

Kakuyasu Co.,Ltd.

Representative Director and President

Junichi Sato

(Ticker Code : 7686 Tokyo Stock Exchange Second Section)

Inquiry to Executive Officer and General Manager

Yoshiyuki Maegaichi

of Finance and Accounting Dept

Stock Acquisition of Sannoh Co.,Ltd.

This is to announce that the Company resolved to acquire entire common stocks of Sannoh Co., Ltd. (headquartered in Fukuoka city, Fukuoka prefecture; hereinafter “Sannoh”) at the Board of Directors meeting convened today, making them a subsidiary company. Details are described as follows.

1. Purpose of the stock acquisition

The Company aims at meeting any customers’ requests and being considered the most convenient liquor store by customers. The policy is reflected in the brand name, “*Anything Liquor Store Kakuyasu*”, and under the policy the Company develops a distribution infrastructure mainly for liquor.

Currently, the Company distributes liquor and goods to restaurants through 11 distribution centers for business in the Tokyo metropolitan area and Osaka prefecture. The Company also operates 173 stores, small warehouses, and other facilities to deliver liquors by shuttle distribution in small trade areas and sell them at stores.

Sannoh is a company that aims to enhance the richness of life by providing liquor. The company sells liquor for business purposes and operates “*Liquors ABC*”, a retail brand of liquor primarily sold to downtown restaurants, mainly in Fukuoka, Fukuoka prefecture. Sannoh is widely recognized in Fukuoka.

The Company’s decision to make Sannoh a subsidiary is based on its intention to expand its domestic business into the Kyushu region. Following the acquisition, the Company will strengthen its business base and enhance its corporate value.

2. Overview of the Acquiree

(1) Company Name	Sannoh Co.,Ltd.
(2) Headquarters	1-4-19 Minoshima, Hakata-ku, Fukuoka city
(3) Representative	Shin Ohki, Representative Director
(4) Business	Liquor sales for business and retailing liquors
(5) Paid-in Capital	JPY 10 million

(6) Establishment	August, 2005	
(7) Shareowner	Undisclosed at the request of the Seller	
(8) Relationship between The Company and the Acquiree	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.

(9) Business results and Financial position of the past three years

Fiscal Year Ending	February 28, 2017	February 28, 2018	February 28, 2019
Net Assets	JPY 146 million	JPY 195 million	JPY 262 million
Total Assets	JPY 308 million	JPY 383 million	JPY 450 million
Sales	JPY 1,898 million	JPY 2,047 million	JPY 2,173 million
Operating Profit (Loss)	(JPY 5 million)	JPY 26 million	JPY 54 million
Recurring Profit	JPY 52 million	JPY 78 million	JPY 104 million
Net Profit	JPY 35 million	JPY 53 million	JPY 71 million
Dividend per share	JPY 25,000	JPY 25,000	JPY25,000

3. Overview of the Seller

- The Seller's information cannot be disclosed at the request of the Seller.
- There was no relationship between the Company and the Seller.

4. Acquiring shares, acquisition price, and post-acquisition ownership

(1)	Acquiring shares	200 shares
(2)	Corresponding voting rights	200
(3)	Post-acquisition ownership	100.0%
(4)	Acquisition price	Undisclosed at the request of the Seller

5. Schedule

• Board Resolution	April 6, 2020
• Signing Date	April 6, 2020
• Closing Date (scheduled)	May 1, 2020

6. Future Outlook

While the Company considers the impact of the transaction on the Company's consolidated financial statements minor, the Company will disclose it if something is to be disclosed.

Disclaimer: This is an English translation of the disclosure. This translation is prepared and provided for the reader's convenience.