



Announcement of Company Split (Simplified Absorption-type Split) With the Advent of Group Business Restructuring

This is to announce that, at the Board meeting held today, the Company resolved to implement an absorption-type company split (hereinafter referred to as the "Split") to transfer the in-Group delivery business of Kakuyasu Co., Ltd. (hereinafter referred to as "Kakuyasu"), a wholly owned subsidiary, to Daiwa Express Co., Ltd. (hereinafter referred to as "Daiwa"), another wholly owned subsidiary. On the same day, Kakuyasu and Daiwa concluded an absorption-type company split agreement. Details are described below.

Please note that as this absorption-type split is a simplified absorption-type split between wholly owned subsidiaries of the Company, some disclosure items and details have been omitted. In addition, any rights and obligations requiring supervisory approval will be succeeded upon the acquisition of such approval.

1. Purpose of the Split

As stated in today's "Announcement of the Implementation of the Group Business Restructuring", in order for the Group's future growth and profitability, we intend to expand business domain beyond the sale of liquor, and based on our strength in "logistics", establish a comprehensive sales platform that integrates services from order reception to delivery and settlement. To establish the sales platform for customers, we believe it is essential to provide a wide range of products that align with their needs and delivery frequency by utilizing third-party delivery function in addition to our existing self-delivery system.

The split will be the first step in the Group's restructuring to enhance the multi-functionality of its logistic system. This will involve shifting the in-Group delivery operations from Hewajima Logistics Center (located in Ota-ku, Tokyo, and approximately 16,000m²) to small delivery stations.

2. Summary of the Split

(1) Schedule of the Split

Date of resolution of the Board of Directors	13 February 2025
Date of conclusion of the Split agreement	13 February 2025
Effective date	1 April 2025 (scheduled)

- ※ The Split falls under the simplified absorption-type split as defined in Article 784(2) of the Companies Act for Kakuyasu and the simplified absorption-type split as defined in Article 796(2) Companies Act for Daiwa Express, neither company will hold a general meeting of shareholders to approve the Split agreement.

(2) Method of the Split

This is an absorption-type split, with Kakuyasu as the splitting company and Daiwa Express as the successor company.

(3) Allotment Related to the Split

As the split will be conducted between wholly owned subsidiaries of the Company, no share allotment or other compensation will be issued.

(4) Share Acquisition Right & Bond With Stock Acquisition Right

Not applicable.

(5) Increase of Decrease in Capital

The Split will not result in any change in capital.

(6) Rights and Obligations to Be Assumed by the Successor Company

On the effective date, Daiwa will assume the assets, liabilities, contracts, and other rights and obligations related to the in-Group delivery business, as specified in the Split agreement.

(7) Prospects for Fulfillment of Obligations

We do not anticipate any difficulty for Daiwa in fulfilling the obligations related to this Split.

3. Profile of the Companies Involved in the Split

		Splitting Company	Successor Company
(1)	Corporate Name	Kakuyasu Co., Ltd.	Daiwa Express Co., Ltd.
(2)	Headquarters	2-3-1 Toshima, Kita-ku, Tokyo	7-7-25 Niikura, Wako City, Saitama
(3)	Representative	President and Representative Director Junichi Sato	President and Representative Director Manabu Ookawara

(4)	Business Activities	Home delivery, retail, wholesale and intermediation of liquor, etc.	Motor truck transportation First-class consigned freight forwarding
(5)	Established	October 2020	July 1995
(6)	Capital	JPY 10 million	JPY 26 million
(7)	Total number of shares issued	580 shares	380 shares
(8)	Fiscal year end	March 31	March 31
(9)	Major shareholders and shareholding ratio	Kakuyasu Group Co., Ltd. 100%	Kakuyasu Group Co., Ltd. 100%
(10)	Financial and business performance for the most recent fiscal year		
		Fiscal year ending March 2024	Fiscal year ending March 2024
	Net assets	JPY 3,688 million	JPY 227 million
	Total assets	JPY 25,835 million	JPY 278 million
	Net assets per share	JPY 6,360,077	JPY 437,405
	Sales	JPY 123,577 million	JPY 279 million
	Operating profit (loss)	JPY 2,363 million	JPY (9) million
	Recurring profit(loss)	JPY 2,377 million	JPY 1 million
	Net income	JPY 1,105 million	JPY 1 million
	Net income per share	JPY 1,906,077	JPY 2,221

4. Business to Be Split

(1)	Business to be split	In-Group delivery business for liquor, etc.
(2)	Operating results of the split business for the fiscal year ending March 2024	Not applicable (※)
(3)	Items and amounts of assets and liabilities to be split off	Daiwa will take over the assets and liabilities related to be business in (1). The amount has not been finalized.

(※) As of now, only costs have been recognized by Kakuyasu for the in-Group delivery business, so the accounting result for revenue cannot be determined. After the effective date, both revenue and expense will be recognized.

5. Status of the Company Concerned After the Split

There will be no change to the splitting company in terms of its corporation name, headquarters, representative, business activities, capital or fiscal year-end. Similarly, there will be no change to the successor company, Daiwa, regarding its corporation name, headquarters, business activities, capital, or fiscal year-end. However, an additional representative director will be appointed as of April 1, 2025.

6. Future Outlook

As the Split is an organizational restructuring between wholly-owned subsidiaries of the Company, its impact on the consolidated financial results is expected to be minor. However, if any material matters arise that require disclosure, we will make an announcement promptly.

[Inquiry]

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