

August 28, 2025

NJ Holdings Inc.

Financial Results Briefing for the Full Year of the Fiscal Year Ended June 30, 2025

Summary of Key Questions and Answers

Q.1) Having achieved profitability for two consecutive periods, profits are still small.

What level of operating profit margin do you expect to achieve?

We are still in the process of recovery through improvements from past performance and securing projects as part of near-term measures. We expect a normal operating profit margin of approximately 5%.

Q.2) Beyond that normalized level, how high do you think the operating profit margin could go?

With contract development as our main business, profit margins won't change significantly. As stated in our medium-term management plan, we believe it's important to develop in-house IP while simultaneously improving productivity and quality. This is a medium to long-term challenge, not something achievable in the short term.

Q.3) Are you considering anything in terms of business domains?

As noted in our medium-term plan, we are exploring new business areas. At the same time, we believe our gaming business human capital holds considerable value. We aim to capitalize on this strength to pursue in-house IP development and other initiatives outlined in our medium-term plan.

Q.4) The operating profit of 400 million yen in the medium-term plan seems low relative to revenue. What are your thoughts on this?

As we work through improvements from past performance and achieve business stabilization, we consider this a target we should reach.

Q.5) With the syndicated loan's short-term maturity approaching, what is the current status?

As loans with financial covenants are subject to mandatory disclosure requirements, I would prefer to refrain from providing detailed answers. However, given that we achieved profitability this period, we believe there are no particular issues with renewal, and we are currently in discussions regarding refinancing.

Q.6) Could you also provide an explanation from a balance sheet perspective? For example, regarding goodwill and funding, I'd also like your comments on the point that cash and deposits appear low relative to your business scale.

Regarding goodwill, while there were past impairments, we expect amortization to proceed as scheduled. Year-end cash and deposits may appear low, but this is due to the timing of cash inflows and outflows related to development projects, so it's not as concerning as it looks. However, we recognize the need to build up our cash position further, taking such fluctuations into account.

Q.7) What caused the operating profit shortfall against the 100 million yen forecast?

This resulted from contract development orders planned for the fourth quarter being postponed to next fiscal year, and regarding our internally developed and published titles, while some performed roughly as planned, others underperformed their sales targets.

Q.8) The medium-term plan targets consolidated operating profit of 200 million yen for the second year, but your earnings guidance is 150 million yen, which is 50 million yen below target. I'd like to understand the reasons for this shortfall and confirm the final year target.

Our earnings guidance is calculated based on certain reasonable assumptions, and there can be differences from our aspirational targets. However, we don't believe this gap requires revision of the medium-term plan. Our target remains unchanged at 200 million yen. As for the final year target of 400 million yen, we currently have no plans to change it. We believe this is an achievable figure within range if we can fully realize the potential of our human resources in the gaming business.

(note) The forecasts in this document are based on information currently available to the Company and certain assumptions that the Company believes are reasonable. Actual

results may differ from forecasts.

(note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.