

[Translation]

November 14, 2023

Kakuyasu Group Co.,Ltd.

Representative Director and President Yoshiyuki Maegaichi

(Ticker Code : 7686 Tokyo Stock Exchange Standard Market)

Inquiry to Executive Officer Hiroyuki Yamamoto

Revised FY2023 Interim Earnings with Extraordinary Loss

The Company announces differences between its earnings outlook for the first half (April 1 to September 30, 2023) of the fiscal year ending March 31, 2024, and the actual results announced on November 14, 2023. The Company also announces that it has recorded extraordinary loss. Details are described as follows.

1. Revisions to consolidated financial results forecasts for the current fiscal year (April 1, 2023 through September 30, 2023)

	Sales	Operating profit	Recurring profit	Net Profit attributable to owners of parent	Earnings per share
Previously announced forecasts (A) (Published on August 14, 2023)	JPY million 3,300	JPY million 1,190	JPY million 1,180	JPY million 690	JPY 73.65
Revised forecasts (B)	63,679	1,131	1,139	437	46.60
Change (B-A)	379	(58)	(40)	(252)	
Change (%)	0.6	(4.9)	(3.5)	(36.6)	
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended September 30, 2022)	53,797	(684)	(688)	(780)	(83.73)

2. Reason for the revision and recording impairment loss as extraordinary loss

In the first six months of the fiscal year, consolidated sales slightly exceeded sales of the previous outlook. However, profitability at certain stores fell significantly short of the initial outlook, and the Company incurred impairment loss on non-current assets of JPY 286 million at these stores as extraordinary loss. Falling profitability at such stores arose while having changes in the distribution system after the end of the coronavirus pandemic, which resulted in that profit attributable to owners of parent fell short of the previous outlook by 36.6%.

Meanwhile, the full-year consolidated earnings forecasts remain unchanged.

In addition, the revised earnings outlook and extraordinary loss are reflected in the summary of consolidated financial statements for the first six months ended September 30, 2023, announced on November 14, 2023.

Disclaimer:

- The outlook figures described above are estimates based on currently available information. Actual results may differ from the outlook due to various unforeseeable factors.
- This is an English translation of the disclosure. This translation is prepared and provided for the reader's convenience.