. Purpose of the Reintroduction

The Company reintroduced the Plan to revitalize the Company Group's employee stock ownership plan as part of employee benefits, promoting stable asset formation for employees of the Company Group, and enhancing their sense of participation in corporate management as well as providing incentives for improving performance, all aimed at enhancing the Company's medium- to long-term corporate value.

The Company initially introduced the Plan in March 2022, and terminated it in October 2023. However, after comprehensively considering the results and effects of the Plan, the decision was made to reintroduce it.

### 2. Overview of the Plan

The Company will reintroduce the Plan for employees of the Company Group who are members of the “Nex Employee Stock Ownership Plan” (hereinafter referred to as “the Stock Ownership Plan”).

The Company will establish an “Employee Stock Ownership Plan Trust (Third-party Beneficiary Trust)” (hereinafter referred to as “the Stock Ownership Plan Trust”), which will designate as beneficiaries the employees of the Company Group who meet certain requirements for membership in the Stock Ownership Plan.

The Stock Ownership Plan Trust will acquire, in a lump sum, the number of the Company's shares anticipated to be purchased by the Stock Ownership Plan over approximately three years after the conclusion of the trust agreement, using funds procured through borrowing. The Company will guarantee the repayment of these borrowings for the Stock Ownership Plan Trust.

After the reintroduction of the Plan, the Stock Ownership Plan will purchase the Company's shares from the Stock Ownership Plan Trust. When capital gains accumulate in the Stock Ownership Plan Trust through the acquisition of the Company's shares by the Stock Ownership Plan, these gains will be distributed to the beneficiaries (employees of the Company Group) upon the termination of the trust. On the other hand, if the Stock Ownership Plan Trust is unable to fully repay the borrowing due to a decline of share price, the Company will repay the outstanding debt to the lending bank. Employees of the Company Group who are members of the Stock Ownership Plan will bear no burden in this regard.

### 3. Overview of the Stock Ownership Plan Trust

(1) Trustor: The Company

(2) Trustee: Sumitomo Mitsui Trust Bank, Ltd.

(Re-trustee: Japan Custody Bank, Ltd.)

(3) Beneficiaries: Members of the Stock Ownership Plan who meet the beneficiary requirements

(4) Type of Trust: Monetary Trust (Third-party Beneficiary Trust)

(5) Trust Agreement Date: August 28, 2024 (planned)

(6) Trust Period: August 28, 2024 (planned) – End of August 2027 (planned)

(7) Purpose of Trust: Stable and continuous supply of the Company's shares to the Stock Ownership Plan and distribution of the trust assets to the beneficiaries, as determined through the beneficiary determination process.

### 4. Details of the Company's Share Acquisition by the Stock Ownership Plan Trust

(1) Type of Shares to Be Acquired: Common stock of the Company

(2) Total Acquisition Amount: Up to 3,000 million yen

(3) Acquisition Period: August 28, 2024 – November 29, 2024 (planned)

(4) Acquisition Method: Acquisitions through transactions on the stock exchange (including off-market transactions)