



STANDARD

September 24, 2024

To whom it may concern

NJ Holdings Inc.
Takahiro Fukuda
Representative Director and President
Security Code: 9421
Tokyo Stock Exchange Standard Market
Inquiries: Soichi Nozawa
Head of Corporate Planning Department
Telephone: +81-3-5418-8128

Notice Regarding Resolution of 'Material Events Related to Going Concern Assumptions' and 'Notes on Going Concern Assumptions' through Amendment to Syndicated Loan Agreement

NJ Holdings Inc. (the “Company”) hereby announces that the Company executed an amendment to the syndicated loan agreement as of September 24, 2024. As the Company have determined that the events or circumstances that raised substantial doubt about the Company's ability to continue as a going concern have been resolved, the Company will remove the sections 'Material Events Related to Going Concern Assumptions' and 'Notes on Going Concern Assumptions' from our Annual Securities Report scheduled to be filed on September 25, 2024, as detailed below.

As announced in the Company's Consolidated Financial Results for the Fiscal Year Ended June 2024 [Japanese GAAP] released on August 9, 2024, the Company achieved a turnaround to profitability with operating income of 102 million yen for the consolidated fiscal year. While its cash and deposits increased to 1,693 million yen against financial liabilities of 1,100 million yen, the Company had included notes regarding going concern assumptions due to the existence of events and circumstances that raised substantial doubt about the Company's ability to continue as a going concern, and the recognition of material uncertainty related to going concern assumptions. This was due to the fact that, at the time of the announcement, the Company had recorded operating losses and ordinary losses for two consecutive consolidated fiscal years, and its breach of financial covenants had prevented it from obtaining additional financing from the syndicate group. Furthermore, the renewal period for the Company's recent short-term loans had been reduced to six months. Considering these circumstances, along with the anticipated increase in working capital requirements accompanying business expansion from future performance improvements, the Company could not conclude that it had secured sufficient liquidity.

As a result of ongoing discussions with the syndicate group, the Company executed an amendment to the syndicated loan agreement as of September 24, 2024, which includes refinancing of short-term loans that were due at the end of September 2024 with increased loan amounts and extended terms of one year, as well as the relaxation of financial covenants.

The principal terms of the amendment are as follows: In conjunction with the repayment of Tranche B (outstanding loan balance of 463 million yen, maturity date of September 30, 2024) under the syndicated loan agreement, the Company will establish a new Tranche D (loan amount of 525 million yen, execution date of September 30, 2024, maturity date of September 30, 2025) with an increased loan amount and a one-year term. Additionally, the financial covenants in the syndicated loan agreement will be modified to change the base fiscal year-end date for maintaining the total amount of net assets from 'the end of March 2019 fiscal year' to 'the end of June 2023 fiscal year'.

As the Company has now secured sufficient liquidity through these measures, it has determined that the events or circumstances that raised substantial doubt about its ability to continue as a going concern have been resolved. Accordingly, the Company will remove the sections 'Material Events Related to Going Concern Assumptions' and 'Notes on Going Concern Assumptions' from its Annual Securities Report scheduled to be filed on September 25, 2024.

The Company would like to express its sincere apologies to its shareholders, business partners, and other stakeholders for causing them significant concern. The Company will continue its efforts to further improve its business performance and strengthen its financial foundation, and humbly requests their continued support.

Note: This document has been translated from a part of 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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.